As filed with the Securities and Exchange Commission on July 12, 2019

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

OneWater Marine Inc.
(Exact name of registrant as specified in its charter)

Delaware	5531	83-4330138
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(IRS Employer Identification No.)

6275 Lanier Islands Parkway
Buford, Georgia 30518
(678) 541-6300
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Austin Singleton
Chief Executive Officer
6275 Lanier Islands Parkway
Buford, Georgia 30518
(678) 541-6300
(Name, address, including zip code, and telephone number, including area code, of agent for service)

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(212) 859-8000

Approximate date of commencement of proposed sale to the public:
As soon as practicable after this Registration Statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box: o

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer o — Accelerated filer o

Non-accelerated filer ☒ — Smaller reporting company o

Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act. o

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price[(1)(2)]	Amount of Registration Fee
Class A common stock, par value $0.01 per share	$ 100,000,000.00	$ 12,120.00

(1) Includes the aggregate offering price of shares of Class A common stock that may be purchased upon the exercise of the underwriters' option to purchase additional shares of Class A common stock.

(2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until this registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

The information in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state or jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED , 2019

PRELIMINARY PROSPECTUS

Shares

OneWater Marine Inc.

Class A Common Stock

This is the initial public offering of Class A common stock of OneWater Marine Inc., a Delaware corporation. We are offering shares of Class A common stock.

Prior to this offering, there has been no public market for our Class A common stock. We intend to apply to list our Class A common stock on The Nasdaq Global Market under the symbol " ."

We anticipate that the initial public offering price will be between $ and $ per share of Class A common stock.

The underwriters have the option for a period of 30 days from the date of this prospectus to purchase up to an additional shares from us at the public offering price less the underwriting discount and commissions.

We are an "emerging growth company," as defined in Section 2(a) of the Securities Act of 1933, as amended (the "Securities Act"), and will be subject to reduced reporting requirements. This prospectus complies with the requirements that apply to an issuer that is an emerging growth company. We will have two classes of common stock outstanding after this offering: Class A common stock and Class B common stock. Upon consummation of this offering, investors in this offering will hold % of the Class A common stock, representing % of the total voting stock outstanding. Legacy Owners (as defined herein) will hold % of the total voting stock outstanding, including 100.0% of the Class B common stock, which vote together with the Class A common stock as a single class.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Investing in our Class A common stock involves risks. See "Risk Factors" beginning on page 23 to read about factors you should consider before buying shares of our Class A common stock.

	Per Share	Total
Initial public offering price	$	$
Underwriting discount and commissions(1)	$	$
Proceeds, before expenses, to OneWater Marine Inc.	$	$

(1) See "Underwriting (Conflicts of Interest)" for additional information regarding underwriting compensation.

The underwriters expect to deliver the Class A shares to purchasers on or about , 2019, through the book-entry facilities of The Depository Trust Company.

Goldman Sachs & Co. LLC **Raymond James**

The date of this prospectus is , 2019.

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Neither we nor the underwriters have authorized anyone to provide you with information different from that contained in this prospectus and any free writing prospectus we have prepared. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. Offers to sell, and solicitations of offers to buy, shares of our Class A common stock are being made only in jurisdictions where offers and sales are permitted. The information in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of the Class A common stock. Our business, financial condition, results of operations and prospects may have changed since the date of this prospectus.

This prospectus contains forward-looking statements that are subject to a number of risks and uncertainties, many of which are beyond our control. See "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements."

Industry and Market Data

The market data and certain other statistical information used throughout this prospectus are based on independent industry publications, publicly available information, business organizations, government publications and other published independent sources, including data from an annual report published by the National Marine Manufacturer's Association ("NMMA"). Some data is also based on our good faith estimates. Although we believe these third-party sources are reliable as of their respective dates, neither we nor the underwriters have independently verified the accuracy or completeness of this information. Market share data is subject to change and may be limited by the availability of raw data, the voluntary nature of the data gathering process and other limitations in any statistical survey of market share data. Accordingly, you are cautioned not to place undue reliance on such market share data or any other such estimates. The industry in which we operate is subject to a high degree of uncertainty and risk due to a

variety of factors, including those described in the section entitled “Risk Factors.” These and other factors could cause results to differ materially from those expressed in these publications.

Trademarks and Trade Names

We rely on various trade names that we use in connection with the operation of our business. This prospectus may also contain trademarks, service marks and trade names of third parties, which are the property of their respective owners. Our use or display of third parties’ trademarks, service marks, trade names or products in this prospectus is not intended to, and does not imply a relationship with, or endorsement or sponsorship by us. Solely for convenience, the trademarks, service marks and trade names referred to in this prospectus may appear without the ®, TM or SM symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the right of the applicable licensor to these trademarks, service marks and trade names.

Basis of Presentation

Organizational Structure

In connection with the closing of this offering, we will effect certain organizational transactions, which we describe in “Prospectus Summary—Corporate Reorganization” and “Corporate Reorganization” and refer to herein as the “Reorganization.” Unless otherwise stated or the context otherwise requires, all information in this prospectus reflects the consummation of the Reorganization, including this offering. See “Corporate Reorganization” and a diagram depicting our organizational structure in “Prospectus Summary—Corporate Reorganization” for more information.

Except as otherwise indicated or required by the context, all references in this prospectus to the “Company,” “we,” “us” or “our” relate to OneWater Marine Inc. (“OneWater Inc.”) and its consolidated subsidiaries after giving effect to the Reorganization. References in this prospectus to “OneWater LLC” or our “Predecessor” refer to One Water Marine Holdings, LLC, our accounting predecessor, and its consolidated subsidiaries. References in this prospectus to the “Legacy Owners” refer to the existing owners of OneWater LLC, including, but not limited to, Goldman Sachs & Co. LLC (“Goldman”) and affiliates of The Beekman Group (“Beekman”), and certain members of our management team.

We will be a holding company and the sole managing member of OneWater LLC, and upon completion of this offering and the application of proceeds therefrom, our principal asset will consist of common units of OneWater LLC.

Presentation of Financial and Other Information

OneWater LLC is the accounting predecessor of the issuer, OneWater Inc. OneWater Inc. will be the audited financial reporting entity following this offering. Accordingly, this prospectus contains the following historical financial statements:

- *OneWater Inc.*: Other than the inception balance sheet, dated as of April 3, 2019, the historical financial information of OneWater Inc. has not been included in this prospectus as it is a newly incorporated entity, has no business transactions or activities to date and had no assets or liabilities during the periods presented in this prospectus.
- *OneWater LLC*: As we will have no other interest in any operations other than those of OneWater LLC and its subsidiaries, the historical consolidated financial information included in this prospectus is that of OneWater LLC and its subsidiaries.

The unaudited pro forma financial information of OneWater Inc. presented in this prospectus has been derived by the application of pro forma adjustments to the historical consolidated financial statements of OneWater LLC and its subsidiaries included elsewhere in this prospectus. These pro forma adjustments give effect to the Reorganization and the consummation of this offering as if they had occurred on October 1, 2017, in the case of the unaudited pro forma consolidated statement of operations data, and as of March 31, 2019, in the case of the unaudited pro forma consolidated balance sheet. See “Unaudited Pro Forma Consolidated Financial Information” for a complete description of the adjustments and assumptions underlying the pro forma financial information included in this prospectus.

Certain monetary amounts, percentages and other figures included in this prospectus have been subject to rounding adjustments. Percentage amounts included in this prospectus have not in all cases been calculated on the basis of such rounded figures, but on the basis of such amounts prior to rounding. For this reason, percentage amounts in this prospectus may vary from those obtained by performing the same calculations using the figures in our consolidated financial statements included elsewhere in this prospectus. Certain other amounts that appear in this prospectus may not sum due to rounding.

The Company's fiscal year ends on September 30. Unless otherwise stated, all references to the "fiscal year" refer to the twelve months ended September 30 of the applicable year.

PROSPECTUS SUMMARY

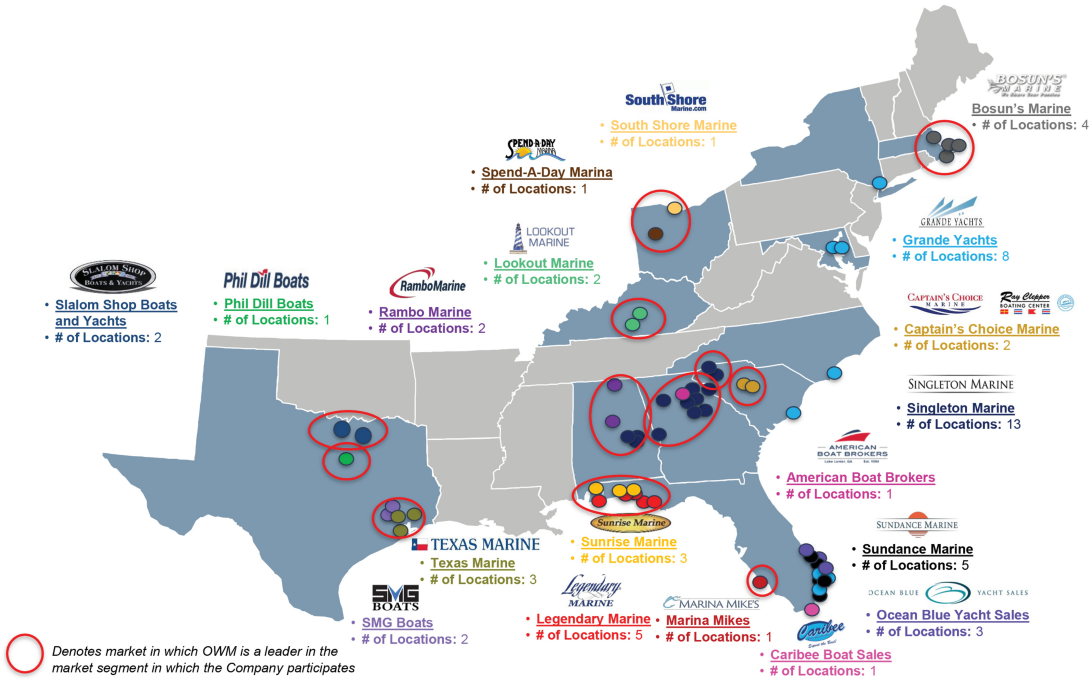
This summary contains basic information about us and the offering. Because it is a summary, it does not contain all the information that you should consider before investing in our Class A common stock. You should read and carefully consider this entire prospectus before making an investment decision, especially the information presented under the heading "Risk Factors," "Cautionary Note Regarding Forward-Looking Statements," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and the accompanying notes included elsewhere in this prospectus.

Except as otherwise indicated, all information contained in this prospectus assumes an initial public offering price of $ per share of Class A common stock (the mid-point of the range set forth on the cover of this prospectus) and that the underwriters do not exercise their option to purchase additional shares, and excludes shares of Class A common stock reserved for issuance under our long-term incentive plan.

ONEWATER MARINE INC.

Overview

We are one of the largest and fastest-growing premium recreational boat retailers in the United States with 60 stores comprising 20 dealer groups in 11 states. Our dealer groups are located within highly attractive markets throughout the Southeast, Gulf Coast, Mid-Atlantic and Northeast, including Texas, Florida, Alabama, North Carolina, South Carolina, Georgia, Ohio and New York, which collectively comprise eight of the top twenty states for marine retail expenditures. We believe that we are a market leader by volume in sales of premium boats in 12 out of the 17 markets where we operate. In 2018, we sold over 7,500 new and pre-owned boats, of which we believe approximately 40% were sold to customers who had a trade-in or with whom we otherwise had established relationships. The combination of our significant scale, diverse inventory, access to premium boat brand and meaningful dealer group brand equity enables us to provide a consistently professional experience as reflected in the number of our repeat customers and same-store sales growth.

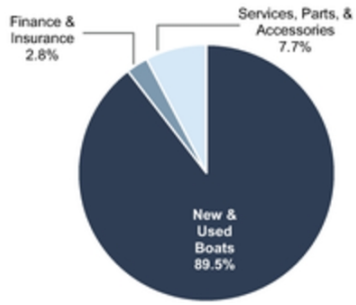


Note: Store count as of July 2019.

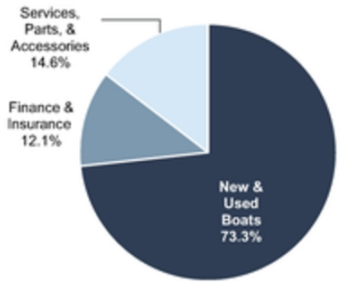
We have a diversified revenue profile that is comprised of new boat sales, pre-owned boat sales, finance and insurance ("F&I") products, repair and maintenance services, and parts and accessories.

Non-boat sales were approximately 10% of revenue and 27% of gross profit in fiscal year 2018, and approximately 12% of revenue and 31% of gross profit for the six months ended March 31, 2019. We offer a wide array of new boats at various price points through relationships with over 47 manufacturers covering 64 brands. We are currently a top-three customer for 24 of our 64 brands and the single largest customer for each of our top five highest-selling brands. While our order volume amounts to between 5% to 35% of total sales for those top five brands, no single brand accounts for more than 10% of our sales volume. Our relationships with many of our manufacturers are long-standing and have been developed over multiple decades of experience within the marine industry. We believe that the strength of our relationships combined with our scale enables us to receive among the best pricing and terms available across all of the brands and models that we carry, and we routinely evaluate the sales performance and demand for each respective brand to ensure that the economic relationship we have in place with our manufacturers optimizes our profitability.

2018 Revenue by Product



2018 Gross Profit by Product



Selected OneWater OEM Brands

We were formed in 2014 as One Water Marine Holdings, LLC, a Delaware limited liability company, through the combination of Singleton Assets & Operations, LLC, a Georgia limited liability company, d/b/a Singleton Marine ("Singleton Marine"), and Legendary Marine, LLC, a Florida limited liability company ("Legendary Marine"), which created a marine retail platform that collectively owned and operated 19 stores. Since the combination in 2014, we have acquired a total of 37 additional stores through 16 acquisitions. Our current portfolio as of May 31, 2019 consists of 20 different local and regional dealer groups. While we have opportunistically opened new stores in select markets, we believe that it is generally more effective economically and operationally to acquire existing stores with experienced staff and established reputations.

We believe that our dealer group branding strategy, which retains the name, logo and trademarks associated with each store or dealer group at the time of acquisition, significantly differentiates us from our largest competitors who employ singular, national branding strategies. We are committed to maintaining local and regional dealer group branding because we believe that the value of retaining the goodwill and long-standing customer relationships of these local businesses, many of which have been built by families over decades, far exceeds the benefits of attempting to establish a potentially unfamiliar "OneWater" national brand. In addition, preserving this established identity maintains the long term engagement of former owners because their name and reputation remain figuratively and literally "on the door."

Summary of Fiscal Year 2018 Financial Performance and Key Metrics

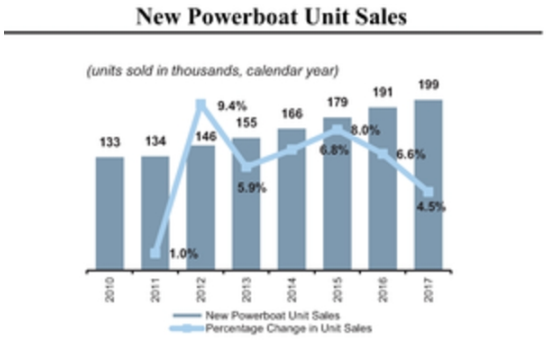
We have experienced significant growth in recent years.

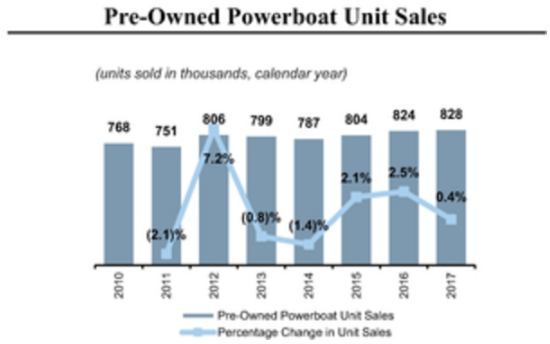
- Revenue increased 54% year-over-year from $391.5 million in fiscal year 2017 to $602.8 million in fiscal year 2018.
- Consolidated same-store sales growth increased 22% in fiscal year 2018.
- Gross profit margins increased 90 basis points in fiscal year 2018, contributing to gross profit of $137.7 million (61% year-over-year growth).
- Operating expenses as a percentage of revenue declined 155 basis points in fiscal year 2018 contributing to a second consecutive year of a reduction in operating expense margins.
- Net income of $1.9 million in fiscal year 2018 compared to net loss of $(4.3) million in fiscal year 2017.
- Adjusted EBITDA has more than doubled year-over-year from $17.7 million in fiscal year 2017 to $40.8 million in fiscal year 2018.
- Operating stores increased to 53 locations, up 18% over the prior year.

For a reconciliation of Adjusted EBITDA to net income (loss), its most directly comparable financial measure presented in accordance with accounting principles generally accepted in the United States ("GAAP"), see "— Summary Historical and Pro Forma Consolidated Financial and Operating Data" below.

Our Market and Our Customer

Consumer spending on boats, engines, services, parts, accessories and related purchases reached $39 billion in 2017 and has grown in excess of 5% annually since 2010. New powerboat sales have driven market growth and reached $9.6 billion in 2017, implying a 13% annual growth rate since 2010. Of the approximately one million powerboats sold in the United States each year, 81% of total units sold (approximately 810,000) are pre-owned. Relative demand for new and late-model boats has increased in recent years in part due to the continuous evolution of boat technology and design including, but not limited to, seating configurations, power, efficiency, instrumentation and electronics, and wakesurf gates, each of which represents a material design improvement that cannot be matched by more dated boat models. We believe the increasing pace of innovation in technology and design will result in more frequent upgrade purchases and ultimately higher sales volumes of new and late-model, pre-owned boat sales.

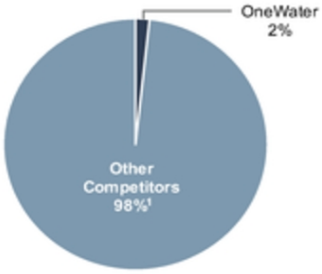




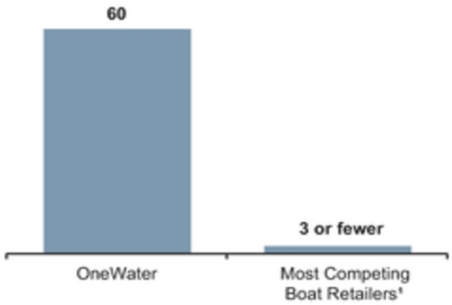
[1] *Note: NMMA Industry Report*

The boat dealership market is highly fragmented and is comprised of over 4,000 stores nationwide. Most competing boat retailers are operated by local business owners who own three or fewer stores. We are one of the largest and fastest-growing premium recreational boat retailers in the United States. Despite our size, we comprise less than 2% of total industry sales. Our scale and business model allow us to leverage our extensive inventory to provide consumers with the ability to find a boat that matches their preferences (e.g., make, model color, configuration and other options) and to deliver the boat within days while providing a personalized sales experience. We are able to operate with a comparatively higher degree of profitability than other independent retailers because we allocate support resources across our store base, focus on high-margin products and services, utilize floor plan financing and provide core back-office functions on a scale that many independent retailers are unable to match. We seek to be the leading boat retailer by total market share within each boating market and within the product segments in which we participate. To the extent that we are not, we will evaluate acquiring other local retailers in order to increase our sales, to add additional brands or to provide us with additional high-quality personnel.

Market Share



Store Comparison



[1] *Note: Our industry includes competitors such as MarineMax, Inc. (NYSE: HZO) ("MarineMax") with 67 stores as of May 1, 2019 selling premium boats and BassPro Shops, which sells entry-level boats together with other outdoor sporting goods across 171 stores.*

We believe that boating is a lifestyle that brings families and friends together regardless of their stage of life. Whether a person grew up in a household that owned a boat or experiences boating later in life, once a person buys their first boat they often become a boating customer for life. Our customers are typically middle to upper-middle class families who either own a house on the water or live near a body of water where they can engage in boating activities. We serve customers whose boating preferences span from general recreation and cruising to fresh and salt water fishing to watersports, including wakeboarding and wake surfing. The profile of our customers range from those in their early-to-mid 30's who are upgrading their house, cars and lifestyle to those who have owned multiple boats and view boating as a way of life. Our inventory and product selection allow us to cater to a highly diverse customer base with price points and boat types that appeal to a broad spectrum of budgets and preferences. In fiscal year 2018, the boating industry's and MarineMax's average selling prices for a new boat were $48,000 and $203,000, respectively. By comparison, our average selling price for a new boat in fiscal year 2018 was $91,000.

Our Strengths

Leading Market Position and Scale: We are one of the largest and fastest-growing premium recreational boat retailers in the United States, with 60 stores across 11 states. We have a strong presence in Texas, Florida, Alabama, South Carolina, Georgia, Ohio, New York and North Carolina with 53 stores. Collectively these markets comprise eight of the top twenty states for marine retail expenditures.

Differentiated Marketing and Branding Strategy: We are committed to maintaining a local and regional dealer group branding strategy and believe that retaining the goodwill and long-standing customer relationships of dealer groups that we acquire provides significantly more value than establishing a potentially unfamiliar "OneWater" national brand across each of our stores. Preserving the

existing brands enables us to retain key staff, including senior management, which reduces or eliminates our need to hire and train new people when we complete an acquisition.

Our marketing department is able to deploy highly efficient and targeted sales campaigns due to the number of customers we have served to date and the analytics we have obtained from prior transactions. Customers who buy boats commonly make ongoing purchases of parts, repair and maintenance services and storage. We proactively send marketing messages to anticipate when a customer may need additional repair and maintenance services in order for us to maximize the value of a customer and to diversify our revenue streams across all revenue categories.

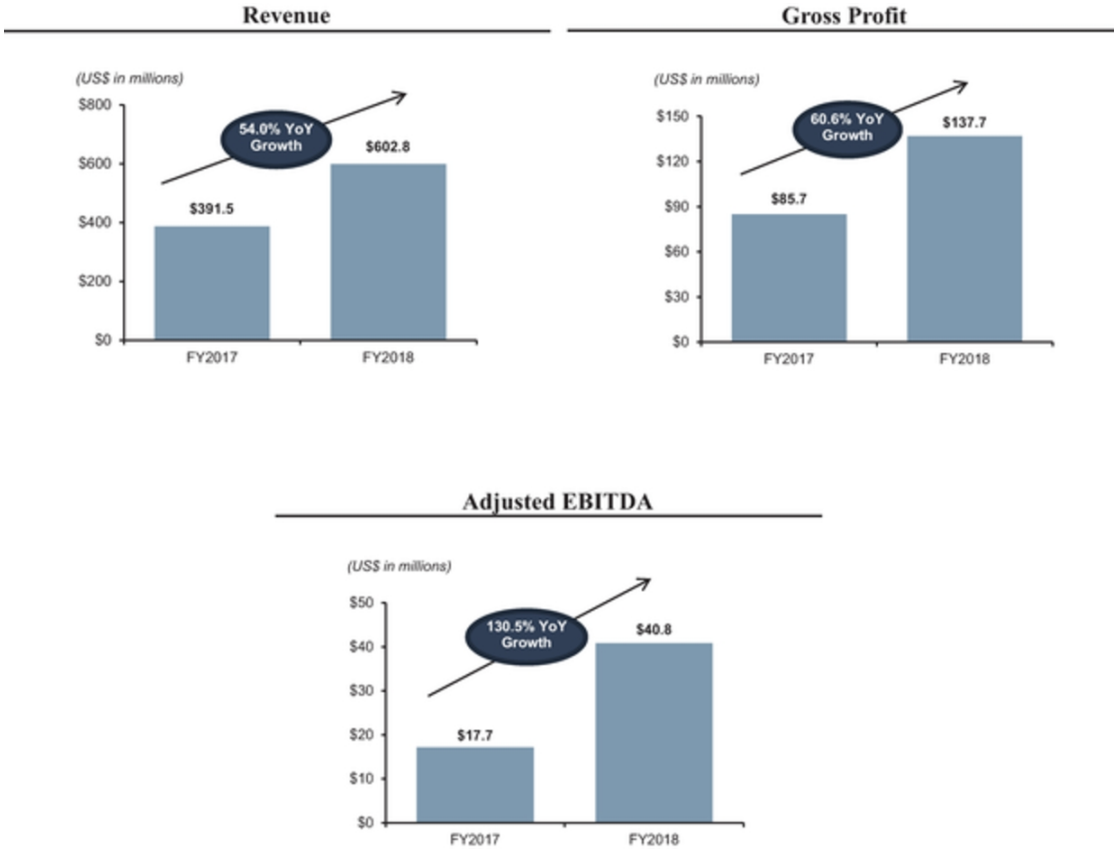
Seasoned Consolidator in a Highly Fragmented Market: We have an extensive acquisition track record within the boating industry and have developed a reputation for treating sellers and their staff in an honest and fair manner. We believe our reputation and scale have positioned us as a buyer of choice for boat dealers who want to sell their businesses. To date, 100% of our acquisitions have been sourced from inbound inquiries, and the number of annual inquiries we receive has consistently increased over time. Less than 50% of the inbound leads that we receive meet our criteria but more than 90% of the stores on which we conduct diligence are ultimately acquired. Our acquisition and integration team has executed 16 acquisitions since 2014. Our acquisition team is typically able to convert the selling dealer groups' back-office systems to our IT platform within approximately ten days, with full integration of most acquisitions completed in approximately 45 days. Our strategy is to acquire stores at attractive EBITDA multiples and then grow same-store sales while benefitting from cost-reducing synergies. Historically, we have typically acquired dealer groups for less than 4.0x EBITDA on a trailing twelve months basis and believe that we will be able to continue to make attractive acquisitions within this range.

Strong Yet Flexible Relationships with Leading Boat Manufacturers: Most of our relationships with our manufacturers are long-standing with many dating back two decades or longer. We communicate with our manufacturers on a weekly basis to monitor our orders and make adjustments based on our current inventory levels and forecasted customer demand. Our contracts also exclude any requirements pertaining to mandatory capital expenditures, branding and unit pricing. Furthermore, we have flexibility to change brands, subject to territory availability, at each store based on sales performance or other factors.

We are an essential customer to many of our top manufacturers and do not believe that there is a material risk that they would stop selling boats to us in any of our markets given our scale and long-standing relationships. We were recognized as Dealer of the Year by Boating Industry in 2016 and 2017, were inducted into the Boating Industry Top 100 Hall of Fame in 2018, and have been a Top 100 dealer since 2006. Certain of our local and regional dealer groups, including Singleton Marine, have been recognized among the top dealers worldwide for Cobalt Boats, Regal Boats, Harris and Yamaha Boats, and among the top dealers in the Southeast for Malibu and Axis. Additionally, we are also the top Yamaha Jet Boat dealer by volume in the United States.

Diversified Revenue Streams: We offer a broad range of products and services beyond new and pre-owned boats, including repair and maintenance services, parts and accessories, F&I products, and ancillary services, including storage. Although non-boat sales contributed approximately 10% and 12% to revenue in fiscal year 2018 and the six months ended March 31, 2019, respectively, the higher gross margin on these product and service lines resulted in non-boat sales contributing 27% and 31% of gross profit during such periods, respectively. During different phases of the economic cycle, consumer behavior may shift away from new boats; however, we are well positioned to benefit from revenue from pre-owned boats, repair and maintenance services, and parts and accessories, which have historically increased during periods of economic uncertainty. We have also diversified our business across geographies and dealership types (e.g., fresh water and salt water) in order to reduce the effects of seasonality. For instance, boating activity in South Florida increases during winter months, whereas freshwater boating in the Southeast, Mid-Atlantic and Northeast peaks during late-spring and summer.

Attractive Financial Profile: Since the formation of OneWater LLC in 2014, we have established a high growth financial profile driven by strong same-store sales growth and acquisitions. This growth has resulted in a high level of free cash flow generation, and allows us to maintain a conservative leverage profile. Excluding inventory financing, our business requires a low level of capital with historical maintenance capital expenditures typically under 0.5% of revenue. We are focused on achieving profitable growth and have been able to achieve an increase in Adjusted EBITDA margins by growing revenue at a higher rate than operating expenses have increased.



Highly Experienced Management Team: We have assembled an exceptional team of highly experienced professionals within the boating industry. The average industry tenure of our executive team is 24 years, and our Chief Executive Officer Austin Singleton, who is a second generation boat dealer, has been in the industry for 31 years. In addition, our Chief Operating Officer, Anthony Aisquith, and Chief Financial Officer, Jack Ezzell, have 24 and 17 years of industry experience, respectively, and both have public-company experience with our largest competitor, MarineMax.

Growth Strategy

Organic Growth Strategy: Our business model utilizes our unique scale to drive profitable same-store sales growth. We seek to gain market share by delivering high-quality products and services, with customized attributes tailored to our customers' product specifications. Our management team and business model are extremely agile, allowing us to target sales in specific segments of the industry that are outperforming overall industry trends. Additionally, we are able to leverage our potential customer database to garner new sales. Sales growth from our existing stores is a core component of our current and future strategy. We believe non-boat sales will be a driver of our organic growth strategy in the future. We have implemented a targeted marketing strategy across our platform focused on increasing new and existing customer awareness and usage of our F&I products, repair and maintenance services, and parts and accessories products.

Acquisition Strategy: We believe there is a tremendous opportunity for us to expand in both existing and new markets, given that the industry is highly fragmented with most boat retailers owning three or fewer stores. We seek to create value by implementing the best tested operational practices to family-owned and operated businesses that previously lacked the resources, management experience and expertise to maximize the profitability of the acquired standalone businesses. We believe that the boat retail market is underpinned by strong fundamental drivers, and that, with the implementation of operational control measures and the injection of resources, local stores can significantly increase revenues and profitability. We believe our status as a consolidator of choice is based on the expertise we have developed through completing 16 acquisitions (37 stores acquired) since 2014, our growing cash flow and financial profile, and our footprint of retailers within prime markets. Our ability to acquire additional stores or dealer groups at attractive multiples is further enhanced by our growing reputation for retaining the seller's management team and keeping their branding and legacy intact. We believe there is significant opportunity to expand our store footprint in regions with strong boating cultures. While we have a strong presence in the Southeastern portion of the United States, there are several areas of opportunity in states adjacent to our current geographic footprint as well as states in new regions in the Midwest and Western United States. We are targeting to complete four to eight potential acquisitions that may contribute an estimated total of $100.0 million to $200.0 million in sales over the next 24 months, though we can provide no assurance as to the timing or completion of such acquisitions. As a result of our reputation in the market place, we expect our pipeline of potential acquisitions to grow over time.

Recent Developments

This recent developments section includes "forward-looking statements." All statements contained herein other than statements of historical facts, including, without limitation, statements regarding our expectations regarding our financial and operating results for the nine months ended June 30, 2019, and our future financial and business performance, are forward-looking statements. The words "could," "believe," "anticipate," "intend," "estimate," "expect," "project" and similar expressions are intended to identify forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy, short-term and long-term business operations and objectives and financial needs. When considering forward-looking statements, you should keep in mind the risk factors and other cautionary statements described under the heading "Risk Factors," "Cautionary Note Regarding Forward-Looking Statements," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business" included in this prospectus.

Preliminary Financial Results for the Nine Months Ended June 30, 2019

The following preliminary financial information for the nine months ended June 30, 2019 is based upon our estimates as of the date of this prospectus and is subject to completion of our financial closing procedures. This information should be read in conjunction with our consolidated financial statements and the related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations" for prior periods included elsewhere in this prospectus. Our independent registered public accounting firm, Grant Thornton LLP, has not audited or reviewed, and does not express an opinion with respect to, these data. This summary is not a comprehensive statement of our financial results for this period, and our actual results may differ from these estimates due to the completion of our financial closing procedures and final adjustments and other developments that may arise between now and the time our final quarterly financial statements are completed. Our actual results for the nine months ended June 30, 2019 will not be available until after this offering is completed. There can be no assurance that these estimates will be realized, and estimates are inherently uncertain and are subject to a variety of business, economic and competitive risks and uncertainties, many of which are not within our control and we undertake no obligation to update this information. As a result, these estimates should not be viewed as a substitute for full interim financial statements, prepared in accordance with GAAP. In addition, these preliminary estimates for the nine months ended June 30, 2019 are not necessarily indicative of the results to be achieved for the remainder of our 2019 fiscal year or any other future period.

We have prepared estimates of the following preliminary financial data for the nine months ended June 30, 2019. We have prepared these estimates on a materially consistent basis with the financial

‘information presented elsewhere in this prospectus and in good faith based upon our internal reporting as of and for the nine months ended June 30, 2019. We are in the process of completing our customary quarterly close and review procedures as of and for the quarter ended June 30, 2019, and there can be no assurance that our final results for this period will not differ from these estimates. During the course of the preparation of our consolidated financial statements and related notes as of and for the nine months ended June 30, 2019, we may identify items that could cause our final reported results to be materially different from the preliminary financial estimates presented below.

	Nine Months Ended June 30, 2019		% Change Nine Months Ended June 30, 2019 Versus June 30, 2018	
	Range		Range	
	Low	High	Low	High
	(in thousands)			
Consolidated Statement of Operations Data:				
Revenue	$	$	%	%
Costs of sales	$	$	%	%
Net income (loss)	$	$	%	%
Other Financial Data:				
Adjusted EBITDA	$	$	%	%
Number of stores				
Same-store sales growth	%	%	%	%
Consolidated Balance Sheet Data (at end of period):				
Total assets	$	$	%	%
Long-term debt (including current portion)	$	$	%	%
Total liabilities	$	$	%	%

Adjusted EBITDA is not a financial measurement presented in accordance with GAAP. We define Adjusted EBITDA as net income (loss) before interest expense – other, income taxes, depreciation and amortization and other (income) expense, further adjusted to eliminate the effects of items such as the change in the fair value of warrants and transaction costs.

Adjusted EBITDA is a supplemental non-GAAP financial measure that we believe is useful to external users of our consolidated financial statements, such as industry analysts, investors, lenders and rating agencies because it allows them to compare our operating performance on a consistent basis across periods by removing the effects of our capital structure (such as varying levels of interest expense), asset base (such as depreciation and amortization) and other items that impact the comparability of financial results from period to period. We present Adjusted EBITDA because we believe it provides useful information regarding the factors and trends affecting our business in addition to measures calculated under GAAP.

The following table presents a reconciliation of Adjusted EBITDA to the GAAP financial measure of net income (loss) for the nine months ended June 30, 2019. See "Summary Historical and Pro Forma Consolidated Financial and Operating Data—Non-GAAP Financial Measure" for information regarding our use of Adjusted EBITDA.

	Nine Months ended June 30, 2019 Range	
	Low	High
Net income (loss)	$	$
Interest expense – other		
Income taxes		
Depreciation and amortization		
Change in fair value of warrant(1)		
Transaction costs(2)		
Adjusted EBITDA	$	$

Additional Recent Events

On December 1, 2018, OneWater LLC acquired substantially all of the assets of The Slalom Shop, LLC ("Slalom Shop"), a dealer group based in Texas with two stores engaged in selling new and pre-owned boats and providing financing services and parts and services, for total consideration of approximately $7.8 million.

On February 1, 2019, OneWater LLC acquired substantially all of the assets of Ocean Blue Yacht Sales, LLC ("Ocean Blue"), a dealer group based in Florida with three stores engaged in selling new and pre-owned boats and providing parts and services, for total consideration of approximately $10.0 million.

On February 1, 2019, OneWater LLC acquired substantially all of the assets of Ray Clepper, Inc. (d/b/a Ray Clepper Boat Center), a dealer group based in South Carolina with one store engaged in selling new and pre-owned boats and providing parts and repair services, for total cash consideration of approximately $0.3 million.

On April 5, 2019, OneWater LLC and certain of its subsidiaries further amended the Fourth Amended and Restated Inventory Financing Agreement with Wells Fargo Commercial Distribution Finance, LLC and various lender parties thereto (as amended, the "Inventory Financing Facility") to, among other things, increase the maximum amount of borrowing available under the Inventory Financing Facility from $275.0 million to $292.5 million.

On May 1, 2019, OneWater LLC acquired substantially all of the assets of Caribee Boat Sales and Marina, Inc., a dealer group based in Florida with one store engaged in selling new and pre-owned boats, providing parts and repair services and related boat storage, for total cash consideration of approximately $10.3 million.

Prior to the closing of this offering, we, through certain of our subsidiaries, expect to complete a sale-leaseback transaction (the "Sale-Leaseback Transaction") with affiliates of SunTrust Equity Funding, LLC ("SunTrust"), with respect to five of our boat dealerships located throughout Florida and Georgia, for aggregate cash consideration of approximately $17.0 million.

Corporate Reorganization

OneWater Inc. was incorporated as a Delaware corporation on April 3, 2019. Following this offering and the related transactions, OneWater Inc. will be a holding company whose only material asset will consist of membership interests in OneWater LLC. Following the closing of this offering, OneWater LLC will own all of the outstanding equity interests in One Water Assets & Operations, LLC ("Opco"), which in turn will own all of the outstanding equity interests in the subsidiaries through which we operate our assets. After the consummation of the Reorganization, OneWater Inc. will be the sole managing member of OneWater LLC and will be responsible for all operational, management and administrative decisions relating to OneWater LLC's business and will consolidate financial results of OneWater LLC, Opco and its subsidiaries.

In connection with the offering:

(a) One Legacy Owner holding a preferred distribution right of OneWater LLC will receive a distribution of additional common units of OneWater LLC in exchange for the surrender of the preferred right;

(b) OneWater LLC will provide the Legacy Owners the right to receive a tax distribution to cover taxable income arising as a result of OneWater LLC's operating income through the period ending on the date of the closing of this offering;

(c) OneWater LLC's limited liability company agreement will be amended and restated to, among other things, provide for a single class of common units representing ownership interests in OneWater LLC, which we refer to in this prospectus as "OneWater LLC Units"; OneWater Inc.'s certificate of incorporation and bylaws will be amended and restated; all of the Legacy Owners' existing membership interests in OneWater LLC will be exchanged for OneWater LLC Units; and Goldman and Beekman will receive OneWater LLC Units upon exercise of certain previously held warrants;

(d) Certain of the Legacy Owners will, directly or indirectly, contribute their OneWater LLC Units to OneWater Inc. (we refer to such Legacy Owners as the "Exchanging Owners") in exchange for shares of Class A common stock;

(e) OneWater Inc. will issue shares of Class A common stock to purchasers in this offering in exchange for the proceeds of this offering;

(f) OneWater Inc. will issue to each Legacy Owner that will continue to own OneWater LLC units after this offering (which, along with any permitted transferees, as appropriate, we collectively refer to in this prospectus as the "OneWater Unit Holders"), a number of shares of Class B common stock equal to the number of OneWater LLC Units held by such OneWater Unit Holder following this offering;

(g) OneWater Inc. will contribute the net proceeds of this offering to OneWater LLC in exchange for an additional number of OneWater LLC Units such that OneWater Inc. holds a total number of OneWater LLC Units equal to the number of shares of Class A common stock outstanding following this offering; and

(h) OneWater LLC will contribute cash to Opco in exchange for additional units therein, and Opco will redeem all of the outstanding preferred units ("Opco Preferred Units") in Opco held by Goldman and Beekman for cash. Please see "Use of Proceeds" and "Certain Relationships and Related Party Transactions—Historical Transactions with Affiliates—Opco Preferred Units" and "—OneWater LLC Warrants" for additional information.

After giving effect to these transactions and the offering contemplated by this prospectus, OneWater Inc. will own an approximate % interest in OneWater LLC (or % if the underwriters' option to purchase additional shares is exercised in full), and the OneWater Unit Holders will own an approximate % interest in OneWater LLC (or % if the underwriters' option to purchase additional shares is exercised in full) and all of the Class B common stock. Please see "Principal Stockholders."

Each share of Class B common stock has no economic rights but entitles its holder to one vote on all matters to be voted on by stockholder generally. Holders of Class A common stock and Class B common stock will vote together as a single class on all matters presented to our stockholders for their vote or approval, except as otherwise required by applicable law or by our amended and restated certificate of incorporation. OneWater Inc. does not intend to list Class B common stock on any exchange.

Following this offering, under the Amended and Restated Limited Liability Company Agreement of OneWater LLC (the "OneWater LLC Agreement"), each OneWater Unit Holder will, subject to certain limitations, have the right (the "Redemption Right") to cause OneWater LLC to acquire all or a portion of its OneWater LLC Units for, at OneWater LLC's election, (i) shares of our Class A common stock at a redemption ratio of one share of Class A common stock for each OneWater LLC Unit redeemed, subject to conversion rate adjustments for stock splits, stock dividends and reclassification and other similar transactions or (ii) an equivalent amount of cash. An independent committee of our board of directors will

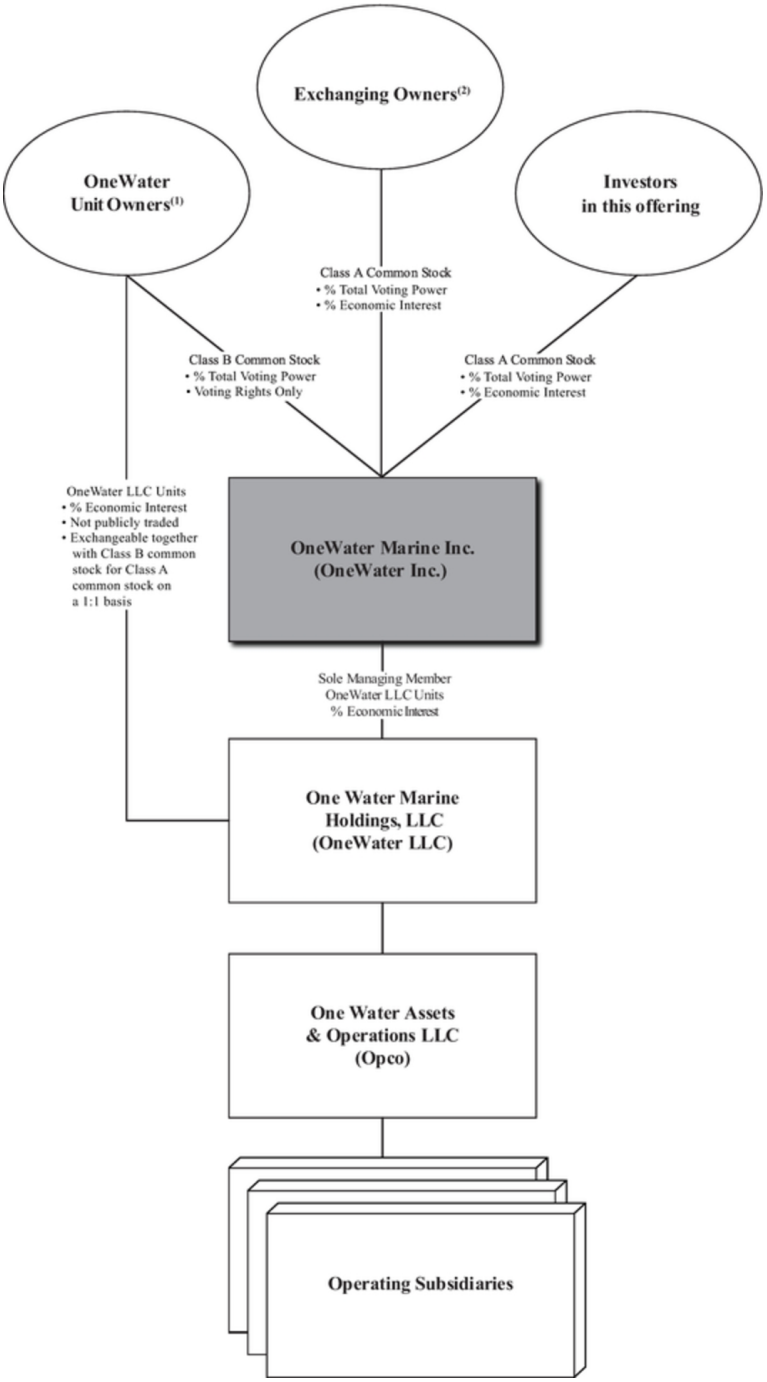
determine whether to issue shares of Class A common stock or cash based on facts in existence at the time of the decision, which we expect would include the relative value of the Class A common stock (including trading prices for the Class A common stock at the time), the cash purchase price, the availability of other sources of liquidity (such as an issuance of stock) to acquire the OneWater LLC Units and alternative uses for such cash. Alternatively, upon the exercise of the Redemption Right, OneWater Inc. (instead of OneWater LLC) will have the right (the "Call Right") to, for administrative convenience, acquire each tendered OneWater LLC Unit directly from the redeeming OneWater Unit Holder for, at its election, (x) one share of Class A common stock, subject to conversion rate adjustments for stock splits, stock dividends and reclassification and other similar transactions, or (y) an equivalent amount of cash. In addition, OneWater Inc. has the right to require (i) upon the acquisition by OneWater Inc. of substantially all of the OneWater LLC Units, certain minority unitholders or (ii) upon a change of control of OneWater Inc., each OneWater Unit Holder (other than OneWater Inc.), to exercise its Redemption Right with respect to some or all of such unitholder's OneWater LLC Units. In connection with any redemption of OneWater LLC Units pursuant to the Redemption Right or the Call Right, the corresponding number of shares of Class B common stock will be cancelled. See "Certain Relationships and Related Party Transactions—OneWater LLC Agreement." Certain Legacy Owners will have the right, under certain circumstances, to cause us to register the offer and resale of their shares of Class A common stock. See "Certain Relationships and Related Party Transactions— Registration Rights Agreement."

OneWater Inc.'s acquisition (or deemed acquisition for U.S. federal income tax purposes) of OneWater LLC Units in connection with this offering or pursuant to an exercise of the Redemption Right or the Call Right is expected to result in adjustments to the tax basis of the tangible and intangible assets of OneWater LLC, and such adjustments will be allocated to OneWater Inc. These adjustments would not have been available to OneWater Inc. absent its acquisition or deemed acquisition of OneWater LLC Units and are expected to reduce the amount of cash tax that OneWater Inc. would otherwise be required to pay in the future.

OneWater Inc. will enter into a tax receivable agreement, which we refer to as the "Tax Receivable Agreement," with certain of the OneWater Unit Holders. The Tax Receivable Agreement generally provides for the payment by OneWater Inc. to such OneWater Unit Holders of 85% of the net cash savings, if any, in U.S. federal, state and local income and franchise tax (computed using the estimated impact of state and local taxes) that OneWater Inc. actually realizes (or is deemed to realize in certain circumstances) in periods after this offering as a result of, as applicable to each such OneWater Unit Holder, (i) certain increases in tax basis that occur as a result of its acquisition (or deemed acquisition for U.S. federal income tax purposes) of all or a portion of such OneWater Unit Holder's OneWater LLC Units in connection with this offering or pursuant to the exercise of the Redemption Right or the Call Right and (ii) imputed interest deemed to be paid by OneWater Inc. as a result of, and additional tax basis arising from, any payments OneWater Inc. makes under the Tax Receivable Agreement.

Payments will generally be made under the Tax Receivable Agreement as OneWater Inc. realizes actual cash tax savings in periods after this offering from the tax benefits covered by the Tax Receivable Agreement. However, if OneWater Inc. experiences a change of control (as defined under the Tax Receivable Agreement, which includes certain mergers, asset sales and other forms of business combinations) or the Tax Receivable Agreement terminates early (at OneWater Inc.'s election or as a result of OneWater Inc.'s breach), OneWater Inc. would be required to make an immediate payment equal to the present value of the anticipated future payments to be made by it under the Tax Receivable Agreement (determined by applying a discount rate equal to the long-term Treasury rate in effect on the applicable date plus basis points) and such early termination payment is expected to be substantial. OneWater Inc. will be dependent on OneWater LLC to make distributions to OneWater Inc. in an amount sufficient to cover OneWater Inc.'s obligations under the Tax Receivable Agreement.

The following diagram indicates our simplified ownership structure immediately following this offering and the transactions related thereto (assuming that the underwriters' option to purchase additional shares is not exercised):



(1) Consists of Legacy Owners that will continue to own OneWater LLC units.

(2) In connection with the Reorganization, the Exchanging Owners will directly or indirectly contribute all of their OneWater LLC Units to OneWater Inc. in exchange for shares of Class A Common Stock.

Our Legacy Owners

Upon completion of this offering, the Legacy Owners will initially own OneWater LLC Units, and shares of Class A common stock, representing approximately % of the voting power of the Company (or % if the underwriters exercise their option to purchase additional shares in full), and shares of Class B common stock, representing approximately % of the voting power of the Company (or % if the underwriters exercise their option to purchase additional shares in full). For more information on our corporate reorganization and the ownership of our common stock by our principal stockholders, see "Corporate Reorganization."

Summary Risk Factors

Investing in our Class A common stock involves risks. You should read carefully the section of this prospectus entitled "Risk Factors" beginning on page 23 for an explanation of these risks before investing in our Class A common stock. In particular, the following considerations may offset our competitive strengths or have a negative effect on our strategy or operating activities, which could cause a decrease in the price of our Class A common stock and a loss of all or part of your investment.

- General economic conditions and consumer spending patterns can have a material adverse effect on our business, financial condition, and results of operations.
- The availability and costs of borrowed funds can adversely affect our ability to obtain adequate boat inventory, the ability and willingness of our customers to finance boat purchases, and our ability to fund future acquisitions.
- Failure to implement strategies to enhance our performance could have a material adverse effect on our business and financial condition.
- Our success depends, in part, on our ability to continue to make successful acquisitions at attractive or fair prices and to integrate the operations of acquired dealer groups and each dealer group we acquire in the future.
- We are required to obtain the consent of our manufacturers prior to the acquisition of other dealer groups.
- Our failure to successfully order and manage our inventory to reflect consumer demand and to anticipate changing consumer preferences and buying trends could have a material adverse effect on our business, financial condition and results of operations.
- OneWater Inc. is a holding company. OneWater Inc.'s only material asset after completion of this offering will be its equity interest in OneWater LLC, and OneWater Inc. will accordingly be dependent upon distributions from OneWater LLC to pay taxes, make payments under the Tax Receivable Agreement and cover OneWater Inc.'s corporate and other overhead expenses.
- We have identified a material weakness in our internal control over financial reporting and may identify additional material weaknesses in the future or otherwise fail to maintain an effective system of internal controls.
- If we fail to remediate the material weakness in our internal control over financial reporting, or experience any additional material weaknesses in the future or otherwise fail to develop or maintain an effective system of internal controls in the future, we may not be able to accurately report our financial condition or results of operations, which may adversely affect investor confidence in us and, as a result, the value of our Class A common stock.
- In certain cases, payments under the Tax Receivable Agreement may be accelerated and/or significantly exceed the actual benefits, if any, OneWater Inc. realizes in respect of the tax attributes subject to the Tax Receivable Agreement.
- The Legacy Owners will own a significant amount of our voting stock, and their interests may conflict with those of our other stockholders.

See "Risk Factors" immediately following this prospectus summary for a more thorough discussion of these and other risks and uncertainties we face.

Emerging Growth Company Status

As a company with less than $1.07 billion in revenue during our last fiscal year, we qualify as an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"). An emerging growth company may take advantage of specified reduced reporting and other requirements that are otherwise applicable generally to public companies. These provisions include:

- We are required to have only two years of audited financial statements and only two years of related Management's Discussion and Analysis of Financial Condition and Results of Operations disclosure;
- We are not required to engage an auditor to report on our internal controls over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act");
- We are not required to comply with any requirement that may be adopted by the Public Company Accounting Oversight Board (the "PCAOB") regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements (i.e., an auditor discussion and analysis);
- We are not required to submit certain executive compensation matters to stockholder advisory votes, such as "say-on-pay," "say-on-frequency" and "say-on-golden parachutes"; and
- We are not required to disclose certain executive compensation related items such as the correlation between executive compensation and performance and comparisons of the chief executive officer's compensation to median employee compensation.

We may take advantage of these provisions until the last day of our fiscal year following the fifth anniversary of the completion of this offering or such earlier time that we are no longer an emerging growth company. We would cease to be an emerging growth company upon the earliest of: (i) the last day of the first fiscal year in which our annual gross revenues are $1.07 billion or more; (ii) the date on which we have, during the previous three-year period, issued more than $1.0 billion in non-convertible debt securities; or (iii) the date on which we are deemed to be a "large accelerated filer," which will occur as of the end of any fiscal year in which we (x) have an aggregate market value of our common stock held by non-affiliates of $700 million or more as of the last business day of our most recently completed second fiscal quarter, (y) have been required to file annual and quarterly reports under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), for a period of at least 12 months and (z) have filed at least one annual report pursuant to the Exchange Act.

We have elected to take advantage of the reduced disclosure obligations listed above in this prospectus, and may elect to take advantage of other reduced reporting requirements in future filings. In particular, we have elected to adopt the reduced disclosure with respect to our executive compensation disclosure. As a result of this election, the information that we provide stockholders may be different than you might get from other public companies.

The JOBS Act permits an emerging growth company like us to take advantage of an extended transition period to comply with new or revised accounting standards applicable to public companies. We have elected to use this extended transition period and, as a result, we will adopt new or revised accounting standards on the relevant dates on which adoption of such standards is required for private companies. Our election to use the transition periods permitted by this election may make it difficult to compare our financial statements to those of non-emerging growth companies and other emerging growth companies that have opted out of the extended transition periods permitted under the JOBS Act and who will comply with new or revised financial accounting standards. If we were to subsequently elect instead to comply with public company effective dates, such election would be irrevocable pursuant to the JOBS Act.

For additional descriptions of the qualifications and other requirements applicable to emerging growth companies and certain elections that we have made due to our status as an emerging growth company, see "Risk Factors—Risks Related to this Offering and Our Class A Common Stock—For as long as we are an emerging growth company, we will not be required to comply with certain reporting requirements, including those relating to accounting standards and disclosure about our executive compensation, that apply to other public companies."

Our Offices

Our principal executive offices are located at 6275 Lanier Islands Parkway, Buford, GA 30518, and our telephone number at that address is 678-541-6300. Our website address is *www.onewatermarine.com*. Information contained on our website does not constitute part of this prospectus.

The Offering	
Issuer	OneWater Marine Inc.
Class A common stock offered by us	shares.
Option to purchase additional shares of Class A common stock	The underwriters have the option to purchase up to an aggregate of additional shares of Class A common stock from us at the initial public offering price, less the underwriting discount and commissions. The underwriters can exercise this option at any time within 30 days from the date of this prospectus.
Class A common stock to be outstanding immediately after completion of this offering	shares (shares if the underwriters' option to purchase additional shares is exercised in full).
Class B common stock to be outstanding immediately after completion of this offering	shares (shares if the underwriters' option to purchase additional shares of Class A common stock is exercised in full), all of which will be owned by the OneWater Unit Holders. Class B shares do not have economic rights. In connection with any redemption of OneWater LLC Units pursuant to the Redemption Right or our Call Right, the corresponding number of shares of Class B common stock will be cancelled.
Voting power of Class A common stock after giving effect to this offering	% (% if the underwriters' option to purchase additional shares of Class A common stock is exercised in full).
Voting power of Class B common stock after giving effect to this offering	% (% if the underwriters' option to purchase additional shares of Class A common stock is exercised in full).
Voting rights	Each share of our Class A common stock entitles its holder to one vote on all matters to be voted on by stockholders generally. Each share of our Class B common stock entitles its holder to one vote on all matters to be voted on by stockholders generally. Holders of our Class A common stock and Class B common stock vote together as a single class on all matters presented to our stockholders for their vote or approval, except as otherwise required by applicable law or by our amended and restated certificate of incorporation. See "Description of Capital Stock."
Use of proceeds	We expect to receive approximately $ million of net proceeds from the sale of Class A common stock offered by us after deducting underwriting discounts and estimated offering expenses payable

	by us ($ million of net proceeds if the underwriters' option to purchase additional shares of Class A common stock is exercised in full). We intend to contribute the net proceeds of this offering received by us to OneWater LLC in exchange for OneWater LLC Units. OneWater LLC will use the net proceeds (i) to redeem the Opco Preferred Units held by Goldman and Beekman, (ii) to repay the GS/BIP Credit Facility (as defined herein) and (iii) for general corporate purposes. Please see "Use of Proceeds."
Conflicts of Interest	Goldman and one of its affiliates will receive 5% or more of the net proceeds of this offering by reason of the redemption of the Opco Preferred Units and repayment of amounts due under the GS/BIP Credit Facility. Accordingly, Goldman is deemed to have a "conflict of interest" within the meaning of Rule 5121 of the Financial Industry Regulatory Authority, Inc. ("FINRA") and this offering will be conducted in accordance with Rule 5121. See "Underwriting (Conflicts of Interest)."
Dividend policy	We currently anticipate that we will retain all future earnings, if any, to finance the growth and development of our business. We do not intend to pay cash dividends in the foreseeable future.
Redemption Rights of OneWater Unit Holders	Under the OneWater LLC Agreement, each OneWater Unit Holder will, subject to certain limitations, have the right, pursuant to the Redemption Right, to cause OneWater LLC to acquire all or a portion of its OneWater LLC Units for, at OneWater LLC's election, (i) shares of our Class A common stock at a redemption ratio of one share of Class A common stock for each OneWater LLC Unit redeemed, subject to conversion rate adjustments for stock splits, stock dividends and reclassification and other similar transactions or (ii) an equivalent amount of cash. Alternatively, upon the exercise of the Redemption Right, OneWater Inc. (instead of OneWater LLC) will have the right, pursuant to the Call Right, to acquire each tendered OneWater LLC Unit directly from the redeeming OneWater Unit Holder for, at its election, (x) one share of Class A common stock, subject to conversion rate adjustments for stock splits, stock dividends and reclassification and other similar transactions, or (y) an equivalent amount of cash. In addition, OneWater Inc. has the right to require (i) upon the acquisition by OneWater Inc. of substantially all of the OneWater LLC Units, certain minority unitholders or (ii) upon a change of control of OneWater Inc., each OneWater Unit Holder (other than OneWater Inc.),

	to exercise its Redemption Right with respect to some or all of such unitholder's OneWater LLC Units. In connection with any redemption of OneWater LLC Units pursuant to the Redemption Right or the Call Right, the corresponding number of shares of Class B common stock will be cancelled. See "Certain Relationships and Related Party Transactions—OneWater LLC Agreement."
Tax Receivable Agreement	In connection with the closing of this offering, OneWater Inc. will enter into a Tax Receivable Agreement with certain of the OneWater Unit Holders which will generally provide for the payment by OneWater Inc. to each such OneWater Unit Holder of 85% of the net cash savings, if any, in U.S. federal, state and local income tax and franchise tax (computed using the estimated impact of state and local taxes) that OneWater Inc. actually realizes (or is deemed to realize in certain circumstances) in periods after this offering as a result of certain tax basis increases, and certain tax benefits attributable to imputed interest. OneWater Inc. will retain the benefit of the remaining 15% of these net cash savings. See "Risk Factors—Risks Related to this Offering and Our Class A Common Stock" and "Certain Relationships and Related Party Transactions—Tax Receivable Agreement."
Listing symbol	We intend to apply to list our Class A common stock on The Nasdaq Global Market under the symbol " ."
Risk Factors	You should carefully read and consider the information beginning on page 23 of this prospectus set forth under the heading "Risk Factors" and all other information set forth in this prospectus before deciding to invest in our Class A common stock.
Directed share program	The underwriters have reserved for sale at the initial public offering price up to % of the shares of Class A common stock being offered by this prospectus for sale to our employees, executive officers, directors, business associates and related persons who have expressed an interest in purchasing common stock in this offering. We do not know if these persons will choose to purchase all or any portion of these reserved shares, but any purchases they make will reduce the number of shares available to the general public. Please see "Underwriting (Conflicts of Interest)."

Summary Historical and Pro Forma Consolidated Financial and Operating Data

OneWater Inc. was incorporated on April 3, 2019 and does not have historical financial operating results. The following table presents the summary historical and certain pro forma financial data and other data for OneWater LLC, the accounting predecessor of OneWater Inc., and its subsidiaries. The historical results presented below are not necessarily indicative of the results to be expected for any future period, and should be read together with "Use of Proceeds," "Selected Historical Consolidated Financial Data," "Unaudited Pro Forma Consolidated Financial Information," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Corporate Reorganization" and our consolidated financial statements and related notes included elsewhere in this prospectus.

The summary historical financial data as of and for the years ended September 30, 2018 and 2017 was derived from the audited historical financial statements included elsewhere in this prospectus. The summary historical financial data as of March 31, 2019 and for the six months ended March 31, 2019 and 2018 was derived from the unaudited historical financial statements included elsewhere in this prospectus. Our summary historical financial data as of March 31, 2018 was derived from our unaudited historical financial statements not included in this prospectus. The unaudited historical financial statements were prepared on a basis consistent with that used in preparing our audited consolidated financial statements and include all adjustments, consisting of normal and recurring items, that we consider necessary for a fair presentation of our financial position and results of operations for the unaudited periods.

The summary unaudited pro forma consolidated statement of operations data for the year ended September 30, 2018 and the six months ended March 31, 2019 present our consolidated results of operations after giving effect to (i) the Reorganization, including this offering, as described under "Corporate Reorganization," as if such transactions occurred on October 1, 2017, (ii) the use of the estimated net proceeds to us from this offering, as described under "Use of Proceeds" and (iii) a provision for corporate income taxes on the income attributable to OneWater Inc. at an effective rate of % for the six months ended March 31, 2019 and % for the fiscal year ended September 30, 2018, inclusive of all U.S. federal, state and local income taxes (collectively, the "pro forma adjustments"). The unaudited pro forma consolidated balance sheet as of March 31, 2019 gives effect to the pro forma adjustments, including this offering, as if the same had occurred on March 31, 2019. The pro forma adjustments are based on available information and upon assumptions that our management believes are reasonable in order to reflect their impact, on a pro forma basis, on the historical financial information of OneWater LLC. The summary unaudited pro forma consolidated financial information is included for informational purposes only and does not purport to reflect the results of operations or financial position of OneWater Inc. that would have occurred had OneWater Inc. been in existence or operated as a public company or otherwise during the periods presented. The unaudited pro forma consolidated financial information should not be relied upon as being indicative of our results of operations or financial position had the described transactions occurred on the dates assumed. The unaudited pro forma consolidated financial information also does not project our results of operations or financial position for any future period or date.

	Historical OneWater LLC				Pro Forma OneWater Inc.[1]	
	Six Months Ended March 31,		Years Ended September 30,		Six Months Ended March 31,	Year Ended September 30,
	2019	2018	2018	2017	2019	2018
	(in thousands, except share, per share and store amounts)					
	(unaudited)				(unaudited)	
Consolidated Statement of Operations Data:						
Revenue	$ 284,906	$ 221,652	$ 602,805	$ 391,483		
Costs of sales	221,861	171,558	465,151	305,782		
Selling, general and administrative	49,175	38,405	91,297	65,351		
Depreciation and amortization	1,192	705	1,685	1,055		
Gain on settlement of contingent consideration	(1,655)	—	—	—		
Operating income (loss)	14,331	10,984	44,672	19,294		

	Historical OneWater LLC				Pro Forma OneWater Inc.(1)	
	Six Months Ended March 31,		Years Ended September 30,		Six Months Ended March 31, 2019	Year Ended September 30, 2018
	2019	2018	2018	2017		
	(in thousands, except share, per share and store amounts)					
	(unaudited)					(unaudited)
Other (income) expense						
Interest expense – floor plan	3,996	2,205	5,534	2,686		
Interest expense – other	2,522	1,551	3,836	2,266		
Transaction costs(2)	742	126	438	327		
Change in fair value of warrants	7,600	19,246	33,187	18,057		
Other (income) expense(3)	(90)	131	(269)	217		
Net income (loss)	$ (439)	$ (12,275)	1,946	(4,258)		
Less: Net income attributable to non-controlling interest	546	275	830	13		
Net income (loss) attributable to OneWater LLC	$ (985)	$ (12,551)	$ 1,117	$ (4,272)		
Pro Forma Per Share Data(4)						
Pro forma net income (loss)					$	$
Pro forma net income (loss) per share						
Basic					$	$
Diluted					$	$
Pro forma weighted average shares outstanding						
Basic						
Diluted						
Consolidated Statement of Cash Flows Data:						
Cash flows provided by (used in) operating activities	$ (79,591)	$ (48,763)	$ (4,654)	$ 6,514		
Cash flows provided by (used in) investing activities	(5,573)	(3,933)	(23,920)	(23,304)		
Cash flows provided by financing activities	85,306	62,730	34,257	16,993		
Other Financial Data:						
Capital expenditures(5)	$ 3,512	$ 3,583	$ 10,135	$ 4,112		
Adjusted EBITDA(6)	$ 9,872	$ 9,484	$ 40,823	$ 17,664		
Number of stores	59	44	53	45		
Same-store sales growth	10.1%	32.3%	22.2%			
Consolidated Balance Sheet Data (at end of period):						
Total assets	$521,611	$357,704	$375,360	$258,347		
Long-term debt (including current portion)	66,298	39,989	41,845	27,285		
Total liabilities	423,500	270,728	274,339	158,578		
Redeemable preferred equity interest	83,620	75,688	79,965	71,695		
Total members' equity	14,491	11,288	21,056	28,074		

(1) Pro forma figures give effect to the transactions, including this offering, described under "Unaudited Pro Forma Consolidated Financial Information." Please see "Unaudited Pro Forma Consolidated Financial Information" for a detailed presentation of the unaudited pro forma information, including a description of the transactions and assumptions underlying the pro forma adjustments.

(2) Consists of transaction costs related to the acquisitions made in the corresponding period.

(3) Other (income) expense was primarily attributable to insurance proceeds related to hurricane related claims received during 2019 and 2018.

(4) Pro forma net income (loss), Pro forma net income (loss) per share and Pro forma weighted average shares outstanding reflect the estimated number of shares of common stock we expect to have outstanding upon the completion of our corporate reorganization described under "—Corporate Reorganization" and this offering. The pro forma data also excludes (i) the redeemable preferred equity interest of $8.3 million and $6.7 million and the change in fair value of warrant liability of $33.2 million and $18.1 million for the fiscal years ended September 30, 2018 and 2017, respectively, and (ii) the redeemable preferred equity interest of $4.5 million and $4.0 million and the change in fair value of warrant liability of $7.6 million and $19.2 million for the six months ended March 31, 2019 and 2018, respectively, as we expect to redeem the Opco Preferred Units and expect the holders of the LLC Warrants to exercise such LLC Warrants in connection with this offering. The pro forma data includes additional pro forma income tax expense of $ million and $ million, associated with the income tax effects of the Reorganization described under "—Corporate Reorganization." OneWater Inc. is a corporation and is subject to U.S. federal income tax. Our predecessor, OneWater LLC, was not subject to U.S. federal income tax at an entity

level. As a result, the consolidated and combined net income in our historical financial statements does not reflect the tax expense we would have incurred if we were subject to U.S. federal income tax at an entity level during such periods.

(5) Includes (i) $6.9 million for growth capital expenditures and $3.2 million for maintenance capital expenditures for fiscal year 2018, compared to $1.5 million and $2.6 million, respectively, for fiscal year 2017 and (ii) $0.6 million for growth capital expenditures and $2.9 million for maintenance capital expenditures for the six months ended March 31, 2019, compared to $2.9 million and $0.7 million, respectively, for the six months ended March 31, 2018.

(6) Adjusted EBITDA is a non-GAAP financial measure. For the definition of Adjusted EBITDA and a reconciliation to our most directly comparable financial measure calculated and presented in accordance with GAAP, please see "—Non-GAAP Financial Measure" below.

Non-GAAP Financial Measure

Adjusted EBITDA

Adjusted EBITDA is not a measure of net income as determined by GAAP. Adjusted EBITDA is a supplemental non-GAAP financial measure that is used by management and external users of our consolidated financial statements, such as industry analysts, investors, lenders and rating agencies. We define Adjusted EBITDA as net income (loss) before interest expense – other, income taxes, depreciation and amortization and other (income) expense, further adjusted to eliminate the effects of items such as the change in the fair value of warrants and transaction costs.

Our board of directors, management team and lenders use Adjusted EBITDA to assess our financial performance because it allows them to compare our operating performance on a consistent basis across periods by removing the effects of our capital structure (such as varying levels of interest expense), asset base (such as depreciation and amortization) and other items (such as the fair value adjustment of the warrants and transaction costs) that impact the comparability of financial results from period to period. We present Adjusted EBITDA because we believe it provides useful information regarding the factors and trends affecting our business in addition to measures calculated under GAAP. Adjusted EBITDA is not a financial measure presented in accordance with GAAP. We believe that the presentation of this non-GAAP financial measure will provide useful information to investors and analysts in assessing our financial performance and results of operations across reporting periods by excluding items we do not believe are indicative of our core operating performance. Net income (loss) is the GAAP measure most directly comparable to Adjusted EBITDA. Our non-GAAP financial measure should not be considered as an alternative to the most directly comparable GAAP financial measure. You are encouraged to evaluate each of these adjustments and the reasons we consider them appropriate for supplemental analysis. In evaluating Adjusted EBITDA, you should be aware that in the future we may incur expenses that are the same as or similar to some of the adjustments in such presentation. Our presentation of Adjusted EBITDA should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. There can be no assurance that we will not modify the presentation of Adjusted EBITDA in the future, and any such modification may be material. Adjusted EBITDA has important limitations as an analytical tool and you should not consider Adjusted EBITDA in isolation or as a substitute for analysis of our results as reported under GAAP. Because Adjusted EBITDA may be defined differently by other companies in our industry, our definition of this non-GAAP financial measure may not be comparable to similarly titled measures of other companies, thereby diminishing its utility.

The following table presents a reconciliation of Adjusted EBITDA to the GAAP financial measure of net income (loss) for the years ended September 30, 2018 and 2017 and the six months ended March 31, 2019 and 2018.

	Six Months Ended March 31,		Years ended September 30,	
	2019	2018	2018	2017
	(unaudited)		(in thousands)	
Net income (loss)	$ (439)	$ (12,275)	$ 1,946	$ (4,258)
Interest expense – other	2,522	1,551	3,836	2,266
Income taxes	—	—	—	—
Depreciation and amortization	1,192	705	1,685	1,055
Change in fair value of warrant(1)	7,600	19,246	33,187	18,057
Gain on settlement of contingent consideration	(1,655)	—	—	—
Transaction costs(2)	742	126	438	327
Other (income) expense(3)	(90)	131	(269)	217
Adjusted EBITDA	$ 9,872	$ 9,484	$ 40,823	$ 17,664

(1) Represents the non-cash expense recognized during the period for the change in the fair value of the LLC Warrants held by Goldman and Beekman, which are accounted for as liabilities on our balance sheet.

(2) Consists of transaction costs related to the acquisitions completed in the corresponding period, as described in “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

(3) Other (income) expense was primarily attributable to insurance proceeds related to hurricane related claims received during 2019 and 2018.

RISK FACTORS

Investing in our Class A common stock involves risks. You should carefully consider the information in this prospectus, including the matters addressed under "Cautionary Note Regarding Forward-Looking Statements" and the following risks before making an investment decision. Our business, financial condition and results of operations could be materially adversely affected by any of these risks or uncertainties. The trading price of our Class A common stock could decline due to any of these risks, and you may lose all or part of your investment.

Risks Related to Our Business

General economic conditions and consumer spending patterns can have a material adverse effect on our business, financial condition, and results of operations.

General economic conditions, including changes in employment levels, consumer demand, preferences and confidence levels, the availability and cost of credit, fuel prices, levels of discretionary personal income, interest rates, periods of economic or political instability, and consumer spending patterns, can negatively impact our operating results. Unfavorable local, regional, national, or global economic developments or uncertainties regarding future economic prospects could reduce or defer consumer spending in the markets we serve and adversely affect our business. Consumer spending, including that of high net worth individuals, on discretionary goods may also decline as a result of political uncertainty and instability, even if prevailing economic conditions are generally favorable. Economic conditions in areas in which we operate stores, particularly the Southeast and Gulf Coast regions in which we generated approximately 68% and 81% of our revenue during fiscal 2018 and 2017, respectively, could have a major impact on our operations. Local influences, such as corporate downsizing, inclement weather such as hurricanes or other storms, environmental conditions, and specific events, such as Hurricanes Florence and Michael in 2018, also could adversely affect, and in certain instances have adversely affected, our operations in certain markets.

In an economic downturn, consumer discretionary spending levels generally decline, at times resulting in disproportionately large reductions in the sale of discretionary goods. Consumer spending on discretionary goods also may decline as a result of lower consumer confidence levels, even if prevailing economic conditions are favorable. Our business was significantly impacted during the recessionary period that began in 2007, and this period of weakness in consumer spending and depressed economic conditions had a substantial negative effect on our operating results. In response to these conditions we reduced our inventory purchases, closed certain stores and reduced headcount. Although we have expanded our operations and increased our focus on pre-owned sales, parts and repair services and F&I products, during periods of stagnant or modestly declining industry trends, the cyclical nature of the recreational boating industry or the lack of industry growth could lead to oversupply and weak demand, which could materially adversely affect our business, financial condition, or results of operations in the future. Any period of adverse economic conditions or low consumer confidence could have a negative effect on our business.

The availability and costs of borrowed funds can adversely affect our ability to obtain adequate boat inventory, the ability and willingness of our customers to finance boat purchases, and our ability to fund future acquisitions.

The availability and costs of borrowed funds can adversely affect our ability to obtain and maintain adequate boat inventory and the holding costs of that inventory, the ability and willingness of our customers to finance boat purchases, and our ability to fund future acquisitions.

OneWater LLC and certain of its subsidiaries are parties to the Inventory Financing Facility with Wells Fargo Commercial Distribution Finance, LLC and various lender parties thereto, which consists of uncommitted inventory floorplan financing of up to $275.0 million as of March 31, 2019. The Inventory Financing Facility has a maturity date of June 14, 2019, with automatic yearly renewals. As of September 30, 2018 and March 31, 2019, we had an aggregate of $157.5 million and $263.2 million, respectively, outstanding under the Inventory Financing Facility. We rely on the Inventory Financing Facility to purchase and maintain our inventory of boats. The collateral for the Inventory Financing Facility consists primarily of our inventory that is financed through the Inventory Financing Facility and related

assets, including accounts receivable, bank accounts, and proceeds of the foregoing, and excludes the collateral that underlies the GS/BIP Credit Facility (as defined below).

Additionally, OneWater LLC and certain of its subsidiaries entered into a Credit and Guaranty Agreement with OWM BIP Investor, LLC, as a lender, Goldman Sachs Specialty Lending Group, L.P., as a lender, administrative agent and collateral agent, and various lender parties thereto (as amended, the "GS/BIP Credit Facility," and together with the Inventory Financing Facility, our "Credit Facilities"), which consists of an up to $50.0 million multi-draw term loan facility and a $5.0 million revolving line of credit. The GS/BIP Credit Facility has a maturity date of October 28, 2021. As of September 30, 2018, we had $28.6 million outstanding under the multi-draw term loan and no amount outstanding under the revolving line of credit. As of March 31, 2019, we had $44.1 million outstanding under the multi-draw term loan and $5.0 million outstanding under the revolving line of credit.

As of March 31, 2019, we were in compliance with all of the covenants under the Credit Facilities, and our additional available borrowings under the Credit Facilities was approximately $11.8 million based upon the outstanding borrowings and maximum facility amounts.

Our ability to borrow under the Credit Facilities depends on our ability to continue to satisfy our covenants and other obligations under the Credit Facilities. In particular, our ability to borrow under our Inventory Financing Facility depends on the ability of our manufacturers to be approved vendors under our Inventory Financing Facility. The aging of our inventory limits our borrowing capacity as defined curtailments under the Inventory Financing Facility reduce the allowable advance rate as our inventory ages. Depressed economic conditions, weak consumer spending, turmoil in the credit markets, and lender difficulties, among other potential reasons, could interfere with our ability to maintain compliance with our debt covenants and to utilize the Credit Facilities to fund our operations. Accordingly, under such circumstances, it may be necessary for us to close stores, further reduce our expense structure, liquidate inventory below cost to free up capital, or modify the covenants with our lenders. Any inability to utilize the Credit Facilities or the acceleration of amounts owed, resulting from a covenant violation, insufficient collateral, or lender difficulties, could require us to seek other sources of funding to repay amounts outstanding under the Credit Facilities or replace or supplement the Credit Facilities, which may not be possible at all or under commercially reasonable terms.

The interest rate on our Inventory Financing Facility for new boats is calculated using the one-month LIBOR rate plus an applicable margin of 2.75% to 5.00% depending on the amount of days the boat has been in inventory. Interest on used boats is calculated at the new boat rate plus 0.25%. These variable interest rates under our Inventory Financing Facility will fluctuate with changing market conditions and, accordingly, our interest expense will increase as interest rates rise. Accordingly, a significant increase in interest rates could have a material adverse effect on our operating results. The United Kingdom's Financial Conduct Authority, which regulates LIBOR, has announced that it intends to stop encouraging or requiring banks to submit rates for the calculation of LIBOR rates after 2021, and it is unclear if LIBOR will cease to exist or if new methods of calculating LIBOR will evolve. If LIBOR ceases to exist or if the methods of calculating LIBOR change from their current form, interest rates on our current or future debt obligations may be adversely affected.

Similarly, decreases in the availability of credit and increases in the cost of credit could adversely affect the ability of our customers to purchase boats from us and thereby adversely affect our ability to sell our products and impact the profitability of our finance and insurance activities. For example, tight credit conditions during each fiscal year beginning with fiscal 2008 and continuing through fiscal 2011 adversely affected the ability of customers to finance boat purchases, which had a negative effect on our operating results.

Failure to implement strategies to enhance our performance could have a material adverse effect on our business and financial condition.

We are increasing our efforts to grow our repair and maintenance services, parts and accessories, and financing and insurance businesses to better serve our customers and thereby increase revenue and improve profitability as a result of these comparatively higher margin businesses. These efforts are designed to increase our revenue and reduce our dependence on the sale of new and pre-owned boats. In addition, we are pursuing strategic acquisitions to capitalize upon the consolidation opportunities in the

highly fragmented recreational boat dealer industry by acquiring additional dealer groups and related operations and improving their performance and profitability through the implementation of our operating strategies. These business initiatives have required, and will continue to require, us to add personnel, invest capital, enter businesses or geographic regions in which we do not have extensive experience, and encounter substantial competition. As a result, our strategies to enhance our performance may not be successful and we may increase our expenses or write off such investments if not successful.

Our success depends, in part, on our ability to continue to make successful acquisitions at attractive or fair prices and to integrate the operations of acquired dealer groups and each dealer group we acquire in the future.

Since the beginning of fiscal year 2017, we have acquired 12 recreational boat dealer groups. Additionally, we actively evaluate and pursue acquisitions on an ongoing basis, and our pipeline of potential acquisitions over the next 24 months currently includes four to eight dealer groups. Each acquired dealer group operated independently prior to our acquisition. Our success depends, in part, on our ability to continue to make successful acquisitions at attractive or fair prices that align with our culture and focus on customer service and to integrate the operations of acquired dealer groups, including centralizing certain functions to achieve cost savings and pursuing programs and processes that promote cooperation and the sharing of opportunities and resources among our stores. We may not be able to oversee the combined entity efficiently, realize anticipated synergies, or effectively implement our growth and operating strategies. To the extent that we successfully pursue our acquisition strategy, our resulting growth will place significant additional demands on our management and infrastructure. Our failure to successfully pursue our acquisition strategies or effectively operate the combined entity could have a material adverse effect on our rate of growth and operating performance.

We are required to obtain the consent of our manufacturers prior to the acquisition of other dealer groups.

In determining whether to approve acquisitions, manufacturers may consider many factors, including our financial condition and ownership structure. Manufacturers may also impose conditions on granting their approvals for acquisitions, including a limitation on the number of their dealers that we may acquire. Our ability to meet manufacturers' requirements for approving future acquisitions will have a direct bearing on our ability to complete acquisitions and effect our growth strategy. There can be no assurance that a manufacturer will not terminate its dealer agreement, refuse to renew its dealer agreement, refuse to approve future acquisitions, or take other action that could have a material adverse effect on our acquisition program.

Our growth strategy also entails expanding our product lines and geographic scope by obtaining additional distribution rights from our existing and new manufacturers. We may not be able to secure additional distribution rights or obtain suitable alternative sources of supply if we are unable to obtain such distribution rights. The inability to expand our product lines and geographic scope by obtaining additional distribution rights could have a material adverse effect on the growth and profitability of our business.

Boat manufacturers exercise control over our business.

We depend on our dealer agreements, which generally provide for renewable, one-year terms. Through dealer agreements, boat manufacturers exercise control over their dealers, restrict them to specified locations, and retain approval rights over changes in management and ownership, among other things. The continuation of our dealer agreements with most manufacturers depends upon, among other things, our achieving stated performance goals for customer satisfaction ratings and market share penetration in the market served by the applicable dealer group. Failure to meet performance goals and other conditions set forth in any dealer agreement could have various consequences, including the following:

- the termination or nonrenewal of the dealer agreement;
- the imposition of additional conditions in subsequent dealer agreements;
- limitations on boat inventory allocations;

- reductions in reimbursement rates for warranty work performed by the dealer;
- loss of certain manufacturer-to-dealer incentives;
- denial of approval of future acquisitions; or
- the loss of exclusive rights to sell in the geographic territory.

These events could have a material adverse effect on our product availability, competitive position and financial performance.

The failure to receive rebates and other manufacturer incentives on inventory purchases or retail sales could substantially reduce our margins.

We rely on manufacturers' programs that provide incentives for dealers to purchase and sell particular boat makes and models or for consumers to buy particular boat makes or models. Any eliminations, reductions, limitations, or other changes relating to rebate or incentive programs that have the effect of reducing the benefits we receive, whether relating to the ability of manufacturers to pay or our ability to qualify for such incentive programs, could increase the effective cost of our boat purchases, reduce our margins and competitive position, and have a material adverse effect on our financial performance.

Increases in fuel prices may adversely affect our business.

All of the recreational boats we sell are powered by gasoline or diesel engines. Consequently, a significant increase in the price or tax on the sale of fuel on a regional or national basis could have a material adverse effect on our sales and operating results. Increases in fuel prices (such as those that occurred during fiscal 2008) negatively impact boat sales. The price of or tax on fuels may significantly increase in the future, adversely affecting our business.

Our sales may be adversely affected by a material increase in interest rates and adverse changes in fiscal policy or credit market conditions.

Over the past several years, our economy has been positively impacted by historically unprecedented low interest rates. Such interest rates are driven by the policies of the Federal Reserve System. Although interest rates rose in 2018, there can be no assurance as to what actions the Federal Reserve System will take in the remainder of 2019 and beyond. Any change in interest rates or the market expectation of such change may result in significantly higher long-term interest rates.

Given that we sell products that are often financed, a material increase in interest rates and adverse changes in fiscal policy or credit market conditions may negatively impact our customers' ability or desire to purchase our products. In addition, such an increase or adverse change could reduce the availability or increase the costs of obtaining new debt and refinancing existing indebtedness or negatively impact the market price of our common stock.

The availability of boat insurance is critical to our success.

The ability of our customers to secure reasonably affordable boat insurance that is satisfactory to lenders that finance our customers' purchases is critical to our success. Historically, affordable boat insurance has been available. However, as a severe storm approaches land, insurance providers cease underwriting until the storm has passed. This loss of insurance prevents or delays lenders from lending. As a result, sales of boats can be temporarily halted making our revenue difficult to predict and causing sales to be delayed or potentially cancelled. Any difficulty of customers to obtain affordable boat insurance could impede boat sales and adversely affect our business.

Other recreational activities, poor industry perception, real or perceived health or safety risks, and environmental conditions can adversely affect the levels of boat purchases.

Other recreational activities, poor industry perception, real or perceived health or safety risks, and environmental conditions can adversely affect the levels of boat purchases. Demand for our products can be adversely affected by competition from other activities that occupy consumers' time, including other

forms of recreation as well as religious, cultural and community activities. In addition, real or perceived health or safety risks from engaging in outdoor activities generally or boating activities specifically could deter consumers from purchasing our products. Local environmental conditions in the areas in which we operate stores could also adversely affect the levels of boat purchases, including adverse weather conditions or natural disasters. Further, as a seller of high-end consumer products, we must compete for discretionary spending with a wide variety of other recreational activities and consumer purchases. In addition, perceived hassles of boat ownership and customer service and customer education throughout the retail boat industry, which has traditionally been perceived to be relatively poor, represent impediments to boat purchases.

Unforeseen expenses, difficulties, and delays frequently encountered in connection with expansion through acquisitions could inhibit our growth and negatively impact our profitability.

Our growth strategy of acquiring additional recreational boat dealer groups involves significant risks. This strategy entails reviewing and potentially reorganizing acquired business operations, corporate infrastructure and systems, and financial controls. Unforeseen expenses, difficulties, and delays frequently encountered in connection with rapid expansion through acquisitions could inhibit our growth and negatively impact our profitability. We may be unable to identify suitable acquisition candidates or to complete the acquisitions of candidates that we identify. Increased competition for acquisition candidates or increased asking prices by acquisition candidates may increase purchase prices for acquisitions to levels beyond our financial capability or to levels that would not result in expected returns required by our acquisition criteria to be in the best interest of stockholders. Acquisitions also may become more difficult or less attractive in the future as we acquire more of the most attractive dealer groups that best align with our culture and focus on customer service. In addition, we may encounter difficulties in integrating the operations of acquired dealer groups with our own operations, in retaining employees, in retaining and maintaining relationships with customers, suppliers, or other business contacts, and in managing acquired dealer groups profitably without substantial costs, delays, or other operational or financial problems. As part of our growth strategy, we generally retain existing key staff, including senior management, when we complete an acquisition. There can be no assurance that we will be able to retain dealer groups' key staff, including senior management, when we complete an acquisition in the future and failure to do so could adversely affect our businesses.

We may issue common or preferred stock and incur substantial indebtedness in making future acquisitions. The size, timing, and integration of any future acquisitions may cause substantial fluctuations in operating results from quarter to quarter. Consequently, operating results for any quarter may not be indicative of the results that may be achieved for any subsequent quarter or for a full fiscal year. These fluctuations could adversely affect the market price of our common stock.

Our ability to continue to grow through the acquisition of additional dealer groups will depend upon various factors, including the following:

- the availability of suitable acquisition candidates at attractive purchase prices;
- the ability to compete effectively for available acquisition opportunities;
- the availability of cash on hand, borrowed funds, common stock with a sufficient market price or other sources of financing to complete the acquisitions;
- the ability to obtain any requisite manufacturer, governmental or other required approvals;
- the ability to obtain approval of our lenders under our current credit agreements; and
- the absence of one or more manufacturers attempting to impose unsatisfactory restrictions on us in connection with their approval of acquisitions.

As a part of our acquisition strategy, we frequently engage in discussions with various recreational boat dealer groups regarding their potential acquisition by us. In connection with these discussions, we and each potential acquisition candidate exchange confidential operational and financial information, conduct due diligence inquiries, and consider the structure, terms, and conditions of the potential acquisition. In certain cases, the prospective acquisition candidate agrees not to discuss a potential acquisition with any other party for a specific period of time, grants us an option to purchase the

prospective dealer group for a designated price during a specific time period, and agrees to take other actions designed to enhance the possibility of the acquisition, such as preparing audited financial information and converting its accounting system to the system specified by us. Potential acquisition discussions frequently take place over a long period of time and involve difficult business integration and other issues, including in some cases management succession and related matters. As a result of these and other factors, a number of potential acquisitions that from time to time appear likely to occur do not result in binding legal agreements and are not consummated.

Our success depends to a significant extent on our manufacturers, and the loss of certain manufacturers could have an adverse effect on our business, financial condition, and results of operations.

We depend on our manufacturers for the sale of new boats. While no one single boat brand contributed more than 10% to our sales volume in fiscal year 2018, the largest new boat manufacturer that we purchased from contributed approximately 13.5% to our sales volume in fiscal year 2018 and new boats from our top 10 manufacturers represented approximately 40.9% of our total sales volume. Any adverse change in the reputation, product development efforts, technological advancement, expansion of manufacturing capabilities, supply chain and third-party suppliers, and financial condition of our manufacturers and their respective brands, would have a substantial adverse impact on our business. Any difficulties encountered by our manufacturers resulting from economic, financial, or other factors could also adversely affect the quality and amount of new boats and products that they are able to supply to us and the services and support they provide to us.

Additionally, any interruption or discontinuance of the operations of our manufacturers, including bankruptcy or insolvency, could also cause us to experience shortfalls, disruptions, or delays with respect to new boats and inventory. We also enter into renewable annual dealer agreements with manufacturers, and there is no guarantee that we will be able to renew such dealer agreements in the future. Although we believe that we have adequately diversified our product offerings across manufacturers and brands, we may not be able to easily replace the loss of certain manufacturers or brands, including at the necessary quantity, quality or price, and the loss of certain manufacturers or brands may therefore have an adverse material effect on our business, results of operations and financial condition.

Our growth strategy may require us to secure significant additional capital, the amount of which will depend upon the size, timing, and structure of future acquisitions and our working capital and general corporate needs.

If we finance future acquisitions in whole or in part through the issuance of common stock or securities convertible into or exercisable for common stock, existing stockholders will experience dilution in the voting power of their common stock and earnings per share could be negatively impacted. The extent to which we will be able and willing to use our common stock for acquisitions will depend on the market value of our common stock and the willingness of potential sellers to accept our common stock as full or partial consideration. Our inability to use our common stock as consideration, to generate cash from operations, or to obtain additional funding through debt or equity financings in order to pursue our acquisition program could materially limit our growth.

Any borrowings made to finance future acquisitions or for operations could make us more vulnerable to a downturn in our operating results, a downturn in economic conditions, or increases in interest rates on borrowings that are subject to interest rate fluctuations. If our cash flow from operations is insufficient to meet our debt service requirements, we could be required to sell additional equity securities, refinance our obligations, or dispose of assets in order to meet our debt service requirements. In addition, our credit arrangements contain financial covenants and other restrictions with which we must comply, including limitations on the incurrence of additional indebtedness. Adequate financing may not be available if and when we need it or may not be available on terms acceptable to us. The failure to obtain sufficient financing on favorable terms and conditions could have a material adverse effect on our growth prospects and our business, financial condition, and results of operations.

Our internal growth and operating strategies of opening new stores and offering new products involve risk.

In addition to pursuing growth by acquiring boat dealer groups, we intend to continue to pursue a strategy of growth through opening new stores and offering new products in our existing and new territories. Accomplishing these goals for expansion will depend upon a number of factors, including the following:

- our ability to identify new markets in which we can obtain distribution rights to sell our existing or additional product lines;
- our ability to lease or construct suitable facilities at a reasonable cost in existing or new markets;
- our ability to hire, train, and retain qualified personnel;
- the timely and effective integration of new stores into existing operations;
- our ability to achieve adequate market penetration at favorable operating margins without the acquisition of existing dealer groups; and
- our financial resources.

Our dealer agreements require manufacturer consent to open or change store locations that sell certain products. We may not be able to open and operate new store locations or introduce new product lines on a timely or profitable basis. Moreover, the costs associated with opening new store locations or introducing new product lines may adversely affect our profitability.

As a result of these growth strategies, we expect to continue to expend significant time and effort in opening and acquiring new store locations, improving existing store locations in our current markets, and introducing new products. Our systems, procedures, controls, and financial resources may not be adequate to support expanding operations. The inability to manage our growth effectively could have a material adverse effect on our business, financial condition, and results of operations.

Our planned growth also will impose significant added responsibilities on members of senior management and require us to identify, recruit, and integrate additional senior level managers. We may not be able to identify, hire, or train suitable additions to management.

Our business, as well as the entire recreational boating industry, is highly seasonal, with seasonality varying in different geographic markets.

Over the three-year period ended September 30, 2018, the average revenue for the quarterly periods ended December 31, March 31, June 30, and September 30 represented approximately 11%, 23%, 39%, and 27%, respectively, of our average annual revenue. With the exception of Florida, we generally realize significantly lower sales and higher levels of inventories, and related floor plan borrowings, in the quarterly periods ending December 31 and March 31. Revenue generated from our stores in Florida serves to offset generally lower winter revenue in our other states and enables us to maintain a more consistent revenue stream. The onset of the public boat and recreation shows in January stimulates boat sales and allows us to reduce our inventory levels and related floor plan borrowings throughout the remainder of the fiscal year. We also have various stores in the Northeast and Midwest region of the United States, which typically experience colder temperatures in the winter months. The impact of seasonality on our results of operations could be materially impacted based on the location of our acquisitions. For example, our operations could be substantially more seasonal if we acquire additional dealer groups that operate in colder regions of the United States, which are generally closed or experience lower volume in the winter months.

Our failure to successfully order and manage our inventory to reflect consumer demand and to anticipate changing consumer preferences and buying trends could have a material adverse effect on our business, financial condition and results of operations.

Our success depends upon our ability to successfully manage our inventory and to anticipate and respond to product trends and consumer demands in a timely manner. Our products appeal to consumers across a number of states who are, or could become, boat owners. The preferences of these consumers

cannot be predicted with certainty and are subject to change. Further, the retail consumer industry, by its nature, is volatile and sensitive to numerous economic factors, including consumer preferences, competition, market conditions, general economic conditions and other factors outside of our control. We cannot predict consumer preferences with certainty, and consumer preferences often change over time. We typically order product several months in advance, although such orders are not binding until the merchandise is delivered to our stores. The extended lead times for many of our purchases may make it difficult for us to respond rapidly to new or changing product trends, increases or decreases in consumer demand or changes in prices. If we misjudge either the market for our products or our consumers' purchasing habits in the future, our revenues may decline significantly and we may not have sufficient quantities of product to satisfy consumer demand or sales orders or we may be required to discount excess inventory, either of which could have a material adverse effect on our business, financial condition and results of operations.

Weather, natural disasters, adverse climate changes, and other environmental conditions may adversely impact our business and may not be adequately covered by our insurance.

Weather and environmental conditions may adversely impact our operating results. For example, drought conditions, reduced rainfall levels, excessive rain, natural disasters, and adverse climate changes, as well as other environmental conditions or hurricanes in the Gulf of Mexico and Atlantic Ocean, may force boating areas to close or render boating dangerous or inconvenient, thereby curtailing customer demand for our products. Such conditions may also result in physical damage to or closure of one or more of our facilities, inadequate work force in our markets, and disruption or reduction in the availability of products at our stores. In addition, unseasonably cool weather and prolonged winter conditions may lead to shorter selling seasons in certain locations. Many of our stores sell boats to customers for use on reservoirs, thereby subjecting our business to the continued viability of these reservoirs for boating use.

In addition, hurricanes, tornadoes, fires, floods and other natural disasters could result in the disruption of our operations and/or supply chain, including boat deliveries from manufacturers, or damage to our boat inventories and facilities as has been the case when the Southeast and Gulf Coast regions and other markets have been affected by hurricanes. Additionally, severe weather or other natural disasters could damage our on-site inventory at our stores or cause serious disruptions in the operations of our stores. We maintain hurricane and casualty insurance, subject to deductibles. While we traditionally maintain property and casualty insurance coverage for damage caused by severe weather or other natural disasters, there can be no assurance that such insurance coverage is adequate to cover losses that we may sustain as a result of severe weather or other natural disasters, such as damage from Hurricanes Florence and Michael in 2018.

We depend on our ability to attract and retain customers.

Our future success depends in large part upon our ability to attract and retain customers for our boat sales, repair and maintenance services, parts and accessories and F&I products. The extent to which we achieve growth in our customer base and retain existing customers materially influences our profitability. Any number of factors could affect our ability to grow and maintain our customer base. These factors include consumer preferences, the frequency with which customers utilize our products, repair and maintenance services and F&I products, general economic conditions, our ability to maintain our store locations, weather conditions, the availability of alternative services, protection plans, products and resources, significant increases in gasoline prices, the disposable income of consumers available for discretionary expenditures and the external perception of our brands. Any significant decline in our customer base, the growth of our customer base or the usage of our services, protection plans or products by our customers could have a material adverse effect on our business, financial condition and results of operations.

We face intense competition.

We operate in a highly competitive and fragmented environment. In addition to facing competition generally from recreation businesses seeking to attract consumers' leisure time and discretionary spending dollars, the recreational boat industry itself is highly fragmented, resulting in intense competition

for customers, quality products, boat show space, and suitable store locations. We rely to a certain extent on boat shows to generate sales. Our inability to participate in boat shows in our existing or targeted markets could have a material adverse effect on our business, financial condition, and results of operations.

We compete primarily with local boat dealers who own three or fewer stores, as well as with a limited number of larger operators, including MarineMax and Bass Pro Shops. With respect to sales of marine parts, accessories, and equipment, we compete with national specialty marine parts and accessory stores, online catalog retailers, sporting goods stores, and mass merchants. Competition among boat dealers is based primarily on the quality of available products, the price and value of the products, and attention to customer service. There is significant competition both within markets we currently serve and in new markets that we may enter. We compete in each of our markets with retailers of brands of boats and engines we do not sell in that market. In addition, several of our competitors, especially those selling marine equipment and accessories, are large national or regional chains that have substantial financial, marketing, and other resources. Private sales of pre-owned boats represent an additional source of competition.

Additional competitors, including boat clubs, may enter the businesses in which we currently operate or intend to expand. In particular, an increase in the number of aggregator and price comparison sites for our products may negatively impact our sales of these products. If any of our competitors successfully provides a broader, more efficient or attractive combination of services, protection plans, products and resources to our target customers, our business results could be materially adversely affected. Our inability to compete effectively with existing or potential competitors could have a material adverse effect on our business, financial condition and results of operations.

Due to various matters, including environmental concerns, permitting and zoning requirements, and competition for waterfront real estate, some markets in the United States have experienced an increased waiting list for marina and storage availability. In general, the markets in which we currently operate are not experiencing any unusual difficulties. However, marine retail activity could be adversely affected in markets that do not have sufficient marine and storage availability to satisfy demand.

A significant amount of our boat sales are from the Southeast and Gulf Coast regions.

Economic conditions, weather and environmental conditions, competition, market conditions, and any other adverse conditions impacting the Southeast and Gulf Coast regions of the United States, in which we generated approximately 68%, and 81% of our revenue during fiscal 2018 and 2017, respectively, could have a major impact on our operations.

We depend on income from financing, insurance, and extended service contracts.

A portion of our income results from referral fees derived from the placement or marketing of various F&I products, consisting of customer financing, insurance products, and extended service contracts, the most significant component of which is the participation and other fees resulting from our sale of customer financing contracts.

The availability of financing for our boat purchasers and the level of participation and other fees we receive in connection with such financing depend on the particular agreement between us and the lender and the current interest rate environment. Lenders may impose terms in their boat financing arrangements with us that may be unfavorable to us or our customers, resulting in reduced demand for our customer financing programs and lower participation and other fees. Laws or regulations may be enacted nationally or locally which could result in fees from lenders being eliminated or reduced, materially impacting our operating results. If customer financing becomes more difficult to secure, it may adversely impact our business.

Changes, including the lengthening of manufacturer warranties, may reduce our ability to offer and sell extended service contracts which may have a material adverse impact on our ability to sell F&I products. Moreover, these products are subject to complex federal and state laws and regulations. There can be no assurance that regulatory authorities in the jurisdictions in which these products are offered will not seek to regulate or restrict these products. Failure to comply with applicable laws and regulations

could result in fines or other penalties including orders by state regulators to discontinue sales of the warranty products in one or more jurisdictions. Such a result could materially and adversely affect our business, results of operations and financial condition.

The Dodd-Frank Act established a consumer financial protection bureau with broad regulatory powers. Although boat dealers are generally excluded, the Dodd-Frank Act could lead to additional, indirect regulation of boat dealers through its regulation of other financial institutions which provide such financing to our customers.

The reduction of profit margins on sales of F&I products or the lack of demand for or the unavailability of these products could have a material adverse effect on our operating margins.

Our operations are dependent upon key personnel and team members.

Our success depends, in large part, upon our ability to attract, train, and retain qualified team members and executive officers, as well as the continuing efforts and abilities of team members and executive officers. Although we have employment agreements with certain of our executive officers and management succession plans, we cannot ensure that these or other executive personnel and team members will remain with us, or that our succession planning will adequately mitigate the risk associated with key personnel transitions. Expanding our operations may require us to add additional executive personnel and team members in the future. As a result of our decentralized operating strategy, we also rely on the management teams of our dealer groups. In addition, we likely will depend on the senior management of any significant businesses we acquire in the future. The loss of the services of one or more key employees before we are able to attract and retain qualified replacement personnel could adversely affect our business. Additionally, our ability to manage our personnel costs and operating expenses is subject to external factors such as unemployment levels, prevailing wage rates, healthcare and other benefit costs, changing demographics, and our reputation and relevance within the labor markets where we are located. Increases in the prevailing wage rates due to competitive market pressures or other factors could increase our personnel costs and operating expenses and have a material adverse effect on our business.

Manufacturer recall campaigns could adversely affect our business.

Manufacturer recall campaigns could adversely affect our new and pre-owned boat sales or customer residual trade-in valuations, could cause us to temporarily remove vehicles from our inventory, could force us to incur increased costs, and could expose us to litigation and adverse publicity related to the sale of recalled boats, which could have a material adverse effect on our business, results of operations, financial condition and cash flows.

The products we sell or service may expose us to potential liability for personal injury, product liability or property damage claims relating to the use of those products.

Manufacturers of the products we sell generally maintain product liability insurance. We maintain third-party liability insurance with respect to the sale and servicing of boats and other watercrafts but do not maintain product liability insurance. We may therefore experience claims that are not covered by our insurance coverage. While we have not experienced material losses related to product liability, personal injury or property damage claims in the past, we could be exposed to such claims or losses in the future. The institution of any significant claims against us could subject us to damages, result in higher insurance costs, and harm our business reputation with potential customers.

If we cannot dispose of pre-owned boats acquired through our trade-in or direct purchase processes at prices that allow us to recover its costs, our profitability will be adversely affected.

The resale values of any pre-owned boats that we acquire through trade-ins or direct purchase may be lower than our estimates, which are based on expected retail sales prices. If the resale value of the pre-owned boats we acquire is lower than our estimates and/or we are not able to resell them timely or at all, it could have a material adverse effect on our business, results of operations and financial condition.

Additionally, certain pre-owned boats or other vehicles that we acquire through trade-ins may fail to meet our retail quality standards. Instead, we sell these units through a wholesale process. If the prices that we receive for our pre-owned boats sold in this process are not sufficient to cover the prices paid or credit given at trade-in for such pre-owned boats, it could have a material adverse effect on our business, results of operations and financial condition.

Adverse federal or state tax policies could have a negative effect on us.

Changes in federal and state tax laws, such as an imposition of luxury taxes on new boat purchases, increases in prevailing tax rates, and removal of certain interest deductions, may influence consumers' decisions to purchase products we offer and could have a negative effect on our sales. For example, during 1991 and 1992, the federal government imposed a luxury tax on new recreational boats with sales prices in excess of $100,000, which coincided with a sharp decline in boating industry sales from a high of more than $17.9 billion in 1988 to a low of $10.3 billion in 1992. Any increase in tax rates, including those on capital gains and dividends, particularly those on high-income taxpayers, could adversely affect our boat sales.

Environmental and other regulatory issues may impact our operations.

Our operations are subject to comprehensive federal, state and local laws and regulations governing such matters as finance and insurance, consumer protection, consumer privacy, escheatment, anti-money laundering, discharges and emissions into the environment as well as environmental protection, human health and safety, and employment practices, including wage and hour and anti-discrimination legal requirements. These laws and regulations affect many aspects of our operations, such as requiring the acquisition of permits, licenses and other governmental approvals to conduct regulated activities, including the operation of recreational boats, restricting the manner in which we handle, recycle and dispose of our wastes, requiring capital and operating expenditures to construct, maintain and upgrade pollution control and containment equipment and facilities, imposing specific health and safety criteria addressing worker protection, and imposing liabilities for pollution or inappropriate payment or treatment of our workers with respect to our operations. The failure to satisfy those and other legal requirements could have a material adverse effect on our business, financial condition, and results of operations. In addition, failure to comply with those and other legal requirements, or with U.S. trade sanctions, the U.S. Foreign Corrupt Practices Act and other applicable laws or regulations could result in the assessment of damages, the imposition of sanctions including monetary penalties, changes to our processes, or a suspension or cessation of our operations, as well as damage to our image and reputation, all of which could have a material adverse effect on our business, results of operations and financial condition.

Numerous governmental agencies, including the U.S. Occupational Safety and Health Administration ("OSHA"), the U.S. Environmental Protection Agency ("EPA") and similar federal agencies as well as analogous state and local agencies have jurisdiction over the operation of our stores, repair facilities, and other operations, with respect to matters such as consumer protection, human safety and environmental protection, including any contamination of or releases into ambient air, surface water and groundwater, and soil. Marine engine manufacturers are subject to emissions standards imposed under the Clean Air Act ("CAA") and the EPA has enacted a number of legal requirements imposing more stringent emissions standards for two-cycle, gasoline outboard marine engines. It is possible that regulatory bodies such as the EPA may impose more stringent emissions standards in the future for marine engines, including with respect to recreational use. Any increased costs of those manufacturers producing engines resulting from current or future EPA standards could be passed on to dealers in the retail recreational boat industry, such as ourselves, or could result in the inability or potential unforeseen delays of these manufacturers to manufacture and make timely delivery of recreational boats to such dealers, which developments could have a material adverse effect on our business, results of operations and financial condition.

As with companies in the retail recreational boat industry generally, and parts and service operations in particular, our business involves the use, handling, storage, and contracting for recycling or disposal of waste materials, including hazardous or toxic substances and wastes as well as environmentally sensitive materials, such as motor oil, waste motor oil and filters, transmission fluid, antifreeze, freon, waste paint and lacquer thinner, batteries, solvents, lubricants, degreasing agents, gasoline, and diesel fuels. Laws

and regulations regarding the prevention of pollution or remediation of environmental contamination generally apply regardless of whether we lease or purchase the land and facilities. Additionally, certain of our stores and/or repair facilities utilize underground storage tanks ("USTs") and above ground storage tanks ("ASTs"), primarily for storing and dispensing petroleum-based products. Storage tanks in the United States are generally subject to testing, containment, upgrading and removal requirements under the Resource Conservation and Recovery Act ("RCRA") and its state law counterparts, as well as federal, state and local legal standards relating to investigation and remediation of contaminated soils and groundwater resulting from leaking tanks and lifts. We also may be subject to civil liability to third parties for remediation costs or other damages if leakage from our owned or operated tanks migrates onto the property of others.

Certain of our stores and/or repair facility properties have been operated by third parties whose use, handling and disposal of petroleum-based products or wastes were not under our control. We are subject to regulation by federal, state, and local authorities establishing investigatory, remedial, health and environmental quality standards and imposing liability related thereto, which liabilities may include sanctions, including monetary penalties for violations of those standards.

We also are subject to laws, ordinances, and regulations governing investigation and remediation of contamination at facilities we operate or to which we send hazardous or toxic substances or wastes for treatment, recycling, or disposal. In particular, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), also known as the Superfund law, and analogous state laws, impose joint, strict, and several liability on:

- current owners or operators of facilities at, from, or to which a release of hazardous substances has occurred;
- former owners and operators who owned or operated facilities at the time of disposal of hazardous substances;
- parties that generated hazardous substances that were released at such facilities; and
- parties that transported or arranged for the transportation of hazardous substances to such facilities.

A majority of states have adopted Superfund laws comparable to and, in some cases, more stringent than CERCLA. If we were to be found to be a responsible party under CERCLA or a similar state statute, we could be held liable for all investigative and remedial costs associated with addressing such contamination. In addition, claims alleging personal injury or property damage may be brought against us as a result of alleged exposure to hazardous substances resulting from our operations. Moreover, certain of our stores are located on waterways that are subject to federal laws, including the Clean Water Act and the Oil Pollution Act ("OPA"), as well as analogous state laws regulating navigable waters, oil pollution (including prevention and cleanup of the same), adverse impacts to fish and wildlife, and other matters. For example, under the OPA, owners and operators of vessels and onshore facilities may be subject to liability for removal costs and damages arising from an oil spill in waters of the United States.

Soil and groundwater contamination may exist at certain properties owned or leased by us. We may also be required to remove USTs, ASTs and inground lifts containing petroleum-based products and hazardous or toxic substances or wastes in the future. As to certain of our properties, including some of our properties that were previously used as gasoline service stations, specific releases of contaminants may require remediation in the future in accordance with state and federal guidelines. We are performing monitoring activities with respect to soil and groundwater as required by applicable state and federal guidelines. Historically, our costs of compliance with these investigatory, remedial and monitoring requirements have not had a material adverse effect on our results of operations; however, there can be no assurance that such costs will not be material in the future or that such future compliance will not have a material adverse effect on our business, results of operation and financial condition. We also may have additional storage tank liability insurance and other insurance coverage with respect to pollution-related liabilities where available, but such coverages may be insufficient to address such liabilities.

Environmental laws and regulations are complex and subject to frequent change. Compliance with amended, new, or more stringent laws or regulations, more strict interpretations of existing laws, or the future discovery of environmental conditions may require additional expenditures by us, and such expenditures may be material.

Additionally, certain states have imposed legal requirements or are considering the imposition of such requirements that would obligate buyers and/or operators of recreational boats to obtain a license in order to operate such boats. These requirements could discourage potential buyers of recreational boats, thereby limiting future sales and adversely affecting our business, financial condition, and results of operations.

Furthermore, the Patient Protection and Affordable Care Act increased our annual employee health care costs that we fund, and significantly increased our cost of compliance and compliance risk related to offering health care benefits.

Moreover, adverse changes in labor policy could lead to increased unionization efforts, which could lead to higher labor costs, disrupt our store operations, and adversely affect our business, results of operations and financial condition.

Our sales of boats produced by certain foreign manufacturers expose us to international political, economic, and other risks.

Our sales of boats produced by Absolute S.p.A. in Italy; Prestige, a division of Beneteau S.A., in France; and Riviera Australia Pty. Ltd. in Australia expose us to international political, economic, and other risks. We also import certain boat components from international suppliers which could further our exposure to such international risks. Protectionist trade legislation in the United States, the European Union, and other countries, such as changes in current tariff structures, export or import compliance laws, or other trade policies could adversely affect our ability to import boats or boat components from these foreign suppliers under economically favorable terms and conditions.

There have been recent changes, and future, additional changes may occur, to United States and foreign trade and tax policies, including heightened import restrictions, import and export licenses, new tariffs, trade embargoes, government sanctions, or trade barriers. Any of these restrictions could prevent or make it difficult or more costly for us to import boats and boat components from foreign suppliers under economically favorable terms and conditions. Increased tariffs could require us to increase our prices which likely could decrease demand for our products. In addition, other countries may limit their trade with the United States or retaliate through their own restrictions and/or increased tariffs which would affect our ability to export products and therefore adversely affect our sales.

Our foreign purchase of boats and boat components creates a number of logistical and communications challenges. The economic, political, and other risks we face resulting from these foreign purchases include the following:

- compliance with U.S. and local laws and regulatory requirements as well as changes in those laws and requirements;
- transportation delays or interruptions and other effects of less developed infrastructures;
- limitations on imports and exports;
- foreign exchange rate fluctuations;
- imposition of restrictions on currency conversion or the transfer of funds;
- maintenance of quality standards;
- unexpected changes in regulatory requirements;
- differing labor regulations;
- potentially adverse tax consequences;
- possible employee turnover or labor unrest;
- the burdens and costs of compliance with a variety of foreign laws; and
- political or economic instability.

Increased cybersecurity requirements, vulnerabilities, threats and more sophisticated and targeted computer crime could pose a risk to our systems, networks, and data. Our business operations could be negatively impacted by an outage or breach of our informational technology systems or a cybersecurity event.

Our business is dependent upon the efficient operation of our information systems. The systems facilitate the interchange of information and enhance cross-selling opportunities throughout our company. The systems integrate each level of operations on a Company-wide basis, including but not limited to purchasing, inventory, receivables, payables, financial reporting, budgeting, marketing and sales management. They also prepare our consolidated financial and operating data. The failure of our information systems to perform as designed or the failure to maintain and enhance or protect the integrity of these systems could disrupt our business operations, impact sales and the results of operations, expose us to customer or third-party claims, or result in adverse publicity.

Increased global cybersecurity vulnerabilities, threats and more sophisticated and targeted cyber-related attacks pose a risk to the security of our and our customers', suppliers' and third-party service providers' products, systems and networks and the confidentiality, availability and integrity of our data. Unauthorized parties may also attempt to gain access to our systems or facilities, or those of third parties with whom we do business, through fraud, trickery, or other forms of deceiving our team members, contractors, vendors, and temporary staff. While we attempt to mitigate these risks by employing a number of measures, including employee training, systems and maintenance of protective systems, we remain potentially vulnerable to known or unknown threats.

We may also have access to sensitive, confidential or personal data or information that is subject to privacy, security laws, and regulations. Despite our efforts to protect sensitive, confidential or personal data or information, we may be vulnerable to security breaches, theft, misplaced or lost data, programming errors, employee errors and/or malfeasance that could potentially lead to the compromising of sensitive, confidential or personal data or information, improper use of our systems, unauthorized access, use, disclosure, modification or destruction of information, and operational disruptions. It is possible that we might not be aware of a successful cyber-related attack on our systems until well after the incident. In addition, a cyber-related attack could result in other negative consequences, including damage to our reputation or competitiveness, remediation or increased protection costs, litigation or regulatory action, and could adversely affect our business, financial condition, and results of operations. Depending on the nature of the information compromised, we may have obligations to notify customers and/or employees about the incident, and we may need to provide some form of remedy, such as a subscription to a credit monitoring service, for the individuals affected by the incident.

We may be named in litigation, which may result in substantial costs and reputational harm and divert management's attention and resources.

We face legal risks in our business, including claims from disputes with our employees and our former employees and claims associated with general commercial disputes, product liability, personal injury and other matters. Risks associated with legal liability often are difficult to assess or quantify and their existence and magnitude can remain unknown for significant periods of time. While we maintain automobile, directors and officers, general liability, inventory, property and workers compensation insurance, the amount of insurance coverage may not be sufficient to cover a claim and the continued availability of this insurance cannot be assured. Additionally, we may be named in the future as defendants of class action lawsuits. Negative publicity from litigation, whether or not resulting in a substantial cost, could materially damage our reputation. We may in the future be the target of litigation and this litigation may result in substantial costs and reputational harm and divert management's attention and resources. Costs, harm to our reputation and diversion could have a material adverse effect on our business, results of operations and financial condition.

We may be unable to enforce our intellectual property rights and we may be accused of infringing the intellectual property rights of third parties, which could have a material adverse effect on our business, financial condition and results of operations.

We rely on a number of trade names with respect to the dealer groups that we have acquired, which we do not re-brand under our “OneWater” mark. If any of our current trade names or any trademarks that we may own in the future become generic or if third parties adopt marks similar to our marks, our ability to differentiate our dealer groups may be adversely affected, we could lose brand recognition and be forced to devote additional resources to advertising and marketing for our dealer groups. From time to time, we may be compelled to protect our intellectual property, which may involve litigation. Such litigation may be time-consuming, expensive and distract our management from running the day-to-day operations of our business, and could result in the impairment or loss of the involved intellectual property. There is no guarantee that the steps we take to protect our intellectual property, including litigation when necessary, will be successful.

Other parties also may claim that we infringe their proprietary rights. Such claims, whether or not meritorious, may result in the expenditure of significant financial and managerial resources, injunctions against us or the payment of damages. These claims could have a material adverse effect on our business, results of operations and financial condition.

Changes in the assumptions used to calculate our acquisition related contingent consideration liabilities could have a material adverse impact on our financial results.

Some of our acquisitions have included, and future acquisitions may include, contingent consideration liabilities relating to payments based on the future performance of the operations acquired. Under generally accepted accounting principles, we are required to estimate the fair value of any contingent consideration. Our estimates of fair value are based upon assumptions believed to be reasonable but which are uncertain and involve significant judgments. Changes in business conditions or other events could materially change the projection of future earnings used in the fair value calculations of contingent consideration liabilities. We reassess the fair value quarterly, and increases or decreases based on the actual or expected future performance of the acquired operations will be recorded in our results of operations. These quarterly adjustments could have a material effect on our results of operations.

An impairment in the carrying value of long-lived assets, goodwill and identifiable intangible assets could negatively impact our financial results and net worth.

Our long-lived assets, such as property and equipment, are required to be reviewed for impairment whenever events or changes in circumstance indicate that the carrying value of an asset may not be recoverable. As of March 31, 2019, we have approximately $21.8 million of property and equipment, net of accumulated depreciation, recorded on our consolidated balance sheet. Recoverability of an asset is measured by comparison of its carrying amount to undiscounted future net cash flows the asset is expected to generate. If such assets are considered to be impaired, the impairment to be recognized is measured as the amount by which the carrying amount of the asset exceeds its fair market value. Estimates of expected future cash flows represent our best estimate based on currently available information and reasonable and supportable assumptions. Our impairment loss calculations contain uncertainties because they require us to make assumptions and to apply judgment in order to estimate expected future cash flows.

Additionally, our goodwill and identifiable intangible assets are recorded at fair value at the time of acquisition and is not amortized, but reviewed for impairment at least annually or more frequently if impairment indicators arise. In evaluating the potential for impairment of goodwill, we make assumptions regarding industry conditions, our future financial performance, and other factors. Uncertainties are inherent in evaluating and applying these factors to the assessment of goodwill. While we do not believe there is a reasonable likelihood that there will be a change in the judgments and assumptions used in our assessments of goodwill and long-lived assets which would result in a material effect on our operating results, we cannot predict whether events or circumstances will change in the future that could result in non-cash impairment charges that could adversely impact our financial results and net worth.

Our same-store sales may fluctuate and may not be a meaningful indicator of future performance.

Our same-store sales may vary from quarter to quarter. A number of factors have historically affected, and will continue to affect, our same-store sales results, including:

- changes or anticipated changes to regulations related to some of the products we sell;
- consumer preferences, buying trends and overall economic trends;
- our ability to identify and respond effectively to local and regional trends and customer preferences;
- our ability to provide quality customer service that will increase our conversion of shoppers into paying customers;
- competition in the regional market of a store;
- atypical weather patterns;
- changes in our product mix;
- changes in sales of services; and
- changes in pricing and average unit sales.

An unanticipated decline in revenues or same-store sales may cause the price of our Class A common stock to fluctuate significantly.

Changes in accounting standards could significantly affect our results of operations and the presentation of those results.

The Financial Accounting Standards Board, the U.S. Securities and Exchange Commission (the "SEC"), or other accounting organizations or governmental entities frequently issue new pronouncements or new interpretations of existing accounting standards. Changes in accounting standards, how the accounting standards are interpreted, or the adoption of new accounting standards can have a significant effect on our reported results, and could even retroactively affect previously reported transactions, and may require that we make significant changes to our systems, processes and controls. Changes resulting from these new standards may result in materially different financial results and may require that we change how we process, analyze and report financial information and that we change financial reporting controls. Such changes in accounting standards may have an adverse effect on our business, financial position, and income, which may negatively impact our financial results.

We primarily lease our stores. If we are unable to maintain those leases or locate alternative sites for our stores in our target markets and on terms that are acceptable to us, our revenues and profitability could be adversely affected.

We lease substantially all of the real properties where we have operations, including, as of May 31, 2019, 55 of our stores. Most stores operate under long-term leases with an initial term of 10 years and renewal options for an additional 10 years. Additionally, we have entered into dealership leases with certain of the Legacy Owners for which we incurred $1.8 million and $2.1 million in lease expense in the fiscal years ended September 30, 2018 and 2017, respectively, and $1.0 million in lease expense in the six months ended March 31, 2019. There can be no assurance that we will be able to maintain our existing store locations as leases expire, extend the leases or be able to locate alternative sites in our target markets and on favorable terms. Any failure to maintain our existing store locations, extend the leases or locate alternative sites on favorable or acceptable terms could have a material adverse effect on our business, financial condition and results of operations.

Risks Related to this Offering and Our Class A Common Stock

OneWater Inc. is a holding company. OneWater Inc.'s only material asset after completion of this offering will be its equity interest in OneWater LLC, and OneWater Inc. will accordingly be dependent upon distributions from OneWater LLC to pay taxes, make payments under the Tax Receivable Agreement and cover OneWater Inc.'s corporate and other overhead expenses.

OneWater Inc. is a holding company and will have no material assets after completion of this offering other than its equity interest in OneWater LLC. Please see "Corporate Reorganization." OneWater Inc. will have no independent means of generating revenue. To the extent OneWater LLC has available cash and subject to the terms of any current or future debt instruments, the OneWater LLC Agreement will require OneWater LLC to make pro rata cash distributions to OneWater Unit Holders, including OneWater Inc., in an amount sufficient to allow OneWater Inc. to pay its taxes and to make payments under the Tax Receivable Agreement it will enter into with certain of the OneWater Unit Holders. We generally expect OneWater LLC to fund such distributions out of available cash and in the event that payments under the Tax Receivable Agreement are accelerated, where applicable, we generally expect to fund such accelerated payment out of the proceeds of the change of control transaction giving rise to such acceleration. When OneWater LLC makes distributions, the OneWater Unit Holders will be entitled to receive proportionate distributions based on their interests in OneWater LLC at the time of such distribution. In addition, the OneWater LLC Agreement will require OneWater LLC to make non-pro rata payments to OneWater Inc. to reimburse it for its corporate and other overhead expenses, which payments are not treated as distributions under the OneWater LLC Agreement. To the extent that OneWater Inc. needs funds and OneWater LLC or its subsidiaries are restricted from making such distributions or payments under applicable law or regulation or under the terms of any current or future financing arrangements, or are otherwise unable to provide such funds, our liquidity and financial condition could be materially adversely affected.

Moreover, because OneWater Inc. will have no independent means of generating revenue, OneWater Inc.'s ability to make tax payments and payments under the Tax Receivable Agreement is dependent on the ability of OneWater LLC to make distributions to OneWater Inc. in an amount sufficient to cover OneWater Inc.'s tax obligations and obligations under the Tax Receivable Agreement. This ability, in turn, may depend on the ability of OneWater LLC's subsidiaries to make distributions to it. The ability of OneWater LLC, its subsidiaries and other entities in which it directly or indirectly holds an equity interest to make such distributions will be subject to, among other things, (i) the applicable provisions of Delaware law (or other applicable jurisdiction) that may limit the amount of funds available for distribution and (ii) restrictions in relevant debt instruments issued by OneWater LLC or its subsidiaries and other entities in which it directly or indirectly holds an equity interest. To the extent that OneWater Inc. is unable to make payments under the Tax Receivable Agreement for any reason, such payments will be deferred and will accrue interest until paid.

The requirements of being a public company, including compliance with the reporting requirements of the Exchange Act, and the requirements of the Sarbanes-Oxley Act, may strain our resources, increase our costs and distract management, and we may be unable to comply with these requirements in a timely or cost-effective manner.

As a public company, we will need to comply with new laws, regulations and requirements, certain corporate governance provisions of the Sarbanes-Oxley Act of 2002, related regulations of the SEC and the requirements of The Nasdaq Stock Market (the "Nasdaq"), with which we are not required to comply as a private company. Complying with these statutes, regulations and requirements will occupy a significant amount of time of our board of directors and management and will significantly increase our costs and expenses. We will need to:

- institute a more comprehensive compliance function;
- comply with rules promulgated by the Nasdaq;
- prepare and distribute periodic public reports in compliance with our obligations under the federal securities laws;
- inaccurate implementation or interpretation of GAAP;

- establish new internal policies, such as those relating to insider trading; and
- involve and retain to a greater degree outside counsel and accountants in the above activities.

Upon becoming a public company, we will be required to comply with the SEC's rules implementing Sections 302 and 404 of the Sarbanes-Oxley Act, which will require management to certify financial and other information in our quarterly and annual reports and provide an annual management report on the effectiveness of internal controls over financial reporting. Although we will be required to disclose changes made in our internal controls and procedures on a quarterly basis, we will not be required to make our first annual assessment of our internal controls over financial reporting pursuant to Section 404 until the year following our first annual report required to be filed with the SEC. Additionally, we are not required to have our independent registered public accounting firm attest to the effectiveness of our internal controls until our first annual report subsequent to our ceasing to be an "emerging growth company" within the meaning of Section 2(a)(19) of the Securities Act. Accordingly, we may not be required to have our independent registered public accounting firm attest to the effectiveness of our internal controls until as late as our annual report for the fiscal year ending September 30, 2024. Once it is required to do so, our independent registered public accounting firm may issue a report that is adverse in the event it is not satisfied with the level at which our controls are documented, designed, operated or reviewed. Compliance with these requirements may strain our resources, increase our costs and distract management, and we may be unable to comply with these requirements in a timely or cost-effective manner.

In addition, we expect that being a public company subject to these rules and regulations may make it more difficult and more expensive for us to obtain director and officer liability insurance and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for us to attract and retain qualified individuals to serve on our board of directors or as executive officers. We are currently evaluating these rules, and we cannot predict or estimate the amount of additional costs we may incur or the timing of such costs.

We have identified a material weakness in our internal control over financial reporting and may identify additional material weaknesses in the future or otherwise fail to maintain an effective system of internal controls.

As a public company, we will be required to maintain internal control over financial reporting and to report any material weaknesses in those internal controls. For example, we will be required to perform system and process evaluation and testing of our internal control over financial reporting to allow management to report on the effectiveness of our internal control over financial reporting, as required by Section 404 of the Sarbanes-Oxley Act. We are in the process of designing, implementing, and testing internal control over financial reporting required to comply with this obligation. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis.

During the course of preparing for this offering, we and our independent registered public accounting firm have identified a material weakness in internal control over financial reporting as of September 30, 2018 and 2017. The material weakness relates to our review controls over key assumptions used in the September 30, 2017 valuation of warrants, which did not operate at a sufficient level of precision to timely detect and prevent a material misstatement that resulted from a material change in the value of the warrants. Specifically, because the warrants were outstanding for less than a year, we did not engage a specialist to assist management in completing a valuation of the warrants. In addition, in the preparation of the warrants' valuation at September 30, 2018, our internal controls with respect to the valuation of the warrants did not appropriately identify the portion of the change in the warrants' value related to fiscal 2017 that was initially recorded in fiscal 2018. Accordingly, we restated our financial statements as of and for the fiscal years ended September 30, 2018 and 2017. For additional information, please see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Internal Controls and Procedures" and Note 21 to our audited historical financial statements included elsewhere in this prospectus.

We are enhancing our internal controls, processes and related documentation necessary to remediate our material weakness and to perform the evaluation needed to comply with Section 404 of the Sarbanes-Oxley Act. During the evaluation and testing process, if we identify one or more material weaknesses in our internal control over financial reporting, such as the one we identified as described above, we may be unable to conclude that our internal controls are effective. The effectiveness of our controls and procedures may be limited by a variety of factors, including:

- faulty human judgment and simple errors, omissions or mistakes;
- fraudulent action of an individual or collusion of two or more people;
- inappropriate management override of procedures; and
- the possibility that any enhancements to controls and procedures may still not be adequate to assure timely and accurate financial control.

If we fail to remediate the material weakness in our internal control over financial reporting, or experience any additional material weaknesses in the future or otherwise fail to develop or maintain an effective system of internal controls in the future, we may not be able to accurately report our financial condition or results of operations, which may adversely affect investor confidence in us and, as a result, the value of our Class A common stock.

Effective internal controls are necessary for us to provide reliable financial reports, prevent fraud and operate successfully as a public company. If we cannot provide reliable financial reports or prevent fraud, our reputation and operating results would be harmed. As a result of being a public company, we will be required, under Section 404 of the Sarbanes-Oxley Act, to furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting beginning in the year following our first annual report required to be filed with the SEC. This assessment will need to include disclosure of any material weaknesses identified by our management in our internal control over financial reporting. Additionally, when we cease to be an “emerging growth company” under the federal securities laws, our independent registered public accounting firm may be required to express an opinion on the effectiveness of our internal controls. If we are unable to confirm that our internal control over financial reporting is effective, or if our independent registered public accounting firm is unable to express an unqualified opinion on the effectiveness of our internal controls, we could lose investor confidence in the accuracy and completeness of our financial reports, which could cause the price of our Class A common stock to decline.

The initial public offering price of our Class A common stock may not be indicative of the market price of our Class A common stock after this offering. In addition, an active, liquid and orderly trading market for our Class A common stock may not develop or be maintained, and our stock price may be volatile.

Prior to this offering, our Class A common stock was not traded on any market. An active, liquid and orderly trading market for our Class A common stock may not develop or be maintained after this offering. Active, liquid and orderly trading markets usually result in less price volatility and more efficiency in carrying out investors’ purchase and sale orders. The market price of our Class A common stock could vary significantly as a result of a number of factors, some of which are beyond our control. In the event of a drop in the market price of our Class A common stock, you could lose a substantial part or all of your investment in our Class A common stock. The initial public offering price will be negotiated between us and representatives of the underwriters, based on numerous factors which we discuss in “Underwriting (Conflicts of Interest),” and may not be indicative of the market price of our Class A common stock after this offering. Consequently, you may not be able to sell shares of our Class A common stock at prices equal to or greater than the price paid by you in this offering.

The following factors could affect our stock price:

- quarterly variations in our financial and operating results;
- the public reaction to our press releases, our other public announcements and our filings with the SEC;
- strategic actions by our competitors;

- changes in revenue, same-store sales or earnings estimates, or changes in recommendations or withdrawal of research coverage, by equity research analysts;
- speculation in the press or investment community;
- the failure of research analysts to cover our Class A common stock;
- sales of our Class A common stock by us or other stockholders, or the perception that such sales may occur;
- changes in accounting principles, policies, guidance, interpretations or standards;
- additions or departures of key management personnel;
- actions by our stockholders;
- general market conditions, including fluctuations in commodity prices;
- domestic and international economic, legal and regulatory factors unrelated to our performance; and
- the realization of any risks described under this “Risk Factors” section.

The stock markets in general have experienced extreme volatility that has often been unrelated to the operating performance of particular companies. These broad market fluctuations may adversely affect the trading price of our Class A common stock. Securities class action litigation has often been instituted against companies following periods of volatility in the overall market and in the market price of a company’s securities. Such litigation, if instituted against us, could result in very substantial costs, divert our management’s attention and resources and materially harm our business, operating results and financial condition.

The Legacy Owners will own a significant amount of our voting stock, and their interests may conflict with those of our other stockholders.

Upon completion of this offering, the Legacy Owners will own approximately % of our voting stock (or approximately % if the underwriters’ option to purchase additional shares is exercised in full). As a result, the Legacy Owners may be able to influence matters requiring stockholder approval, including the election of directors, approval of any potential acquisition of us, changes to our organizational documents and significant corporate transactions. This concentration of ownership makes it unlikely that any other holder or group of holders of our Class A common stock will be able to affect the way we are managed or the direction of our business. The interests of the Legacy Owners with respect to matters potentially or actually involving or affecting us, such as future acquisitions, financings and other corporate opportunities and attempts to acquire us, may conflict with the interests of our other stockholders.

For example, the Legacy Owners may have different tax positions from us, especially in light of the Tax Receivable Agreement, that could influence their decisions regarding whether and when to support the disposition of assets, the incurrence or refinancing of new or existing indebtedness, or the termination of the Tax Receivable Agreement and acceleration of our obligations thereunder. In addition, the determination of future tax reporting positions, the structuring of future transactions and the handling of any challenge by any taxing authority to our tax reporting positions may take into consideration the Legacy Owners tax or other considerations which may differ from the considerations of us or our other stockholders. Please read “Certain Relationships and Related Party Transactions—Tax Receivable Agreement.”

We may use proceeds from this offering to pay or otherwise fund certain of our contractual obligations, including obligations with certain Legacy Owners.

On October 28, 2016, Goldman and Beekman purchased, among other things, Opco Preferred Units. Pursuant to the terms of Opco’s First Amended and Restated Limited Liability Company Agreement, holders of the Opco Preferred Units (“Opco Preferred Holders”) are entitled to certain returns and distributions at a specified percent per annum and to redemption rights in certain instances. We intend to use a portion of the net proceeds from this offering to redeem all of the shares of Opco Preferred Units

held by Goldman and Beekman. As of September 30, 2018 and March 31, 2019, the redemption amount of the Opco Preferred Units held by Goldman and Beekman was $80.0 million and $83.6 million, respectively. Please see “Use of Proceeds” and “Certain Relationships and Related Party Transactions—Historical Transactions with Affiliates—Opco Preferred Units” for additional information.

Certain of our executive officers and directors have significant duties with, and spend significant time serving, entities that may compete with us in seeking business opportunities and, accordingly, may have conflicts of interest in allocating time or pursuing business opportunities.

Certain of our executive officers and directors, who are responsible for managing the direction of our operations, hold positions of responsibility with other entities (including affiliated entities) that are in the boat retail industry. These executive officers and directors may become aware of business opportunities that may be appropriate for presentation to us as well as to the other entities with which they are or may become affiliated. Due to these existing and potential future affiliations, they may present potential business opportunities to other entities prior to presenting them to us, which could cause additional conflicts of interest. They may also decide that certain opportunities are more appropriate for other entities with which they are affiliated, and as a result, they may elect not to present those opportunities to us. These conflicts may not be resolved in our favor. For additional discussion of our management’s business affiliations and the potential conflicts of interest of which our stockholders should be aware, see “Certain Relationships and Related Party Transactions.”

Our certificate of incorporation and bylaws, as well as Delaware law, will contain provisions that could discourage acquisition bids or merger proposals, which may adversely affect the market price of our Class A common stock and could deprive our investors of the opportunity to receive a premium for their shares.

Our certificate of incorporation will authorize our board of directors to issue preferred stock without stockholder approval in one or more series, designate the number of shares constituting any series, and fix the rights, preferences, privileges and restrictions thereof, including dividend rights, voting rights, rights and terms of redemption, redemption price or prices and liquidation preferences of such series. If our board of directors elects to issue preferred stock, it could be more difficult for a third party to acquire us. In addition, some provisions of our certificate of incorporation and bylaws could make it more difficult for a third party to acquire control of us, even if the change of control would be beneficial to our stockholders. These provisions include:

- dividing our board of directors into three classes of directors, with each class serving staggered three-year terms;
- providing that all vacancies, including newly created directorships, may, except as otherwise required by law or, if applicable, the rights of holders of a series of preferred stock, only be filled by the affirmative vote of a majority of directors then in office, even if less than a quorum;
- permitting any action by stockholders to be taken only at an annual meeting or special meeting rather than by a written consent of the stockholders, subject to the rights of any series of preferred stock with respect to such rights;
- permitting special meetings of our stockholders to be called only by our Chief Executive Officer, the chairman of our board of directors and our board of directors pursuant to a resolution adopted by the affirmative vote of a majority of the total number of authorized directors whether or not there exist any vacancies in previously authorized directorships;
- subject to the rights of the holders of shares of any series of our preferred stock, requiring the affirmative vote of the holders of at least 66 2⁄3% in voting power of all then outstanding common stock entitled to vote generally in the election of directors, voting together as a single class, to remove any or all of the directors from office at any time, and directors will be removable only for “cause”;
- prohibiting cumulative voting in the election of directors;
- establishing advance notice provisions for stockholder proposals and nominations for elections to the board of directors to be acted upon at meetings of stockholders; and

- providing that the board of directors is expressly authorized to adopt, or to alter or repeal our bylaws.

In addition, certain change of control events have the effect of accelerating the payment due under the Tax Receivable Agreement, which could be substantial and accordingly serve as a disincentive to a potential acquirer of our company. Please see "—In certain cases, payments under the Tax Receivable Agreement may be accelerated and/or significantly exceed the actual benefits, if any, OneWater Inc. realizes in respect of the tax attributes subject to the Tax Receivable Agreement."

Our certificate of incorporation will designate the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, employees or agents.

Our certificate of incorporation will provide that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will, to the fullest extent permitted by applicable law, be the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, employees or agents to us or our stockholders, (iii) any action asserting a claim against us or any director or officer or other employee of ours arising pursuant to any provision of the Delaware General Corporation Law (the "DGCL"), our certificate of incorporation or our bylaws, or (iv) any action asserting a claim against us or any director or officer or other employee of ours that is governed by the internal affairs doctrine, in each such case subject to such Court of Chancery having personal jurisdiction over the indispensable parties named as defendants therein. Notwithstanding the foregoing, the exclusive forum provision will not apply to suits brought to enforce any liability or duty created by the Exchange Act, the Securities Act or any other claim for which the federal courts have exclusive jurisdiction. Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock will be deemed to have notice of, and consented to, the provisions of our certificate of incorporation described herein. This choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, employees or agents, which may discourage such lawsuits against us and such persons. Alternatively, if a court were to find these provisions of our certificate of incorporation inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could adversely affect our business, financial condition or results of operations.

Investors in this offering will experience immediate and substantial dilution of $ per share.

Based on the initial public offering price of $ per share (the midpoint of the range set forth on the cover of this prospectus), purchasers of our Class A common stock in this offering will experience an immediate and substantial dilution of $ per share in the as adjusted net tangible book value per share of Class A common stock from the initial public offering price, and our pro forma as adjusted net tangible book value as of March 31, 2019 after giving effect to this offering would be $ per share. If the initial public offering price were to increase or decrease by $1.00 per share, then dilution in pro forma as adjusted net tangible book value per share to new investors in this offering would equal $ or $, respectively. This dilution is due in large part to earlier investors having paid substantially less than the initial public offering price when they purchased their shares. See "Dilution."

We do not intend to pay cash dividends on our Class A common stock, and our Credit Facilities place certain restrictions on our ability to do so. Consequently, your only opportunity to achieve a return on your investment is if the price of our Class A common stock appreciates.

We do not plan to declare cash dividends on shares of our Class A common stock in the foreseeable future. Additionally, the Credit Facilities place certain restrictions on our ability to pay cash dividends. Any future credit agreements or financing arrangements may also contain restrictions on our ability to pay cash dividends. Consequently, your only opportunity, while such dividend restrictions remain in place, to achieve a return on your investment in us may be to sell your Class A common stock at a price greater than you paid for it. There is no guarantee that the price of our Class A common stock that will prevail in the market will ever exceed the price that you pay in this offering.

Future sales of our Class A common stock in the public market, or the perception that such sales may occur, could reduce our stock price, and any additional capital raised by us through the sale of equity or convertible securities may dilute your ownership in us.

We may sell additional shares of Class A common stock in subsequent public offerings. We may also issue additional shares of Class A common stock or convertible securities. After the completion of this offering, we will have outstanding shares of Class A common stock (or shares of Class A common stock if the underwriters' option to purchase additional shares is exercised in full). This number includes shares that we are selling in this offering and shares that we may sell in this offering if the underwriters' option to purchase additional shares is fully exercised, which may be resold immediately in the public market. Following the completion of this offering, and assuming full exercise of the underwriters' option to purchase additional shares, the Legacy Owners will own shares of our Class A common stock and shares of our Class B common stock, or approximately % of our total outstanding shares. Certain OneWater Unit Holders will be party to a registration rights agreement, which will require us to effect the registration of any shares of Class A common stock that they receive in exchange for their OneWater LLC Units in certain circumstances no earlier than the expiration of the lock-up period contained in the underwriting agreement entered into in connection with this offering.

In connection with this offering, we intend to file a registration statement with the SEC on Form S-8 providing for the registration of shares of our Class A common stock issued or reserved for issuance under our long term incentive plan. Subject to the satisfaction of vesting conditions, the expiration of lock-up agreements and the requirements of Rule 144, shares registered under the registration statement on Form S-8 may be made available for resale immediately in the public market without restriction.

We cannot predict the size of future issuances of our Class A common stock or securities convertible into Class A common stock or the effect, if any, that future issuances and sales of shares of our Class A common stock will have on the market price of our Class A common stock. Sales of substantial amounts of our Class A common stock (including shares issued in connection with an acquisition), or the perception that such sales could occur, may adversely affect prevailing market prices of our Class A common stock.

The underwriters of this offering may waive or release parties to the lock-up agreements entered into in connection with this offering, which could adversely affect the price of our Class A common stock.

We, all of our directors that will own equity in us following the completion of this offering, all of our executive officers and substantially all of the Legacy Owners have entered or will enter into lock-up agreements pursuant to which we and they will be subject to certain restrictions with respect to the sale or other disposition of our Class A common stock for a period of 180 days following the date of this prospectus. The underwriters, at any time and without notice, may release all or any portion of the Class A common stock subject to the foregoing lock-up agreements. See "Underwriting (Conflicts of Interest)" for more information on these agreements. If the restrictions under the lock-up agreements are waived, then the Class A common stock, subject to compliance with the Securities Act or exceptions therefrom, will be available for sale into the public markets, which could cause the market price of our Class A common stock to decline and impair our ability to raise capital.

OneWater Inc. will be required to make payments under the Tax Receivable Agreement for certain tax benefits that it may claim, and the amounts of such payments could be significant.

In connection with the closing of this offering, OneWater Inc. will enter into a Tax Receivable Agreement with certain of the OneWater Unit Holders. This agreement will generally provide for the payment by OneWater Inc. to each OneWater Unit Holder of 85% of the net cash savings, if any, in U.S. federal, state and local income tax and franchise tax (computed using simplifying assumptions to address the impact of state and local taxes) that OneWater Inc. actually realizes (or is deemed to realize in certain circumstances) in periods after this offering as a result of certain increases in tax basis available to OneWater Inc. as a result of the exercise of the Redemption Right or the Call Right, and certain benefits attributable to imputed interest. OneWater Inc. will retain the benefit of the remaining 15% of these net cash savings.

The term of the Tax Receivable Agreement will commence upon the completion of this offering and will continue until all tax benefits that are subject to the Tax Receivable Agreement have been utilized or expired, unless OneWater Inc. exercises its right to terminate the Tax Receivable Agreement (or the Tax Receivable Agreement is terminated due to other circumstances, including OneWater Inc.'s breach of a material obligation thereunder or certain mergers or other changes of control), and OneWater Inc. makes the termination payment specified in the Tax Receivable Agreement. In addition, payments OneWater Inc. makes under the Tax Receivable Agreement will be increased by any interest accrued from the due date (without extensions) of the corresponding tax return. In the event that the Tax Receivable Agreement is not terminated, the payments under the Tax Receivable Agreement are anticipated to commence in and to continue for years after the date of the last redemption of the OneWater LLC Units.

The payment obligations under the Tax Receivable Agreement are OneWater Inc.'s obligations and not obligations of OneWater LLC, and we expect that the payments OneWater Inc. will be required to make under the Tax Receivable Agreement will be substantial. Estimating the amount and timing of OneWater Inc.'s realization of tax benefits subject to the Tax Receivable Agreement is by its nature imprecise. The actual increases in tax basis covered by the Tax Receivable Agreement, as well as the amount and timing of OneWater Inc.'s ability to use any deductions (or decreases in gain or increases in loss) arising from such increases in tax basis, are dependent upon significant future events, including but not limited to the timing of the redemptions of OneWater LLC Units, the price of OneWater Inc.'s Class A common stock at the time of each redemption, the extent to which such redemptions are taxable transactions, the amount of the redeeming unit holder's tax basis in its OneWater LLC Units at the time of the relevant redemption, the depreciation and amortization periods that apply to the increase in tax basis, the amount, character, and timing of taxable income OneWater Inc. generates in the future, the timing and amount of any earlier payments that OneWater Inc. may have made under the Tax Receivable Agreement, the U.S. federal income tax rate then applicable, and the portion of OneWater Inc.'s payments under the Tax Receivable Agreement that constitute imputed interest or give rise to depreciable or amortizable tax basis. Accordingly, estimating the amount and timing of payments that may become due under the Tax Receivable Agreement is also by its nature imprecise. For purposes of the Tax Receivable Agreement, net cash savings in tax generally are calculated by comparing OneWater Inc.'s actual tax liability (determined by using the actual applicable U.S. federal income tax rate and an assumed combined state and local income tax rate) to the amount OneWater Inc. would have been required to pay had it not been able to utilize any of the tax benefits subject to the Tax Receivable Agreement. Thus, the amount and timing of any payments under the Tax Receivable Agreement are also dependent upon significant future events, including those noted above in respect of estimating the amount and timing of OneWater Inc.'s realization of tax benefits. Any distributions made by OneWater LLC to OneWater Inc. in order to enable OneWater Inc. to make payments under the Tax Receivable Agreement, as well as any corresponding pro rata distributions made to the other OneWater Unit Holders could have an adverse impact on our liquidity.

The payments under the Tax Receivable Agreement will not be conditioned upon a holder of rights under a Tax Receivable Agreement having a continued ownership interest in OneWater Inc. or OneWater LLC. For additional information regarding the Tax Receivable Agreement, see "Certain Relationships and Related Party Transactions—Tax Receivable Agreement."

In certain cases, payments under the Tax Receivable Agreement may be accelerated and/or significantly exceed the actual benefits, if any, OneWater Inc. realizes in respect of the tax attributes subject to the Tax Receivable Agreement.

If OneWater Inc. experiences a change of control (as defined under the Tax Receivable Agreement, which includes certain mergers, asset sales and other forms of business combinations) or the Tax Receivable Agreement terminates early (at OneWater Inc.'s election or as a result of OneWater Inc.'s breach), OneWater Inc. would be required to make an immediate payment equal to the present value of the anticipated future payments to be made by it under the Tax Receivable Agreement (determined by applying a discount rate equal to the long-term Treasury rate in effect on the applicable date plus basis points) and such early termination payment is expected to be substantial. The calculation of anticipated future payments will be based upon certain assumptions and deemed events set forth in the Tax Receivable Agreement, including (i) that OneWater Inc. has sufficient taxable income to fully utilize the tax benefits covered by the Tax Receivable Agreement, and (ii) that any OneWater LLC Units (other

than those held by OneWater Inc.) outstanding on the termination date are deemed to be redeemed on the termination date. Any early termination payment may be made significantly in advance of, and may materially exceed, the actual realization, if any, of the future tax benefits to which the early termination payment relates.

If OneWater Inc. experiences a change of control (as defined under the Tax Receivable Agreement) or the Tax Receivable Agreement otherwise terminates early (at OneWater Inc.'s election or as a result of OneWater Inc.'s breach), OneWater Inc.'s obligations under the Tax Receivable Agreement could have a substantial negative impact on our liquidity and could have the effect of delaying, deferring or preventing certain mergers, asset sales, or other forms of business combinations or changes of control. For example, if the Tax Receivable Agreement were terminated immediately after this offering, the estimated early termination payment would, in the aggregate, be approximately $ million (calculated using a discount rate equal to the long-term Treasury rate in effect on the applicable date plus basis points, applied against an undiscounted liability of $ million calculated at the 21% U.S. federal corporate income tax rate and estimated applicable state and local income tax rates). The foregoing number is merely an estimate and the actual payment could differ materially. In the event that OneWater Inc.'s obligation to make payments under the Tax Receivable Agreement is accelerated as a result of a change of control, where applicable, we generally expect the accelerated payments due under the Tax Receivable Agreement to be funded out of the proceeds of the change of control transaction giving rise to such acceleration. However, OneWater Inc. may be required to fund such payment from other sources, and as a result, any early termination of the Tax Receivable Agreement could have a substantial negative impact on our liquidity. We do not currently expect to cause an acceleration due to OneWater Inc.'s breach, and we do not currently expect that OneWater Inc. would elect to terminate the Tax Receivable Agreement early, except in cases where the early termination payment would not be material. There can be no assurance that OneWater Inc. will be able to meet its obligations under the Tax Receivable Agreement.

Please read "Certain Relationships and Related Party Transactions—Tax Receivable Agreement."

In the event that OneWater Inc.'s payment obligations under the Tax Receivable Agreement are accelerated upon certain mergers, other forms of business combinations or other changes of control, the consideration payable to holders of OneWater Inc.'s Class A common stock could be substantially reduced.

If OneWater Inc. experiences a change of control (as defined under the Tax Receivable Agreement, which includes certain mergers, asset sales and other forms of business combinations), OneWater Inc. would be obligated to make an immediate payment, and such payment may be significantly in advance of, and may materially exceed, the actual realization, if any, of the future tax benefits to which the payment relates. As a result of this payment obligation, holders of OneWater Inc.'s Class A common stock could receive substantially less consideration in connection with a change of control transaction than they would receive in the absence of such obligation. Further, OneWater Inc.'s payment obligations under the Tax Receivable Agreement will not be conditioned upon the OneWater Unit Holders' having a continued interest in OneWater Inc. or OneWater LLC. Accordingly, the OneWater Unit Holders' interests may conflict with those of the holders of OneWater Inc.'s Class A common stock. Please read "Risk Factors—Risks Related to this Offering and Our Class A Common Stock— In certain cases, payments under the Tax Receivable Agreement may be accelerated and/or significantly exceed the actual benefits OneWater Inc. realizes, if any, in respect of the tax attributes subject to the Tax Receivable Agreement" and "Certain Relationships and Related Party Transactions—Tax Receivable Agreement."

OneWater Inc. will not be reimbursed for any payments made under the Tax Receivable Agreement in the event that any tax benefits are subsequently disallowed.

Payments under the Tax Receivable Agreement will be based on the tax reporting positions that OneWater Inc. will determine and the IRS or another tax authority may challenge all or part of the tax basis increase, as well as other related tax positions OneWater Inc. takes, and a court could sustain such challenge. The OneWater Unit Holders will not reimburse OneWater Inc. for any payments previously made under the Tax Receivable Agreement if any tax benefits that have given rise to payments under the Tax Receivable Agreement are subsequently disallowed, except that excess payments made to any OneWater Unit Holder will be netted against future payments that would otherwise be made to such

OneWater Unit Holder, if any, after OneWater Inc.'s determination of such excess (which determination may be made a number of years following the initial payment and after future payments have been made). As a result, in such circumstances, OneWater Inc. could make payments that are greater than its actual cash tax savings, if any, and may not be able to recoup those payments, which could materially adversely affect its liquidity.

If OneWater LLC were to become a publicly traded partnership taxable as a corporation for U.S. federal income tax purposes, OneWater Inc. and OneWater LLC might be subject to potentially significant tax inefficiencies, and OneWater Inc. would not be able to recover payments previously made by it under the Tax Receivable Agreement even if the corresponding tax benefits were subsequently determined to have been unavailable due to such status.

We intend to operate such that OneWater LLC does not become a publicly traded partnership taxable as a corporation for U.S. federal income tax purposes. A "publicly traded partnership" is a partnership the interests of which are traded on an established securities market or are readily tradable on a secondary market or the substantial equivalent thereof. Under certain circumstances, redemptions of OneWater LLC Units pursuant to the Redemption Right (or the Call Right) or other transfers of OneWater LLC Units could cause OneWater LLC to be treated as a publicly traded partnership. Applicable U.S. Treasury regulations provide for certain safe harbors from treatment as a publicly traded partnership, and we intend to operate such that redemptions or other transfers of OneWater LLC Units qualify for one or more such safe harbors. For example, we intend to limit the number of unitholders of OneWater LLC, and the OneWater LLC Agreement, which will be entered into in connection with the closing of this offering, will provide for limitations on the ability of unitholders of OneWater LLC to transfer their OneWater LLC Units and will provide OneWater Inc., as managing member of OneWater LLC, with the right to impose restrictions (in addition to those already in place) on the ability of unitholders of OneWater LLC to redeem their OneWater LLC Units pursuant to the Redemption Right to the extent OneWater Inc. believes it is necessary to ensure that OneWater LLC will continue to be treated as a partnership for U.S. federal income tax purposes.

If OneWater LLC were to become a publicly traded partnership taxable as a corporation for U.S. federal income tax purposes, significant tax inefficiencies might result for OneWater Inc. and for OneWater LLC, including as a result of OneWater Inc.'s inability to file a consolidated U.S. federal income tax return with OneWater LLC. In addition, OneWater Inc. may not be able to realize tax benefits covered under the Tax Receivable Agreement, and OneWater Inc. would not be able to recover any payments previously made by it under the Tax Receivable Agreement, even if the corresponding tax benefits (including any claimed increase in the tax basis of OneWater LLC's assets) were subsequently determined to have been unavailable.

Unanticipated changes in effective tax rates or adverse outcomes resulting from examination of OneWater Inc.'s income or other tax returns could adversely affect its results of operations and financial condition.

We may be subject to taxes by the U.S. federal, state, and local tax authorities and its future effective tax rates could be subject to volatility or adversely affected by a number of factors, including:

- changes in the valuation of its deferred tax assets and liabilities;
- expected timing and amount of the release of any tax valuation allowances;
- tax effects of stock-based compensation; or
- changes in tax laws, regulations or interpretations thereof.

In addition, we may be subject to audits of its income, sales and other transaction taxes by U.S. federal, state, and local taxing authorities. Outcomes from these audits could have an adverse effect on our operating results and financial condition.

We may issue preferred stock whose terms could adversely affect the voting power or value of our Class A common stock.

Our certificate of incorporation will authorize us to issue, without the approval of our stockholders, one or more classes or series of preferred stock having such designations, preferences, limitations and

relative rights, including preferences over our Class A common stock respecting dividends and distributions, as our board of directors may determine. The terms of one or more classes or series of preferred stock could adversely impact the voting power or value of our Class A common stock. For example, we might grant holders of preferred stock the right to elect some number of our directors in all events or on the happening of specified events or the right to veto specified transactions. Similarly, the repurchase or redemption rights or liquidation preferences we might assign to holders of preferred stock could affect the residual value of the Class A common stock.

If we were deemed to be an investment company under the Investment Company Act of 1940, as amended (the "1940 Act"), as a result of our ownership of OneWater LLC, applicable restrictions could make it impractical for us to continue our business as contemplated and could have a material adverse effect on our business, financial condition and results of operations.

Under Sections 3(a)(1)(A) and (C) of the 1940 Act, a company generally will be deemed to be an "investment company" for purposes of the 1940 Act if (i) it is, or holds itself out as being, engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting or trading in securities or (ii) it engages, or proposes to engage, in the business of investing, reinvesting, owning, holding or trading in securities and it owns or proposes to acquire investment securities having a value exceeding 40% of the value of its total assets (exclusive of U.S. government securities and cash items) on an unconsolidated basis. We do not believe that we are an "investment company," as such term is defined in either of those sections of the 1940 Act.

As the sole managing member of OneWater LLC, we will control and operate OneWater LLC. On that basis, we believe that our interest in OneWater LLC is not an "investment security" as that term is used in the 1940 Act. However, if we were to cease participation in the management of OneWater LLC, our interest in OneWater LLC could be deemed an "investment security" for purposes of the 1940 Act.

We and OneWater LLC intend to conduct our operations so that we will not be deemed an investment company. However, if we were to be deemed an investment company, restrictions imposed by the 1940 Act, including limitations on our capital structure and our ability to transact with affiliates, could make it impractical for us to continue our business as contemplated and could have a material adverse effect on our business, financial condition and results of operations.

For as long as we are an emerging growth company, we will not be required to comply with certain reporting requirements, including those relating to accounting standards and disclosure about our executive compensation, that apply to other public companies.

We are classified as an "emerging growth company" under the JOBS Act. For as long as we are an emerging growth company, which may be up to five full fiscal years, unlike other public companies, we will not be required to, among other things: (i) provide an auditor's attestation report on management's assessment of the effectiveness of our system of internal control over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act; (ii) comply with any new requirements adopted by the PCAOB requiring mandatory audit firm rotation or a supplement to the auditor's report in which the auditor would be required to provide additional information about the audit and the financial statements of the issuer; (iii) provide certain disclosures regarding executive compensation required of larger public companies; or (iv) hold nonbinding advisory votes on executive compensation. Additionally, as an emerging growth company, we are required to have only two years of audited financial statements and only two years of related Management's Discussion and Analysis of Financial Condition and Results of Operations disclosure. We will remain an emerging growth company for up to five years, although we will lose that status sooner if we have more than $1.07 billion of revenues in a fiscal year, have more than $700.0 million in market value of our Class A common stock held by non-affiliates, or issue more than $1.0 billion of non-convertible debt over a three-year period.

To the extent that we rely on any of the exemptions available to emerging growth companies, you will receive less information about our executive compensation and internal control over financial reporting than issuers that are not emerging growth companies. Additionally, we intend to take advantage of the extended transition periods for the adoption of new or revised financial accounting standards under the JOBS Act until we are no longer an emerging growth company. Our election to use the transition periods

permitted by this election may make it difficult to compare our financial statements to those of non-emerging growth companies and other emerging growth companies that have opted out of the extended transition periods permitted under the JOBS Act and who will comply with new or revised financial accounting standards.

If some investors find our Class A common stock to be less attractive as a result, there may be a less active trading market for our Class A common stock and our stock price may be more volatile.

If securities or industry analysts do not publish research or reports about our business, if they adversely change their recommendations regarding our Class A common stock or if our operating results do not meet their expectations, our stock price could decline.

The trading market for our Class A common stock will be influenced by the research and reports that industry or securities analysts publish about us or our business. If one or more of these analysts cease coverage of our company or fail to publish reports on us regularly, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline. Moreover, if one or more of the analysts who cover our company downgrades our Class A common stock or if our operating results do not meet their expectations, our stock price could decline.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

The information in this prospectus includes “forward-looking statements.” All statements, other than statements of historical fact included in this prospectus, regarding our strategy, future operations, financial position, estimated revenues and losses, projected costs, prospects, plans and objectives of management are forward-looking statements. When used in this prospectus, the words “could,” “believe,” “anticipate,” “intend,” “estimate,” “expect,” “project” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. These forward-looking statements are based on our current expectations and assumptions about future events and are based on currently available information as to the outcome and timing of future events. When considering forward-looking statements, you should keep in mind the risk factors and other cautionary statements described under the heading “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Business” included in this prospectus. These forward-looking statements are based on management’s current belief, based on currently available information, as to the outcome and timing of future events.

Forward-looking statements may include statements about

- general economic conditions, including changes in employment levels, consumer demand, preferences and confidence levels, fuel prices, levels of discretionary income and consumer spending patterns;
- economic conditions in certain geographic regions in which we primarily generate our revenue;
- credit markets and the availability and cost of borrowed funds;
- our business strategy, including acquisitions and same-store growth;
- our ability to integrate acquired dealer groups;
- our ability to maintain our relationships with manufacturers, including meeting the requirements of our dealer agreements and receiving the benefits of certain manufacturer incentives;
- our ability to finance working capital and capital expenditures;
- general domestic and international political and regulatory conditions, including changes in tax or fiscal policy;
- our ability to maintain acceptable pricing for our products and services, including financing, insurance and extended service contracts;
- our operating cash flows, the availability of capital and our liquidity;
- our future revenue, same-store sales, income, financial condition, and operating performance;
- our ability to sustain and improve our utilization, revenue and margins;
- competition;
- seasonality and inclement weather such as hurricanes, severe storms, fire and floods, generally and in certain geographic regions in which we primarily generate our revenue;
- our ability to manage our inventory and retain key personnel;
- environmental conditions and real or perceived health or safety risks;
- any potential tax savings we may realize as a result of our organizational structure;
- uncertainty regarding our future operating results and profitability; and
- plans, objectives, expectations and intentions contained in this prospectus that are not historical.

We caution you that these forward-looking statements are subject to all of the risks and uncertainties, most of which are difficult to predict and many of which are beyond our control. These risks include, but are not limited to, decline in demand for our products and services, the seasonality and volatility of the

boat industry, our acquisition strategies, the inability to comply with the financial and other covenants and metrics in our Credit Facilities, cash flow and access to capital, the timing of development expenditures and the other risks described under “Risk Factors” in this prospectus.

Should one or more of the risks or uncertainties described in this prospectus occur, or should underlying assumptions prove incorrect, our actual results and plans could differ materially from those expressed in any forward-looking statements.

All forward-looking statements, expressed or implied, included in this prospectus are expressly qualified in their entirety by this cautionary statement. This cautionary statement should also be considered in connection with any subsequent written or oral forward-looking statements that we or persons acting on our behalf may issue.

Any forward-looking statement that we make in this prospectus speaks only as of the date of such statement. Except as otherwise required by applicable law, we disclaim any duty to update any forward-looking statements, all of which are expressly qualified by the statements in this section, to reflect events or circumstances after the date of this prospectus.

USE OF PROCEEDS

We expect to receive net proceeds from this offering of approximately $ million after deducting estimated underwriting discounts and commissions and estimated offering expenses of approximately $ million, in the aggregate. If the underwriters exercise in full their option to purchase additional shares of Class A common stock, we expect to receive approximately $ million of net proceeds.

We intend to contribute the net proceeds of this offering received by us to OneWater LLC in exchange for OneWater LLC Units. OneWater LLC will use the net proceeds (i) to redeem the Opco Preferred Units held by Goldman and Beekman, (ii) to repay the GS/BIP Credit Facility and (iii) for general corporate purposes. We currently expect that we will use the net proceeds from this offering as follows:

Description	Amount (in millions)
Redemption of the Opco Preferred Units(1)	$
Repayment of the GS/BIP Credit Facility(2)	
General corporate purposes	
Total net proceeds	

(1) The Opco Preferred Units incur (i) a "preferred return" at a rate of 10% per annum, compounded quarterly, on (a) the aggregate amount of capital contributions made, minus any prior distributions (the "unreturned preferred amount"), plus (b) any unpaid preferred returns for prior periods, and (ii) a "preferred target distribution" at a rate of 10% per annum on the unreturned preferred amount multiplied by (a) 40% for the calendar quarters ending March 31, 2019, June 30, 2019 and September 30, 2019, (b) 60% for each calendar quarters ending December 31, 2019, March 31, 2020, June 30, 2020 and September 30, 2020, and (c) 80% for each calendar quarter thereafter. The preferred target distribution proportionally adjusts the amount of capital contribution of each Opco Preferred Holder.

(2) The term loan and revolving line of credit issued under the GS/BIP Credit Facility both mature on October 28, 2021 but we expect that completion of this offering will trigger the mandatory prepayment obligations under the GS/BIP Credit Facility. The GS/BIP Credit Facility accrues interest at a rate of (i) the Applicable Cash Rate, which is payable in cash, plus (ii) the Applicable PIK Rate, which is payable in kind by increasing the principal amount of the underlying loan (each, as defined in the GS/BIP Credit Facility), which rates are set forth below. Additionally, we pay a commitment fee calculated based on the unused amount under the term loan and revolving line of credit, times 0.50% per annum.

Time Period	Applicable Cash Rate	Applicable PIK Rate
October 28, 2016 through October 31, 2018	0.00%	10.00%
November 1, 2018 through October 31, 2019	4.00%	6.00%
November 1, 2019 through October 31, 2020	6.00%	4.00%
November 1, 2020 through the maturity date and thereafter	8.00%	2.00%

A $1.00 increase or decrease in the assumed initial public offering price of $ per share would cause the net proceeds from this offering, after deducting the underwriting discounts and commissions and estimated offering expenses received by us to increase or decrease, respectively, by approximately $, assuming the number of shares offered by us as set forth on the cover page of this prospectus remains the same. An increase or decrease of one million shares offered by us at an assumed offering price of $ per share would cause the net proceeds from this offering after deducting the underwriting discounts and commissions and estimated offering expenses received by us to increase or decrease, respectively, by approximately $.

If the proceeds increase due to a higher initial public offering price or due to the issuance of additional shares by us, we would contribute the additional net proceeds received by us to OneWater LLC in exchange for OneWater LLC Units. OneWater LLC intends to use the additional net proceeds for general corporate purposes. If the proceeds decrease due to a lower initial public offering price or a decrease in the number of shares issued by us, then we would decrease the amount of net proceeds contributed to OneWater LLC and OneWater LLC would reduce by a corresponding amount the net proceeds directed to general corporate purposes. Any reduction in net proceeds may cause us to need to borrow additional funds under our Credit Facilities to fund our operations, which would increase our interest expense and decrease our net income.

Goldman and one of its affiliates will receive 5% or more of the net proceeds of this offering by reason of the repayment of amounts due under our GS/BIP Credit Facility and the redemption of the Opco Preferred Units. As a result, Goldman will receive approximately $ million of the net proceeds of this offering and will be deemed to have a "conflict of interest" with us within the meaning of Rule 5121 of FINRA. See "Underwriting (Conflicts of Interest)."

DIVIDEND POLICY

We do not anticipate declaring or paying any cash dividends to holders of our Class A common stock in the foreseeable future. We currently intend to retain future earnings, if any, to finance the growth of our business. Holders of our Class B common stock are not entitled to participate in any dividends declared by our board of directors. Our future dividend policy is within the discretion of our board of directors and will depend upon then-existing conditions, including our results of operations, financial condition, capital requirements, investment opportunities, statutory restrictions on our ability to pay dividends and other factors our board of directors may deem relevant. In addition, under our Credit Facilities, Opco is restricted from paying cash dividends, and we expect these restrictions to continue in the future, which may in turn limit our ability to pay cash dividends on our Class A common stock. Our ability to pay cash dividends may also be restricted by the terms of any future credit agreement or any future debt or preferred equity securities that we or our subsidiaries may issue. See “Risk Factors—Risks Related to this Offering and Our Class A Common Stock—We do not intend to pay cash dividends on our Class A common stock, and our Credit Facilities place certain restrictions on our ability to do so. Consequently, your only opportunity to achieve a return on your investment is if the price of our Class A common stock appreciates.”

CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization as of March 31, 2019:

- of OneWater LLC and its subsidiaries on an actual basis; and
- of OneWater Inc. on a pro forma basis after giving effect to (i) the transactions described under "Unaudited Pro Forma Consolidated Financial Information," (ii) the sale of shares of our Class A common stock in this offering at the initial offering price of $ per share, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us, and (iii) the application of the net proceeds from this offering as set forth under "Use of Proceeds."

You should read the following table in conjunction with "Unaudited Pro Forma Consolidated Financial Information," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Corporate Reorganization," "Use of Proceeds," and our consolidated financial statements and related notes appearing elsewhere in this prospectus.

	As of March 31, 2019	
	OneWater LLC Actual[1]	OneWater Inc. Pro Forma[2]
	(in thousands, except share counts and par value)	
Cash and cash equivalents	$ 15,489	$
Long-term debt:		
GS/BIP Credit Facility	$ 49,105	$
Acquisition notes payable[3]	15,739	
Commercial vehicles notes payable[4]	2,354	
Total long-term debt	$ 67,198	
Less unamortized portion of debt issuance costs	$ 900	
Total debt	$ 66,298	$
Other Liabilities		
LLC warrants	$ 59,823	—
Redeemable preferred interest in subsidiary	83,620	—
Member/Stockholders' equity:		
Members' equity	$ 9,351	$
Class A common stock, $0.01 par value; no shares authorized, issued or outstanding (Actual); shares authorized, shares issued and outstanding (pro forma)	—	
Class B common stock, $0.01 par value, no shares authorized, issued or outstanding (Actual); shares authorized, shares issued and outstanding (pro forma)	—	
Preferred stock, $0.01 per share; no shares authorized, issued or outstanding (Actual), shares authorized, no shares issued and outstanding (pro forma)	—	
Additional paid-in capital	—	
Non-controlling interests[5]	5,140	
Total member/stockholders' equity	$ 14,491	$
Total capitalization	$ 224,232	$

(1) OneWater Inc. was incorporated on April 3, 2019. The data in this table has been derived from the historical consolidated financial statements included in this prospectus which pertain to the assets, liabilities and expenses of our accounting predecessor, OneWater LLC.

(2) A $1.00 increase or decrease in the assumed initial public offering price of $ per share would increase or decrease total equity and total capitalization by approximately $ million and $ million, respectively, assuming that the number of

shares offered by us, as set forth on the cover page of this prospectus, remains the same after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. We may also increase or decrease the number of shares we are offering. An increase or decrease of one million shares offered by us at an assumed offering price of $ per share would increase or decrease total equity and total capitalization by approximately $ million and $ million, respectively, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. Any decrease in either the assumed initial public offering price of $ per share or the number of shares we are offering, or a combination of both, that results in a total decrease of $ million or more in the expected proceeds of this offering, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us, would result in an equivalent total decrease in cash and cash equivalents.

(3) In connection with certain of our acquisitions of dealer groups, we have entered into notes payable with the acquired entities to finance these acquisitions. As of March 31, 2019, our indebtedness associated with our 12 acquisition notes payable totaled an aggregate of $15.7 million with a weighted average interest rate of 5.5% per annum. As of March 31, 2019, the principal amount outstanding under these acquisition notes payable ranged from $0.2 million to $3.1 million, and the maturity dates ranged from April 1, 2019 to February 1, 2022.

(4) We have entered into multiple notes payable with various commercial lenders in connection with our acquisition of certain vehicles utilized in our retail operations. Such notes bear interest ranging from 1.0% to 6.5% per annum, require monthly payments of approximately $45,000, and mature on dates between March 2020 to July 2024. As of March 31, 2019, we had $2.4 million outstanding under the commercial vehicles note payable.

(5) On a pro forma basis, includes the membership interests not owned by us, which represents % of OneWater LLC's outstanding common units. The Legacy Owners will hold the % non-controlling interest in OneWater LLC. OneWater Inc. will hold % of the economic interests in OneWater LLC and the Legacy Owners will hold % of the economic interests in OneWater LLC.

DILUTION

Purchasers of the Class A common stock in this offering will experience immediate and substantial dilution in the net tangible book value per share of the Class A common stock for accounting purposes. Our net tangible book value as of March 31, 2019, after giving pro forma effect to the transactions described under "Corporate Reorganization," was approximately $ million, or $ per share of Class A common stock. Pro forma net tangible book value per share is determined by dividing our pro forma tangible net worth (tangible assets less total liabilities) by the total number of outstanding shares of Class A common stock that will be outstanding immediately prior to the closing of this offering including giving effect to our corporate reorganization. After giving effect to the sale of the shares in this offering and further assuming the receipt of the estimated net proceeds of $ million (after deducting estimated underwriting discounts and commissions and estimated offering expenses and the application of such proceeds as described in "Use of Proceeds"), our adjusted pro forma net tangible book value as of March 31, 2019 would have been approximately $ million, or $ per share. This represents an immediate increase in the net tangible book value of $ per share to the Legacy Owners and an immediate dilution (i.e., the difference between the offering price and the adjusted pro forma net tangible book value after this offering) to new investors purchasing shares in this offering of $ per share. The following table illustrates the per share dilution to new investors purchasing shares in this offering (assuming that 100% of the OneWater LLC Units have been exchanged for Class A common stock):

Assumed initial public offering price per share		$
Pro forma net tangible book value per share as of March 31, 2019 (before this offering and after giving effect to our corporate reorganization)	$	
Increase per share attributable to new investors in this offering		
As adjusted pro forma net tangible book value per share after giving further effect to this offering		
Dilution in pro forma net tangible book value per share to new investors in this offering[(1)]		$

(1) If the initial public offering price were to increase or decrease by $1.00 per share, then dilution in pro forma net tangible book value per share to new investors in this offering would equal $ or $, respectively.

The following table summarizes, on an adjusted pro forma basis as of March 31, 2019, the total number of shares of Class A common stock owned by the Legacy Owners (assuming that 100% of the OneWater LLC Units held by the Legacy Owners have been exchanged for Class A common stock (and the corresponding shares of Class B common stock have been cancelled)) and to be owned by new investors, the total consideration paid, and the average price per share paid by the Legacy Owners and to be paid by new investors in this offering at $, calculated before deduction of estimated underwriting discounts and commissions.

	Shares Acquired		Total Consideration		Average Price Per Share
	Number	Percent	Amount	Percent	
			(in thousands)		
Legacy Owners		%	$	%	$
New investors in this offering		%	$	%	$
Total		%	$	%	$

The data in the table excludes shares of Class A common stock initially reserved for issuance under our long-term incentive plan.

Each $1.00 increase (decrease) in the assumed initial public offering price of $ per share of Class A common stock would increase (decrease) the total consideration paid by new investors in this offering and the total consideration paid by all holders of Class A common stock by $ million, assuming the number of shares of Class A common stock offered by us remains the same, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

If the underwriters' option to purchase additional shares is exercised in full, the number of shares of Class A common stock being offered in this offering will be increased to , or approximately % of the total number of shares of Class A common stock.

SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA

OneWater Inc. was incorporated on April 3, 2019 and does not have historical financial operating results. The following table presents the selected historical and certain pro forma financial data and other data for OneWater LLC, the accounting predecessor of OneWater Inc., and its subsidiaries. The historical results presented below are not necessarily indicative of the results to be expected for any future period, and should be read together with "Use of Proceeds," "Summary Historical and Pro Forma Consolidated Financial and Operating Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Corporate Reorganization" and our consolidated financial statements and related notes included elsewhere in this prospectus.

The selected historical financial data as of and for the fiscal years ended September 30, 2018 and 2017 was derived from the audited historical financial statements included elsewhere in this prospectus. The selected historical financial data as of March 31, 2019 and for the six months ended March 31, 2019 and 2018 was derived from the unaudited historical financial statements included elsewhere in this prospectus. Our selected historical financial data as of March 31, 2018 was derived from our unaudited historical financial statements not included in this prospectus. The unaudited historical financial statements were prepared on a basis consistent with that used in preparing our audited consolidated financial statements and include all adjustments, consisting of normal and recurring items, that we consider necessary for a fair presentation of our financial position and results of operations for the unaudited periods.

	Six Months Ended March 31,		Years Ended September 30,	
	2019	2018	2018	2017
	(in thousands, except share, per share and store amounts) (unaudited)			
Consolidated Statement of Operations Data:				
Revenue	$ 284,906	$ 221,652	$ 602,805	$ 391,483
Costs of sales	221,861	171,558	465,151	305,782
Selling, general and administrative	49,175	38,405	91,297	65,351
Depreciation and amortization	1,192	705	1,685	1,055
Gain on settlement of contingent consideration	(1,655)	—	—	—
Operating income (loss)	14,331	10,984	44,672	19,294
Other (income) expense				
Interest expense – floor plan	3,996	2,205	5,534	2,686
Interest expense – other	2,522	1,551	3,836	2,266
Transaction costs[1]	742	126	438	327
Change in fair value of warrants	7,600	19,246	33,187	18,057
Other (income) expense[2]	(90)	131	(269)	217
Net income (loss)	$ (439)	$ (12,275)	1,946	(4,258)
Less: Net income attributable to non-controlling interest	546	275	830	13
Net income (loss) attributable to OneWater LLC	$ (985)	$ (12,551)	$ 1,117	$ (4,272)
Pro Forma Per Share Data[3]				
Pro forma net income (loss)	$	$		
Pro forma net income (loss) per share				
Basic	$	$		
Diluted	$	$		
Pro forma weighted average shares outstanding				
Basic				
Diluted				
Consolidated Statement of Cash Flows Data:				
Cash flows provided by (used in) operating activities	$ (79,591)	$ (48,763)	$ (4,654)	$ 6,514
Cash flows provided by (used in) investing activities	(5,573)	(3,933)	(23,920)	(23,304)
Cash flows provided by financing activities	85,306	62,730	34,257	16,993

	Six Months Ended March 31,		Years Ended September 30,	
	2019	2018	2018	2017
	(in thousands, except share, per share and store amounts) (unaudited)			
Other Financial Data:				
Capital expenditures(4)	$ 3,512	$ 3,583	$ 10,135	$ 4,112
Adjusted EBITDA(5)	$ 9,872	$ 9,484	$ 40,823	$ 17,664
Number of stores	59	44	53	45
Same-store sales growth	10.1%	32.3%	22.2%	
Consolidated Balance Sheet Data (at end of period):				
Total assets	$ 521,611	$ 357,704	$ 375,360	$ 258,347
Long-term debt (including current portion)	66,298	39,989	41,845	27,285
Total liabilities	423,500	270,728	274,339	158,578
Redeemable preferred equity interest	83,620	75,688	79,965	71,695
Total members' equity	14,491	11,288	21,056	28,074

(1) Consists of transaction costs related to the acquisitions made in the corresponding period.

(2) Other (income) expense was primarily attributable to insurance proceeds related to hurricane related claims received during 2019 and 2018.

(3) Pro forma net income (loss), Pro forma net income (loss) per share and Pro forma weighted average shares outstanding reflect the estimated number of shares of common stock we expect to have outstanding upon the completion of our corporate reorganization described under "Corporate Reorganization" and this offering. The pro forma data also excludes (i) the redeemable preferred equity interest of $8.3 million and $6.7 million and the change in fair value of warrant liability of $33.2 million and $18.1 million for the fiscal years ended September 30, 2018 and 2017, respectively, and (ii) the redeemable preferred equity interest of $4.5 million and $4.0 million and the change in fair value of warrant liability of $7.6 million and $19.2 million for the six months ended March 31, 2019 and 2018, respectively, as we expect to redeem the Opco Preferred Units and expect the holders of the LLC Warrants to exercise such LLC Warrants in connection with this offering. The pro forma data includes additional pro forma income tax expense of $ million and $ million associated with the income tax effects of the Reorganization described under "Corporate Reorganization." OneWater Inc. is a corporation and is subject to U.S. federal income tax. Our predecessor, OneWater LLC, was not subject to U.S. federal income tax at an entity level. As a result, the consolidated and combined net income in our historical financial statements does not reflect the tax expense we would have incurred if we were subject to U.S. federal income tax at an entity level during such periods.

(4) Includes (i) $6.9 million for growth capital expenditures and $3.2 million for maintenance capital expenditures for fiscal year 2018, compared to $1.5 million and $2.6 million, respectively, for fiscal year 2017 and (ii) $0.6 million for growth capital expenditures and $2.9 million for maintenance capital expenditures for the six months ended March 31, 2019, compared to $2.9 million and $0.7 million, respectively, for the six months ended March 31, 2018.

(5) Adjusted EBITDA is a non-GAAP financial measure. For the definition of Adjusted EBITDA and a reconciliation to our most directly comparable financial measure calculated and presented in accordance with GAAP, please read "Prospectus Summary—Non-GAAP Financial Measure."

UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

The following unaudited pro forma consolidated statements of operations for the year ended September 30, 2018 and the six months ended March 31, 2019 present our consolidated results of operations after giving effect to (i) the Reorganization, including this offering, as described under "Corporate Reorganization," as if such transactions occurred on October 1, 2017, (ii) the use of the estimated net proceeds to us from this offering, as described under "Use of Proceeds" and (iii) a provision for corporate income taxes on the income attributable to OneWater Inc. at an effective rate of % for the six months ended March 31, 2019 and % for the fiscal year ended September 30, 2018, inclusive of all U.S. federal, state and local income taxes (collectively, the "pro forma adjustments"). The unaudited pro forma consolidated balance sheet as of March 31, 2019 gives effect to the pro forma adjustments, including this offering, as if the same had occurred on March 31, 2019.

We have derived the unaudited pro forma consolidated financial information for the year ended September 30, 2018 from the audited historical financial statements of OneWater LLC and its subsidiaries included elsewhere in this prospectus. We have derived the unaudited pro forma consolidated financial information as of and for the six months ended March 31, 2019 from the unaudited historical financial statements of OneWater LLC and its subsidiaries included elsewhere in this prospectus. The unaudited pro forma financial information should be read in conjunction with the historical financial statements.

The pro forma adjustments are based on currently available information and certain estimates and assumptions. Therefore, the actual adjustments may differ from the pro forma adjustments. However, management believes that the assumptions provide a reasonable basis for presenting the significant effects of the transactions described herein and that the pro forma adjustments give appropriate effect to those assumptions and are properly applied in the unaudited pro forma consolidated financial statements. The assumptions underlying the pro forma adjustments are described in the accompanying notes, which should be read in conjunction with these unaudited pro forma consolidated financial statements.

As a public company, we will be implementing additional procedures and processes for the purpose of addressing the standards and requirements applicable to public companies. We expect to incur additional annual expenses related to these steps and, among other things, additional directors' and officers' liability insurance, director fees, reporting requirements of the SEC, transfer agent fees, costs associated with hiring additional accounting, legal and administrative personnel, increased auditing and legal fees and similar expenses. We have not included any pro forma adjustments relating to these costs.

The unaudited pro forma consolidated financial information and related notes are presented for illustrative purposes only. The pro forma adjustments are based upon available information and methodologies that are factually supportable and directly related to the described transactions, including this offering. The historical financial information has been adjusted in the unaudited pro forma condensed consolidated financial statements to give effect to pro forma events that are related and/or directly attributable to the transactions, are factually supportable and, in the case of the statements of operations, are expected to have a continuing impact on our operating results. The unaudited pro forma consolidated financial information includes various estimates which are subject to material change and may not be indicative of what our operations or financial position would have been had the described transactions, including this offering, taken place on the dates indicated, or that may be expected to occur in the future. In addition, future results may vary significantly from the results reflected in the unaudited pro forma consolidated financial statements and should not be relied on as an indication of our results after the consummation of this offering and other transactions contemplated herein. The pro forma financial information is qualified in its entirety by reference to, and should be read in conjunction with, "Basis of Presentation," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and the related notes included elsewhere in this prospectus.

OneWater Inc. and Subsidiaries
Unaudited Pro Forma Consolidated Balance Sheet
As of March 31, 2019

	OneWater LLC Historical	Reorganization Adjustments	OneWater LLC Historical as Adjusted for the Reorganization Adjustments	Offering Adjustments	OneWater Inc. Pro Forma as Adjusted for this Offering and Use of Proceeds
		(in thousands, except share, per share amounts)			
Assets					
Current assets:					
Cash	$ 15,489	$ (1)	$	$	$
Restricted cash	1,536				
Accounts receivable	25,981				
Inventories	295,293				
Prepaid expenses and other current assets	1,153			(3)	
Deferred tax asset	—	(2)			
Total current assets	339,452				
Property and equipment, net of accumulated depreciation of $4,158,394 in 2019	21,835				
Other assets					
Deposits	333				
Identifiable intangible assets	55,724				
Goodwill	104,267				
Total other assets	160,324				
Total assets	$ 521,611	$	$	$	$
Liabilities and Members' Equity/Stockholders' Equity					
Current liabilities:					
Accounts payable	$ 9,598	$	$	$	$
Other payables and accrued expenses	12,535				
Customer deposits	11,111				
Notes payable - floor plan	263,235				
Current portion of long-term debt	3,344				
Total current liabilities	299,823				
Long-term Liabilities					
Other long-term liabilities	900				
Warrant liability	59,823	(4)			
Long-term debt, net of current portion and unamortized debt issuance costs	62,945			(5)	
Total liabilities	423,500				
Redeemable Preferred interest in subsidiary	83,620			(5)	
Members' Equity/Stockholders' Equity:					
Class A common stock		(4)(6)		(5)	
Class B common stock				(7)	
Additional paid-in capital		(4)(6)		(3)(5)	
Retained earnings					
Members' Equity/Stockholders' Equity attributable to One Water Marine Holdings, LLC	9,351	(1)(6)(8)			
Equity attributable to non-controlling interests	5,140	(8)		(7)	
Total liabilities and Members' Equity/Stockholders' Equity	$ 521,611	$	$	$	$

See accompanying Notes to the Unaudited Pro Forma Consolidated Balance Sheet.

Notes to the Unaudited Pro Forma Consolidated Balance Sheet

(1) Reflects a distribution of $ million to existing OneWater LLC unit holders.

(2) Following the Corporate Reorganization and this offering, OneWater Inc. will be subject to U.S. federal income taxes, in addition to state and local taxes, with respect to its allocable share of any net taxable income of OneWater LLC, which will result in higher income taxes than during our history as a limited liability company. As a result, the corresponding pro forma adjustment establishes deferred tax assets, which will be netted with deferred tax liabilities, reflecting the tax status of OneWater Inc. subsequent to this offering.

(3) Represents payment of certain costs associated with this offering, including registration and filing fees and certain legal, accounting and other related expenses using cash on hand.

(4) Reflects the elimination of the warrant liability for the LLC Warrants. Following the Corporate Reorganization, the LLC Warrants will be exercised for common units of OneWater LLC, which will eliminate the liability accounting and fair value adjustments for the LLC Warrants for all periods after this offering.

(5) Represents adjustments to OneWater Inc.'s equity as a result of this offering:

a. Receipt of offering proceeds of $ million;

b. Payment of $ million to redeem all of the shares of Opco Preferred Units held by Goldman and Beekman;

c. Payment of $ million in long-term debt; and

d. Payment of approximately $ million of underwriting discounts and commissions and estimated offering expenses.

(6) Represents the exchange of minority interest shares held by Exchanging Owners for shares of OneWater Inc. upon completion of the Corporate Reorganization.

(7) Reflects the issuance to each of the Legacy Owners a number of shares of OneWater Inc. Class B common stock equal to the number of units held by them.

(8) Represents the reclassification of members' equity in OneWater LLC into non-controlling interests in OneWater Inc. upon completion of the Corporate Reorganization.

See accompanying Notes to the Unaudited Pro Forma Consolidated Balance Sheet.

OneWater Inc. and Subsidiaries
Unaudited Pro Forma Consolidated Statements of Operations
For the Six Months Ended March 31, 2019

	OneWater LLC Historical	Reorganization Adjustments	OneWater LLC Historical as Adjusted for the Reorganization Adjustments	Offering Adjustments	OneWater Inc. Pro Forma as Adjusted for this Offering and Use of Proceeds
		(in thousands, except share, per share amounts)			
Revenues					
New boat sales	$ 194,492	$	$	$	$
Pre-owned boat sales	55,929				
Finance and insurance income	8,519				
Service, parts and other sales	25,966				
Total revenues	284,906				
Cost of Sales (exclusive of depreciation and amortization shown separately below)					
New boat sales	160,102				
Pre-owned boat sales	46,719				
Service, parts and other sales	15,039				
Total cost of sales	221,861				
Selling, general and administrative expenses	49,176				
Depreciation and amortization	1,192				
Gain on settlement of contingent consideration	(1,655)				
Income from operations	14,331				
Other (income) expense					
Interest expense - floor plan	3,996				
Interest expense - other	2,522				
Transaction costs	742				
Change in fair value of warrant liability	7,600	(1)			
Other (income) expense	(90)				
Total other expense	14,770				
Income before income tax expense					
Income tax expense		(2)			
Net income (loss)	(439)				
Less: Net income attributable to non-controlling interest	546	(3)			
Net income (loss) attributable to One Water Marine Holdings, LLC	(985)				
Redeemable Preferred interest, dividends and accretion	4,478			(4)	
OneWater LLC preferred distribution	84			(4)	
Net loss attributable to common interest holders	$ (5,548)	$	$	$	$
Pro forma weighted average shares of Class A common stock outstanding[5]:					
Basic					$
Diluted[6]					$
Pro forma income (loss) per Class A common stock per share:					
Basic					$
Diluted[6]					$

See accompanying Notes to the Unaudited Pro Forma Consolidated Statements of Operations.

OneWater Inc. and Subsidiaries
Unaudited Pro Forma Consolidated Statements of Operations
For the Year Ended September 30, 2018

	OneWater LLC Historical (Restated)	Reorganization Adjustments	OneWater LLC Historical as Adjusted for the Reorganization Adjustments	Offering Adjustments	OneWater Inc. Pro Forma as Adjusted for this Offering and Use of Proceeds
		(in thousands, except share, per share amounts)			
Revenues					
New boat sales	$ 398,586	$	$	$	$
Pre-owned boat sales	140,931				
Finance and insurance income	16,623				
Service, parts and other sales	46,665				
Total revenues	602,805				
Cost of Sales (exclusive of depreciation and amortization shown separately below)					
New boat sales	322,126				
Pre-owned boat sales	116,457				
Service, parts and other sales	26,568				
Total cost of sales	465,151				
Selling, general and administrative expenses	91,297				
Depreciation and amortization	1,685				
Income from operations	44,672				
Other (income) expense					
Interest expense - floor plan	5,534				
Interest expense - other	3,836				
Transaction costs	438				
Change in fair value of warrant liability	33,187	(1)			
Other (income) expense	(269)				
Total other expense	42,726				
Income before income tax expense					
Income tax expense		(2)			
Net income (loss)	1,946				
Less: Net income attributable to non-controlling interest	830	(3)			
Net income (loss) attributable to One Water Marine Holdings, LLC	1,117				
Redeemable Preferred interest, dividends and accretion	8,270			(4)	
OneWater LLC preferred distribution	225			(4)	
Net loss attributable to common interest holders	$ (7,379)	$	$	$	$
Pro forma weighted average shares of Class A common stock outstanding[5]:					
Basic					$
Diluted[6]					$
Pro forma income (loss) per Class A common stock per share:					
Basic					$
Diluted[6]					$

See accompanying Notes to the Unaudited Pro Forma Consolidated Statements of Operations.

Notes to the Unaudited Pro Forma Consolidated Statements of Operations

(1) Reflects the elimination of the charge against income related to the fair value adjustment of the LLC Warrants. Following the Corporate Reorganization, the LLC Warrants will be exercised for common units of OneWater LLC, which will eliminate the liability accounting and fair value adjustments for the LLC Warrants for all periods after this offering.

(2) Following the Corporate Reorganization and this offering, OneWater Inc. will be subject to U.S. federal income taxes, in addition to state and local taxes, with respect to its allocable share of any net taxable income of OneWater LLC, which will result in higher income taxes than during our history as a limited liability company. As a result, the Pro Forma Consolidated Statements of Operations reflect adjustments to our provision for corporate income taxes to reflect an effective tax rate of % for the six months ended March 31, 2019 and % for the year ended September 30, 2018, which include a provision for U.S. federal income taxes and use our estimates of the weighted average statutory rates apportioned to each state and local jurisdiction.

(3) OneWater Inc. will be the managing member of OneWater LLC following the Corporate Reorganization. Following this offering, OneWater Inc. will initially own % of the economic interest in OneWater LLC, but will have 100% of the voting power and control the management of OneWater LLC. The Legacy Owners will own the remaining % of the economic interest in OneWater LLC, which will be accounted for as a non-controlling interest in the future consolidated financial results of OneWater Inc. These amounts have been determined based on the assumption that the underwriters' option to purchase additional shares is not exercised. If the underwriters' option to purchase additional shares is exercised, the ownership percentage held by the non-controlling interest would decrease to %.

(4) Reflects the elimination of the charge against net income (loss) attributable to One Water Marine Holdings, LLC related to the redeemable preferred interest, dividends and accretion and OneWater LLC preferred distribution, as future charges will be eliminated with the repayment of the Opco Preferred Units and the OneWater LLC preferred distribution in connection with this offering.

(5) The shares of Class B common stock of OneWater Inc. do not share in OneWater Inc. earnings and are, therefore, not allocated any net income attributable to the controlling and non-controlling interests. As a result, the shares of Class B common stock are not considered participating securities and are, therefore, not included in the weighted average shares outstanding for purposes of computing net income available per share.

(6) For purposes of applying the as-if converted method for calculating diluted earnings per share, we assume that all OneWater LLC units are exchanged (with automatic cancellation of all outstanding shares of Class B common stock) for Class A common stock. Such exchange is affected by the allocation of income or loss associated with the exchange of OneWater LLC units (and cancellation of Class B common stock) for Class A common stock and, accordingly, the effect of such exchange has been included for calculating diluted pro forma net income available to Class A common stock per share. Giving effect to (i) the exchange of all OneWater LLC units (and cancellation of Class B common stock) for shares of Class A common stock and (ii) the vesting of all unvested OneWater LLC stock based compensation awards, diluted pro forma net income per share available to Class A common stock would be computed as follows:

	Year ended September 30, 2018	Six months ended March 31, 2019
Pro forma income before income taxes		
Adjusted pro forma income taxes[a]		
Adjusted pro forma net income to OneWater Inc. stockholders[b]		
Weighted average shares of Class A common stock outstanding (assuming the exchange of all OneWater LLC units for shares of class A common stock)[c]		
Pro forma diluted net income available to Class A common stock per share[c]		

a) Represents the implied provision for income taxes assuming the exchange of all OneWater LLC units for shares of Class A common stock of OneWater Inc. using the same method applied in calculating the pro forma tax provision.

b) Assumes elimination of non-controlling interest due to the assumed exchange of all OneWater LLC units (and cancellation of Class B common stock) for shares of Class A common stock of OneWater Inc. as of the beginning of the period presented.

c) We have granted restricted stock units to certain employees in connection with this offering. Under the treasury stock method, assuming the units were granted at the beginning of the period at $ per share (the midpoint of the range set forth on the cover of this prospectus), there would be no dilutive effect of these restricted stock units on the computations of pro forma diluted net income per share.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with "Selected Historical Consolidated Financial Data," "Unaudited Pro Forma Consolidated Financial Information" and our audited consolidated financial statements and related notes appearing elsewhere in this prospectus. The following discussion contains "forward-looking statements" that reflect our future plans, estimates, beliefs and expected performance. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of a variety of risks and uncertainties, including those described in this prospectus under "Cautionary Note Regarding Forward-Looking Statements" and "Risk Factors." We assume no obligation to update any of these forward-looking statements.

All of the financial information presented herein has been revised to reflect the restatement of our consolidated financial statements as of and for the years ended September 30, 2018 and 2017, as more fully described in Note 21 - Restatement of the Consolidated Financial Statements in our consolidated financial statements.

Overview

We are one of the largest and fastest-growing premium recreational boat retailers in the United States with 60 stores comprising 20 dealer groups in 11 states. Our dealer groups are located in highly attractive markets throughout the Southeast, Gulf Coast, Mid-Atlantic and Northeast, including Texas, Florida, Alabama, North Carolina, South Carolina, Georgia, Ohio and New York, which collectively comprise eight of the top twenty states for marine retail expenditures. We believe that we are a market leader by volume in sales of premium boats in 12 out of the 17 markets in which we operate. In 2018, we sold over 7,500 new and pre-owned boats, of which we believe approximately 40% were sold to customers who had a trade-in or with whom we had otherwise established relationships. The combination of our significant scale, diverse inventory, access to premium boat brands and meaningful dealer group brand equity enable us to provide a consistently professional experience as reflected in the number of our repeat customers and same-store sales growth.

We were formed in 2014 as OneWater LLC through the combination of Singleton Marine and Legendary Marine, which created a marine retail platform that collectively owned and operated 19 stores. Since the combination in 2014, we have acquired a total of 37 additional stores through 16 acquisitions. Our current portfolio as of May 31, 2019 consists of 20 different local and regional dealer groups. While we have opportunistically opened new stores in select markets, we believe that it is generally more effective economically and operationally to acquire existing stores with experienced staff and established reputations.

The boat dealer market is highly fragmented and is comprised of over 4,000 stores nationwide. Most competing boat retailers are operated by local business owners who own three or fewer stores. We are one of the largest and fastest-growing premium recreational boat retailers in the United States. Despite our size, we comprise less than 2% of total industry sales. Our scale and business model allow us to leverage our extensive inventory to provide consumers with the ability to find a boat that matches their preferences (e.g., make, model color, configuration and other options) and to deliver the boat within days while providing a personalized sales experience. We are able to operate with a comparatively higher degree of profitability than other independent retailers because we allocate support resources across our store base, focus on high-margin products and services, utilize floor plan financing and provide core back-office functions on a scale that many independent retailers are unable to match. We seek to be the leading boat retailer by total market share within each boating market and within the product segments in which we participate. To the extent that we are not, we will evaluate acquiring other local retailers in order to increase our sales, to add additional brands or to provide us with additional high-quality personnel.

Trends and Other Factors Impacting Our Performance

Acquisitions

We are a highly acquisitive company. Since the combination of Singleton Marine and Legendary Marine in 2014, we have acquired over 30 additional stores through 16 dealer group acquisitions. Since the beginning of fiscal year 2019, we have acquired four additional dealer groups and seven additional

stores, and we plan to continue to aggressively pursue acquisitions going forward. We actively evaluate and pursue acquisitions on an ongoing basis, and our pipeline of potential acquisitions over the next 24 months currently includes four to eight dealer groups.

We have an extensive acquisition track record within the boating industry and believe we have developed a reputation for treating sellers and their staff in an honest and fair manner. We believe our reputation and scale have positioned us as a buyer of choice for boat dealers who want to sell their businesses. To date, 100% of our acquisitions have been sourced from inbound inquiries, and the number of annual inquiries we receive has consistently increased over time. Our strategy is to acquire stores at attractive EBITDA multiples and then grow same-store sales while benefitting from cost-reducing synergies. Historically, we have typically acquired dealer groups for less than 4.0x EBITDA on a trailing twelve months basis and believe that we will be able to continue to make attractive acquisitions within this range.

General Economic Conditions

General economic conditions and consumer spending patterns can negatively impact our operating results. Unfavorable local, regional, national, or global economic developments or uncertainties could reduce consumer spending and adversely affect our business. Consumer spending on discretionary goods may also decline as a result of lower consumer confidence levels, even if prevailing economic conditions are otherwise favorable. Economic conditions in areas in which we operate stores, particularly in the Southeast, can have a major impact on our overall results of operations. Local influences, such as corporate downsizing and inclement weather such as hurricanes and other storms, environmental conditions, and events could adversely affect our operations in certain markets and in certain periods. Any extended period of adverse economic conditions or low consumer confidence is likely to have a negative effect on our business.

Our business was significantly impacted during the recessionary period that began in 2007. This period of weakness in consumer spending and depressed economic conditions had a substantial negative effect on our operating results. In response to these conditions we reduced our inventory purchases, closed certain stores and reduced headcount. Additionally, in an effort to counteract the downturn, we increased our focus on pre-owned sales, parts and repair services, and finance and insurance services. As a result, we surpassed our pre-recession sales levels in less than 24 months. While we believe the measures we took significantly reduced the impact of the downturn on the business, we cannot guarantee similar results in the event of a future downturn. Additionally, we cannot predict the timing or length of unfavorable economic or industry conditions or the extent to which they could adversely affect our operating results.

Although past economic conditions have adversely affected our operating results, we believe we are capable of responding in a manner that allows us to substantially outperform the industry, resulting in market share gains. We believe our ability to capture such market share enables us to align our retail strategies with the desires of customers. We expect our core strengths, including retail and acquisition strategies, will allow us to capitalize on growth opportunities as they occur, despite market conditions.

Critical Accounting Policies and Significant Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, contingent assets and liabilities, each as of the date of the financial statements, and revenues and expenses during the periods presented. On an ongoing basis, management evaluates their estimates and assumptions, and the effects of any such revisions are reflected in the financial statements in the period in which they are determined to be necessary. Actual outcomes could differ materially from those estimates in a manner that could have a material effect on our consolidated financial statements. Set forth below are the policies and estimates that we have identified as critical to our business operations and understanding our results of operations, based on the high degree of judgment or complexity in their application.

Revenue Recognition

Revenue is recognized from the sale of products and commissions earned on new and pre-owned boats (including used, brokerage and consignment) when ownership is transferred to the customer. Revenue from new, used and consignment sales is recorded at the gross sales price, while revenue from brokerage transactions is recorded on a net basis. Revenue from sales of parts, accessories, and supplies is recognized when they are delivered to the customer. Service revenue, including repairs under manufacturers' warranties, is recognized when the customer accepts the serviced boat. Deferred revenue from storage and marina operations is recognized on a straight-line basis over the term of the contract as services are completed. Revenue from arranging financing, insurance and extended warranty contracts to customers through various third-party financial institutions and insurance companies is recognized when the related boats are sold, although a fee may be assessed by the third-party financial institutions and insurance companies in the event of an early cancellation of such loan or insurance contract by the customer. Deposits received from customers are recorded as a liability on the balance sheet until the related sales orders have been fulfilled by us and ownership is transferred to the customer.

Vendor Consideration Received

Consideration received from vendors is accounted for in accordance with the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 605-50, Revenue Recognition – Customer Payments and Incentives ("ASC 605-50"). Pursuant to ASC 605-50, manufacturer incentives based upon cumulative volume of sales and purchases are recorded as a reduction of inventory cost and related cost of sales when the amounts are probable and reasonably estimable.

Inventories

Inventories are stated at the lower of cost or net realizable value. The cost of new and pre-owned boat inventory is determined using the specific identification method. New and pre-owned boat sales histories indicated that the overwhelming majority of such boats are sold for, or in excess of, the cost to purchase those boats. In assessing the lower of cost or net realizable value, we consider the aging of the boats, historical sales of a particular product and current market conditions. Therefore, we generally do not maintain a reserve for boat inventory. The cost of parts and accessories is determined using the weighted average cost method. Inventory is reported net of write downs for obsolete and slow moving items of approximately $0.4 million and $0.3 million at September 30, 2018 and 2017, respectively, and approximately $0.5 million at March 31, 2019.

Goodwill and Other Intangible Assets

Goodwill and intangible assets are accounted for in accordance with FASB Accounting Standards Codification 350, "Intangibles — Goodwill and Other" ("ASC 350"), which provides that the excess of cost over net assets of businesses acquired is recorded as goodwill. For the years ended September 30, 2018 and 2017, we completed a combined total of seven acquisitions and recorded $14.3 million and $10.0 million in goodwill, and $13.0 million and $13.0 million in intangible assets, respectively. For the six months ended March 31, 2019, we completed a combined total of three acquisitions and recorded $8.1 million in goodwill and $8.0 million in intangible assets. In total, current and previous acquisitions have resulted in the recording of $104.3 million in goodwill and $55.7 million in intangible assets as of March 31, 2019.

In accordance with ASC 350, goodwill and indefinite lived intangible assets are tested for impairment at least annually, or more frequently when events or circumstances indicate that impairment might have occurred. ASC 350 also states that if an entity determines, based on an assessment of certain qualitative factors, that it is more likely than not that the fair value of a reporting unit is greater than its carrying amount, then a quantitative goodwill impairment test is unnecessary.

In January 2017, the FASB issued ASU 2017-04, Simplifying the Test for Goodwill Impairment, that removes the step two of the goodwill impairment test, which requires a hypothetical purchase price allocation. Under the new guidance, a goodwill impairment is now the amount by which a reporting unit's carrying value exceeds its fair value. The guidance is effective for annual and interim periods in fiscal years beginning after December 15, 2019 with early adoption permitted for any goodwill impairment tests

performed after January 1, 2017. We early adopted ASU 2017-04 and the guidance has been applied for all goodwill impairment tests performed after January 1, 2017.

We engaged a valuation specialist to assist management in performing a qualitative assessment used in testing goodwill for impairment. Based on this assessment, management concluded that it was more likely than not that the fair value of the reporting unit was greater than its carrying amount at September 30, 2018 and 2017. As a result, no impairment for goodwill was required for the years ended September 30, 2018 or 2017.

Impairment of Long-Lived Assets

FASB ASC 360-10-40, Property, Plant, and Equipment – Impairment or Disposal of Long-Lived Assets ("ASC 360-10-40"), requires that long-lived assets, such as property, equipment and purchased intangibles subject to amortization, be reviewed for impairment when events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If such an indication is present, the carrying amount of the asset is compared to the estimated undiscounted cash flows related to that asset. We would conclude that an asset is impaired if the sum of such expected future cash flows is less than the carrying amount of the related asset. If an asset is impaired, the impairment loss would be the amount by which the carrying amount of the related asset exceeds its fair value.

Fair Value of Financial Instruments

In determining fair value, we use various valuation approaches including market, income and cost approaches. FASB Topic 820, Fair Value Measurements, establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability, developed based on market data obtained from independent sources. Unobservable inputs are those that reflect our expectation of the assumptions that market participants would use in pricing the asset or liability, developed based on the best information available in the circumstances.

The grant date fair value of equity-based compensation and the fair value of the outstanding common unit warrants issued by OneWater LLC (the "LLC Warrants") were both based upon inputs that are unobservable and significant to the overall fair value measurement. Our valuation considered both a market approach and an income approach in determining fair value. While both approaches resulted in similar values, the market approach was weighted 25% and the income approach was weighted 75% since there are very few comparable marine related market participants. For the income approach, we projected long-term growth rates and cash flows and then discounted such values using a weighted average cost of capital. Such fair value measurements are highly complex and subjective in nature. Accordingly, a significant degree of judgment is required to estimate these fair value measurements, which may be volatile until such time as there is an established market price for our shares of Class A common stock on an established exchange.

Post-Offering Taxation and Public Company Costs

OneWater LLC is and has been organized as a pass through entity for U.S. federal income tax purposes and is therefore not subject to entity-level U.S. federal income taxes. OneWater Inc. was incorporated as a Delaware corporation on April 3, 2019 and therefore, after the consummation of this offering, will be subject to U.S. federal income taxes and additional state and local taxes with respect to its allocable share of any taxable income of OneWater LLC and will be taxed at the prevailing corporate tax rates. In addition to tax expenses, OneWater Inc. also will incur expenses related to its operations, plus payment obligations under the Tax Receivable Agreement, which are expected to be significant. To the extent OneWater LLC has available cash and subject to the terms of any current or future debt instruments, the Amended and Restated Limited Liability Company Agreement of OneWater LLC (the "OneWater LLC Agreement") will require OneWater LLC to make pro rata cash distributions to OneWater Unit Holders, including OneWater Inc., in an amount sufficient to allow OneWater Inc. to pay its taxes and to make payments under the Tax Receivable Agreement. In addition, the OneWater LLC Agreement will require OneWater LLC to make non-pro rata payments to OneWater Inc. to reimburse it for its corporate

and other overhead expenses, which payments are not treated as distributions under the OneWater LLC Agreement. See "—Tax Receivable Agreement" and "Certain Relationships and Related Party Transactions—Tax Receivable Agreement."

In addition, we expect to incur incremental, non-recurring costs related to our transition to a publicly traded corporation, including the costs of this initial public offering and the costs associated with the initial implementation of our internal control reviews and testing pursuant to Section 404 of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"). We also expect to incur additional significant and recurring expenses as a publicly traded corporation, including costs associated with compliance under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), annual and quarterly reports to common stockholders, registrar and transfer agent fees, national stock exchange fees, audit fees, incremental director and officer liability insurance costs and director and officer compensation. Our financial statements following this offering will reflect the impact of these expenses.

How We Evaluate Our Operations

Revenue

We have a diversified revenue profile that is comprised of new boat sales, pre-owned boat sales, F&I products, repair and maintenance services, and parts and accessories. Although non-boat sales contributed approximately 10% and 12% to revenue in fiscal year 2018 and the six months ended March 31, 2019, respectively, due to the higher gross margin on these product and service lines, non-boat sales contributed 27% and 31% to gross profit in fiscal year 2018 and the six months ended March 31, 2019, respectively. During different phases of the economic cycle, consumer behavior may shift away from new boats; however, we are well-positioned to benefit from revenue from pre-owned boats, repair and maintenance services, and parts and accessories, which have all historically increased during periods of economic uncertainty. We generate pre-owned sales from boats traded-in for new and used boats, boats purchased from consumers, brokerage transactions and consignment sales. We have also diversified our business across geographies and dealership types (e.g., fresh water and salt water) in order to reduce the effects of seasonality. In addition to seasonality, revenue and operating results may also be significantly affected by quarter-to-quarter changes in economic conditions, manufacturer incentive programs, adverse weather conditions and other developments outside of our control.

Gross Profit

We calculate gross profit as revenue less cost of sales. Cost of sales consists of actual amounts paid for products, costs of services (primarily labor), transportation costs from manufacturers to our retail stores and vendor consideration. Gross profit excludes depreciation and amortization, which is presented separately in our consolidated statements of operations.

Gross Profit Margin

Our overall gross profit margin varies with our revenue mix. Sales of new and pre-owned boats, which have comparable margins, generally result in a lower gross profit margin than our non-boat sales. As a result, when revenue from non-boat sales increases as a percentage of total revenue, we expect our overall gross profit margin to increase.

Selling, General and Administrative Expenses

Selling, general, and administrative ("SG&A") expenses consist primarily of salaries and incentive-based compensation, advertising, rent, insurance, utilities, and other customary operating expenses. A portion of our cost structure is variable (such as sales commissions and incentive compensation), or controllable (such as advertising), which we believe allows us to adapt to changes in the retail environment over the long term. We typically evaluate our variable expenses, selling expenses and all other SG&A expenses in the aggregate as a percentage of total revenue.

Same-Store Sales

We assess the organic growth of our revenue on a same-store basis. We believe that our assessment on a same-store basis represents an important indicator of comparative financial results and provides relevant information to assess our performance. New and acquired stores become eligible for

inclusion in the comparable store base at the end of the store's thirteenth month of operations under our ownership and revenues are only included for identical months in the same-store base periods. Stores relocated within an existing market remain in the comparable store base for all periods. Additionally, amounts related to closed stores are excluded from each comparative base period.

Adjusted EBITDA

We define Adjusted EBITDA as net income (loss) before interest expense – other, income taxes, depreciation and amortization and other (income) expense, further adjusted to eliminate the effects of items such as the change in the fair value of warrants, and transaction costs. See "—Comparison of Non-GAAP Financial Measure" for more information and a reconciliation of Adjusted EBITDA to net income (loss), the most directly comparable financial measure calculated and presented in accordance with GAAP.

Summary of Acquisitions

The comparability of our results of operations between the periods discussed below is naturally affected by the acquisitions we have completed during such periods. We are also continuously evaluating and pursuing acquisitions on an ongoing basis, and such acquisitions, if completed, will continue to impact the comparability of our financial results. While we expect continued growth and strategic acquisitions in the future, our acquisitions may have materially different characteristics than our historical results, and such differences in economics may impact the comparability of our future results of operations to our historical results.

Fiscal Year 2019 Acquisitions

- Effective December 1, 2018, OneWater LLC acquired substantially all of the assets of The Slalom Shop, LLC, a dealer group based in Texas with two stores.
- Effective February 1, 2019, OneWater LLC acquired substantially all of the assets of Ray Clepper, Inc., d/b/a Ray Clepper Boat Center, a dealer group based in South Carolina with one store.
- Effective February 1, 2019, OneWater LLC acquired substantially all of the assets of Ocean Blue Yacht Sales, LLC, a dealer group based in Florida with three stores.
- Effective May 1, 2019, OneWater LLC acquired substantially all of the assets of Caribee Boat Sales and Marina, Inc., a dealer group based in Florida with one store.

We refer to the fiscal year 2019 acquisitions described above collectively as the "2019 Acquisitions." The 2019 Acquisitions will be fully reflected in our consolidated financial statements for the fiscal year ending September 30, 2020 but were only partially reflected in our consolidated financial statements for the fiscal year ending September 30, 2019, beginning on the date of acquisition and will not impact our results of operations for fiscal 2018 and 2017.

Fiscal Year 2018 Acquisitions

- Effective June 1, 2018, OneWater LLC acquired Bosun's Marine, Inc. ("Bosun's"), a dealer group based in Massachusetts with five stores. Bosun's was acquired by our subsidiary Bosun's Assets & Operations, LLC, in which we hold a 75% ownership interest. The results of operations for Bosun's have been included in our consolidated financial statements from that date and the former owner's minority interest in our relevant subsidiary has been recorded accordingly.
- Effective April 1, 2018, OneWater LLC acquired substantially all of the assets of Rebo, Inc., d/b/a Spend-A-Day Marina, a dealer group based in West Central Ohio with one store.
- Effective February 1, 2018, OneWater LLC acquired substantially all of the assets of Texas Marine & Brokerage, Inc., d/b/a Texas Marine, a dealer group based in Texas with three stores.

We refer to the fiscal year 2018 acquisitions described above collectively as the "2018 Acquisitions." The full impact of the 2018 Acquisitions will be reflected in our consolidated financial statements for the fiscal year ending September 30, 2019 but were only partially reflected in our consolidated financial statements for the fiscal year ended September 30, 2018, beginning on the date of acquisition and will not impact our results of operations in fiscal 2017.

Fiscal Year 2017 Acquisitions

- Effective August 1, 2017, OneWater LLC acquired South Shore Marine Services, Inc. ("South Shore Marine"), a dealer group based in Ohio with one store. South Shore Marine was acquired by our subsidiary South Shore Lake Erie Assets & Operations, LLC, in which we hold a 75% ownership interest. The results of operations for South Shore Marine have been included in our consolidated financial statements from that date and the former owner's minority interest in our relevant subsidiary has been recorded accordingly.
- Effective March 1, 2017, OneWater LLC acquired substantially all of the assets of Lab Marine, Inc., d/b/a Grande Yachts, a dealer group located along the Eastern seaboard with nine stores.
- Effective December 1, 2016, OneWater LLC acquired substantially all of the assets of Marina Mike's LLC, a dealer group based in Florida with one store.
- Effective November 1, 2016, OneWater LLC acquired substantially all of the assets of Destin Sunrise Marine, Inc. and Sunrise Marine of Alabama, Inc., a dealer group based in Florida and Alabama with two stores.

We refer to the fiscal year 2017 acquisitions described above collectively as the "2017 Acquisitions." The full impact of the 2017 Acquisitions will be reflected in our consolidated financial statements for the fiscal year ended September 30, 2019 and 2018 but were only partially reflected in our consolidated financial statements for the fiscal year ending September 30, 2017, beginning on the date of acquisition.

Other Factors Affecting Comparability of Our Future Results of Operations to Our Historical Results of Operations

Our historical financial results discussed below may not be comparable to our future financial results for the reasons described below.

- OneWater Inc. is subject to U.S. federal, state and local income taxes as a corporation. Our accounting predecessor, OneWater LLC, was and is treated as a partnership for U.S. federal income tax purposes, and as such, was generally not subject to U.S. federal income tax at the entity level. Rather, the tax liability with respect to its taxable income is passed through to its members. Accordingly, the financial data attributable to our predecessor contains no provision for U.S. federal income taxes or income taxes in any state or locality. We estimate that OneWater Inc. will be subject to U.S. federal, state and local taxes at a blended statutory rate of approximately 25% of pre-tax earnings.
- As of March 31, 2019, the outstanding balance of the preferred units in Opco held by Goldman and Beekman was $83.6 million. On a pro forma basis giving effect to this offering and the use of net proceeds therefrom to fully redeem these preferred units, we would eliminate the amount recorded as temporary equity to our balance sheet and eliminate any future dividends related to the preferred units.
- Goldman and Beekman hold warrants to acquire OneWater LLC common units (the "LLC Warrants"), which contain conversion features that cause them to be accounted for as a liability on our balance sheet. That liability is recognized as an expense on our statements of operations and reduces our net income in historical periods. In connection with this offering, Goldman and Beekman have indicated that all of the LLC Warrants will be exercised for common units of OneWater LLC. On a pro forma basis giving effect to this offering and the exercise of the LLC Warrants for common units of OneWater LLC held by Goldman and Beekman, we expect to eliminate the fair value adjustment for the LLC Warrants for all periods after the offering, which will eliminate the corresponding charge against income.
- Proceeds of this offering will be used to partially repay outstanding borrowings under the Credit and Guaranty Agreement entered into by and among OneWater LLC and certain of its subsidiaries, OWM BIP Investor, LLC, as a lender, Goldman Sachs Specialty Lending Group, L.P., as a lender, administrative agent and collateral agent, and various lender parties thereto (as

amended, the "GS/BIP Credit Facility"), and following the repayment, we expect to have total outstanding indebtedness of approximately $35.0 million, compared to the actual outstanding indebtedness of $44.1 million as of March 31, 2019, which should reduce our interest expense following the offering.

- As we further implement controls, processes and infrastructure applicable to companies with publicly traded equity securities, it is likely that we will incur additional SG&A expenses relative to historical periods. See "— Post-Offering Taxation and Public Company Costs."

Our future results will depend on our ability to efficiently manage our combined operations and execute our business strategy.

Results of Operations

Six Months Ended March 31, 2019, Compared to Six Months Ended March 31, 2018

	Six Months Ended March 31,					
	2019		2018			
Description	Amount	% of Revenue	Amount	% of Revenue	$ Change	% Change
	($ in thousands, unaudited)					
Revenue						
New Boat Sales	$ 194,492	68.3%	$ 144,711	65.3%	$ 49,781	34.4%
Pre-Owned Boat Sales	55,929	19.6%	53,468	24.1%	2,461	4.6%
Finance & Insurance Income	8,519	3.0%	5,685	2.6%	2,833	49.8%
Service, Parts & Other	25,966	9.1%	17,788	8.0%	8,178	46.0%
Total Revenue	284,906	100.0%	221,652	100.0%	63,254	28.5%
Gross Profit						
New Boat Gross Profit	34,390	12.1%	27,461	12.4%	6,929	25.2%
Pre-Owned Boat Gross Profit	9,209	3.2%	9,126	4.1%	83	0.9%
Finance & Insurance Gross Profit	8,519	3.0%	5,685	2.6%	2,833	49.8%
Service, Parts & Other Gross Profit	10,927	3.8%	7,821	3.5%	3,106	39.7%
Gross Profit	63,045	22.1%	50,094	22.6%	12,951	25.9%
Selling, general and administrative	49,176	17.3%	38,405	17.3%	10,771	28.0%
Depreciation and amortization	1,192	0.4%	705	0.3%	487	69.1%
Gain on settlement of contingent consideration	(1,655)	(0.6)%	—	0.0%	(1,655)	(100.0)%
Operating income (loss)	14,331	5.0%	10,984	5.0%	3,347	30.5%
Interest expense – floor plan	3,996	1.4%	2,205	1.0%	1,791	81.2%
Interest expense – other	2,522	0.9%	1,551	0.7%	971	62.6%
Transaction costs	742	0.3%	126	0.1%	616	489.0%
Change in fair value of warrant liability	7,600	2.7%	19,246	8.7%	(11,646)	(60.5)%
Other (income) expense	(90)	(0.0)%	131	(0.1)%	(221)	(169.1)%
Pretax income	(439)	(0.2)%	(12,275)	(5.5)%	11,836	96.4%
Income taxes	—	0.0%	—	0.0%	—	0.0%
Net Income (Loss)	(439)	(0.2)%	(12,275)	(5.5)%	11,836	96.4%
Less: Net income attributable to non-controlling interest	546	0.2%	275	0.1%	271	98.5%
Net income (loss) attributable to OneWater LLC	$ (985)	(0.3)%	$ (12,551)	(5.7)%	$ 11,566	92.2%

Revenue

Overall, revenue increased by $63.3 million, or 28.5%, to approximately $284.9 million for the six months ended March 31, 2019 from $221.7 million for the six months ended March 31, 2018. Revenue generated from same-store sales increased 10.1% for the six months ended March 31, 2019 as compared to the same period for 2018, primarily due to an increase in the average selling price of new and pre-owned boats and an increase in the number of new and pre-owned boats sold. Overall revenue increased by $22.1 million as a result of our increase in same-store sales and $41.2 million from stores not eligible for inclusion in the same-store sales base. Ineligible stores consist of the 2019 Acquisitions and revenue from the 2018 Acquisitions where there was no comparable revenue in the same-store sales base during fiscal year 2018. During the six months ended March 31, 2019, we acquired six stores, as compared to four stores acquired for the same period of fiscal year 2018.

New Boat Sales

New boat sales increased by $49.8 million, or 34.4%, to approximately $194.5 million for the six months ended March 31, 2019 from $144.7 million for the six months ended March 31, 2018. The increase was the result of our same-store sales growth during the six month period and the increased unit sales attributable to the 2019 Acquisitions and the partial impact of the 2018 Acquisitions. During the six months ended March 31, 2019 we experienced an increase in unit sales of approximately 23.0% and an increase in average unit prices of approximately 9.0% over the comparable period in fiscal 2018. The increase in both units sold and average sales price was due in part to the mix of boat brands and models sold and product improvements in the functionality and technology of boats, which continues to be a driver of consumer demand.

Pre-owned Boat Sales

Pre-owned boat sales increased by $2.5 million, or 4.6%, to approximately $55.9 million for the six months ended March 31, 2019 from $53.4 million for the six months ended March 31, 2018. We sell a wide range of brands and sizes of pre-owned boats under different types of sales arrangements (e.g., trade-ins, brokerage and consignment), which causes periodic and seasonal fluctuations in the average sales price. Pre-owned boat sales for the six months ended March 31, 2019, benefited from a 29.1% increase in the number of units sold largely due to the increase in same-store sales and unit sales attributable to the full impact of the 2018 Acquisitions and the partial impact of the 2019 Acquisitions. This increase was partially offset by a decline in the average sales price per pre-owned unit in the six months ended March 31, 2019. This decline was due to fluctuations in the mix of pre-owned products and the composition of the brands and models sold during the period.

Finance & Insurance Income

Finance & insurance income increased by $2.8 million, or 49.8%, to approximately $8.5 million for the six months ended March 31, 2019 from $5.7 million for the six months ended March 31, 2018. The increase in revenue from arranging F&I products, including financing, insurance and extended warranty contracts, to customers through various third-party financial institutions and insurance increased as the result of the increase in same-store sales, along with the additional revenue attributable to the 2019 Acquisitions and the inclusion of a full period of revenue attributable to the 2018 Acquisitions. We remain very focused on improving sales of F&I products throughout our dealer group network and implementing best practices at acquired dealer groups and existing stores. F&I products increased as a percentage of total revenue to 3.0% in the six months ended March 31, 2019 from 2.6% for the six months ended March 31, 2018. Since finance & insurance income is fee-based, we do not incur any related cost of sale. Finance & insurance income is recorded net of related fees, including fees charged back due to any early cancellation of loan or insurance contracts by a customer.

Service, Parts & Other Sales

Service, parts & other sales increased by $8.2 million, or 46.0%, to approximately $26.0 million for the six months ended March 31, 2019 from $17.8 million for the six months ended March 31, 2018. This increase in service, parts & other sales is due to ancillary sales generated from our increase in new and pre-owned boat sales and sales attributable to the 2019 Acquisitions, including increased storage and fuel sales.

Gross Profit

Overall, gross profit increased by $13.0 million, or 25.9%, to approximately $63.0 million for the six months ended March 31, 2019 from $50.1 million for the six months ended March 31, 2018. This increase was primarily due to our overall increase in same-store sales, primarily driven by an increase in new boat sales. The increase in gross profit was also a result of an increase in the number of stores due to the 2019 Acquisitions and the inclusion of a full six months of results of the applicable 2018 Acquisitions. Overall gross margins decreased 50 basis points to 22.1% for the six months ended March 31, 2019 from 22.6% in the same period of 2018 and was due to the factors noted below.

New Boat Gross Profit

New boat gross profit increased by $6.9 million, or 25.2%, to approximately $34.4 million for the six months ended March 31, 2019 from $27.5 million for the six months ended March 31, 2018. This increase was due to our overall increase in same-store sales and acquired stores during the year. New boat gross profit as a percentage of new boat revenue was 17.7% for the six months ended March 31, 2019 as compared to 19.0% in the six months ended March 31, 2018. The decrease in new boat gross profit margin is due to our promotional efforts to drive our same-store sales increase during the important boat show season and the challenging winter months.

Pre-owned Boat Gross Profit

Pre-owned boat gross profit increased by $0.1 million, or 0.9%, to approximately $9.2 million for the six months ended March 31, 2019 from $9.1 million for the six months ended March 31, 2018. This increase was due to an overall increase in our same-store sales and acquired stores during the year, partially offset by a reduction in average unit prices. Pre-owned boat gross profit as a percentage of pre-owned boat revenue was 16.5% and 17.1% for the six months ended March 31, 2019 and 2018, respectively. We sell a wide range of brands and sizes of pre-owned boats under different types of sales arrangements (e.g., trade-ins, brokerage, consignment and wholesale), which may cause periodic and seasonal fluctuations in pre-owned gross profit as a percentage of revenue. In the six months ended March 31, 2019, we experienced a decline in our gross profit margin on boats purchased or trade-ins. This was partially offset by a shift in product mix due in part to an increase in brokerage sales.

Finance & Insurance Gross Profit

Finance & insurance gross profit increased by $2.8 million, or 49.8%, to approximately $8.5 million for the six months ended March 31, 2019 from $5.7 million for the six months ended March 31, 2018. Finance & insurance income is fee-based revenue for which we do not recognize incremental expense.

Service, Parts & Other Gross Profit

Service, parts & other gross profit increased by $3.1 million or 39.7%, to approximately $10.9 million for the six months ended March 31, 2019 from $7.8 million for the six months ended March 31, 2018. Service, parts & other gross profit as a percentage of service, parts & other revenue was 42.1% and 44.0% for the six months ended March 31, 2019 and 2018, respectively. This decrease in gross profit margin was the result of a decline in service gross profit, partially offset by an increase in parts gross profit margin and an increase in storage & other gross profit margin.

Selling, General & Administrative Expenses

SG&A expenses increased by $10.8 million, or 28.0%, to approximately $49.2 million for the six months ended March 31, 2019 from $38.4 million for the six months ended March 31, 2018. This increase was primarily due to the impact of acquisitions and expenses incurred to support the overall increase in same-store sales and consisted of $6.1 million related to an increase in personnel expenses, $3.0 million related to an increase in selling and administrative expenses, and $1.7 million related to an increase in fixed expenses. SG&A expenses as a percentage of revenue remained constant at 17.3% for the six months ended March 31, 2019 and 2018.

Depreciation and Amortization

Depreciation and amortization expense increased $0.5 million, or 69.1%, to $1.2 million for the six months ended March 31, 2019 compared to $0.7 million for the six months ended March 31, 2018. The increase was primarily attributable to an increase in our asset base, including the 2019 additions and the inclusion of a full period of expense attributable to the 2018 additions of maintenance capital expenditures, equipment and leasehold improvements, and growth capital expenditures.

Gain on Settlement of Contingent Consideration

During the six months ended March 31, 2019, we adjusted our estimate of contingent consideration related to the Texas Marine acquisition completed in February 2018 in the amount of $1.7 million.

Operating Income

Operating income increased $3.3 million, or 30.5%, to $14.3 million for the six months ended March 31, 2019 compared to $11.0 million for the six months ended March 31, 2018. The increase was primarily attributable to our overall growth due to increases in same-store sales, the 2019 Acquisitions and the inclusion of a full period of financial results related to the 2018 Acquisitions.

Interest Expense – Floor Plan

Interest expense – floor plan increased $1.8 million, or 81.2%, to $4.0 million for the six months ended March 31, 2019 compared to $2.2 million for the six months ended March 31, 2018 and was primarily attributable to a $97.3 million increase in the outstanding borrowings on our Inventory Financing Facility as of March 31, 2019 compared to March 31, 2018 as a result of our same-store sales growth and stores acquired in the 2019 and 2018 Acquisitions.

Interest Expense – Other

The increase in interest expense – other of $1.0 million, or 62.6%, to $2.5 million for the six months ended March 31, 2019 compared to $1.5 million for the six months ended March 31, 2018 was primarily attributable to a $26.3 million increase in our long-term debt primarily used to fund our 2019 and 2018 Acquisitions.

Transaction Costs

The increase in transaction costs of $0.6 million to $0.7 million for the six months ended March 31, 2019 compared to $0.1 million for the six months ended March 31, 2018 was primarily attributable to the costs of our 2019 and 2018 Acquisitions.

Change in Fair Value of Warrant Liability

The decrease in change in fair value of warrant liability of $11.6 million, or 60.5%, to $7.6 million for the six months ended March 31, 2019 compared to $19.2 million for the six months ended March 31, 2018 was primarily attributable to an overall increase in the enterprise value of the Company due to our significant increase in sales and earnings.

Other (Income) Expense

Other (income) expense increased $0.2 million, or 169.1%, to other income of $0.1 million for the six months ended March 31, 2019 compared to other expense of $0.1 million for the six months ended March 31, 2018.

Net Income/(Loss)

Net loss decreased by $11.8 million, or 96.4%, to a net loss of $0.4 million for the six months ended March 31, 2019 compared to a net loss of $12.3 million for the six months ended March 31, 2018. Such reduction was primarily attributable to our overall growth, the 2019 Acquisitions, and the inclusion of a full six months of financial results attributable to the 2018 Acquisitions. These amounts were partially offset by the increase in the fair value of the warrant liability.

Year Ended September 30, 2018, Compared to Year Ended September 30, 2017

Description	Years Ended September 30, 2018 Amount	2018 % of Revenue	2017 Amount	2017 % of Revenue	$	% Change
			($ in thousands)			
Revenue						
New Boat Sales	$ 398,586	66.1%	$ 250,297	63.9%	$ 148,289	59.2%
Pre-Owned Boat Sales	140,931	23.4%	98,320	25.1%	42,610	43.3%
Finance & Insurance Income	16,623	2.8%	9,896	2.5%	6,727	68.0%
Service, Parts & Other	46,665	7.7%	32,969	8.4%	13,696	41.5%
Total Revenue	602,805	100.0%	391,483	100.0%	211,322	54.0%
Gross Profit						
New Boat Gross Profit	$ 76,460	12.7%	$ 46,091	11.8%	$ 30,370	65.9%
Pre-Owned Boat Gross Profit	24,473	4.1%	15,205	3.9%	9,268	61.0%
Finance & Insurance Gross Profit	16,623	2.8%	9,896	2.5%	6,727	68.0%
Service, Parts & Other Gross Profit	20,097	3.3%	14,509	3.7%	5,588	38.5%
Gross Profit	137,654	22.8%	85,701	21.9%	51,953	60.6%
Selling, general and administrative	91,297	15.1%	65,351	16.7%	25,946	39.7%
Depreciation and amortization	1,685	0.3%	1,055	0.3%	630	59.7%
Operating income (loss)	44,672	7.4%	19,294	4.9%	25,378	131.5%
Interest expense – floor plan	5,534	0.9%	2,686	0.7%	2,848	106.0%
Interest expense – other	3,836	0.6%	2,266	0.6%	1,570	69.3%
Transaction costs	438	0.1%	327	0.1%	110	33.7%
Change in fair value of warrant liability	33,187	5.5%	18,057	4.6%	15,130	83.8%
Other (income) expense	(269)	(0.0)%	217	0.0%	(486)	(224.1)%
Pretax income	1,946	0.3%	(4,258)	(1.1)%	6,205	(145.7)%
Income taxes	—	0.0%	—	0.0%	—	0.0%
Net Income (Loss)	1,946	0.3%	(4,258)	(1.1)%	6,205	(145.7)%
Less: Net income attributable to non-controlling interest	830	0.1%	13	0.0%	817	(6,284.6)%
Net income (loss) attributable to OneWater LLC	$ 1,117	0.2%	$ (4,272)	(1.1)%	$ 5,389	(126.1)%

Revenue

Overall, revenue increased by $211.3 million, or 54.0%, to approximately $602.8 million for the fiscal year ended September 30, 2018 from $391.5 million for the year ended September 30, 2017. Overall revenue increased by $86.5 million as a result of our increase in same-store sales and $124.8 million from stores not eligible for inclusion in the same-store sales base. Ineligible stores consist of the 2018 Acquisitions and revenue from 2017 Acquisitions where there was no comparable revenue in the same-store sales base during fiscal year 2017. Revenue generated from same-store sales increased 22.2% for the fiscal year ended September 30, 2018 as compared to the same period for 2017, primarily due to an increase in the average selling price of new and pre-owned boats and an increase in the number of new and pre-owned boats sold. During fiscal year 2018, we acquired 8 stores, as compared to 4 stores opened and 12 stores acquired for the same period of fiscal year 2017.

New Boat Sales

New boat sales increased by $148.3 million, or 59.2%, to approximately $398.6 million for the fiscal year ended September 30, 2018 from $250.3 million for the year ended September 30, 2017. For the fiscal year ended September 30, 2018, we sold approximately 4,400 new units compared to approximately 3,100 units for the fiscal year ended September 30, 2017, an increase partially attributable to same-store sales growth and also benefiting from the increased unit sales attributable to the full impact of the 2017 Acquisitions and the partial impact of the 2018 Acquisitions. Additionally, our average unit price increased $11,000 to approximately $91,000 for the fiscal year ended September 30, 2018 from approximately $80,000 for the fiscal year ended September 30, 2017. The increase in both units sold and average sales price was due in part to the mix of boat brands and models sold. Additionally, recent product improvements in the functionality and technology of boats has also been a driver of consumer demand for the products we sell. An overall increase in the cost of new boats resulting from these improvements, along with the availability of more optional equipment, increased our average sales price.

Pre-owned Boat Sales

Pre-owned boat sales increased by $42.6 million, or 43.3%, to approximately $140.9 million for the fiscal year ended September 30, 2018 from $98.3 million for the year ended September 30, 2017. We sell a wide range of brands and sizes of pre-owned boats under different types of sales arrangements (e.g., trade-ins, brokerage and consignment), which causes periodic and seasonal fluctuations in the average sales price. Pre-owned boat sales for fiscal year 2018 benefited from an increase in both the number of units sold (due largely to an increase in same-store sales and unit sales attributable to the full impact of the 2017 Acquisitions and the partial impact of the 2018 Acquisitions) and average sales price per unit. For the fiscal year ended September 30, 2018, we sold approximately 2,000 pre-owned units compared to approximately 1,460 pre-owned units for the fiscal year ended September 30, 2017. Additionally, our average unit price increased by $7,300 to approximately $43,800 for the fiscal year ended September 30, 2018, from approximately $36,500 for the fiscal year ended September 30, 2017. This increase in both number of pre-owned boat units sold and average pre-owned boat unit prices is partially due to an increase in brokerage sales resulting from recently acquired stores and the availability of late-model pre-owned boats traded in by customers for new boats.

Finance & Insurance Income

Revenue from arranging F&I products, including financing, insurance and extended warranty contracts, to customers through various third-party financial institutions and insurance companies increased by $6.7 million, or 68.0%, to approximately $16.6 million for the fiscal year ended September 30, 2018 from $9.9 million for the year ended September 30, 2017. This increase was the result of the increase in same-store sales, along with the additional revenue attributable to the 2018 Acquisitions and the inclusion of a full year of revenue attributable to the 2017 Acquisitions. We remain very focused on improving sales of F&I products throughout our dealer group network and implementing best practices at acquired dealer groups and existing stores. F&I products increased as a percentage of total revenue to 2.8% in the fiscal year ended September 30, 2018 from 2.5% for the fiscal year ended September 30, 2017. Since finance & insurance income is fee-based, we do not incur any related cost of sale. Finance & insurance income is recorded net of related fees, including fees charged back due to any early cancellation of loan or insurance contracts by a customer.

Service, Parts & Other Sales

Service, parts & other sales increased by $13.7 million, or 41.5%, to approximately $46.7 million for the fiscal year ended September 30, 2018 from $33.0 million for the year ended September 30, 2017. This increase in service, parts & other sales is due to ancillary sales generated from our increase in new and pre-owned boat sales and sales attributable to the 2018 Acquisitions, including increased storage and fuel sales.

Gross Profit

Overall, gross profit increased by $52.0 million, or 60.6%, to approximately $137.7 million for the fiscal year ended September 30, 2018 from $85.7 million for the year ended September 30, 2017. This increase was primarily due to our overall increase in same-store sales, primarily driven by an increase

new boat sales. The increase in gross profit was also a result of an increase in the number of stores due to the 2018 Acquisitions and the inclusion of a full year of results of the 2017 Acquisitions. Overall gross margins increased 90 basis points to 22.8% for the fiscal year ended September 30, 2018 from 21.9% in the same period of 2017 and was due to the factors noted below.

New Boat Gross Profit

New boat gross profit increased by $30.4 million, or 65.9%, to approximately $76.5 million for the fiscal year ended September 30, 2018 from $46.1 million for the year ended September 30, 2017. This increase was due to our overall increase in same-store sales and acquired stores during the year. New boat gross profit as a percentage of new boat revenue was 19.2% and 18.4% for the fiscal years ended September 30, 2018 and 2017, respectively. The increase in new boat gross profit margin is due to an increase in the average sales price of new boats as well as an increase in demand for the higher margin products we sell, as a result of the product improvements and enhancements that manufacturers offered during this period.

Pre-owned Boat Gross Profit

Pre-owned boat gross profit increased by $9.3 million, or 61.0%, to approximately $24.5 million for the fiscal year ended September 30, 2018 from $15.2 million for the year ended September 30, 2017. This increase was due to an overall increase in our same-store sales and acquired stores during the year. Pre-owned boat gross profit as a percentage of pre-owned boat revenue was 17.4% and 15.5% for the fiscal years ended September 30, 2018 and 2017, respectively. We sell a wide range of brands and sizes of pre-owned boats under different types of sales arrangements (e.g., trade-ins, brokerage, consignment and wholesale), which may cause periodic and seasonal fluctuations in pre-owned gross profit as a percentage of revenue. In the fiscal year ended September 30, 2018, we experienced a shift in product mix due in part to an increase in brokerage sales resulting from our acquired stores, which have a significantly higher gross profit margin than our gross profit margin on trade-in boats. Additionally, we made improvements in our gross profit margins on units that were sold at wholesale and units sold at consignment. These improvements to our gross profit percentage of revenue were partially offset by a decline in our gross profit percentage on boats purchased or trade-ins.

Finance & Insurance Gross Profit

Finance & insurance gross profit increased by $6.7 million, or 68.0%, to approximately $16.6 million for the fiscal year ended September 30, 2018 from $9.9 million for the year ended September 30, 2017. Finance & insurance income is fee-based revenue for which we do not recognize incremental expense.

Service, Parts & Other Gross Profit

Service, parts & other gross profit increased by $5.6 million or 38.5%, to approximately $20.1 million for the fiscal year ended September 30, 2018 from $14.5 million for the year ended September 30, 2017. Service, parts & other gross profit as a percentage of service, parts & other revenue was 43.1% and 44.0% for the fiscal years ended September 30, 2018 and 2017, respectively. This decrease in gross profit margin was the result of a 50 basis point decline in service gross profit and a decline in storage & other gross profit, partially offset by a 140 basis point increase in parts gross profits.

Selling, General & Administrative Expenses

SG&A expenses increased by $25.9 million, or 39.7%, to approximately $91.3 million for the fiscal year ended September 30, 2018 from $65.4 million for the year ended September 30, 2017. This increase was primarily due to the impact of acquisitions and expenses incurred to support the overall increase in same-store sales and consisted of $18.8 million related to an increase in personnel expenses, $4.3 million related to an increase in selling related expenses, including marketing, boat shows and delivery expenses, and $2.9 million related to an increase in fixed expenses, including rent associated with our additional retail locations. SG&A expenses as a percentage of revenue declined to 15.1% from 16.7% for the fiscal years ended September 30, 2018 and 2017, respectively. The reduction in SG&A expenses as a percentage of revenue was the result of our ability to leverage the fixed costs of our existing and acquired stores and to control variable and compensation costs as overall revenue increased.

Depreciation and Amortization

Depreciation and amortization expense increased $0.6 million, or 59.7%, to $1.7 million for the fiscal year ended September 30, 2018 compared to $1.1 million for the fiscal year ended September 30, 2017. The increase was primarily attributable to an increase in our asset base, including maintenance capital expenditures of $3.6 million for our existing and acquired stores, such as equipment and leasehold improvements, and growth capital expenditures of $6.9 million, including the two stores purchased in the fiscal year ended September 30, 2018.

Operating Income

Operating income increased $25.4 million, or 131.5%, to $44.7 million for the fiscal year ended September 30, 2018 compared to $19.3 million for the fiscal year ended September 30, 2017. The increase was primarily attributable to our overall growth due to increases in same-stores sales, the 2018 Acquisitions and the inclusion of a full year of financial results related to the 2017 Acquisitions.

Interest Expense – Floor Plan

Interest expense – floor plan increased $2.8 million, or 106.0%, to $5.5 million for the fiscal year ended September 30, 2018 compared to $2.7 million for the fiscal year ended September 30, 2017 and was primarily attributable to an increase in the variable rate on our Inventory Financing Facility (as defined herein) and a $59.5 million increase in average borrowings to support our same-store sales growth and stores acquired in the 2018 and 2017 Acquisitions.

Interest Expense – Other

The increase in interest expense – other of $1.6 million, or 69.3%, to $3.8 million for the fiscal year ended September 30, 2018 compared to $2.2 million for the fiscal year ended September 30, 2017 was primarily attributable to a $15.0 million increase in our outstanding borrowings on the GS/BIP Credit Facility associated with our 2018 and 2017 Acquisitions.

Transaction Costs

The increase in transaction costs of $0.1 million, or 33.7%, to $0.4 million for the fiscal year ended September 30, 2018 compared to $0.3 million for the fiscal year ended September 30, 2017 was primarily attributable to the costs of our 2018 and 2017 Acquisitions.

Change in Fair Value of Warrant Liability

The increase in change in fair value of warrant liability of $15.1 million, or 83.8%, to $33.2 million for the fiscal year ended September 30, 2018 compared to $18.1 million for the fiscal year ended September 30, 2017 was primarily attributable to an overall increase in the enterprise value of the Company due to our significant increase in sales and earnings.

Other (Income) Expense

The increase in other (income) expense of $0.5 million, or 224.1%, to other income of $0.3 million for the fiscal year ended September 30, 2018 compared to other expense of $0.2 million for the fiscal year ended September 30, 2017 was primarily attributable to insurance proceeds related to hurricane-related claims received during fiscal 2018.

Net Income/(Loss)

The increase in net income of $6.2 million, or 145.7%, to $1.9 million for the fiscal year ended September 30, 2018 compared to a net loss of $4.3 million for the fiscal year ended September 30, 2017 was primarily attributable to our overall growth due to the 22.2% increase in same-store sales, the 2018 Acquisitions, and the inclusion of a full year of financial results attributable to the 2017 Acquisitions. The increase was also attributable to our overall ability to control expenses in light of the significant increase in sales. These amounts were partially offset by the increase in the fair value of the warrant liability.

Comparison of Non-GAAP Financial Measure

We view Adjusted EBITDA as an important indicator of performance. We define Adjusted EBITDA as net income (loss) before interest expense – other, income taxes, depreciation and amortization and other (income) expense, further adjusted to eliminate the effects of items such as the change in the fair value of warrants and transaction costs.

Our board of directors, management team and lenders use Adjusted EBITDA to assess our financial performance because it allows them to compare our operating performance on a consistent basis across periods by removing the effects of our capital structure (such as varying levels of interest expense), asset base (such as depreciation and amortization) and other items (such as the fair value adjustment of the warrants and transaction costs) that impact the comparability of financial results from period to period. We present Adjusted EBITDA because we believe it provides useful information regarding the factors and trends affecting our business in addition to measures calculated under GAAP. Adjusted EBITDA is not a financial measure presented in accordance with GAAP. We believe that the presentation of this non-GAAP financial measure will provide useful information to investors and analysts in assessing our financial performance and results of operations across reporting periods by excluding items we do not believe are indicative of our core operating performance. Net income (loss) is the GAAP measure most directly comparable to Adjusted EBITDA. Our non-GAAP financial measure should not be considered as an alternative to the most directly comparable GAAP financial measure. You are encouraged to evaluate each of these adjustments and the reasons we consider them appropriate for supplemental analysis. In evaluating Adjusted EBITDA, you should be aware that in the future we may incur expenses that are the same as or similar to some of the adjustments in such presentation. Our presentation of Adjusted EBITDA should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. There can be no assurance that we will not modify the presentation of Adjusted EBITDA in the future, and any such modification may be material. Adjusted EBITDA has important limitations as an analytical tool and you should not consider Adjusted EBITDA in isolation or as a substitute for analysis of our results as reported under GAAP. Because Adjusted EBITDA may be defined differently by other companies in our industry, our definition of this non-GAAP financial measure may not be comparable to similarly titled measures of other companies, thereby diminishing its utility.

The following tables present a reconciliation of Adjusted EBITDA to our net income (loss), which is the most directly comparable GAAP measure for the periods presented.

Six Months Ended March 31, 2019, Compared to Six Months Ended March 31, 2018

Description	Six Months Ended March 31, 2019	2018	Change
	($ in thousands, unaudited)		
Net income (loss)	$ (439)	$ (12,275)	$ 11,836
Interest expense – other	2,522	1,551	971
Income taxes	—	—	—
Depreciation and amortization	1,192	705	487
Gain on settlement of contingent consideration	(1,655)	—	(1,655)
Change in fair value of warrant(1)	7,600	19,246	(11,646)
Transactional costs(2)	742	126	617
Other (income) expense	(90)	131	(221)
Adjusted EBITDA	$ 9,872	$ 9,484	$ 389

(1) Represents the non-cash expense recognized during the period for the change in the fair value of the LLC Warrants held by Goldman and Beekman, which are accounted for as liabilities on our balance sheet.

(2) Consists of transaction costs related to the 2019 Acquisitions and 2018 Acquisitions.

Adjusted EBITDA was $9.9 million for the six months ended March 31, 2019 compared to $9.5 million for the six months ended March 31, 2018. The increase in Adjusted EBITDA resulted from our 10.1% increase in same-store sales growth during the six months ended March 31, 2019, combined with the results of the 2019 Acquisitions and the inclusion of the financial results of the 2018 Acquisitions for the full six month period. This increase in Adjusted EBITDA as a result of increased sales was partially offset by a reduction in our gross profit percentage.

Year Ended September 30, 2018, Compared to Year Ended September 30, 2017

Description	Years Ended September 30, 2018	2017	Change
		($ in thousands)	
Net income (loss)	$ 1,946	$ (4,258)	$ 6,205
Interest expense – other	3,836	2,266	1,570
Income taxes	—	—	—
Depreciation and amortization	1,685	1,055	630
Change in fair value of warrant(1)	33,187	18,057	15,130
Transaction costs(2)	438	327	110
Other (income) expense(3)	(269)	217	485
Adjusted EBITDA	$ 40,823	$ 17,664	$ 23,159

(1) Represents the non-cash expense recognized during the period for the change in the fair value of the LLC Warrants held by Goldman and Beekman, which are accounted for as liabilities on our balance sheet.

(2) Consists of transaction costs related to the 2018 Acquisitions and 2017 Acquisitions.

(3) Other (income) expense was primarily attributable to insurance proceeds related to hurricane related claims received during fiscal 2018.

Adjusted EBITDA was $40.8 million for the fiscal year ended September 30, 2018 compared to $17.7 million for the fiscal year ended September 30, 2017. The increase in Adjusted EBITDA resulted from our 22.2% same-store sales growth for the fiscal year ended September 30, 2018 and the effects of our 2018 Acquisitions and the inclusion of a full year of financial results attributable to the 2017 Acquisitions. Additionally, Adjusted EBITDA was also positively impacted by improvements in our gross profit as a percentage of revenue and a reduction in our SG&A expenses as a percentage of revenue.

Seasonality

Our business, along with the entire recreational boating industry, is highly seasonal, and such seasonality varies by geographic market. With the exception of Florida, we generally realize significantly lower sales and higher levels of inventories, and related floor plan borrowings, in the quarterly periods ending December 31 and March 31. Revenue generated from our stores in Florida serves to offset generally lower winter revenue in our other states and enables us to maintain a more consistent revenue stream. The onset of the public boat and recreation shows in January stimulates boat sales and typically allows us to reduce our inventory levels and related floor plan borrowings throughout the remainder of the fiscal year. The impact of seasonality on our results of operations could be materially impacted based on the location of our acquisitions. For example, our operations could be substantially more seasonal if we acquire dealer groups that operate in colder regions of the United States. Our business is also subject to weather patterns, which may adversely affect our results of operations. For example, prolonged winter conditions, reduced rainfall levels or excessive rain, may limit access to boating locations or render boating dangerous or inconvenient, thereby curtailing customer demand for our products and services. In addition, unseasonably cool weather and prolonged winter conditions may lead to a shorter selling season in certain locations. Hurricanes and other storms could result in disruptions of our operations or damage to our boat inventories and facilities, as has been the case when Florida and other markets were affected by hurricanes. We believe our geographic diversity is likely to reduce the overall impact to us of adverse weather conditions in any one market area. For more information, see “Risk Factors—Our business, as well as the entire recreational boating industry, is highly seasonal, with seasonality varying in different geographic markets” and “Business—Seasonality.”

Liquidity and Capital Resources

Overview

Upon completion of this offering, we will be a holding company with no operations and will be the sole managing member of OneWater LLC. Upon completion of this offering and the application of proceeds therefrom, our principal asset will consist of common units of OneWater LLC. Our earnings and cash flows and ability to meet our obligations under the GS/BIP Credit Facility and any other debt obligations

will depend on the cash flows resulting from the operations of our operating subsidiaries, and the payment of distributions by such subsidiaries. Our existing GS/BIP Credit Facility and our existing Inventory Financing Facility (described below) contain certain restrictions on distributions or transfers from our operating subsidiaries to their members or unitholders, as applicable, as described in the summaries below under "—Debt Agreements—GS/BIP Credit Facility " and "—Inventory Financing Facility". Accordingly, the operating results of our subsidiaries may not be sufficient for them to make distributions to us. As a result, our ability to make payments under the GS/BIP Credit Facility and any other debt obligations or to declare dividends could be limited.

Our cash needs are primarily for growth through acquisitions and working capital to support our retail operations, including new and pre-owned boat and related parts inventories and off-season liquidity. We routinely monitor our cash flow to determine the amount of cash available to complete acquisitions of dealer groups and stores. We monitor our inventories, inventory aging and current market trends to determine our current and future inventory and related floorplan financing needs. Based on current facts and circumstances, we believe we will have adequate cash flow, coupled with available borrowing capacity, to fund our current operations, capital expenditures and acquisitions for the next twelve months.

Cash needs for acquisitions have historically been financed with our GS/BIP Credit Facility and cash generated from operations. Our ability to utilize the GS/BIP Credit Facility to fund operations depends upon Adjusted EBITDA and compliance with covenants of the GS/BIP Credit Facility. Cash needs for inventory have historically been financed with our Inventory Financing Facility. Our ability to fund inventory purchases and operations depends on the collateral levels and our compliance with the covenants of the Inventory Financing Facility. As of March 31, 2019, we were in compliance with all covenants under the GS/BIP Credit Facility and the Inventory Financing Facility.

Cash Flows

Analysis of Cash Flow Changes Between the Six Months Ended March 31, 2019 and 2018

The following table summarizes our cash flows for the periods indicated:

	Six Months Ended March 31,		
Description	**2019**	**2018**	**Change**
	($ in thousands, unaudited)		
Net cash provided by (used in) operating activities	$ (79,591)	$ (48,763)	$ (30,828)
Net cash provided by (used in) investing activities	(5,573)	(3,933)	(1,639)
Net cash provided by financing activities	85,306	62,730	22,577
Net change in cash	$ 143	$ 10,034	$ (9,891)

Operating Activities. Net cash used in operating activities was $79.6 million for the six months ended March 31, 2019 compared to $48.8 million for the six months ended March 31, 2018. The $30.8 million increase in cash used in operating activities was primarily attributable to a $28.4 million increase in inventory and a $2.3 million increase in accounts receivable. These amounts were partially offset by a reduction in the net loss for the period and a reduction in the adjustment related to the fair value of the warrant liability.

Investing Activities. Net cash used in investing activities was $5.6 million for the six months ended March 31, 2019 compared to $3.9 million for the six months ended March 31, 2018. The $1.6 million increase in net cash used in investing activities was primarily attributable to $2.1 million in cash used to complete acquisitions during the six months ended March 31, 2019.

Financing Activities. Net cash provided by financing activities was $85.3 million for the six months ended March 31, 2019 compared to $62.7 million for the six months ended March 31, 2018. The $22.6 million increase in cash provided by financing activities was primarily attributable to the increase in net borrowings under our Inventory Financing Facility.

Analysis of Cash Flow Changes Between the Year Ended September 30, 2018 and 2017

The following table summarizes our cash flows for the periods indicated:

Description	Year Ended September 30, 2018	2017	Change
		(in thousands)	
Net cash provided by (used in) operating activities	$ (4,654)	$ 6,514	$ (11,168)
Net cash provided by (used in) investing activities	(23,920)	(23,304)	(615)
Net cash provided by financing activities	34,257	16,993	17,264
Net change in cash	$ 5,683	$ 202	$ 5,481

Operating Activities. Net cash used in operating activities was $4.7 million for the fiscal year ended September 30, 2018 compared to net cash provided by operating activities of $6.5 million for the fiscal year ended September 30, 2017. The $11.2 million reduction in cash from operating activities was primarily attributable to a $39.9 million increase in inventory, partially offset by an increase in net income and the non-cash change in fair value of the LLC Warrants.

Investing Activities. Net cash used in investing activities was $23.9 million for the fiscal year ended September 30, 2018 compared to $23.3 million for the fiscal year ended September 30, 2017. The $0.6 million increase in net cash used in investing activities was primarily attributable to an increase in cash used for purchases of property, partially offset by a reduction in the cash used in acquisitions. For the fiscal years ended September 30, 2018 and 2017, capital expenditures for maintenance capital expenditures were $3.2 million and $2.6 million, respectively, and capital expenditures for growth capital expenditures were $6.9 million and $1.5 million, respectively. Maintenance capital expenditures are approximately 0.5% of revenue annually and growth capital expenditures are less predictable, as these include purchases of dealer groups and stores, large leasehold improvement and select large equipment purchases.

Financing Activities. Net cash provided by financing activities was $34.3 million for the fiscal year ended September 30, 2018 compared to $17.0 million for the fiscal year ended September 30, 2017. The $17.3 million increase in cash provided by financing activities was primarily attributable to net borrowings on our Inventory Financing Facility, partially offset by a reduction in payments on long-term debt and distributions to members.

Debt Agreements

GS/BIP Credit Facility

On October 28, 2016, OneWater LLC and certain of our subsidiaries entered into the GS/BIP Credit Facility. The current GS/BIP Credit Facility consists of an up to $50.0 million multi-draw term loan facility and a $5.0 million revolving line of credit. The GS/BIP Credit Facility matures on October 28, 2021. Payment under each term loan is due in installments commencing on December 31, 2019. As of September 30, 2018, we had $28.6 million outstanding under the multi-draw term loan and no amount outstanding under the revolving line of credit. As of March 31, 2019, we had $44.1 million outstanding under the multi-draw term loan and $5.0 million outstanding under the revolving line of credit.

All amounts owed are guaranteed by us and certain of our subsidiaries. The multi-draw term loan may be used to fund certain Permitted Acquisitions (as defined in the GS/BIP Credit Facility), and the revolving line of credit may be used for working capital and general corporate matters.

The annual interest rate on the GS/BIP Credit Facility is equal to (i) the Applicable Cash Rate (as defined in the GS/BIP Credit Facility), which is payable in cash, plus (ii) the Applicable PIK Rate (as defined in the GS/BIP Credit Facility), which is payable in kind by increasing the principal amount of the underlying loan, which rates are set forth below. Additionally, we pay a commitment fee calculated based on the unused amount under the multi-draw term loan facility and revolving line of credit, times 0.50% per annum.

Time Period	Applicable Cash Rate	Applicable PIK Rate
October 28, 2016 through October 31, 2018	0.00%	10.00%
November 1, 2018 through October 31, 2019	4.00%	6.00%
November 1, 2019 through October 31, 2020	6.00%	4.00%
November 1, 2020 through the maturity date and thereafter	8.00%	2.00%

We are required to comply with certain financial and non-financial covenants under the GS/BIP Credit Facility, including maintaining a Fixed Charge Coverage Ratio (as defined in the GS/BIP Credit Facility) of 1.25 to 1.00 for each fiscal quarter. We are also subject to additional restrictions to maintain certain Senior Leverage Ratio and Total Leverage Ratio (each as defined in the GS/BIP Credit Facility), which ratios fluctuate based on the fiscal quarterly period. We must also maintain Consolidated Liquidity (as defined in the GS/BIP Credit Facility) of at least $1.0 million at all times. Further, until amounts under the GS/BIP Credit Facility are repaid in full, we may not, subject to certain exceptions, (i) incur any additional debt, (ii) permit liens on our property, assets or revenues, (iii) make certain investments, (iv) engage in certain fundamental changes and dispositions of assets, (v) amend our organizational documents or certain of our material contracts, (vi) enter into certain transactions with our stockholders or affiliates, and (vii) prepay certain other indebtedness. OneWater LLC and its subsidiaries are generally restricted from making cash dividends or distributions on shares or units of their outstanding capital stock (other than a dividend payable solely in shares of such capital stock), except that, so long as no default has occurred, certain subsidiaries of OneWater LLC may make intercompany distributions to certain other subsidiaries of OneWater LLC, and Opco may make distributions to OneWater LLC as necessary (i) to permit OneWater LLC to pay administrative costs and expenses (such distributions not to exceed $200,000 in any trailing twelve month period), (ii) for certain permitted tax payments or (iii) to make scheduled payments of accrued interest and principal on certain subordinated debt (subject to certain restrictions). OneWater LLC may also make distributions to its shareholders to the extent necessary for certain permitted tax payments. Additionally, OneWater LLC's subsidiaries are generally restricted from making loans or advances to OneWater LLC subject to a general investments basket of $100,000 in the aggregate. At or shortly after the closing of this offering, we expect to refinance the GS/BIP Credit Agreement to ensure that OneWater LLC will be permitted to make pro rata cash distributions to the OneWater Unit Holders, including OneWater Inc., in an amount sufficient to allow OneWater Inc. to pay its taxes and to make payments under the Tax Receivable Agreement. We expect the restrictions on dividends and distributions contained in the new facility to be otherwise substantially consistent with the GS/BIP Credit Facility.

We may, subject to certain restrictions, voluntarily prepay certain amounts due under the GS/BIP Credit Facility. Unless otherwise waived by each of the lenders thereto, we are also subject to mandatory prepayment (in whole or in part) upon the occurrence of certain events and transactions, including, among other things, certain issuances of equity and debt securities. Upon the issuance of equity securities by us or any of our subsidiaries, other than (i) equity securities issued pursuant to any employee stock or stock option compensation plan, (ii) equity securities issued by and between us and certain of our subsidiaries, and (iii) any issuance for purposes approved in writing by the administrative agent and certain lenders, we will repay all amounts outstanding pursuant to the GS/BIP Credit Facility, and such amounts available to us will be permanently reduced, in an aggregate amount equal to the net proceeds. We expect that completion of this offering will trigger the mandatory prepayment obligations under the GS/BIP Credit Facility and intend to use a portion of the net proceeds from this offering to make such mandatory prepayments. To the extent that the net proceeds from this offering do not cover the outstanding amount due under the GS/BIP Credit Facility in whole, we expect to refinance the remaining amount.

An event of default under the GS/BIP Credit Facility includes, among other events, (i) failure to pay principal or interest when due, (ii) breaches of certain covenants, (iii) defaults under certain other credit agreements, and (iv) an institution of bankruptcy, reorganization, liquidation or receivership. As of March 31, 2019, we were in compliance with all of the covenants under the GS/BIP Credit Facility.

Inventory Financing Facility

On June 14, 2018, OneWater LLC and certain of our subsidiaries entered into the Fourth Amended and Restated Inventory Financing Agreement with Wells Fargo Commercial Distribution Finance, LLC and various lender parties thereto (as subsequently amended and restated, the "Inventory Financing Facility" and, together with the GS/BIP Credit Facility, the "Credit Facilities"). On September 21, 2018, OneWater LLC and certain of our subsidiaries entered into the First Amendment to the Fourth Amended and Restated Inventory Financing Agreement which, among other things, increased the maximum amount of borrowing available under the Inventory Financing Facility from $200.0 million to $275.0 million. On April 5, 2019, OneWater LLC and certain of its subsidiaries further amended the Inventory Financing Facility to, among other things, increase the maximum amount of borrowing available under the Inventory Financing Facility from $275.0 million to $292.5 million.

The interest rate for amounts outstanding under the Inventory Financing Facility is calculated using the one month LIBOR rate plus an applicable margin of 2.75% to 5.00% for new boats and at the new boat rate plus 0.25% for used boats. Loans will be extended from time to time to enable us to purchase inventory from certain manufacturers and to lease certain boats and related parts to customers. The applicable financial terms, curtailment schedule and maturity for each loan will be set forth in separate program terms letters entered into from time to time. The collateral for the Inventory Financing Facility consists primarily of our inventory that is financed through the Inventory Financing Facility and related assets, including accounts receivable, bank accounts, and proceeds of the foregoing, and excludes the collateral that underlies the GS/BIP Credit Facility.

OneWater LLC and certain of our subsidiaries are required to comply with certain financial and non-financial covenants under the Inventory Financing Facility, including provisions that the Funded Debt to EBITDA Ratio (as defined in the Inventory Financing Facility) of OneWater LLC must not exceed 2.00 to 1.00, and that our Fixed Charge Coverage Ratio (as defined in the Inventory Financing Facility) on a consolidated basis must be at least 2.00 to 1.00 during the periods prior to September 30, 2018; 1.50 to 1.00 during the period between October 1, 2018 and September 30, 2019; and 1.35 to 1.0 for all periods after September 30, 2019. We are also subject to additional restrictive covenants, including restrictions on our ability to (i) use, sell, rent or otherwise dispose of any collateral underlying the Inventory Financing Facility except for the sale of inventory in the ordinary course of business, (ii) incur certain liens, (iii) engage in any material transaction not in the ordinary course of business, (iv) change our business in any material manner or our organizational structure, other than as otherwise provided for in the Inventory Financing Facility, (v) engage in certain mergers or consolidations, (vi) acquire certain assets or ownership interest of any other person or entities, except for certain permitted acquisitions, (vii) guarantee or indemnify or otherwise become in any way liable with respect to certain obligations of any other person or entity, except as provided by the Inventory Financing Facility, (viii) redeem, retire, purchase or otherwise acquire, directly or indirectly, any of the equity of our acquired dealer groups, (ix) make any change in any of our dealer groups' capital structure or in any of its business objectives or operations which might in any way adversely affect the ability of such dealer group to repay its obligations under the Inventory Financing Facility, (x) incur, create, assume, guarantee or otherwise become or remain liable with respect to certain indebtedness, and (xi) make certain payments of subordinated debt. OneWater LLC and its subsidiaries are generally restricted from making cash dividends or distributions, except for certain dividends or distributions to OneWater LLC's members made during specified time frames and in an amount not to exceed 50% of OneWater LLC's consolidated net cash flow after taxes for the preceding fiscal year, provided that such dividend or distribution would not result in a default under the Inventory Financing Facility. Additionally, among other exceptions, OneWater LLC may make distributions to its members for certain permitted tax payments subject to certain financial ratios, payments in connection with the exercise of the LLC Warrants and the interest payments on the Opco Preferred Units, and may make scheduled payments on certain subordinated debt. OneWater LLC's subsidiaries are generally restricted from making loans or advances to OneWater LLC. At or shortly after the closing of this offering, we expect to refinance the Inventory Financing Facility to ensure that OneWater LLC will be permitted to

make pro rata cash distributions to the OneWater Unit Holders, including OneWater Inc., in an amount sufficient to allow OneWater Inc. to pay its taxes and to make payments under the Tax Receivable Agreement. We expect the restrictions on dividends and distributions contained in the new facility to be otherwise substantially consistent with the Inventory Financing Facility. Our Chief Executive Officer, Austin Singleton, and our Chief Operating Officer, Anthony Aisquith, provide certain personal guarantees of the Inventory Financing Facility as described in "Certain Relationships and Related Party Transactions—Historical Transactions with Affiliates—Personal Guarantees Under the Inventory Financing Facility."

As of September 30, 2018 and March 31, 2019, our indebtedness associated with financing our inventory under the Inventory Financing Facility totaled approximately $157.5 million and $263.2 million, respectively. Certain of our manufacturers enter into independent agreements with the lenders to the Inventory Financing Facility, which results in a lower effective interest rate charged to us for borrowings related to the products by such manufacturer. As of September 30, 2017 and 2018, the effective interest rate on the outstanding short-term borrowings under the Inventory Financing Facility was approximately 3.9% and 2.9%, respectively. As of March 31, 2019 and 2018, the effective interest rate on the outstanding short-term borrowings under the Inventory Financing Facility was approximately 1.8% and 1.6%, respectively. As of September 30, 2018 and March 31, 2019, our additional available borrowings under our Inventory Financing Facility were approximately $117.5 million and $11.8 million, respectively, based upon the outstanding borrowings and the maximum facility amount. The aging of our inventory limits our borrowing capacity as defined curtailments reduce the allowable advance rate as our inventory ages.

Opco Preferred Units

On October 28, 2016, Goldman and Beekman entered into a Subscription Agreement with us and certain of our subsidiaries, pursuant to which Goldman and Beekman purchased Opco Preferred Units.

Goldman and Beekman purchased 45,000 and 23,000 Opco Preferred Units, representing 66.2% and 33.8% of the total Opco Preferred Units outstanding for purchase prices of approximately $44.4 million and $22.70 million, respectively. The Opco Preferred Holders are entitled to (i) a "preferred return" at a rate of 10% per annum, compounded quarterly, on (a) the aggregate amount of capital contributions made, minus any prior distributions (the "unreturned preferred amount"), plus (b) any unpaid preferred returns for prior periods, and (ii) a "preferred target distribution" at a rate of 10% per annum on the unreturned preferred amount multiplied by (a) 40% for the calendar quarters ending March 31, 2019, June 30, 2019 and September 30, 2019, (b) 60% for each calendar quarters ending December 31, 2019, March 31, 2020, June 30, 2020 and September 30, 2020, and (c) 80% for each calendar quarter thereafter. The preferred target distribution proportionally adjusts the amount of capital contribution of each Opco Preferred Holder. Opco and certain affiliates are required to meet certain financial covenants, including maintenance of certain leverage ratios. Failure by Opco to pay the preferred return and preferred target distribution, failure to meet certain financial covenants, or repayment in full or acceleration of the obligations under the GS/BIP Credit Facility will permit a majority of the Opco Preferred Holders to require us to purchase all Opco Preferred Units equal to the unreturned preferred amount plus any unpaid preferred returns (the "redemption amount"). As of September 30, 2018 and March 31, 2019, the redemption amount of the Opco Preferred Units held by Goldman and Beekman was $80.0 million and $83.6 million, respectively.

We intend to use a portion of the net proceeds from this offering to redeem all of the shares of Opco Preferred Units held by Goldman and Beekman. For additional information relating to the Opco Preferred Units, see "Use of Proceeds" and "Certain Relationships and Related Party Transactions—Opco Preferred Units."

Notes Payable

Acquisition Notes Payable. In connection with certain of our acquisitions of dealer groups, we have entered into notes payable with the acquired entities to finance these acquisitions. As of March 31, 2019, our indebtedness associated with our 12 acquisition notes payable totaled an aggregate of $15.7 million with a weighted average interest rate of 5.5% per annum. As of March 31, 2019, the principal amount

outstanding under these acquisition notes payable ranged from $0.2 million to $3.1 million, and the maturity dates ranged from April 1, 2019 to February 1, 2022.

Commercial Vehicles Notes Payable. Since 2015, we have entered into multiple notes payable with various commercial lenders in connection with our acquisition of certain vehicles utilized in our retail operations. Such notes bear interest ranging from 1.0% to 6.5% per annum, require monthly payments of approximately $45,000, and mature on dates between March 2020 to July 2024. As of March 31, 2019, we had $2.4 million outstanding under the commercial vehicles notes payable.

Contractual Obligations

The table below provides estimates of the timing of future payments that we are contractually obligated to make based on agreements in place at September 30, 2018.

	Payments Due by Period				
	Less than 1 year	1 – 3 years	4 – 5 years	More than 5 years	Total
			(in thousands)		
GS/BIP Credit Facility[1]	$ —	$ 2,789	$ 25,816	$ —	$ 28,605
Inventory Financing Facility[2]	157,783	—	—	—	157,783
Notes Payable[3]	1,890	12,123	347	8	14,368
Estimated interest payments[4]	3,642	6,519	5,181	1	15,343
Operating lease obligations[5]	7,784	14,408	11,407	36,366	69,961
Total	$ 171,099	$ 35,838	$ 42,751	$ 36,374	$ 286,062

(1) Payments are generally made as required pursuant to the GS/BIP Credit Facility discussed above under "—Debt Agreements—GS/BIP Credit Facility."

(2) Payments are generally made as required pursuant to the Inventory Financing Facility discussed above under "—Debt Agreements—Inventory Financing Facility."

(3) Includes notes payable entered into in connection with certain of our acquisitions of dealer groups and notes payable entered into with various commercial lenders in connection with our acquisition of certain vehicles. Payments are generally made as required pursuant to the Inventory Financing Facility discussed above under "—Debt Agreements—Notes Payable."

(4) Estimated interest payments based on the outstanding principal and stated interest rates on the outstanding notes payable.

(5) Includes certain physical facilities and equipment that we lease under noncancelable operating leases.

As of March 31, 2019, there have been no material changes to the commitments and contractual obligations table above outside the ordinary course of business, except as noted below.

As of March 31, 2019, the outstanding balance of the GS/BIP Credit Facility was $49.1 million. As of March 31, 2019, the outstanding balance of the Inventory Financing Facility was $263.2 million.

During the six months ended March 31, 2019, due to the 2019 Acquisitions, we entered into acquisition notes payable with the sellers of dealer groups and notes for commercial vehicles totaling $3.7 million. Please see Note 11 in our condensed consolidated financial statements.

Tax Receivable Agreement

The Tax Receivable Agreement generally provides for the payment by OneWater Inc. to certain of the OneWater Unit Holders of 85% of the net cash savings, if any, in U.S. federal, state and local income tax and franchise tax (computed using the estimated impact of state and local taxes) that OneWater Inc. actually realizes (or is deemed to realize in certain circumstances) in periods after this offering as a result of certain tax basis increases and certain tax benefits attributable to imputed interest. OneWater Inc. will retain the benefit of the remaining 15% of these net cash savings. See "Risk Factors—Risks Related to this Offering and Our Class A Common Stock" and "Certain Relationships and Related Party Transactions—Tax Receivable Agreement." To the extent OneWater LLC has available cash and subject to the terms of any current or future debt or other agreements, the OneWater LLC Agreement will require OneWater LLC to make pro rata cash distributions to OneWater Unit Holders, including OneWater Inc., in an amount sufficient to allow OneWater Inc. to pay its taxes and to make payments under the Tax Receivable Agreement. We generally expect OneWater LLC to fund such distributions out of available

cash. However, except in cases where OneWater Inc. elects to terminate the Tax Receivable Agreement early, the Tax Receivable Agreement is terminated early due to certain mergers or other changes of control or OneWater Inc. has available cash but fails to make payments when due, generally OneWater Inc. may elect to defer payments due under the Tax Receivable Agreement if it does not have available cash to satisfy its payment obligations under the Tax Receivable Agreement or if its contractual obligations limit its ability to make these payments. Any such deferred payments under the Tax Receivable Agreement generally will accrue interest. In certain cases, payments under the Tax Receivable Agreement may be accelerated and/or significantly exceed the actual benefits, if any, OneWater Inc. realizes in respect of the tax attributes subject to the Tax Receivable Agreement. In the case of such an acceleration, where applicable, we generally expect the accelerated payments due under the Tax Receivable Agreement to be funded out of the proceeds of the change of control transaction giving rise to such acceleration. OneWater Inc. intends to account for any amounts payable under the Tax Receivable Agreement in accordance with ASC Topic 450, Contingent Consideration. For further discussion regarding the potential acceleration of payments under the Tax Receivable Agreement and its potential impact, please read “Risk Factors—Risks Related to this Offering and Our Class A Common Stock.” For additional information regarding the Tax Receivable Agreement, see “Certain Relationships and Related Party Transactions—Tax Receivable Agreement.”

Quantitative and Qualitative Disclosure about Market Risk

Interest Rate Risk

Our Inventory Financing Facility exposes us to risks caused by fluctuations in interest rates. The interest rate on our Inventory Financing Facility for new boats is calculated using the one-month LIBOR rate plus an applicable margin. Based on an outstanding balance of $263.2 million as of March 31, 2019, a change of 100 basis points in the underlying interest rate would have caused a change in interest expense of approximately $2.6 million. We do not currently hedge our interest rate exposure. This hypothetical increase does not take into account a corresponding increase to the programs that we may receive from our manufacturers or management’s ability to curtail inventory and related floor plan balances, both of which would reduce the impact of the interest rate increase.

Foreign Currency Risk

We purchase certain of our new boat and parts inventories from foreign manufacturers. Although we purchase our inventories in U.S. dollars, our business is subject to foreign exchange rate risk that may influence manufacturers’ ability to provide their products at competitive prices in the United States. To the extent that we cannot recapture this volatility in prices charged to customers or if this volatility negatively impacts consumer demand for our products, this volatility could adversely affect our future operating results.

Recent Accounting Pronouncements

As an “emerging growth company” (“EGC”), the Jumpstart Our Business Startups Act (“JOBS Act”) allows us to delay adoption of new or revised accounting pronouncements applicable to public companies until such pronouncements are made applicable to private companies. We have elected to use this extended transition period under the JOBS Act. The adoption dates discussed below reflect this election.

In May 2014, the FASB issued Accounting Standards Update (“ASU”) No. 2014-09, “Revenue from Contracts with Customers (Topic 606)” (“ASU 2014-09”), as subsequently amended, a converged standard on revenue recognition. The new pronouncement requires revenue recognition to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The guidance also specifies the accounting for some costs to obtain or fulfil a contract with a customer, as well as enhanced disclosure requirements. ASU 2014-09 is effective for a public company’s annual reporting periods beginning after December 15, 2017. As an EGC, we have elected to adopt ASU 2014-09 following the effective dates for private companies beginning with annual reporting periods beginning after December 15, 2018, including interim reporting periods within that reporting period. We are currently in the process of evaluating the effects of this pronouncement on its consolidated financial statements, related disclosures and internal controls over financial reporting. We plan to adopt ASU 2014-09 in the first quarter of fiscal year 2020.

In February 2016, the FASB issued ASU 2016-02, “Leases (Topic 842)” (“ASU 2016-02”). This update requires organizations to recognize lease assets and lease liabilities on the balance sheet and discloses key information about leasing arrangements. ASU 2016-02 is effective for a public company’s annual reporting periods beginning on or after December 15, 2018, and interim periods within those annual periods. As an EGC, we have elected to adopt ASU 2016-02 following the effective dates for private companies beginning with annual reporting periods beginning after December 15, 2019, including interim reporting periods within that reporting period, earlier application is permitted. We are currently in the process of evaluating the effects of this pronouncement on our consolidated financial statements, related disclosures and internal controls over financial reporting. We plan to adopt ASU 2016-02 in fiscal year 2021 and expect the adoption of ASU 2016-02 to have a significant and material impact on the consolidated balance sheet given the current lease agreements for our stores. Based on the current assessment, we expect that most of the operating lease commitments will be subject to the new guidance and recognized as operating lease liabilities and right-of use assets upon adoption, resulting in a material increase in the assets and liabilities recorded on the consolidated balance sheet. We are continuing our assessment, which may identify additional impacts this standard will have on the consolidated financial statements and related disclosures and internal control over financial reporting.

In March 2016, the FASB issued ASU 2016-09, “Compensation – Stock Compensation (Topic 718)” (“ASU 2016-09”). This update is part of the FASB’s Simplification Initiative. The objective of the Simplification Initiative is to identify, evaluate, and improve areas of generally accepted accounting principles (GAAP) for which cost and complexity can be reduced while maintaining or improving the usefulness of the information provided to users of financial statements. This guidance is effective for public companies prospectively for fiscal years beginning after December 15, 2017, with early adoption permitted for interim or annual periods. As an EGC, we have elected to early adopt ASU 2016-09, reflecting the adoption for all periods presented.

In August 2016, the FASB issued ASU 2016-15, “Statement of Cash Flows (Topic 230)” (“ASU 2016-15”). Additionally, in November 2016, the FASB issued ASU 2016-18, “Statement of Cash Flows (Topic 230)” (“ASU 2016-18”). These updates require organizations to reclassify certain cash receipts and cash payments within the Statement of Cash Flows and modify the classification and presentation of restricted cash. These ASUs are effective for a public company’s annual reporting periods beginning on or after December 15, 2017, and interim periods within those annual periods. As an EGC, we have elected to adopt these ASUs following the effective dates for private companies beginning with annual reporting periods beginning after December 15, 2018, including interim reporting periods within that reporting period. We are currently in the process of evaluating the effects of this pronouncement on our consolidated financial statements, related disclosures and internal controls over financial reporting. We plan to adopt ASU 2016-15 and ASU 2016-18 in fiscal 2021.

In January 2017, the FASB issued ASU 2017-01, “Business Combinations (Topic 805)” (“ASU 2017-01”). This update to clarify the definition of a business with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. The definition of a business affects many areas of accounting including acquisitions, disposals, goodwill, and consolidation. As an EGC, we have elected to adopt ASU 2014-09 following the effective dates for private companies beginning with annual reporting periods beginning after December 15, 2018, including interim reporting periods within that reporting period. We are currently in the process of evaluating the effects of this pronouncement on our consolidated financial statements, related disclosures and internal controls over financial reporting. We plan to adopt ASU 2017-01 in the first quarter of fiscal year 2020.

In January 2017, the FASB issued ASU 2017-04, “Simplifying the Test for Goodwill impairment (Topic 350)” (“ASU 2017-04”). This update removes the requirement to compare the implied fair value of goodwill with its carrying amount as part of step 2 of the goodwill impairment test. As a result, under ASU 2017-04, an entity should perform its annual, or interim, goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount and should recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit’s fair value; however, the impairment loss recognized should not exceed the total amount of goodwill allocated to that reporting unit. This

guidance is effective for public companies prospectively for fiscal years beginning after December 15, 2019. Early adoption is permitted for interim or annual goodwill impairment tests performed after January 1, 2017. As an EGC, we have elected to early adopt ASU 2017-04 with annual impairment tests performed after January 1, 2017.

Internal Controls and Procedures

In connection with the issuance of our financial statements audited under PCAOB standards, but subsequent to the issuance of our financial statements prepared under accounting standards applicable to private companies, as of and for the fiscal years ended September 30, 2018 and 2017, management identified an error in connection with the accounting for the fair value of our warrants. Due to the materiality of the error, the financial statements were restated in connection with the completion of the PCAOB audit. Accordingly, management and our independent registered public accounting firm identified a material weakness in our internal control over financial reporting, as defined in the standards established by the PCAOB. The material weakness relates to our review controls over key assumptions used in the September 30, 2017 valuation of warrants, which did not operate at a sufficient level of precision to timely detect and prevent a material misstatement that resulted from a material change in the value of the warrants. Specifically, because the warrants were outstanding for less than a year, we did not engage a specialist to assist management in completing a valuation of the warrants. In addition, in the preparation of the warrants' valuation at September 30, 2018, our internal controls with respect to the valuation of the warrants did not appropriately identify the portion of the change in the warrants' value related to fiscal 2017 that was initially recorded in fiscal 2018.

We are taking steps to remediate this material weakness by establishing more robust processes supporting internal controls over financial reporting, including actively recruiting additional finance and accounting personnel and utilization of specialists for complex and fair value calculations. We cannot assure you that the remediation measures that we have implemented and the further measures that we intend to implement will be sufficient to remediate our existing material weakness or to identify or prevent additional material weaknesses. We also cannot assure you that we have identified all of our existing material weaknesses or that we will not in the future have additional material weaknesses. See "Risk Factors—Risks Related to this Offering and Our Class A Common Stock—We have identified a material weakness in our internal control over financial reporting and may identify additional material weaknesses in the future or otherwise fail to maintain an effective system of internal controls" and "If we fail to remediate the material weakness in our internal control over financial reporting, or experience any additional material weaknesses in the future or otherwise fail to develop or maintain an effective system of internal controls in the future, we may not be able to accurately report our financial condition or results of operations, which may adversely affect investor confidence in us and, as a result, the value of our Class A common stock."

We are not currently required to comply with the SEC's rules implementing Section 404 of the Sarbanes-Oxley Act, and are therefore not required to make a formal assessment of the effectiveness of our internal control over financial reporting for that purpose. Upon becoming a public company, we will be required to comply with the SEC's rules implementing Section 302 of the Sarbanes-Oxley Act, which will require our management to certify financial and other information in our quarterly and annual reports and provide an annual management report on the effectiveness of our internal control over financial reporting. We will be required to make our first assessment of our internal control over financial reporting and to comply with the management certification requirements of Section 404 in our annual report on Form 10-K for the year following our first annual report that is filed with the SEC (subject to any change in applicable SEC rules).

Further, our independent registered public accounting firm is not yet required to formally attest to the effectiveness of our internal controls over financial reporting, and will not be required to do so for as long as we are an "emerging growth company" pursuant to the provisions of the JOBS Act. See "Emerging Growth Company Status."

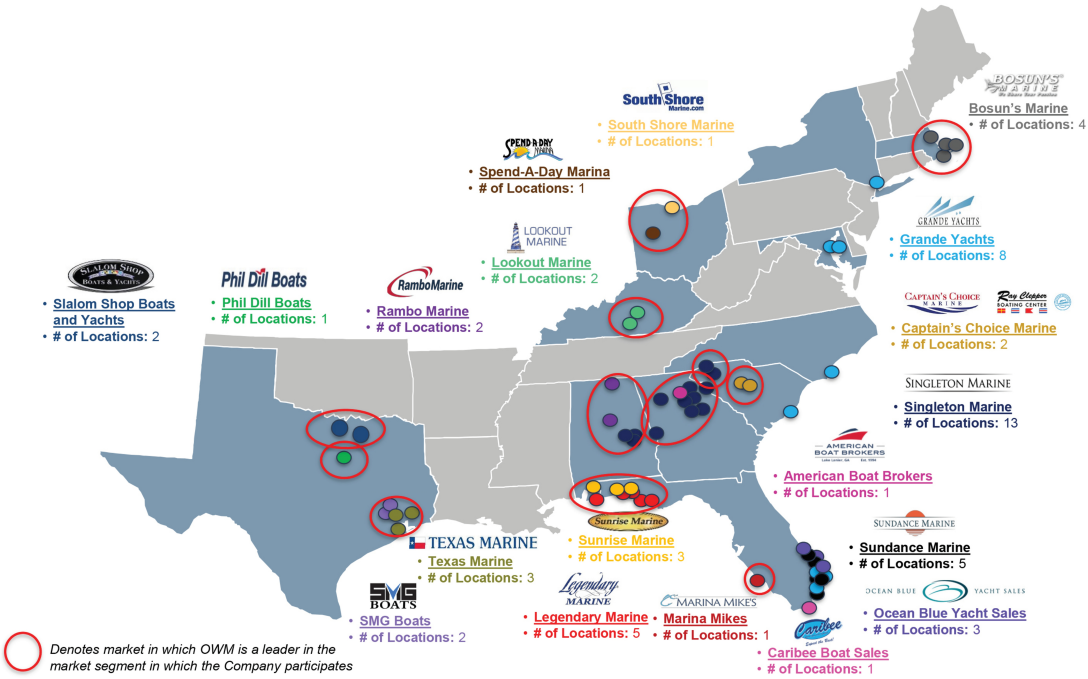
Off Balance Sheet Arrangements

We have no material off balance sheet arrangements, except for operating leases and purchase commitments under supply agreements entered into in the normal course of business.

BUSINESS

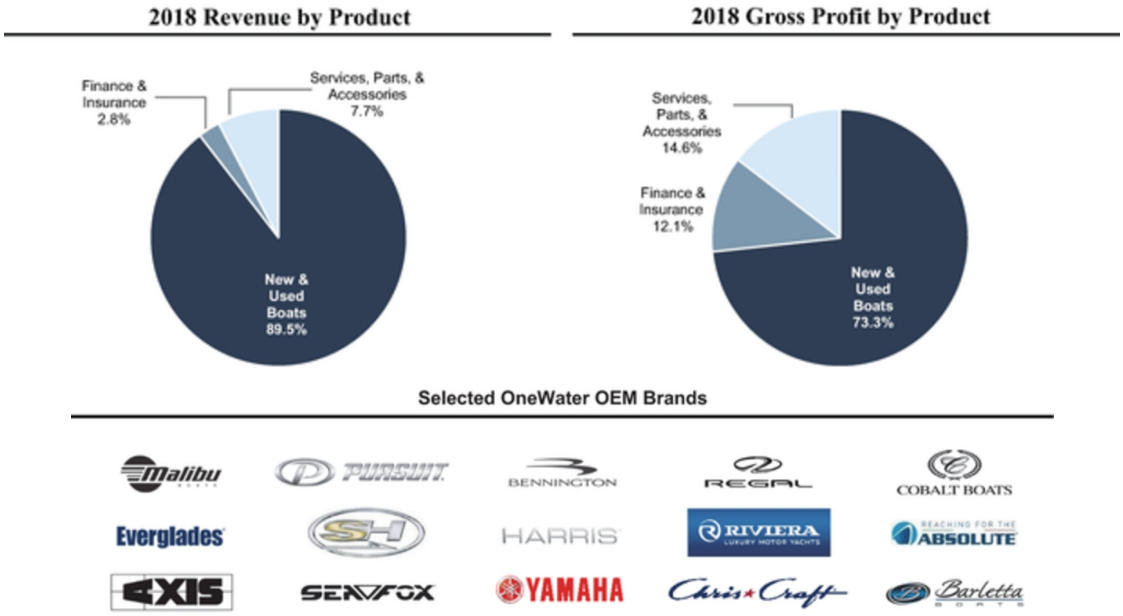
Overview

We are one of the largest and fastest-growing premium recreational boat retailers in the United States with 60 stores comprising 20 dealer groups in 11 states. Our dealer groups are located within highly attractive markets throughout the Southeast, Gulf Coast, Mid-Atlantic and Northeast, including Texas, Florida, Alabama, North Carolina, South Carolina, Georgia, Ohio and New York, which collectively comprise eight of the top twenty states for marine retail expenditures. We believe that we are a market leader by volume in sales of premium boats in 12 out of the 17 markets where we operate. In 2018, we sold over 7,500 new and pre-owned boats, of which we believe approximately 40% were sold to customers who had a trade-in or with whom we otherwise had established relationships. The combination of our significant scale, diverse inventory, access to premium boat brands and meaningful dealer group brand equity enables us to provide a consistently professional experience as reflected in the number of our repeat customers and same-store sales growth.



Note: Store count as of July 2019.

We have a diversified revenue profile that is comprised of new boat sales, pre-owned boat sales, F&I products, repair and maintenance services, and parts and accessories. Non-boat sales were approximately 10% of revenue and 27% of gross profit in fiscal year 2018, and approximately 12% of revenue and 31% of gross profit for the six months ended March 31, 2019. We offer a wide array of new boats at various price points through relationships with over 47 manufacturers covering 64 brands. We are currently a top-three customer for 24 of our 64 brands and the single largest customer for each of our top five highest-selling brands. While our order volume amounts to between 5% to 35% of total sales for those top five brands, no single brand accounts for more than 10% of our sales volume. Our relationships with many of our manufacturers are long-standing and have been developed over multiple decades of experience within the marine industry. We believe that the strength of our relationships combined with our scale enables us to receive among the best pricing and terms available across all of the brands and models that we carry, and we routinely evaluate the sales performance and demand for each respective brand to ensure that the economic relationship we have in place with our manufacturers optimizes our profitability.



We were formed in 2014 as OneWater LLC through the combination of Singleton Marine and Legendary Marine, which created a marine retail platform that collectively owned and operated 19 stores. Since the combination in 2014, we have acquired a total of 37 additional stores through 16 acquisitions. Our current portfolio as of May 31, 2019 consists of 20 different local and regional dealer groups. While we have opportunistically opened new stores in select markets, we believe that it is generally more effective economically and operationally to acquire existing stores with experienced staff and established reputations.

We believe that our dealer group branding strategy, which retains the name, logo and trademarks associated with each store or dealer group at the time of acquisition, significantly differentiates us from our largest competitors who employ singular, national branding strategies. We are committed to maintaining local and regional dealer group branding because we believe that the value of retaining the goodwill and long-standing customer relationships of these local businesses, many of which have been built by families over decades, far exceeds the benefits of attempting to establish a potentially unfamiliar “OneWater” national brand. In addition, preserving this established identity maintains the long term engagement of former owners because their name and reputation remain figuratively and literally “on the door.”

Summary of Fiscal Year 2018 Financial Performance and Key Metrics

We have experienced significant growth in recent years.

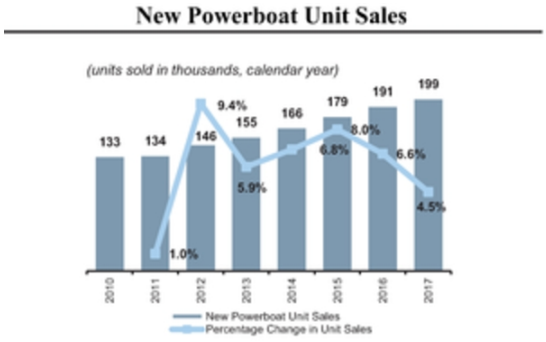
- Revenue increased 54% year-over-year from $391.5 million in fiscal year 2017 to $602.8 million in fiscal year 2018.
- Consolidated same-store sales growth increased 22% in fiscal year 2018.
- Gross profit margins increased 90 basis points in fiscal year 2018, contributing to gross profit of $137.7 million (61% year-over-year growth).
- Operating expenses as a percentage of revenue declined 155 basis points in fiscal year 2018 contributing to a second consecutive year of a reduction in operating expense margins.
- Net income of $1.9 million in fiscal year 2018 compared to net loss of $(4.3) million in fiscal year 2017.

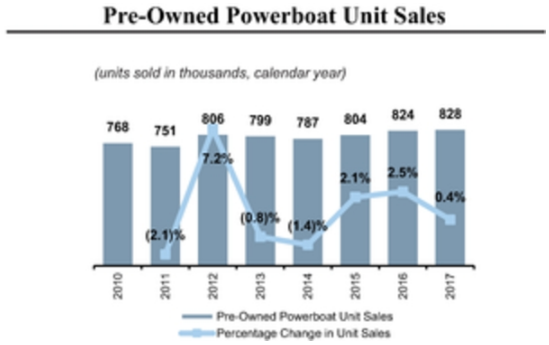
- Adjusted EBITDA has more than doubled year-over-year from $17.7 million in fiscal year 2017 to $40.8 million in fiscal year 2018.
- Operating stores increased to 53 locations, up 18% over the prior year.

For a reconciliation of Adjusted EBITDA to net income (loss), its most directly comparable financial measure presented in accordance with GAAP, see "—Summary Historical and Pro Forma Consolidated Financial and Operating Data."

Our Market and Our Customer

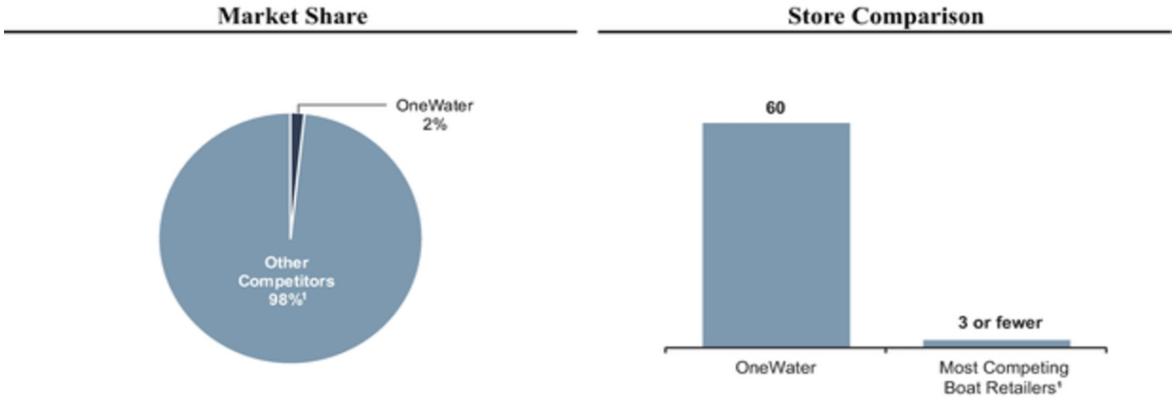
Consumer spending on boats, engines, services, parts, accessories and related purchases reached $39 billion in 2017 and has grown in excess of 5% annually since 2010. New powerboat sales have driven market growth and reached $9.6 billion in 2017, implying a 13% annual growth rate since 2010. Of the approximately one million powerboats sold in the United States each year, 81% of total units sold (approximately 810,000) are pre-owned. Relative demand for new and late-model boats has increased in recent years in part due to the continuous evolution of boat technology and design including, but not limited to, seating configurations, power, efficiency, instrumentation and electronics, and wakesurf gates, each of which represents a material design improvement that cannot be matched by more dated boat models. We believe the increasing pace of innovation in technology and design will result in more frequent upgrade purchases and ultimately higher sales volumes of new and late-model, pre-owned boat sales.





[1] *Note: NMMA Industry Report*

The boat dealership market is highly fragmented and is comprised of over 4,000 stores nationwide. Most competing boat retailers are operated by local business owners who own three or fewer stores. We are one of the largest and fastest-growing premium recreational boat retailers in the United States. Despite our size, we comprise less than 2% of total industry sales. Our scale and business model allow us to leverage our extensive inventory to provide consumers with the ability to find a boat that matches their preferences (e.g., make, model color, configuration and other options) and to deliver the boat within days while providing a personalized sales experience. We are able to operate with a comparatively higher degree of profitability than other independent retailers because we allocate support resources across our store base, focus on high-margin products and services, utilize floor plan financing and provide core back-office functions on a scale that many independent retailers are unable to match. We seek to be the leading boat retailer by total market share within each boating market and within the product segments in which we participate. To the extent that we are not, we will evaluate acquiring other local retailers in order to increase our sales, to add additional brands or to provide us with additional high-quality personnel.



[1] *Note: Our industry includes competitors such as MarineMax with 67 stores as of May 1, 2019 selling premium boats and BassPro Shops, which sells entry-level boats together with other outdoor sporting goods across 171 stores.*

We believe that boating is a lifestyle that brings families and friends together regardless of their stage of life. Whether a person grew up in a household that owned a boat or experiences boating later in life, once a person buys their first boat they often become a boating customer for life. Our customers are typically middle to upper-middle class families who either own a house on the water or live near a body of water where they can engage in boating activities. We serve customers whose boating preferences span from general recreation and cruising to fresh and salt water fishing to watersports, including wakeboarding and wake surfing. The profile of our customers range from those in their early-to-mid 30's who are upgrading their house, cars and lifestyle to those who have owned multiple boats and view boating as a way of life. Our inventory and product selection allow us to cater to a highly diverse customer base with price points and boat types that appeal to a broad spectrum of budgets and preferences. In fiscal year 2018, the boating industry's and MarineMax's average selling prices for a new boat were $48,000 and $203,000, respectively. By comparison, our average selling price for a new boat in fiscal year 2018 was $91,000.

Our Strengths

Leading Market Position and Scale: We are one of the largest and fastest-growing premium recreational boat retailers in the United States, with 60 stores across 11 states. We have a strong presence in Texas, Florida, Alabama, South Carolina, Georgia, Ohio, New York and North Carolina with 53 stores. Collectively these markets comprise eight of the top twenty states for marine retail expenditures.

Differentiated Marketing and Branding Strategy: We are committed to maintaining a local and regional dealer group branding strategy and believe that retaining the goodwill and long-standing customer relationships of dealer groups that we acquire provides significantly more value than establishing a potentially unfamiliar "OneWater" national brand across each of our stores. Preserving the existing brands enables us to retain key staff, including senior management, which reduces or eliminates our need to hire and train new people when we complete an acquisition.

Our marketing department is able to deploy highly efficient and targeted sales campaigns due to the number of customers we have served to date and the analytics we have obtained from prior transactions. Customers who buy boats commonly make ongoing purchases of parts, repair and maintenance services and storage. We proactively send marketing messages to anticipate when a customer may need additional repair and maintenance services in order for us to maximize the value of a customer and to diversify our revenue streams across all revenue categories.

Seasoned Consolidator in a Highly Fragmented Market: We have an extensive acquisition track record within the boating industry and have developed a reputation for treating sellers and their staff in an honest and fair manner. We believe our reputation and scale have positioned us as a buyer of choice for boat dealers who want to sell their businesses. To date, 100% of our acquisitions have been sourced from inbound inquiries, and the number of annual inquiries we receive has consistently increased over time.

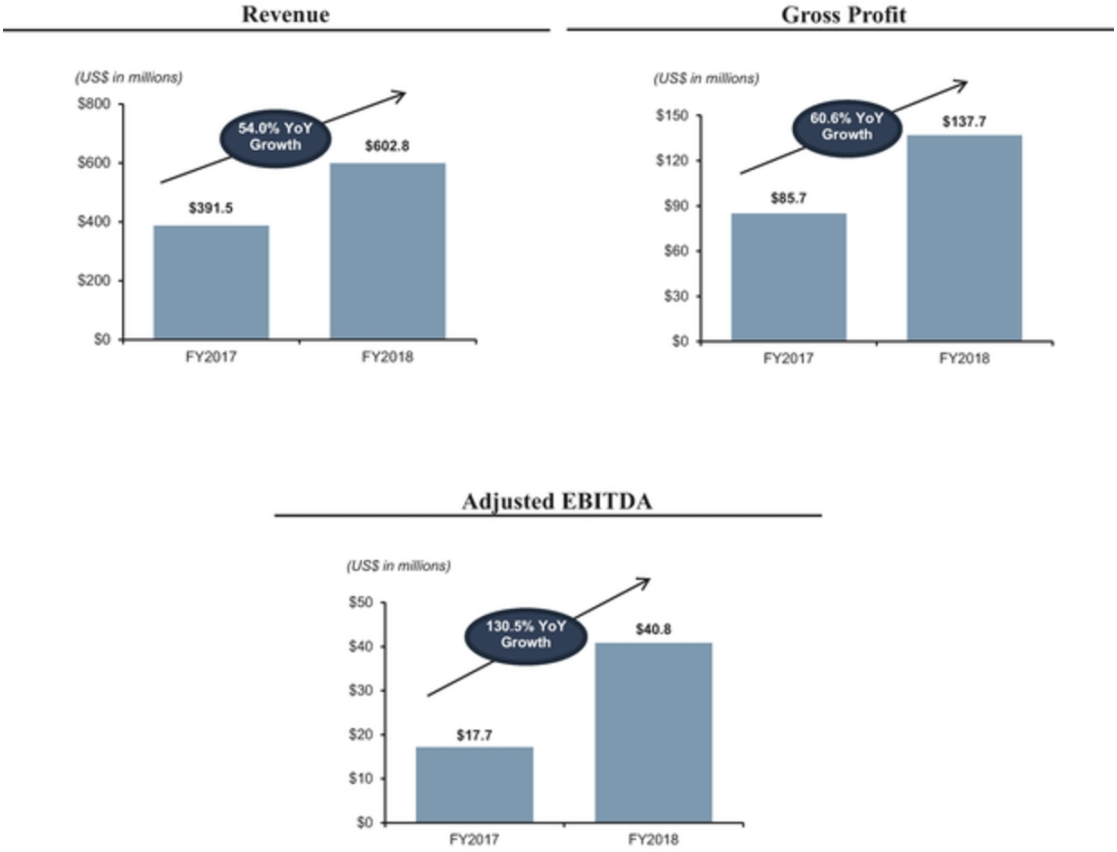
Less than 50% of the inbound leads that we receive meet our criteria but more than 90% of the stores on which we conduct diligence are ultimately acquired. Our acquisition and integration team has executed 16 acquisitions since 2014. Our acquisition team is typically able to convert the selling dealer groups' back-office systems to our IT platform within approximately ten days, with full integration of most acquisitions completed in approximately 45 days. Our strategy is to acquire stores at attractive EBITDA multiples and then grow same-store sales while benefitting from cost-reducing synergies. Historically, we have typically acquired dealer groups for less than 4.0x EBITDA on a trailing twelve months basis and believe that we will be able to continue to make attractive acquisitions within this range.

Strong Yet Flexible Relationships with Leading Boat Manufacturers: Most of our relationships with our manufacturers are long-standing with many dating back two decades or longer. We communicate with our manufacturers on a weekly basis to monitor our orders and make adjustments based on our current inventory levels and forecasted customer demand. Our contracts also exclude any requirements pertaining to mandatory capital expenditures, branding and unit pricing. Furthermore, we have flexibility to change brands, subject to territory availability, at each store based on sales performance or other factors.

We are an essential customer to many of our top manufacturers and do not believe that there is a material risk that they would stop selling boats to us in any of our markets given our scale and long-standing relationships. We were recognized as Dealer of the Year by Boating Industry in 2016 and 2017, were inducted into the Boating Industry Top 100 Hall of Fame in 2018, and have been a Top 100 dealer since 2006. Certain of our local and regional dealer groups, including Singleton Marine, have been recognized among the top dealers worldwide for Cobalt Boats, Regal Boats, Harris and Yamaha Boats, and among the top dealers in the Southeast for Malibu and Axis. Additionally, we are also the top Yamaha Jet Boat dealer by volume in the United States.

Diversified Revenue Streams: We offer a broad range of products and services beyond new and pre-owned boats, including repair and maintenance services, parts and accessories, F&I products and ancillary services, including storage. Although non-boat sales contributed approximately 10% and 12% to revenue in fiscal year 2018 and the six months ended March 31, 2019, respectively, the higher gross margin on these product and service lines resulted in non-boat sales contributing 27% and 31% of gross profit in fiscal year 2018 and the six months ended March 31, 2019, respectively. During different phases of the economic cycle, consumer behavior may shift away from new boats; however, we are well positioned to benefit from revenue from pre-owned boats, repair and maintenance services, and parts and accessories, which have historically increased during periods of economic uncertainty. We have also diversified our business across geographies and dealership types (e.g., fresh water and salt water) in order to reduce the effects of seasonality. For instance, boating activity in South Florida increases during winter months, whereas freshwater boating in the Southeast, Mid-Atlantic and Northeast peaks during late-spring and summer.

Attractive Financial Profile: Since the formation of OneWater LLC in 2014, we have established a high growth financial profile driven by strong same-store sales growth and acquisitions. This growth has resulted in a high level of free cash flow generation, and allows us to maintain a conservative leverage profile. Excluding inventory financing, our business requires a low level of capital with historical maintenance capital expenditures typically under 0.5% of revenue. We are focused on achieving profitable growth and have been able to achieve an increase in Adjusted EBITDA margins by growing revenue at a higher rate than operating expenses have increased.



Highly Experienced Management Team: We have assembled an exceptional team of highly experienced professionals within the boating industry. The average industry tenure of our executive team is 24 years and our Chief Executive Officer Austin Singleton, who is a second generation boat dealer, has been in the industry for 31 years. In addition, our Chief Operating Officer, Anthony Aisquith, and Chief Financial Officer, Jack Ezzell, have 24 and 17 years of industry experience, respectively, and both have public-company experience with our largest competitor, MarineMax.

Growth Strategy

Organic Growth Strategy: Our business model utilizes our unique scale to drive profitable same-store sales growth. We seek to gain market share by delivering high-quality products and services, with customized attributes tailored to our customers' product specifications. Our management team and business model are extremely agile, allowing us to target sales in specific segments of the industry that are outperforming overall industry trends. Additionally, we are able to leverage our potential customer database to garner new sales. Sales growth from our existing stores is a core component of our current and future strategy. We believe non-boat sales will be a driver of our organic growth strategy in the future. We have implemented a targeted marketing strategy across our platform focused on increasing new and existing customer awareness and usage of our F&I products, repair and maintenance services, and parts and accessories products.

Acquisition Strategy: We believe there is a tremendous opportunity for us to expand in both existing and new markets, given that the industry is highly fragmented with most boat retailers owning three or fewer stores. We seek to create value by implementing the best tested operational practices to family-owned and operated businesses that previously lacked the resources, management experience and expertise to maximize the profitability of the acquired standalone businesses. We believe that the boat retail market is underpinned by strong fundamental drivers, and that, with the implementation of operational control measures and the injection of resources, local stores can significantly increase

revenues and profitability. We believe our status as a consolidator of choice is based on the expertise we have developed through completing 16 acquisitions (37 stores acquired) since 2014, our growing cash flow and financial profile, and our footprint of retailers within prime markets. Our ability to acquire additional stores or dealer groups at attractive multiples is further enhanced by our growing reputation for retaining the seller's management team and keeping their branding and legacy intact. Accordingly, the sellers remain actively involved in the business. We typically enter into three-year employment agreements with the owners of the stores or dealer groups that we acquire at salaries commensurate with their positions, although many have remained employed with us beyond the initial term of such agreements. We believe there is significant opportunity to expand our store footprint in regions with strong boating cultures. While we have a strong presence in the Southeastern portion of the United States, there are several areas of opportunity in states adjacent to our current geographic footprint as well as states in new regions in the Midwest and Western United States. We are targeting to complete four to eight potential acquisitions that may contribute an estimated total of $100.0 million to $200.0 million in sales over the next 24 months, though we can provide no assurance as to the timing or completion of such acquisitions. As a result of our reputation in the market place, we expect our pipeline of potential acquisitions to grow over time.

Industry Trends and Market Opportunity

U.S. Recreational Boating Industry

Recreational boating is a well-established American pastime that attracts millions of people each year to the water. While Florida is the leading state for new boating sales and registrations due to its abundance of both fresh water and salt water, boating is very popular throughout North America with Texas, Michigan, North Carolina and Minnesota collectively comprising the rest of the top five states for new marine retail expenditures. There are approximately twelve million boats registered in North America, a figure which has remained stable over time, and has remained above eleven million registrations since 2006. As of 2017, there was one registered boat for approximately every 10 households in the United States.

In 2017, $39 billion was spent on retail boating sales which has contributed to annual growth of just under one percent since 2005. Consumer marine spending includes purchases of new and pre-owned boats; marine products such as engines, trailers, equipment, and accessories; and related expenditures, such as fuel, insurance, docking, storage, and repairs. New and pre-owned boat sales and non-boat sales constituted 58% and 42% of total 2017 boating retail sales, respectively, based on industry data from the NMMA. The NMMA estimates that approximately 827,900 pre-owned boats were sold in 2017. Non-boat sales include aftermarket accessories (17.8% of 2017 boating retail sales) and F&I and Ancillary Services, such as insurance, maintenance and fuel (23.5% of 2017 boating retail sales).

Boat sales volumes are correlated with consumer confidence and the availability of consumer credit. Recent growth in spending has been driven by both an increase in units sold as well as rising average selling prices. Innovation, including updated boat configurations, hull designs, wake gates and other electronics, have contributed to shorter boat upgrade cycles which result in higher unit sales volume. Pre-owned traditional powerboat sales were approximately $8.5 billion in 2017 and have remained relatively consistent since 2005 and through economic cycles. The boat dealership market is highly fragmented with over 4,000 stores nationwide and the majority of retailers are owner-operated with two stores or fewer. Independent retailers typically offer a limited selection of boat brands, and they predominantly focus on new boat sales with less expertise and capacity to create a meaningful business from non-boat sales such as F&I products.

Products and Services

We offer new and pre-owned recreational boats and related marine products, including parts and accessories, with a specific focus on premium brands. We also provide boat repair and maintenance services, arrange boat financing and boat insurance and offer other ancillary services including indoor and outdoor storage, marina services, and rentals of boats and personal watercraft.

New and Pre-Owned Boat Sales

Our business focuses primarily on the sale of new and pre-owned recreational boats, including pontoon, runabout, saltwater fishing boats, wake/ski boats, and yachts. We offer products from a broad variety of manufacturers and brands without relying on any one manufacturer or brand in particular. No single brand accounted for more than 10% of our sales volume in fiscal year 2018. We also sell pre-owned versions of the brands we offer and pre-owned boats of other brands we take as trade-ins. During fiscal year 2018, new boat sales accounted for approximately $398.6 million or 66.1% of our revenue, and pre-owned boat sales accounted for approximately $140.9 million or 23.4% of our revenue. During the six months ended March 31, 2019, new boat sales accounted for approximately $194.5 million or 68% of our revenue, and pre-owned boat sales accounted for approximately $55.9 million or 20% of our revenue.

We offer new and pre-owned recreational boats in a broad range of market segments. We believe that the product lines and brands we offer are among the highest quality within their respective market segments, with well-established brand recognition and reputations for quality, performance, styling and innovation.

Fishing Boats. The fishing boats we offer range from entry-level models to advanced models, such as Everglades, Pursuit, Scout and SeaFox, each designed for fishing and water sports in lakes, bays and off-shore waters, with cabins with limited live-aboard capability. The fishing boats we offer typically feature livewells, in-deck fishboxes, rodholders, rigging stations, cockpit coaming pads and fresh and saltwater washdowns.

Pontoon Boats and Runabouts. We offer a variety of some of the most innovative, luxurious, and premium pontoon models to fit boaters' needs, such as Bennington, Barletta and Harris. Our runabouts, such as Cobalt, Regal and Chris-Craft, target the family recreational boating markets and come in a variety of configurations to suit each customer's particular recreational boating style. The models we offer may include amenities such as advance navigation electronics and sound systems, a variety of hull, deck, and cockpit designs that can include a swim platform, bow pulpit and raised bridges, and swivel bucket helm seats, lounge seats, sun pads, wet bars, built-in ice chests, and refreshment centers. With a variety of designs and options, the pontoon boats and runabouts we offer appeal to a broad audience of boat enthusiasts and existing customers.

Wake/Ski Boats. The ski boats we offer range from entry-level models to advanced models, such as Axis and Malibu, all of which are designed to generate specific wakes for optimal skiing, surfing and wakeboarding performance and safety. With a broad range of designs and options, the ski boats we offer appeal to both competitive and recreational users.

Yachts. The yachts we offer range from entry-level models to advanced models, such as Absolute and Riviera. The motor yacht product lines typically include state-of-the-art designs with live-aboard luxuries, offering amenities such as flybridges with extensive guest seating; covered aft deck, which may be fully or partially enclosed, providing the boater with additional living space; an elegant salon; and multiple staterooms for accommodations.

Jet Boats. The jet boats we offer range from entry-level models to advanced models, such as Yamaha, all of which are designed for performance and with exclusive design elements to meet family recreational needs. The jet boats we offer are designed to offer superior handling and reliably high performance. With a broad range of designs and options, the jet boats we offer appeal to a broad audience of customers.

F&I Products

At each of our stores, our customers have the ability to finance their new or pre-owned boat purchase, purchase a third-party extended service contract and arrange insurance covering boat property, disability, gel sealant, fabric protection and casualty insurance coverage (collectively, "F&I"). Our relationships with various national marine product lenders allow buyers to purchase retail installment contracts originated by us in accordance with existing pre-sale agreements between us and the lenders. These retail installment contracts provide us with a portion of the expected finance charges based on a variety of factors, including the buyer's credit rating, the annual percentage rate of the contract and the

lender's then-existing minimum required annual percentage rate. These contracts are subject to repayment by us upon buyer prepayment or default within a designated time period (typically within 180 days). To the extent required by applicable state law, our dealer groups are licensed to originate and sell retail installment contracts financing the sale of boats and other marine products.

We offer our customers third-party extended service contracts, which allow us to extend customers' new boat coverage beyond the time frame or scope of the manufacturer's standard hull and engine warranty. We also offer purchasers of pre-owned boats the ability to purchase a third-party extended service contract, even if the applicable boat is no longer covered by the manufacturer's warranty. We also provide the related repair services, when needed by our customers, pursuant to the service contract guidelines during the contract term at no additional charge to the customer above a deductible. Generally, we receive a fee for arranging these extended service contracts and most of the required services under the contracts are provided by us and paid for by the third-party contract holder.

We also assist our customers with obtaining property and casualty insurance. Property and casualty insurance covers loss or damage to their boat. We do not act as an insurance broker or agent or issue insurance policies on behalf of insurers. We provide marketing activities and other related services to insurance companies and brokers for which we receive marketing fees. One of our strategies is to generate increased marketing fees by offering more competitive insurance products.

Fee income generated from F&I products accounted for approximately $16.6 million or 2.8% of our revenue during fiscal year 2018, and approximately $8.5 million or 3% of our revenue during the six months ended March 31, 2019. We believe that our customers' ability to obtain competitive, prompt and convenient financing at our stores strengthens our ability to sell new and pre-owned boats and gives us an advantage over many of our competitors, particularly our smaller competitors that lack the resources to arrange boat financing at their stores or that do not generate enough F&I product volume to attract the broad range of financing sources that are available to us.

Service, Parts & Other

We provide repair and maintenance services at most of our stores. We believe that our repair and maintenance services help strengthen our customer relationships and that our quality service and emphasis on preventative maintenance increases the quality and supply of well-maintained boats available for our pre-owned boat business. We perform both warranty and non-warranty repair services, with the cost of warranty work reimbursed by the manufacturer in accordance with the manufacturer's warranty reimbursement program. For any warranty work we perform, most of our manufacturers reimburse a percentage of the store's posted service labor rates, with the percentage varying depending on the store's customer satisfaction index rating and attendance at service training courses. Certain other of our manufacturers reimburse warranty work at a fixed amount per repair. Because boat manufacturers require that warranty work be performed at authorized stores, our stores receive substantially all of the warrantied repair and maintained work required for the boats we offer. We also offer third-party extended warranty contracts, which result in a continuous demand for our repair and maintenance services for the term of the extended warranty contract. Additionally, we offer parts and accessories at our stores, primarily to retail customers to repair their current engines or other marine related parts and equipment. Our offerings include engine parts, oils, lubricants, steering and control systems, electronics, safety products, water sport accessories (such as tubes, wakeboards, surfboards, lines, and lifejackets), products relating to docking and anchoring, boat covers, trailer parts, and a complete line of other boating accessories.

At certain of our stores, we offer marina and boat rental services, which are generally recurring in nature and create additional opportunities to connect with potential buyers. We maintain a small fleet of rental boats, and, after one season, the rental boats are repurposed for pre-owned sales. Additionally, we operate 15 marina locations that provide fueling, docking and indoor and outdoor storage.

Our focus on customer service, which we believe is one of our core competitive advantages in the recreational boating industry, is critical to our efforts in creating and maintaining long-term customers. Service, parts & other accounted for approximately $46.7 million or 7.7% of our revenue during fiscal 2018, and approximately $26.0 million or 9% of our revenue during the six months ended March 31, 2019.

Stores

We offer new and pre-owned recreational boats and other related marine products and boat services through 60 stores comprising 20 dealer groups in 11 states, including Texas, Florida, Alabama, North Carolina, South Carolina, Georgia and New York. Each store generally includes an indoor showroom and an outside display area for our new and pre-owned boat inventories, along with a business office to facilitate F&I products and repair and maintenance services facilities.

Operations

Dealership Operations and Management

The operational management of our boat dealer groups is decentralized, with certain administrative functions centralized at the corporate level and the primary responsibility of day-to-day operations localized at the store level. Each store is managed by a general manager, often a former owner, who oversees the day-to-day operations, human resources and financial performance of that particular individual store. Typically, each store also has a staff consisting of sales representatives, an F&I manager, a service manager, a parts manager, maintenance and repair technicians and additional support personnel.

We provide employees with ongoing training, career advancement opportunities and favorable benefit packages as a part of our strategy to attract and retain high quality employees. Sales training sessions are held at various locations, including the manufacturers facilities, and cover a broad array of topics from technical product details, features and benefits, to general sales techniques. Our highly-trained professional sales teams recognize the importance of building relationships with customers, assisting them in selecting the boat that best fits their needs and making the entire sales process enjoyable, all of which are critical to our successful sales efforts. The overall focus of our training program is to provide exemplary customer service.

Members of our sales teams receive compensation on primarily a commission basis. Generally, each manager within a store receives a salary along with incentive compensation based on the performance of the managed store or their respective departments.

Sales and Marketing

Our sales strategy focuses on highlighting the joys of the boating lifestyle while also providing convenient repair and maintenance services to maintain a stress-free boating experience. Our sales strategy is built on our high levels of customer service, hassle-free sales approach, appealing store layouts, highly-trained sales teams and the ability of our sales teams to educate customers and their families on boating. We constantly aim to provide the highest levels of customer service and support before, during and after each sale.

Each of our stores offers our customers the opportunity to evaluate a variety of new and pre-owned boats in an environment that is convenient, comfortable and professional. Our stores provide a full-service purchasing process, which includes attractive F&I packages and extended third-party service agreements. We have a number of waterfront stores, most of which include marina-type facilities and docks at which we display our new and pre-owned boats. These waterfront stores and marinas are easily accessible to boating customers, operate as in-water showrooms and enable our sales team to give potential customers impromptu in-water demonstrations of our various boat models.

We provide customers a diverse offering of boat brands, which span across a multitude of sizes, uses and activities, including leisure, fishing, watersports, luxury and vacation. We believe this diverse offering of brands allows us to reach a broad expanse of customers and maximizes our ability to provide high quality service to each customer that walks into one of our stores.

An important part of our sales strategy is our participation in boat shows and in-the-water sales events in areas with high levels of boating activity. These shows and events help drive sales during and after the show or event and are typically held in January, February, March and toward the end of the boating season at convention centers or marinas that have been rented out by area dealers.

We focus on customer education through personalized education by our sales representatives and other professionals, before, during and after a sale through product demonstrations on the use and

operation of their boat. Typically, one of our delivery professionals or the sales representative delivers the customer's boat to the customer's boating location and thoroughly instructs the customer about the operation of the boat, including hands-on instructions for docking and trailering the boat.

Suppliers and Inventory Management

We purchase substantially all of our new boat inventory directly from manufacturers. Manufacturers typically allocate new boats to stores or dealer groups based on the amount of boats sold by the store or dealer group and their market share. We also exchange new boats with other dealers to maintain flexibility, meet customer demand and balance inventory.

We offer a wide array of new boats at various price points through relationships with over 47 manufacturers covering 64 brands. We are currently a top-three customer for 24 of our 64 brands and the single largest customer for each of our top five highest-selling brands. While our order volume amounts to between 5% to 35% of total sales for those top five brands, no single brand accounts for more than 10% of our sales volume. However, sales of new boats from the top ten manufacturers represent approximately 40.9% of our total sales volume.

As part of our business, we enter into renewable annual dealer agreements with boat manufacturers. Provided that we are in compliance with the material obligations of such dealer agreements, they designate an exclusive geographical territory for our store to sell a particular boat brand and typically do not restrict our right to sell any other product lines or competing products.

Manufacturers generally establish suggested prices annually, but the actual sales prices remain subject to the sole discretion of the dealer, which highlights the advantage of our lack of reliance on any one manufacturer. Manufacturers typically offer discounts and increased inventory financing assistance during the manufacturers' slow season (generally October through March). We often capitalize on these opportunities to maximize our profit margins and increase our product availability during the selling season.

We also may transfer boats between our stores to maintain flexibility, meet customer demand and balance inventories. This flexibility reduces delays in delivery, helps us maximize inventory turnover and assists in minimizing potential overstock or out-of-stock situations. We actively monitor our inventory levels to maintain levels appropriate to meet current anticipated market demands. We are not bound by contractual agreements governing the amount of inventory that we must purchase in any year from any manufacturer, but the failure to purchase at agreed upon levels may result in the loss of certain manufacturer incentives or dealership rights.

Inventory Financing

Boat and related marine manufacturers customarily provide various levels of interest assistance programs to retailers, which may include periods of free financing or reduced interest rate programs. The interest assistance may be paid directly to the retailer or the financial institution depending on the arrangements the manufacturer has established. We believe that our financing arrangements with manufacturers are standard within the industry.

We are party to our Inventory Financing Facility. The interest rate for amounts outstanding under the Inventory Financing Facility is calculated using the one month LIBOR rate plus an applicable margin of 2.75% to 5.00% for new boats and at the new boat rate plus 0.25% for used boats. The collateral for the Inventory Financing Facility consists primarily of our inventory that is financed through the Inventory Financing Facility and related assets, including accounts receivable, bank accounts, and proceeds of the foregoing, and excludes the collateral that underlies our GS/BIP Credit Facility. For additional information relating to the terms of our Inventory Financing Facility, please see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Debt Agreements—Inventory Financing Facility."

Customers

We are not dependent on any one customer or group of customers, and no individual customer, or together with its affiliates, contributed on an aggregate basis 10% or more to our revenues.

Seasonality

Our business, along with the entire recreational boating industry, is highly seasonal, and such seasonality varies by geographic market. With the exception of Florida, we generally realize significantly lower sales and higher levels of inventories, and related floor plan borrowings, in the quarterly periods ending December 31 and March 31. Revenue generated from our stores in Florida serves to offset generally lower winter revenue in our other states and enables us to maintain a more consistent revenue stream. Over the three-year period ended September 30, 2018, the average revenue for the quarters ended December 31, March 31, June 30 and September 30 represented approximately 11%, 23%, 39%, and 27%, respectively, of our average annual revenues. Every January, the onset of consumer boat and recreation shows generally marks the beginning of an increase in boat sales which allows us to begin to reduce our inventory levels and related short-term borrowings for the remainder of the fiscal year.

Our business is also sensitive to weather patterns, such as unseasonably cool weather, prolonged winter conditions, drought conditions (or merely reduced rainfall levels) or excessive rain, which may shorten the selling season, limit access to certain locations for boating or render boating hazardous or inconvenient, thereby curtailing customer demand for our products and services and adversely affecting our results of operations. Additionally, as with Hurricanes Florence and Michael in 2018, hurricanes and other storms may cause disruptions to our business operations or damage to our inventories and facilities. We believe our geographic diversity is likely to reduce the overall impact to us of adverse weather conditions in any one market area.

Environmental and Other Regulatory Issues

Our business operations, along with the entire retail recreational boating industry, are subject to numerous environmental and occupational health and safety laws and regulations that may be imposed in the United States at the federal, state and local levels. The more significant of these environmental and occupational health and safety laws and regulations include the following legal standards that currently exist in the United States, as amended from time to time:

- the CAA, which restricts the emission of air pollutants from many sources and imposes various pre-construction, operational, monitoring, and reporting requirements, and which the EPA has relied upon as authority for adopting climate change regulatory initiatives relating to greenhouse gas emissions, as well as various air emission regulations for outboard marine engines;
- the Federal Water Pollution Control Act, also known as the federal Clean Water Act, which regulates discharges of pollutants from facilities to state and federal waters;
- the OPA, which subjects owners and operators of vessels, onshore facilities, and pipelines, as well as lessees or permittees of areas in which offshore facilities are located, to liability for removal costs and damages arising from an oil spill in waters of the United States;
- the CERCLA, which imposes liability on generators, transporters, and arrangers of hazardous substances at sites where hazardous substance releases have occurred or are threatening to occur;
- the RCRA, which governs the generation, treatment, storage, transport, and disposal of solid wastes, including hazardous wastes;
- the Emergency Planning and Community Right-to-Know Act, which requires facilities to implement a safety hazard communication program and disseminate information to employees, local emergency planning committees, and response departments on toxic chemical uses and inventories; and
- the Occupational Safety and Health Act, which establishes workplace standards for the protection of the health and safety of employees, including the implementation of hazard communications programs designed to inform employees about hazardous substances in the workplace, potential harmful effects of these substances, and appropriate control measures.

Additionally, there exist state and local jurisdictions in the United States where we operate that also have, or are developing or considering developing, similar environmental and occupational health and safety laws and regulations governing many of these same types of activities, which requirements may

impose additional, or more stringent, conditions or controls that can significantly alter, delay or cancel the permitting, development, or expansion of operations or substantially increase the cost of doing business. Environmental and occupational health and safety laws and regulations, including new or amended legal requirements that may arise in the future to address potential environmental concerns such as air and water impacts or to address perceived health or safety-related concerns are expected to continue to have a considerable impact on our operations.

As with companies in the retail recreational boat industry generally, and parts and service operations in particular, our business involves the use, handling, storage and contracting for recycling or disposal of petroleum-based products and wastes, as well as other hazardous and toxic substances and wastes, including gasoline, diesel fuels, motor oil, waste motor oil and filters, transmission fluid, antifreeze, freon, waste paint and lacquer thinner, batteries, solvents, lubricants, and degreasing agents. Environmental and occupational health and safety laws and regulations generally impose requirements for the use, management, handling, and disposal of these materials, and restrict the level of pollutants emitted into the environment, including into ambient air, discharges to surface water, and disposals or other releases to surface and below-ground soils and ground water. Failure to comply with these laws and regulations may result in the assessment of sanctions, including administrative, civil, and criminal penalties or liabilities to third parties; the imposition of investigatory, remedial, and corrective action obligations or the incurrence of capital expenditures; the occurrence of restrictions, delays or cancellations in the permitting, development, or expansion of projects; and the issuance of injunctions restricting or prohibiting some or all of our activities in a particular area. Moreover, there exist environmental laws that provide for citizen suits, which allow environmental organizations to act in the place of the government and sue operators for alleged violations of environmental law.

We are also subject to laws and regulations governing the investigation and remediation of contamination at the facilities we currently or formerly own or operate, as well as at third-party sites to which we send hazardous substances or wastes for treatment, recycling or disposal. Some environmental laws, such as CERCLA and similar state statutes impose strict, and under certain circumstances joint and several, liability for the entire cost of investigation or remediation of a contaminated property and for any related damages to natural resources, upon current or former site owners or operators, as well as persons who arranged for the transportation, treatment or disposal of hazardous substances. We may also be subject to third-party claims alleging property damage and/or personal injury in connection with releases of, or exposure to, hazardous substances at our current or former properties or off-site waste disposal sites or from the products we sell.

Additionally, certain of our stores and/or repair facilities utilize USTs and ASTs, primarily for storing and dispensing petroleum-based products. The USTs and ASTs are generally subject to federal state and local laws and regulations that require testing and upgrading of tanks and remediation of contaminated soils and groundwater resulting from leaking tanks. In addition, if leakage from our USTs or ASTs migrates onto the property of others, we may be subject to liability to third parties for remediation costs or other damages.

For additional information relating to environmental protection, including releases, discharges and emissions into the environment, as well as worker health and safety requirements, please see “Risk Factors—Environmental and other regulatory issues may impact our operations.” Historically, our environmental compliance costs have not had a material adverse effect on our business, financial condition or results of operations; however, there can be no assurance that such costs will not be material in the future or that such future compliance will not have a material adverse effect on our business, financial condition or results of operations.

Product Liability

Our sale and servicing of boats and other watercraft may expose us to potential liabilities for personal injury or property damage claims relating to the use of such products. Historically, product liability claims have not materially affected our business. Our manufacturers generally maintain product liability insurance, and we maintain third-party liability insurance with respect to the sale and servicing of boats and other watercrafts, which we believe to be adequate. However, we may experience legal claims in excess of our insurance coverage, and those claims may not be covered by insurance. Furthermore, any

significant claims against us, or an increase in insurance premiums resulting from excessive insurance claims, could adversely affect our business, financial performance and results of operations and result in negative publicity.

Competition

We operate in a highly competitive and fragmented environment. We face competition from businesses relating to recreational activities, which businesses compete for consumers' leisure time and discretionary spending dollars. We face intense competition within the highly fragmented recreational boat industry for customers, quality products, boat show space and suitable store locations. We rely to a certain extent on boat shows to generate sales. Our inability to participate in boat shows in our existing or targeted markets could have a material adverse effect on our business, financial performance and results of operations.

We compete primarily with local boat dealers who own three or fewer stores, as well as with a limited number of larger operators, including MarineMax and Bass Pro Shops. With respect to sales of marine parts, accessories, and equipment, we compete with national specialty marine parts and accessory stores, online catalog retailers, sporting goods stores, and mass merchants. Competition within the recreational boating industry is generally based on the quality and variety of available products, the price and value of the products and services and attention to customer service. We face significant competition from our current market and will likely face significant competition in any new markets that we may enter. We also face competition from retailers in certain markets who sell boat brands, parts and engines that we do not currently carry in such markets. Additionally, a number of our competitors are large national or regional chains that have substantially more financial, marketing and other resources than us, especially with regard to those that sell boating accessories. We also face competition from private sellers of pre-owned boats and online merchants entering the resale boating industry. However, we believe that our integrated corporate infrastructure, marketing and sales capabilities, cost structure, industry experience and customer expertise enable us to compete effectively against these companies.

Intellectual Property

We rely on a number of trade names with respect to the regional dealer groups that we have acquired, which we do not re-brand under our "OneWater" mark. We cannot give any assurance that any trade name and trademark applications that we may file in the future will be granted.

Employees

As of March 31, 2019, we had 1,031 employees, 960 of whom were in store-level operations and 71 of whom were in corporate administration and management. We are not a party to any collective bargaining agreements. We consider our relations with our employees to be excellent.

Facilities

Our corporate headquarters are located at 6275 Lanier Islands Parkway, Buford, Georgia 30518. Additionally, as of June 30, 2019, we lease the following material retail facilities:

Store Location & Dealer Group	Stores Leased	Stores Owned
Alabama		
Singleton Marine	3	—
Rambo Marine	2	—
Sunrise Marine	1	—
Legendary Marine	1	—
Florida		
Grande Yachts	2	1
Legendary Marine	4	—
Sundance Marine	5	—

Store Location & Dealer Group	Stores Leased	Stores Owned
Marina Mike's	—	1
Ocean Blue Yacht Sales	3	—
Sunrise Marine	1	1
Caribee Boat	—	1
Georgia		
Singleton Marine	7	1
American Boat Brokers	1	—
Kentucky		
Lookout Marine	2	—
Massachusetts		
Bosun's	4	—
Maryland		
Grande Yachts	2	—
North Carolina		
Grande Yachts	1	—
New York		
Grande Yachts	1	—
Ohio		
South Shore Marine	1	—
Spend-A-Day Marina	1	—
South Carolina		
Grande Yachts	1	—
Captain's Choice Marine	2	—
Singleton Marine	2	—
Texas		
Texas Marine	3	—
SMG Boats	2	—
Slalom Shop	2	—
Phil Dill Boats	1	—

We believe that our facilities are adequate for our current operations.

Legal Proceedings

Due to the nature of our business, we are, from time to time, involved in other routine litigation or subject to disputes or claims related to our business activities, including workers' compensation claims and employment related disputes. In the opinion of our management, none of the pending litigation, disputes or claims against us, if decided adversely, will have a material adverse effect on our financial condition, cash flows or results of operations.

Recent Developments

On December 1, 2018, OneWater LLC acquired substantially all of the assets of Slalom Shop, a dealer group based in Texas with two stores engaged in selling new and pre-owned boats and providing financing services and parts and services, for total consideration of approximately $7.8 million.

On February 1, 2019, OneWater LLC acquired substantially all of the assets of Ocean Blue, a dealer group based in Florida with three stores engaged in selling new and pre-owned boats and providing parts and services, for total consideration of approximately $10.0 million.

On February 1, 2019, OneWater LLC acquired substantially all of the assets of Ray Clepper, Inc. (d/b/a Ray Clepper Boat Center), a dealer group based in South Carolina with one store engaged in selling new and pre-owned boats and providing parts and repair services, for total cash consideration of approximately $0.3 million.

On April 5, 2019, OneWater LLC and certain of its subsidiaries further amended the Inventory Financing Facility to, among other things, increase the maximum amount of borrowing available under the Inventory Financing Facility from $275.0 million to $292.5 million.

On May 1, 2019, OneWater LLC acquired substantially all of the assets of Caribee Boat Sales and Marina, Inc., a dealer group based in Florida with one store engaged in selling new and pre-owned boats, providing parts and repair services and related boat storage, for total cash consideration of approximately $10.3 million.

Prior to the closing of this offering, we, through certain of our subsidiaries, expect to complete the Sale-Leaseback Transaction with affiliates of SunTrust, for five of our boat dealerships located throughout Florida and Georgia, for aggregate cash consideration of approximately $17.0 million.

MANAGEMENT

Directors and Executive Officers

Set forth below are the name, age as of June 30, 2019, position and description of the business experience of our executive officers, directors and director nominees.

Name	Age	Position with OneWater Inc.
Austin Singleton	46	Founder, Chief Executive Officer and Sole Director
Anthony Aisquith	51	President and Chief Operating Officer
Jack Ezzell	48	Chief Financial Officer
Christopher W. Bodine	64	Director Nominee
Mitchell W. Legler	77	Director Nominee
John F. Schraudenbach	60	Director Nominee
Michael C. Smith	55	Director Nominee
Keith R. Style	46	Director Nominee
John G. Troiano	48	Director Nominee

Current Director and Executive Officers

Austin Singleton—Founder, Chief Executive Officer and Sole Director. Austin Singleton has served as our Chief Executive Officer and Sole Director since April 2019, the Chief Executive Officer of OneWater LLC since its formation in 2014, and the Chief Executive Officer of Singleton Marine, which later merged with Legendary Marine to form OneWater LLC, since 2006. Mr. Singleton has served on the Board of Managers of OneWater LLC since its formation in 2016. Mr. Singleton first joined Singleton Marine in 1988, shortly after his family founded Singleton Marine in 1987. Prior to his role as the Chief Executive Officer of OneWater LLC, Mr. Singleton worked in substantially all positions within the dealership from the fuel dock, to the service department, to the sales department, to general manager. Mr. Singleton studied Business and Finance at Auburn University. Mr. Singleton was selected as a director due to his management and extensive industry experience.

Anthony Aisquith—President and Chief Operating Officer. Anthony Aisquith has served as our Chief Operating Officer since April 2019 and as the President and Chief Operating Officer of OneWater LLC (including its predecessor entity, Singleton Marine) since 2008. Mr. Aisquith has served on the Board of Managers of OneWater LLC since 2014. Mr. Aisquith has 25 years of experience in the boating industry, and prior to joining OneWater LLC in 2008, he held several senior management positions at MarineMax (NYSE: HZO). Specifically, from 2003 to 2008, he served as Vice President, and from 2000 to 2008, he served as a Regional President, overseeing MarineMax's operations in Georgia, North and South Carolina, Texas and California. Prior to serving as Regional President, Mr. Aisquith held a variety of management and sales positions at MarineMax. Before joining MarineMax in June of 1985, Mr. Aisquith worked for ten years in the auto industry.

Jack Ezzell—Chief Financial Officer. Jack Ezzell has served as our Chief Financial Officer since April 2019 and as the Chief Financial Officer of OneWater LLC since 2017. Mr. Ezzell has over 25 years of accounting and finance experience, with over 17 years of experience in the boating industry specifically. Immediately prior to beginning his tenure as Chief Financial Officer of OneWater LLC, Mr. Ezzell was a General Manager at MarineMax (NYSE: HZO), where he oversaw all dealership operations at MarineMax's Clearwater and St. Petersburg, Florida locations. From 2010 to 2015, Mr. Ezzell served as Chief Accounting Officer of Masonite International Corporation (NYSE: DOOR), and from 1998 to 2010, he served as the Controller and as the Chief Accounting Officer at MarineMax. Prior to joining MarineMax, Mr. Ezzell began his career as an auditor for Arthur Andersen. Mr. Ezzell is a Certified Public Accountant and obtained his Bachelor of Science in Accounting from Western Carolina University.

Director Nominees

Christopher W. Bodine – Mr. Bodine has been nominated to serve on our board of directors. He retired as President, Health Care Services at CVS Caremark Corporation (NYSE: CVS) ("CVS Caremark") after 24 years with CVS Caremark in 2009. During his tenure as President, Mr. Bodine was

responsible for Strategy, Business Development, Trade Relations, Sales and Account Management, Pharmacy Merchandising, Marketing, Information Technology, and Minute Clinic. Mr. Bodine is currently a Director at Allergan plc (NYSE: AGN) and ContinuumRX Services, Inc. Mr. Bodine is also a Venture Partner at NewSpring Capital. Prior to these positions, he was a Director at Fred's, Inc. (NASDAQ: FRED) and Nash-Finch Company. Mr. Bodine formerly served as a Trustee for Bryant University and is active with the Juvenile Diabetes Research Foundation and the American Heart Association. Mr. Bodine attended Troy State University and received an Honorary Doctorate Degree in Business Administration from Johnson & Wales University. Our board of directors believes Mr. Bodine is qualified to serve on our board of directors because of his prior leadership experience and his public company experience.

Mitchell W. Legler – Mr. Legler has been nominated to serve on our board of directors and has served as Chairman of the Board of Managers of OneWater LLC since 2015. Mr. Legler is a business lawyer representing clients in corporate, commercial, and real estate law, and is a majority shareholder of the law firm Kirschner & Legler, P.A. Mr. Legler was a director of IMC Mortgage Company and Stein Mart, Inc. (NASDAQ: SMRT) ("Stein Mart"), both public companies, and served as general counsel to Stein Mart until his retirement in 2019. Mr. Legler has served as Director to a number of private companies in the healthcare, software development, international transportation, automotive retail, and real estate development fields. Mr. Legler received a B.A. with honors in Political Science from the University of North Carolina and a J.D. from the University of Virginia. Our board of directors believes Mr. Legler is qualified to serve on our board of directors because of his public company experience and his general legal expertise.

John F. Schraudenbach – Mr. Schraudenbach has been nominated to serve on our board of directors. Mr. Schraudenbach held various positions at Ernst & Young for 37 years until his retirement in June 2019. He served as the Senior Client Service Partner at Ernst & Young beginning in 2014, in which he established structure and policies for Ernst & Young's Americas Assurance practice. Prior to this, Mr. Schraudenbach was the Managing Partner of Business Development for the Southeast U.S. Region and an Audit Partner at Ernst & Young. Mr. Schraudenbach has served on the America's Assurance Operating Committee, National Accounting & Auditing Committee, Southeast Region Operating Committee and Center for Board Matters at Ernst & Young. Mr. Schraudenbach has served as the Alumni Board Chair at the University of Georgia Terry College of Business. Mr. Schraudenbach received both a Bachelor and Masters of Accounting from the University of Georgia. He is a Certified Public Accountant. Our board of directors believes Mr. Schraudenbach is qualified to serve on our board of directors because of his substantial financial and audit expertise.

Michael C. Smith – Mr. Smith has been nominated to serve on our board of directors and has served on the Board of Managers and on the Audit Committee of OneWater LLC since its formation in 2014. Mr. Smith has spent over 30 years in the investment, mortgage banking and advisory service business with an emphasis placed on capital formation, debt and equity investment in real estate developments and select operating businesses. Over the last 10 years, Mr. Smith has focused on business ventures in the family and lifestyle sector, including as founding member of LakePoint Sports, a sports-centric mixed-use development in the Atlanta area, lead partner and managing member of Ocean Isle Marina & Yacht Club, principal in the recapitalization of the Nantahala Outdoor Center and co-founder of U.S. Forest Service concessionaire business Pisgah Hospitality Partners. Mr. Smith received a BSBA - Finance from East Carolina University. Our board of directors believes Mr. Smith is qualified to serve on our board of directors because of his familiarity with OneWater LLC and his relevant experience in the marine and like industries.

Keith R. Style – Mr. Style has been nominated to serve on our board of directors and has served on the Board of Managers of OneWater LLC since 2015. Mr. Style has over 20 years of finance and accounting experience and is a Principal at The Presidio Group, a leading merchant bank and investment banking advisor in the retail automotive sector. From March 2017 to February 2018, Mr. Style served as interim Chief Financial Officer of OneWater LLC. Prior to OneWater LLC, Mr. Style served as the Senior Vice President and Chief Financial Officer of Asbury Automotive Group, Inc. (NYSE: ABG) ("Asbury"), a Fortune 500 company and one of the largest automotive retailers in the United States. After joining Asbury in 2003, Mr. Style held various roles in SEC Reporting, Treasury, Compliance, Investor Relations, Risk Management, Dealership Services and Process Innovation. Prior to joining Asbury, Mr. Style served in

several finance and accounting positions at Sirius Satellite Radio, Inc. (NASDAQ: SIRI). Mr. Style holds a B.A. in Economics and Business from Lafayette College. Our board of directors believes that Mr. Style is qualified to serve on our board of directors because of his industry and public company experience, as well as his financial and leadership background.

John G. Troiano – Mr. Troiano has been nominated to serve on our board of directors and has served on the Board of Managers and as Chairman of the Compensation Committee of OneWater LLC since October 2016. Mr. Troiano is the Managing Partner and CEO of Beekman, which he co-founded in 2004. Mr. Troiano spent two years at the mergers and acquisitions boutique firm Gleacher & Company, Inc. before joining Onex Corporation (TSX: ONEX) in 1996, where he became a Managing Director in Onex Corporation's New York office in 1999. Mr. Troiano serves on the Board and is a Chairman of numerous Beekman portfolio companies. Mr. Troiano is on the board of two academic institutions and is involved with various charitable organizations. Mr. Troiano graduated summa cum laude with a B.S. in Economics from the Wharton School of the University of Pennsylvania with concentrations in Finance and Accounting. Mr. Troiano then earned an M.B.A. from Harvard Business School. Our board of directors believes Mr. Troiano is qualified to serve on our board of directors because of his financial expertise and prior professional experience.

There are no family relationships among any of our executive officers or directors.

Composition of Our Board of Directors

Our board of directors currently consists of one member. Prior to the date that the Class A common stock is first traded on the Nasdaq, our board of directors is expected to consist of seven members and be divided into three classes of directors that will serve staggered three-year terms. At each annual meeting of stockholders, the successors to directors whose terms then expire will be elected to serve from the time of election and qualification until the third annual meeting following election. Our directors will be divided among the three classes as follows:

- The Class I directors are expected to be Austin Singleton, Mitchell W. Legler and John Schraudenbach, and their terms will expire at the annual meeting of stockholders to be held in 2020;
- The Class II directors are expected to be Christopher W. Bodine and Michael C. Smith, and their terms will expire at the annual meeting of stockholders to be held in 2021; and
- The Class III directors are expected to be Keith R. Style and John G. Troiano, and their terms will expire at the annual meeting of stockholders to be held in 2022.

Our amended and restated certificate of incorporation provides that the number of directors may be set and changed only by resolution of the board of directors. Any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that each class will consist of as close to one-third of the directors as possible. The division of our board of directors into three classes with staggered three-year terms may delay or prevent a change of our management or a change in control.

Leadership Structure of the Board

Our amended and restated bylaws and our corporate governance guidelines provide our board of directors with flexibility to combine or separate the positions of chairman of our board of directors and chief executive officer and to implement a lead director in accordance with its determination that using one or the other structure would be in the best interests of our company. Mr. Legler will serve as the chairman of our board of directors. Our board of directors has concluded that our current leadership structure is appropriate at this time. Our board of directors will periodically review our leadership structure and may make such changes in the future as it deems appropriate.

Director Independence

Under the listing requirements and rules of the Nasdaq, independent directors must comprise a majority of our board of directors within a specified period after the completion of this offering. In addition, the rules of the Nasdaq require that, subject to specified exceptions, each member of a listed company's

audit, compensation, and nominating and corporate governance committees must be independent. Audit committee members must also satisfy the independence criteria set forth in Rule 10A-3 under the Exchange Act. Under the rules of the Nasdaq, a director will qualify as an "independent director" only if, in the opinion of that company's board of directors, that person does not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

Additionally, compensation committee members must not have a relationship with us that is material to the director's ability to be independent from management in connection with the duties of a compensation committee member.

Audit committee members must also satisfy the independence criteria set forth in Rule 10A-3 under the Exchange Act. To be considered to be independent for purposes of Rule 10A-3 of the Exchange Act, a member of an audit committee of a listed company may not, other than in his or her capacity as a member of the audit committee, the board of directors, or any other board committee: (1) accept, directly or indirectly, any consulting, advisory, or other compensatory fee from the listed company or any of its subsidiaries; or (2) be an affiliated person of the listed company or any of its subsidiaries.

Our board of directors has undertaken a review of its composition, the composition of its committees and independence of each director. Based upon information requested from and provided by each director concerning his background, employment and affiliations, including family relationships, our board of directors has determined that Messrs. Bodine, Legler, Schraudenbach, Smith, Style, and Troiano, representing a majority of our directors, do not have any relationships that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that each of these directors is "independent" as that term is defined under the applicable rules and regulations of the SEC and the listing requirements of the Nasdaq. Our board of directors also determined that Messrs. Legler, Schraudenbach and Smith, who will comprise our audit committee, Messrs. Bodine, Style and Troiano, who will comprise our compensation committee, and Messrs. Bodine, Legler, and Style, who will comprise our nominating and corporate governance committee, satisfy the respective independence standards for those committees established by applicable rules and regulations of the SEC and the listing requirements of the Nasdaq. In making this determination, our board of directors considered the current and prior relationships that each non-employee director has with our company and all other facts and circumstances our board of directors deemed relevant in determining their independence, including the beneficial ownership of our capital stock by each non-employee director and the transactions involving each non-employee director, if any, described in "Certain Relationships and Related Party Transactions."

Committees of the Board of Directors

Our board of directors will establish an audit committee, a compensation committee and a nominating and governance committee prior to the completion of this offering. The composition and responsibilities of each of the committees of our board of directors are described below. Following the completion of this offering, copies of the charters for each committee will be available on our website. Members will serve on these committees until their resignation or until otherwise determined by our board of directors. Our board of directors may establish other committees as it deems necessary or appropriate from time to time.

Audit Committee

Rules implemented by the Nasdaq and the SEC require us to have an audit committee comprised of at least three directors who meet the independence and experience standards established by the Nasdaq and the Exchange Act, subject to transitional relief during the one-year period following the completion of this offering. Our audit committee will initially consist of three directors, all of whom are independent under the rules of the SEC. As required by the rules of the SEC and listing standards of the Nasdaq, after the applicable transition period, the audit committee will consist solely of independent directors. Messrs. Schraudenbach, Legler, and Smith will initially serve as members of our audit committee, with Mr. Schraudenbach serving as chair of the audit committee. Each member of the audit committee is financially literate, and our board of directors has determined that Mr. Schraudenbach qualifies as an "audit committee financial expert" as defined in applicable SEC rules.

This committee will oversee, review, act on and report on various auditing and accounting matters to our board of directors, including: the selection of our independent accountants, the scope of our annual audits,

fees to be paid to the independent accountants, the performance of our independent accountants and our accounting practices. In addition, the audit committee will oversee our compliance programs relating to legal and regulatory requirements. We expect to adopt an audit committee charter defining the committee's primary duties in a manner consistent with the rules of the SEC and applicable Nasdaq standards.

Compensation Committee

Our compensation committee will consist of Messrs. Troiano, Bodine, and Style, with Mr. Troiano serving as the chair of the compensation committee. Our board of directors has determined that all members of the Compensation Committee are independent under the current listing standards of the Nasdaq and are "non-employee directors" as defined in Rule 16b-3 promulgated under the Exchange Act.

The compensation committee will review and approve, or recommend that our board of directors approve, the compensation of our chief executive officer, review and recommend to our board of directors the compensation of our non-employee directors, review and approve, or recommend that our board of directors approve, the terms of compensatory arrangements with our executive officers, administer our incentive compensation and benefit plans, select and retain independent compensation consultants and assess whether any of our compensation policies and programs has the potential to encourage excessive risk-taking. We expect to adopt a compensation committee charter defining the committee's primary duties in a manner consistent with the rules of the SEC and applicable Nasdaq standards.

Nominating and Corporate Governance Committee

Our nominating and corporate governance committee will consist of Messrs. Bodine, Legler, and Style, with Mr. Bodine serving as the chair of the nominating and corporate governance committee. Our board of directors has determined that all members of the Nominating and Corporate Governance Committee are independent under the current listing standards of the Nasdaq.

The nominating and corporate governance committee will identify, evaluate and recommend qualified nominees to serve on our board of directors, consider and make recommendations to our board of directors regarding the composition of our board of directors and its committees, and oversee our internal corporate governance processes, review and approve or disapprove of related party transactions, maintain a management succession plan and oversee an annual evaluation of the board of directors' performance. We expect to adopt a nominating and corporate governance committee charter defining the committee's primary duties in a manner consistent with the rules of the SEC and applicable Nasdaq standards.

Code of Business Conduct and Ethics

Our board of directors has adopted a code of business conduct and ethics applicable to our employees, directors and officers, in accordance with applicable U.S. federal securities laws and the corporate governance rules of the Nasdaq. Any waiver of this code may be made only by our board of directors and will be promptly disclosed as required by applicable U.S. federal securities laws and the corporate governance rules of the Nasdaq.

Corporate Governance Guidelines

Our board of directors has adopted corporate governance guidelines in accordance with the corporate governance rules of the Nasdaq.

Compensation Committee Interlocks and Insider Participation

None of the members of the compensation committee is currently or has been at any time one of our employees except that Mr. Style served as interim Chief Financial Officer of OneWater LLC from March 1, 2017 to February 19, 2018. None of our executive officers currently serves, or has served during the last year, as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving as a member of our board of directors or compensation committee. Mr. Troiano, a member of our Compensation Committee, had certain boat purchase and resale transactions relating to OneWater LLC, as disclosed under "Certain Relationships and Related Party Transactions—Historical Transactions with Affiliates—Customers and Service Providers" below.

EXECUTIVE COMPENSATION

OneWater Inc. did not pay any compensation to officers or employees during the 2018 fiscal year. However, the operations of our predecessor will be carried on by us and our subsidiaries following this offering, and the executive officers of our predecessor have been our executive officers since April 2019. As such, we believe that disclosure regarding our executive officers' compensation for the full 2018 fiscal year, which was established and paid by our predecessor, is generally appropriate and relevant to investors, and as such, is disclosed below.

The tables and narrative disclosure below provide compensation disclosure that satisfies the requirements applicable to emerging growth companies, as defined in the JOBS Act.

Summary Compensation Table for Fiscal Year 2018

The following table summarizes the compensation awarded to, earned by or paid to our principal executive officer and our next two most highly-compensated executive officers (our "Named Executive Officers") for the fiscal year ended September 30, 2018.

Name and Principal Position	Year	Salary ($)	Option Awards ($)(1)	Non-equity Incentive Plan Compensation ($)(2)	All Other Compensation ($)(3)	Total ($)
Austin Singleton (Founder, Chief Executive Officer and Director)	2018	$ 220,000	$ —	$ —	$ 35,569	$ 255,569
Anthony Aisquith (President & Chief Operating Officer)	2018	$ 523,972	$ —	$ —	$ 33,873	$ 557,845
Jack Ezzell(4) (Chief Financial Officer)	2018	$ 280,769	$ 215,908	$ 62,500	$ 10,691	$ 569,868

(1) Amount reported reflects the aggregate grant date fair value, computed in accordance with FASB ASC Topic 718, of Class B Units in OneWater LLC granted to Mr. Ezzell during fiscal year 2018. For additional information regarding the assumptions underlying this calculation please see Note 14 to our consolidated financial statements, entitled "Equity-Based Compensation," for the fiscal year ended September 30, 2018, included elsewhere in this prospectus. See the discussion below entitled "Long Term Incentive Compensation" for a description of the Class B Units.

(2) Neither Messrs. Singleton nor Aisquith were eligible to receive an annual bonus in fiscal year 2018. Mr. Ezzell's annual incentive arrangement is described below in the discussion entitled "Narrative to the Summary Compensation Table—Annual Bonus."

(3) "All Other Compensation" includes perquisites and other personal benefits consisting of (i) an annual auto allowance for Mr. Singleton of $22,800 and lease payments for an automobile used by Mr. Aisquith but owned by us equal to $19,155 and (ii) medical premiums of $10,691 paid by us for the benefit of each of the Named Executive Officers at amounts greater than amounts available to employees generally. As a general rule, we will reimburse our Named Executive Officers for amounts paid by the executives for business travel, including business travel on private, chartered or fractionally owned aircraft but we do not reimburse our Named Executive Officers for any personal use of private aircraft. In addition, we paid premiums in fiscal year 2018 with respect to life insurance policies for the benefit of Messrs. Singleton and Aisquith in amounts equal to $2,078 and $4,027, respectively. The Named Executive Officers are also eligible to receive discounts on certain purchases (including boats), services and storage and Messrs. Singleton and Ezzell have access to demonstration boats for their personal use but these additional perquisites did not result in any additional cost to us and therefore no amount is being reported in connection with these perquisites.

(4) Mr. Ezzell was appointed Chief Financial Officer on February 19, 2018. Prior to that time he served as our Vice President of Finance. The compensation reported in this Summary Compensation Table includes the compensation earned with respect to both positions.

Narrative to the Summary Compensation Table

Base Salary

Each Named Executive Officer's base salary is a fixed component of annual compensation for performing specific job duties and functions. Historically, our board of directors has established the annual base salary rate for each of the Named Executive Officers at a level necessary to retain the individual's services, and reviews base salaries on an annual basis in consultation with the Chief Executive Officer (other than with respect to his own salary). The board of directors has historically made adjustments to the base salary rates of the Named Executive Officers upon consideration of any factors that it deems relevant, including but not limited to: (a) any increase or decrease in the executive's responsibilities, (b) the executive's job performance, and (c) the level of compensation paid to executives of other companies with which we compete for executive talent, as estimated based on publicly available information and the experience of members of our board of directors and our Chief Executive Officer. In connection with this offering, the compensation committee has engaged the human resources consulting division of Aon, plc ("Aon") as our compensation consultant and will use Aon to determine the base salaries, annual bonuses and other aspects of our compensation practices going forward.

Annual Bonus

In fiscal year 2018 neither Messrs. Singleton nor Aisquith participated in an annual bonus program. However, Mr. Ezzell participated in our annual incentive compensation program pursuant to which specific objectives were communicated to Mr. Ezzell both in his capacity as Vice President of Finance and in his capacity as Chief Financial Officer. His objectives were focused on our achieving certain levels of EBITDA, timely completion of the annual audit, improvements to our internal review and Board reporting processes and making operating improvements to our accounting function.

In connection with this offering and in future fiscal years we intend to adopt a more robust annual incentive program in which all of our Named Executive Officers will participate contingent upon the achievement of metrics and targets to be set annually by the Compensation Committee. It is currently anticipated that pretax income and aged inventory will be utilized as metrics for fiscal year 2020.

Long Term Incentive Compensation

We have historically offered long-term incentives to our executive officers through grants of Class B Units in OneWater LLC. The Class B Units represent an interest in the future profits of OneWater LLC and are intended to be treated as "profits interests" for federal income tax purposes. The Class B Units enable our executive officers to participate in growth of the OneWater LLC and are subject to a time-vesting requirement. Mr. Ezzell is the only Named Executive Officer who holds Class B Units. The 1,010 Class B Units granted to Mr. Ezzell in fiscal year 2018 vest with respect to 25% on each of the first four anniversaries of February 19, 2018. Mr. Ezzell's Class B Units will vest upon the closing of this offering.

In addition, prior to the completion of this offering we expect to adopt the 2019 Long Term Incentive Plan, which is described in the "—Additional Narrative Disclosures—Long Term Incentive Plan" section below.

Other Compensation Elements

We offer participation in broad-based retirement, health and welfare plans to all of our employees. We currently maintain a retirement plan intended to provide benefits under section 401(k) of the Internal Revenue Code, under which employees, including our Named Executive Officers, are allowed to contribute portions of their base compensation to a tax-qualified retirement account and receive discretionary matching contributions. In fiscal year 2018 matching contributions were made to participating employees equal to 50% of the employee's deferral up to 4% of the employee's compensation, subject to applicable nondiscrimination limitations imposed by the Internal Revenue Code. None of our Named Executive Officers participated in our retirement plan in fiscal year 2018.

Outstanding Equity Awards at 2018 Fiscal Year-End

The following table reflects information regarding outstanding equity-based awards held by our Named Executive Officers as of September 30, 2018, which consist exclusively of Class B Units in OneWater LLC. All outstanding equity-based awards held by our Named Executive Officers as of September 30, 2018 are included in the table below.

	Option Awards			
Name	Number of Securities Underlying Unexercised Options (#) (Exercisable)	Number of Securities Underlying Unexercised Options (#) (Unexercisable)[1]	Option Exercise Price ($)[2]	Option Expiration Date[2]
Austin Singleton	—	—	—	—
Anthony Aisquith	—	—	—	—
Jack Ezzell	—	1,010	N/A	N/A

(1) This column reflects the number of Class B Units in OneWater LLC held by the Named Executive Officer that were unvested as of September 30, 2018. The 1,010 Class B Units will vest in substantially equal annual installments on February 19, 2019, 2020, 2021 and 2022, subject to the Named Executive Officer's continued employment. These units will become 100% vested upon the closing of this offering.

(2) These equity awards, while analogous economically to options in that the recipient receives potential value only with respect to future appreciation, are not traditional options, and therefore, there is no exercise price or expiration date associated with them. However, the participation threshold (which represents the aggregate value of OneWater LLC that must be exceeded for Mr. Ezzell's award to be "in the money") is $100,000,000.

Additional Narrative Disclosures

Employment Agreements

In fiscal year 2018, none of our Named Executive Officers except Mr. Ezzell was subject to an employment agreement. Mr. Ezzell entered into an employment agreement effective February 19, 2018 and it is expected that Messrs. Singleton and Aisquith will enter into employment agreements (and Mr. Ezzell will amend his employment agreement) in connection with this offering. The employment agreements provide, or will provide, for the following benefits.

Severance Protection under Employment Agreements

Upon termination without cause or resignation for good reason, our Named Executive Officers will continue to receive base salary for a period of two years for Messrs. Singleton and Aisquith and one year for Mr. Ezzell and will receive an annual incentive bonus at target for two years following termination for Messrs. Singleton and Aisquith and one year for Mr. Ezzell. The annual incentive will be paid at the time we process the annual incentive payment for the continuing executives. No severance will be paid to a Named Executive Officer terminated for cause or who resigns without good reason.

Continued Vesting of Unvested Equity upon Termination

Upon termination without cause or resignation for good reason, our Named Executive Officers will continue to vest in all outstanding, unvested restricted stock units and performance stock units for a period of 12 months following the date of termination. Performance stock units that have not yet been measured will not be forfeited but will instead be determined at the end of the one-year performance period.

Non-Competition and Non-Solicitation Agreement

Under the terms of his employment agreement, the Named Executive Officer agrees not to compete against OneWater Inc. or solicit our employees for a period of two years following the date of departure for Messrs. Singleton and Aisquith and one year for Mr. Ezzell.

Change in Control Provisions

Mr. Ezzell's Class B Units will vest upon the closing of this offering. However, restricted stock units and performance stock units awards granted in connection with this offering will be subject to "double trigger" rather than "single trigger" vesting in connection with a change in control. These equity awards held by our

Named Executive Officers will only vest in connection with a change in control if the Named Executive Officer is terminated without cause or resigns for good reason during the 12-month period following the change in control. Upon such a termination, in addition to the severance protection described above, all outstanding, unvested restricted stock units will immediately vest. All unvested performance stock units for which performance achievement had been measured at the time of the change in control will vest immediately upon such termination. Unvested performance stock units for which performance achievement had not been measured at the time of the change in control will not be forfeited but will instead be measured at the end of the initial one year performance period under the grant.

Payments Upon Death of Executive

The families of each Named Executive Officer will be paid $1 million upon the death of Messrs. Singleton and Aisquith and $500,000 upon the death of Mr. Ezzell.

Accelerated Vesting due to Death of Executive

All unvested restricted stock units will vest immediately upon the death of a Named Executive Officer. All unvested performance stock units for which performance achievement had been measured prior to the Named Executive Officer's death will vest immediately upon death of the executive. Unvested performance stock units for which performance achievement had not yet been measured prior to the Named Executive Officer's death will be determined at the end of the one-year performance period and will fully vest at the time the measurement is performed.

Long Term Incentive Plan

In order to incentivize individuals providing services to us or our affiliates, our board of directors intends to adopt a long-term incentive plan (the "LTIP") prior to the completion of this offering. We anticipate that the LTIP will provide for the grant, from time to time, at the discretion of our board of directors or a committee thereof, of stock options, stock appreciation rights ("SARs"), restricted stock, restricted stock units, stock awards, dividend equivalents, other stock-based awards, cash awards, substitute awards and performance awards. The description of the LTIP set forth below is a summary of the material anticipated features of the LTIP. Our board of directors is still in the process of developing, approving and implementing the LTIP, and accordingly, this summary is subject to change. Further, this summary does not purport to be a complete description of all of the anticipated provisions of the LTIP and is qualified in its entirety by reference to the LTIP, the form of which is filed as an exhibit to this registration statement.

LTIP Share Limits. Subject to adjustment in the event of certain transactions or changes of capitalization in accordance with the LTIP, a total of shares of our Class A common stock will initially be reserved for issuance pursuant to awards under the LTIP. The total number of shares reserved for issuance under the LTIP may be issued pursuant to incentive stock options (which generally are stock options that meet the requirements of Section 422 of the Code). Class A common stock subject to an award that expires or is cancelled, forfeited, exchanged, settled in cash or otherwise terminated without delivery of shares and shares withheld to pay the exercise price of, or to satisfy the withholding obligations with respect to, an award will again be available for delivery pursuant to other awards under the LTIP.

Administration. The LTIP will be administered by our board of directors, except to the extent our board of directors elects a committee of directors to administer the LTIP. Our board of directors has broad discretion to administer the LTIP, including the power to determine the eligible individuals to whom awards will be granted, the number and type of awards to be granted and the terms and conditions of awards. The board of directors may also accelerate the vesting or exercise of any award and make all other determinations and to take all other actions necessary or advisable for the administration of the LTIP.

Eligibility. Any individual who is our officer or employee or an officer or employee of any of our affiliates, and any other person who provides services to us or our affiliates, including members of our board of directors, are eligible to receive awards under the LTIP at the discretion of our board of directors.

Stock Options. The board of directors may grant incentive stock options and options that do not qualify as incentive stock options, except that incentive stock options may only be granted to persons who

are our employees or employees of one of our subsidiaries, in accordance with Section 422 of the Code. The exercise price of a stock option generally cannot be less than 100% of the fair market value of a share of our Class A common stock on the date on which the option is granted and the option must not be exercisable for longer than ten years following the date of grant. In the case of an incentive stock option granted to an individual who owns (or is deemed to own) at least 10% of the total combined voting power of all classes of our capital stock, the exercise price of the stock option must be at least 110% of the fair market value of a share of our Class A common stock on the date of grant and the option must not be exercisable more than five years from the date of grant.

Stock Appreciation Rights. A SAR is the right to receive an amount equal to the excess of the fair market value of one share of our Class A common stock on the date of exercise over the grant price of the SAR. The grant price of a SAR generally cannot be less than 100% of the fair market value of a share of our Class A common stock on the date on which the SAR is granted. The term of a SAR may not exceed ten years. SARs may be granted in connection with, or independent of, a stock option. SARs may be paid in cash, Class A common stock or a combination of cash and Class A common stock, as determined by our board of directors.

Restricted Stock. Restricted stock is a grant of shares of Class A common stock subject to the restrictions on transferability and risk of forfeiture imposed by our board of directors. In the discretion of our board of directors, dividends distributed prior to vesting may be subject to the same restrictions and risk of forfeiture as the restricted stock with respect to which the distribution was made.

Restricted Stock Units. A restricted stock unit is a right to receive cash, Class A common stock or a combination of cash and Class A common stock at the end of a specified period equal to the fair market value of one share of our Class A common stock on the date of vesting. Restricted stock units may be subject to the restrictions, including a risk of forfeiture, imposed by our board of directors.

Stock Awards. A stock award is a transfer of unrestricted shares of our Class A common stock on terms and conditions determined by our board of directors.

Dividend Equivalents. Dividend equivalents entitle an individual to receive cash, shares of Class A common stock, other awards, or other property equal in value to dividends or other distributions paid with respect to a specified number of shares of our Class A common stock. Dividend equivalents may be awarded on a free-standing basis or in connection with another award (other than an award of restricted stock or a stock award). Our board of directors may provide that dividend equivalents will be paid or distributed when accrued or at a later specified date, including at the same time and subject to the same restrictions and risk of forfeiture as the award with respect to which the dividends accrue if they are granted in tandem with another award.

Other Stock-Based Awards. Subject to limitations under applicable law and the terms of the LTIP, our board of directors may grant other awards related to our Class A common stock. Such awards may include, without limitation, awards that are convertible or exchangeable debt securities, other rights convertible or exchangeable into our Class A common stock, purchase rights for Class A common stock, awards with value and payment contingent upon our performance or any other factors designated by our board of directors, and awards valued by reference to the book value of our Class A common stock or the value of securities of, or the performance of, our affiliates.

Cash Awards. The LTIP will permit the grant of awards denominated in and settled in cash as an element of or supplement to, or independent of, any award under the LTIP.

Substitute Awards. Awards may be granted in substitution or exchange for any other award granted under the LTIP or any other right of an eligible person to receive payment from us. Awards may also be granted under the LTIP in substitution for similar awards held by individuals who become eligible persons as a result of a merger, consolidation or acquisition of another entity or the assets of another entity by or with us or one of our affiliates.

Performance Awards. Performance awards represent awards with respect to which a participant's right to receive cash, shares of our Class A common stock, or a combination of both, is contingent upon the attainment of one or more specified performance measures during a specified period. Our board of

directors will determine the applicable performance period, the performance goals and such other conditions that apply to each performance award. Our board of directors may use any business criteria and other measures of performance it deems appropriate in establishing the performance goals applicable to a performance award.

Recapitalization. In the event of any change in our capital structure or business or other corporate transaction or event that would be considered an equity restructuring, our board of directors shall or may (as required by applicable accounting rules) equitably adjust the (i) aggregate number or kind of shares that may be delivered under the LTIP, (ii) the number or kind of shares or amount of cash subject to an award, (iii) the terms and conditions of awards, including the purchase price or exercise price of awards and performance goals, and (iv) the applicable share-based limitations with respect to awards provided in the LTIP, in each case to equitably reflect such event.

Change in Control. Except to the extent otherwise provided in any applicable award agreement, no award will vest solely upon the occurrence of a change in control. In the event of a change in control or other changes to us or our Class A common stock, our board of directors may, in its discretion, (i) accelerate the time of exercisability of an award, (ii) require awards to be surrendered in exchange for a cash payment (including cancelling a stock option or SAR for no consideration if it has an exercise price or the grant price less than the value paid in the transaction), (iii) cancel awards that remain subject to a restricted period as of the date of the change in control or other event without payment, or (iv) make any other adjustments to awards that our board of directors deems appropriate to reflect the applicable transaction or event.

No Repricing. Except in connection with (i) the issuance of substitute awards granted to new service providers in connection with a transaction or (ii) adjustments to awards granted under the LTIP as a result of a transaction or recapitalization involving us, without the approval of the stockholders of OneWater Inc., the terms of an outstanding option or SAR may not be amended to reduce the exercise price or grant price or to take any similar action that would have the same economic result.

Clawback. All awards granted under the LTIP are subject to reduction, cancellation or recoupment under any written clawback policy that we may adopt and that we determine should apply to awards under the LTIP.

Amendment and Termination. The LTIP will automatically expire on the tenth anniversary of its effective date. Our board of directors may amend or terminate the LTIP at any time, subject to stockholder approval if required by applicable law, rule or regulation, including the rules of the stock exchange on which our shares of Class A common stock are listed. Our board of directors may amend the terms of any outstanding award granted under the LTIP at any time so long as the amendment would not materially and adversely affect the rights of a participant under a previously granted award without the participant's consent.

Cash and Equity Awards in Connection with or Following This Offering

In connection with this offering, we anticipate granting time-based restricted stock unit grants and performance stock units to our Named Executive Officers under the LTIP. Of the aggregate value of the equity grants, 40% will constitute restricted stock units and 60% will constitute performance stock units. The restricted stock units granted to our Named Executive Officers will have a total value of $208,000 for Messrs. Singleton and Aisquith and $120,000 for Mr. Ezzell, with the number of units determined based on the stock price on the date of grant (anticipated to occur in connection with the effectiveness of this offering for the restricted stock units and on the first day of our fiscal year 2020 for the performance stock units). The restricted stock units will vest ratably over a 4-year period.

The performance stock unit grants will be granted to our Named Executive Officers with a targeted total value of $312,000 for Messrs. Singleton and Aisquith and $180,000 for Mr. Ezzell, with the number of "target units" granted determined based on the stock price on the date of grant. The ultimate number of units earned will be determined based on the performance of OneWater Inc. versus specific objectives over a one-year performance period, with the actual amount earned ranging from 0% to 175% of the "target units". The performance measurement will be similar in structure to annual incentive calculation and will include performance against pre-tax income and aged inventory objectives. Following the initial

one-year performance period, the performance stock units contingently earned will vest ratably over a 3-year period, subject to the Named Executive Officer's continued performance of services.

In addition, our Named Executive Officers will receive one time cash transaction bonuses contingent on the continued employment of the executive through the successful completion of this offering. Messrs. Singleton and Aisquith will receive bonuses equal to $1,000,000 each and Mr. Ezzell will receive a bonus equal to $300,000, in each case payable in a lump sum upon the closing of this offering.

Director Compensation for Fiscal Year 2018

OneWater Inc. did not pay any compensation to directors during the 2018 fiscal year. However, we believe that disclosure regarding our directors' compensation for the full 2018 fiscal year, which was established and paid by our predecessor, is generally appropriate and relevant to investors, and as such, is disclosed below.

Employee directors are not compensated for their additional service provided to our board. Prior to this offering, we compensated our non-employee directors with an annual retainer of $30,000 in cash each year. Additionally, each non-employee director that served on the audit and/or compensation committee received an additional $6,000 per committee of service. Cash retainers were paid quarterly in arrears. Non-employee independent directors were not awarded any equity compensation in connection with their service. In addition, the various chairs of board committees received the following additional cash retainers:

- Non-Executive Chair: $30,000
- Audit Committee Chair: $40,000
- Compensation Committee Chair: $20,000

During the fiscal year ended September 30, 2018 each of our non-employee directors received the compensation set forth in the table below.

Name	Fees Earned or Paid in Cash ($)	Total ($)
Mitch Legler	$ 69,000	$ 69,000
Michael Smith	$ 70,000	$ 70,000
John Troiano	$ 56,000	$ 56,000
David Miller(1)	$ —	$ —
Jeff Lamkin	$ 36,000	$ 36,000
Pete Knowles	$ 36,000	$ 36,000
Keith Style(2)	$ 256,461	$ 256,461

(1) Mr. Miller is a board representative of Goldman and does not receive any additional compensation (nor do we provide any additional compensation to Goldman) for his services as a director.

(2) Amount includes (i) $18,000 in connection with Mr. Style's services on the board and (ii) $238,461 in connection with Mr. Style's role as interim Chief Financial Officer when he was an employee of OneWater LLC. Mr. Style served as our interim Chief Financial Officer in fiscal year 2018 until his replacement by Mr. Ezzell on February 19, 2018. Mr. Style was granted 500 restricted preferred units in OneWater LLC on March 9, 2015 and 2,500 Class B Units in OneWater LLC on March 1, 2017. As of September 30, 2018, Mr. Style held 300 unvested restricted preferred units and 313 vested Class B Units (and no unvested Class B Units) which are, as described above under "—Narrative to Summary Compensation Table—Long Term Incentive Compensation," similar to stock options. The unvested restricted preferred units will become 100% vested upon the completion of this offering.

Following this offering, we believe that attracting and retaining qualified non-employee independent directors will be critical to the future value of our growth and governance. We also believe that the compensation package for our non-employee independent directors should require that a portion of the total compensation package be equity-based to align the interests of these directors with our equity holders. Consequently, we intend to pay our non-employee independent directors an annual retainer of $75,000 in cash each year and award each non-employee independent director with an annual restricted stock unit grant valued, on the date of grant, at $75,000, which will vest one year following the date of grant. In addition, the various chairs of board committees will receive the following additional cash retainers:

- Non-Executive Chair, if any: $30,000
- Audit Committee Chair: $20,000
- Compensation Committee Chair: $15,000
- Governance Committee Chair: $10,000

Cash retainers will be paid quarterly in arrears. In addition, our non-employee independent directors will be required, within five years of joining the board, to hold shares of our common stock with a value of $225,000 (or three times the value of the base annual retainer paid to non-employee independent directors).

CORPORATE REORGANIZATION

OneWater Inc. was incorporated as a Delaware corporation on April 3, 2019. Following this offering and the related transactions, OneWater Inc. will be a holding company whose only material asset will consist of membership interests in OneWater LLC. Following the closing of this offering, OneWater LLC will own all of the outstanding equity interests in Opco, which in turn will own all the outstanding equity interests in the subsidiaries through which OneWater Inc. operates its assets. After the consummation of the Reorganization, OneWater Inc. will be the sole managing member of OneWater LLC and will be responsible for all operational, management and administrative decisions relating to OneWater LLC's business and will consolidate financial results of OneWater LLC and its subsidiaries. The OneWater LLC Agreement will be amended and restated as the Fourth Amended and Restated Limited Liability Company Agreement of OneWater LLC to, among other things, admit OneWater Inc. as the sole managing member of OneWater LLC.

In connection with the offering:

(a) One Legacy Owner holding a preferred distribution right of OneWater LLC will receive a distribution of additional common units of OneWater LLC in exchange for the surrender of the preferred right;

(b) OneWater LLC will provide the Legacy Owners the right to receive a tax distribution to cover taxable income arising as a result of OneWater LLC's operating income through the period ending on the date of the closing of this offering;

(c) OneWater LLC's limited liability company agreement will be amended and restated to, among other things, provide for a single class of OneWater LLC Units; OneWater Inc.'s certificate of incorporation and bylaws will be amended and restated; all of the Legacy Owners' existing membership interests in OneWater LLC will be exchanged for OneWater LLC Units; and Goldman and Beekman will receive OneWater LLC Units upon exercise of their previously held warrants;

(d) the Exchanging Owners will directly or indirectly contribute all of their OneWater LLC Units to OneWater Inc. in exchange for shares of Class A common stock;

(e) OneWater Inc. will issue shares of Class A common stock to purchasers in this offering in exchange for the proceeds of this offering;

(f) OneWater Inc. will issue to each OneWater Unit Holder a number of shares of Class B common stock equal to the number of OneWater LLC Units held by such OneWater Unit Holder following this offering;

(g) OneWater Inc. will contribute the net proceeds of this offering to OneWater LLC in exchange for an additional number of OneWater LLC Units such that OneWater Inc. holds a total number of OneWater LLC Units equal to the number of shares of Class A common stock outstanding following this offering; and

(h) OneWater LLC will contribute cash to Opco in exchange for additional units therein, and Opco will redeem all of the outstanding the Opco Preferred Units held by Goldman and Beekman for cash. Please see "Use of Proceeds" and "Certain Relationships and Related Party Transactions—Historical Transactions with Affiliates—Opco Preferred Units" for more information on the Opco Preferred Units.

After giving effect to these transactions and the offering contemplated by this prospectus, OneWater Inc. will own an approximate % interest in OneWater LLC (or % if the underwriters' option to purchase additional shares is exercised in full), and the OneWater Unit Holders will own an approximate % interest in OneWater LLC (or % if the underwriters' option to purchase additional shares is exercised in full) and all of the Class B common stock. Please see "Principal Stockholders."

Each share of Class B common stock has no economic rights but entitles its holder to one vote on all matters to be voted on by stockholders generally. Holders of Class A common stock and Class B common

stock will vote together as a single class on all matters presented to our stockholders for their vote or approval, except as otherwise required by applicable law or by our amended and restated certificate of incorporation. OneWater Inc. does not intend to list Class B common stock on any exchange.

Following this offering, under the OneWater LLC Agreement, each OneWater Unit Holder will, subject to certain limitations, have the right, pursuant to the Redemption Right, to cause OneWater LLC to acquire all or a portion of its OneWater LLC Units for, at OneWater LLC's election, (i) shares of our Class A common stock at a redemption ratio of one share of Class A common stock for each OneWater LLC Unit redeemed, subject to conversion rate adjustments for stock splits, stock dividends and reclassification and other similar transactions or (ii) an equivalent amount of cash. An independent committee of our board of directors will determine whether to issue shares of Class A common stock or cash based on facts in existence at the time of the decision, which we expect would include the relative value of the Class A common stock (including trading prices for the Class A common stock at the time), the cash purchase price, the availability of other sources of liquidity (such as an issuance of stock) to acquire the OneWater LLC Units and alternative uses for such cash. Alternatively, upon the exercise of the Redemption Right, OneWater Inc. (instead of OneWater LLC) will have the right, pursuant to the Call Right, to , for administrative convenience, acquire each tendered OneWater LLC Unit directly from the redeeming OneWater Unit Holder for, at its election, (x) one share of Class A common stock, subject to conversion rate adjustments for stock splits, stock dividends and reclassification and other similar transactions, or (y) an equivalent amount of cash. In addition, OneWater Inc. has the right to require (i) upon the acquisition by OneWater Inc. of substantially all of the OneWater LLC Units, certain minority unitholders or (ii) upon a change of control of OneWater Inc., each OneWater Unit Holder (other than OneWater Inc.), to exercise its Redemption Right with respect to some or all of such unitholder's OneWater LLC Units. In connection with any redemption of OneWater LLC Units pursuant to the Redemption Right or the Call Right, the corresponding number of shares of Class B common stock will be cancelled. See "Certain Relationships and Related Party Transactions—OneWater LLC Agreement."

Certain Legacy Owners will have the right, under certain circumstances, to cause us to register the offer and resale of their shares of Class A common stock. See "Certain Relationships and Related Party Transactions— Registration Rights Agreement."

OneWater Inc.'s acquisition (or deemed acquisition for U.S. federal income tax purposes) of OneWater LLC Units in connection with this offering or pursuant to an exercise of the Redemption Right or the Call Right is expected to result in adjustments to the tax basis of the tangible and intangible assets of OneWater LLC, and such adjustments will be allocated to OneWater Inc. These adjustments would not have been available to OneWater Inc. absent its acquisition or deemed acquisition of OneWater LLC Units and are expected to reduce the amount of cash tax that OneWater Inc. would otherwise be required to pay in the future.

OneWater Inc. will enter into the Tax Receivable Agreement with certain of the OneWater Unit Holders at the closing of this offering. This agreement will generally provide for the payment by OneWater Inc. to such OneWater Unit Holders of 85% of the net cash savings, if any, in U.S. federal, state and local income tax and franchise tax (computed using the estimated impact of state and local taxes) that OneWater Inc. actually realizes (or is deemed to realize in certain circumstances) in periods after this offering as a result of, as applicable to each such OneWater Unit Holder, (i) certain increases in tax basis that occur as a result of OneWater Inc.'s acquisition (or deemed acquisition for U.S. federal income tax purposes) of all or a portion of such OneWater Unit Holder's OneWater LLC Units in connection with this offering or pursuant to the exercise of the Redemption Right or the Call Right, and (ii) imputed interest deemed to be paid by OneWater Inc. as a result of, and additional tax basis arising from, any payments OneWater Inc. makes under the Tax Receivable Agreement. OneWater Inc. will be dependent on OneWater LLC to make distributions to OneWater Inc. in an amount sufficient to cover OneWater Inc.'s obligations under the Tax Receivable Agreement.

OneWater Inc. will retain the benefit of the remaining 15% of these net cash savings. For additional information regarding the Tax Receivable Agreement, see "Risk Factors—Risks Related to this Offering and Our Class A Common Stock" and "Certain Relationships and Related Party Transactions—Tax Receivable Agreement."

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

OneWater LLC Agreement

The OneWater LLC Agreement is filed as an exhibit to the registration statement of which this prospectus forms a part, and the following description of the OneWater LLC Agreement is qualified in its entirety by reference thereto.

Redemption Rights

Following this offering, under the OneWater LLC Agreement, the OneWater Unit Holders will, subject to certain limitations, have the right, pursuant to the Redemption Right, to cause OneWater LLC to acquire all or a portion of their OneWater LLC Units for, at OneWater LLC's election, (i) shares of our Class A common stock at a redemption ratio of one share of Class A common stock for each OneWater LLC Unit redeemed, subject to conversion rate adjustments for stock splits, stock dividends and reclassification or (ii) an equivalent amount of cash. Alternatively, upon the exercise of the Redemption Right, OneWater Inc. (instead of OneWater LLC) will have the right (the "Call Right"), to acquire each tendered OneWater LLC Unit directly from the OneWater Unit Holders for, at its election, (x) one share of Class A common stock or (y) an equivalent amount of cash. In addition, OneWater Inc. has the right to require (i) upon the acquisition by OneWater Inc. of substantially all of the OneWater LLC Units, certain minority unitholders or (ii) upon a change of control of OneWater Inc., each OneWater Unit Holder (other than OneWater Inc.), to exercise its Redemption Right with respect to some or all of such unitholder's OneWater LLC Units. As the OneWater Unit Holders cause their OneWater LLC Units to be redeemed, holding other assumptions constant, OneWater Inc.'s membership interest in OneWater LLC will be correspondingly increased, the number of shares of Class A common stock outstanding will be increased, and the number of shares of Class B common stock will be decreased.

Distributions and Allocations

Under the OneWater LLC Agreement, subject to the obligations of OneWater LLC to make tax distributions and to reimburse OneWater Inc. for its corporate and other overhead expenses, OneWater Inc. will have the right to determine when distributions will be made to the holders of OneWater LLC Units and the amount of any such distributions. Following this offering, if OneWater Inc. authorizes a distribution, such distribution will be made to the holders of OneWater LLC Units generally on a pro rata basis in accordance with their respective percentage ownership of OneWater LLC Units.

The holders of OneWater LLC Units, including OneWater Inc., will generally incur U.S. federal, state and local income taxes on their share of any net taxable income of OneWater LLC. Net income and losses of OneWater LLC generally will be allocated to the holders of OneWater LLC Units on a pro rata basis in accordance with their respective percentage ownership of OneWater LLC Units, subject to requirements under U.S. federal income tax law that certain items of income, gain, loss or deduction be allocated disproportionately in certain circumstances. To the extent OneWater LLC has available cash and subject to the terms of any current or future debt instruments, the OneWater LLC Agreement will require OneWater LLC to make pro rata cash distributions to OneWater Unit Holders, including OneWater Inc., in an amount sufficient to allow OneWater Inc. to pay its taxes and to make payments under the Tax Receivable Agreement it will enter into with certain of the OneWater Unit Holders. In addition, the OneWater LLC Agreement will require OneWater LLC to make non-pro rata payments to OneWater Inc. to reimburse it for its corporate and other overhead expenses, which payments are not treated as distributions under the OneWater LLC Agreement.

Issuance of Equity

The OneWater LLC Agreement will provide that, except as otherwise determined by us, at any time OneWater Inc. issues a share of its Class A common stock or any other equity security, the net proceeds received by OneWater Inc. with respect to such issuance, if any, shall be concurrently invested in OneWater LLC, and OneWater LLC shall issue to OneWater Inc. one OneWater LLC Unit or other economically equivalent equity interest. Conversely, if at any time, any shares of OneWater Inc.'s Class A

common stock are redeemed, repurchased or otherwise acquired, OneWater LLC shall redeem, repurchase or otherwise acquire an equal number of OneWater LLC Units held by OneWater Inc., upon the same terms and for the same price, as the shares of our Class A common stock are redeemed, repurchased or otherwise acquired.

Competition

Under the OneWater LLC Agreement, the members have agreed that Goldman, Beekman and their respective affiliates will be permitted to engage in business activities or invest in or acquire businesses which may compete with our business or do business with our customers.

Dissolution

OneWater LLC will be dissolved only upon the first to occur of (i) the sale of substantially all of its assets or (ii) an election by us to dissolve the company. Upon dissolution, OneWater LLC will be liquidated and the proceeds from any liquidation will be applied and distributed in the following manner: (a) first, to creditors (including to the extent permitted by law, creditors who are members) in satisfaction of the liabilities of OneWater LLC, (b) second, to establish cash reserves for contingent or unforeseen liabilities and (c) third, to the members in proportion to the number of OneWater LLC Units owned by each of them.

Tax Receivable Agreement

As described in “Corporate Reorganization,” the OneWater Unit Holders may cause their OneWater LLC Units to be redeemed for shares of Class A common stock or cash, as applicable, in the future pursuant to the Redemption Right or the Call Right. OneWater LLC intends to make for itself (and for each of its direct or indirect subsidiaries that is treated as a partnership for U.S. federal income tax purposes and that it controls) an election under Section 754 of the Code that will be effective for the taxable year of this offering and each taxable year in which a redemption of OneWater LLC Units pursuant to the Redemption Right or the Call Right occurs. Pursuant to the Section 754 election, OneWater Inc.’s acquisition (or deemed acquisition for U.S. federal income tax purposes) of OneWater LLC Units pursuant to the Redemption Right or the Call Right are expected to result in adjustments to the tax basis of the tangible and intangible assets of OneWater LLC. These adjustments will be allocated to OneWater Inc. Such adjustments to the tax basis of the tangible and intangible assets of OneWater LLC would not have been available to OneWater Inc. absent its acquisition or deemed acquisition of OneWater LLC Units pursuant to the exercise of the Redemption Right or the Call Right. The anticipated basis adjustments are expected to increase (for tax purposes) OneWater Inc.’s depreciation and amortization deductions and may also decrease OneWater Inc.’s gains (or increase its losses) on future dispositions of certain assets to the extent the increase in tax basis is allocated to those assets. Such increased deductions and losses and reduced gains may reduce the amount of tax that OneWater Inc. would otherwise be required to pay in the future.

OneWater Inc. will enter into the Tax Receivable Agreement with certain of the OneWater Unit Holders at the closing of this offering. The Tax Receivable Agreement generally provides for the payment by OneWater Inc. to such OneWater Unit Holders of 85% of the net cash savings, if any, in U.S. federal, state and local income and franchise tax (computed using the estimated impact of state and local taxes) that OneWater Inc. actually realizes (or is deemed to realize in certain circumstances) in periods after this offering as a result of, as applicable to each such OneWater Unit Holder, (i) certain increases in tax basis that occur as a result of OneWater Inc.’s acquisition (or deemed acquisition for U.S. federal income tax purposes) of all or a portion of such OneWater Unit Holder’s OneWater LLC Units in connection with this offering or pursuant to the exercise of the Redemption Right or the Call Right and (ii) imputed interest deemed to be paid by OneWater Inc. as a result of, and additional tax basis arising from, any payments OneWater Inc. makes under the Tax Receivable Agreement. Under the Tax Receivable Agreement, OneWater Inc. will retain the benefit of the remaining 15% of these net cash savings. Certain of the OneWater Unit Holders’ rights under the Tax Receivable Agreement are transferable in connection with a permitted transfer of OneWater LLC Units or if the OneWater Unit Holder no longer holds OneWater LLC Units.

The payment obligations under the Tax Receivable Agreement are OneWater Inc.'s obligations and not obligations of OneWater LLC, and we expect that the payments OneWater Inc. will be required to make under the Tax Receivable Agreement will be substantial. Estimating the amount and timing of OneWater Inc.'s realization of tax benefits subject to the Tax Receivable Agreement is by its nature imprecise. The actual increases in tax basis covered by the Tax Receivable Agreement, as well as the amount and timing of OneWater Inc.'s ability to use any deductions (or decreases in gain or increases in loss) arising from such increases in tax basis, are dependent upon significant future events, including but not limited to the timing of the redemptions of OneWater LLC Units, the price of OneWater Inc.'s Class A common stock at the time of each redemption, the extent to which such redemptions are taxable transactions, the amount of the redeeming unit holder's tax basis in its OneWater LLC Units at the time of the relevant redemption, the depreciation and amortization periods that apply to the increase in tax basis, the amount, character, and timing of taxable income OneWater Inc. generates in the future, the timing and amount of any earlier payments that OneWater Inc. may have made under the Tax Receivable Agreement, the U.S. federal income tax rate then applicable, and the portion of OneWater Inc.'s payments under the Tax Receivable Agreement that constitute imputed interest or give rise to depreciable or amortizable tax basis. Accordingly, estimating the amount and timing of payments that may become due under the Tax Receivable Agreement is also by its nature imprecise. For purposes of the Tax Receivable Agreement, net cash savings in tax generally will be calculated by comparing OneWater Inc.'s actual tax liability (determined by using the actual applicable U.S. federal income tax rate and an assumed combined state and local income tax rate) to the amount it would have been required to pay had it not been able to utilize any of the tax benefits subject to the Tax Receivable Agreement. Thus, the amount and timing of any payments under the Tax Receivable Agreement are also dependent upon significant future events, including those noted above in respect of estimating the amount and timing of OneWater Inc.'s realization of tax benefits.

We expect that if there were a redemption of all of the outstanding OneWater LLC Units (other than those held by OneWater Inc.) immediately after this Offering, the estimated tax benefits to OneWater Inc. subject to the Tax Receivable Agreement would be approximately $ million, based on certain assumptions, including but not limited to a $ per share offering price to the public (the midpoint of the range set forth on the cover of this prospectus), a 21% U.S. federal corporate income tax rate and estimated applicable state and local income tax rates, no material change in U.S. federal income tax law, and that OneWater Inc. will have sufficient taxable income to utilize such estimated tax benefits. If the Tax Receivable Agreement were terminated immediately after this offering and based on the same assumptions used to estimate the tax benefit, the estimated early termination payment would be approximately $ million (calculated using a discount rate equal to the long-term Treasury rate in effect on the applicable date plus basis points, applied against an undiscounted liability of approximately $ million). The foregoing numbers are merely estimates and the actual tax benefits and early termination payments could differ materially.

A delay in the timing of redemptions of OneWater LLC Units, holding other assumptions constant, would be expected to decrease the discounted value of the amounts payable under the Tax Receivable Agreement as the benefit of the depreciation and amortization deductions would be delayed and the estimated increase in tax basis could be reduced as a result of allocations of OneWater LLC taxable income to the redeeming unit holder prior to the redemption. Stock price increases or decreases at the time of each redemption of OneWater LLC Units would be expected to result in a corresponding increase or decrease in the undiscounted amounts payable under the Tax Receivable Agreement in an amount equal to 85% of the tax-effected change in price. The amounts payable under the Tax Receivable Agreement are dependent upon OneWater Inc. having sufficient future taxable income to utilize the tax benefits on which it is required to make payments under the Tax Receivable Agreement. If OneWater Inc.'s projected taxable income is significantly reduced, the expected payments would be reduced to the extent such tax benefits do not result in a reduction of OneWater Inc.'s future income tax liabilities.

The foregoing amounts are merely estimates and the actual payments could differ materially. It is possible that future transactions or events could increase or decrease the actual tax benefits realized and the corresponding Tax Receivable Agreement payments as compared to the foregoing estimates. Moreover, there may be a negative impact on our liquidity if, as a result of timing discrepancies or otherwise, (i) the payments under the Tax Receivable Agreement exceed the actual benefits OneWater

Inc. realizes in respect of the tax attributes subject to the Tax Receivable Agreement and/or (ii) distributions to OneWater Inc. by OneWater LLC are not sufficient to permit OneWater Inc. to make payments under the Tax Receivable Agreement after it has paid its taxes and other obligations. Please read "Risk Factors—Risks Related to this Offering and Our Class A Common Stock—In certain cases, payments under the Tax Receivable Agreement may be accelerated and/or significantly exceed the actual benefits, if any, OneWater Inc. realizes in respect of the tax attributes subject to the Tax Receivable Agreement." The payments under the Tax Receivable Agreement will not be conditioned upon a holder of rights under the Tax Receivable Agreement having a continued ownership interest in either OneWater LLC or OneWater Inc.

In addition, although OneWater Inc. is not aware of any issue that would cause the IRS or other relevant tax authorities to challenge potential tax basis increases or other tax benefits covered under the Tax Receivable Agreement, the applicable OneWater Unit Holders will not reimburse OneWater Inc. for any payments previously made under the Tax Receivable Agreement if such basis increases or other benefits are subsequently disallowed, except that excess payments made to any such holder will be netted against future payments otherwise required to be made, if any, to such holder after OneWater Inc.'s determination of such excess (which determination may be made a number of years following the initial payment and after future payments have been made). As a result, in such circumstances, OneWater Inc. could make payments that are greater than its actual cash tax savings, if any, and may not be able to recoup those payments, which could adversely affect OneWater Inc.'s liquidity.

The term of the Tax Receivable Agreement will commence upon the completion of this offering and will continue until all tax benefits that are subject to the Tax Receivable Agreement have been utilized or expired, unless OneWater Inc. exercises its right to terminate the Tax Receivable Agreement. In the event that the Tax Receivable Agreement is not terminated, the payments under the Tax Receivable Agreement are anticipated to commence in and to continue for years after the date of the last redemption of the OneWater LLC Units. Accordingly, it is expected that payments will continue to be made under the Tax Receivable Agreement for more than years. Payments will generally be made under the Tax Receivable Agreement as OneWater Inc. realizes actual cash tax savings in periods after this offering from the tax benefits covered by the Tax Receivable Agreement. However, if OneWater Inc. experiences a change of control (as defined under the Tax Receivable Agreement, which includes certain mergers, asset sales and other forms of business combinations) or the Tax Receivable Agreement terminates early (at OneWater Inc.'s election or as a result of OneWater Inc.'s breach), OneWater Inc. would be required to make an immediate payment equal to the present value of the anticipated future payments to be made by it under the Tax Receivable Agreement (determined by applying a discount rate equal to the long-term Treasury rate in effect on the applicable date plus basis points) and such early termination payment is expected to be substantial. The calculation of anticipated future payments will be based upon certain assumptions and deemed events set forth in the Tax Receivable Agreement, including (i) that OneWater Inc. has sufficient taxable income to fully utilize the tax benefits covered by the Tax Receivable Agreement, and (ii) that any OneWater LLC Units (other than those held by OneWater Inc.) outstanding on the termination date are deemed to be redeemed on the termination date. Any early termination payment may be made significantly in advance of, and may materially exceed, the actual realization, if any, of the future tax benefits to which the early termination payment relates.

The Tax Receivable Agreement provides that in the event that OneWater Inc. breaches any of its material obligations under it, whether (i) as a result of its failure to make any payment when due (including in cases where OneWater Inc. elects to terminate the Tax Receivable Agreement early, the Tax Receivable Agreement is terminated early due to certain mergers, asset sales, or other forms of business combinations or changes of control or OneWater Inc. has available cash but fails to make payments when due under circumstances where OneWater Inc. does not have the right to elect to defer the payment, as described below), (ii) as a result of OneWater Inc.'s failure to honor any other material obligation under it, or (iii) by operation of law as a result of the rejection of the Tax Receivable Agreement in a case commenced under the U.S. Bankruptcy Code or otherwise, then the applicable OneWater Unit Holders may elect to treat such breach as an early termination, which would cause all OneWater Inc.'s payment and other obligations under the Tax Receivable Agreement to be accelerated and become due and payable applying the same assumptions described above.

As a result of either an early termination or a change of control, OneWater Inc. could be required to make payments under the Tax Receivable Agreement that exceed its actual cash tax savings under the Tax Receivable Agreement. In these situations, OneWater Inc.'s obligations under the Tax Receivable Agreement could have a substantial negative impact on our liquidity and could have the effect of delaying, deferring or preventing certain mergers, asset sales, or other forms of business combinations or changes of control that could be in the best interests of holders of Class A common stock or reducing the consideration paid in any such transaction to holders of Class A common stock. There can be no assurance that OneWater Inc. will be able to meet its obligations under the Tax Receivable Agreement.

Decisions we make in the course of running our business, such as with respect to mergers, asset sales, other forms of business combinations or other changes in control, may influence the timing and amount of payments that are received by the applicable OneWater Unit Holders under the Tax Receivable Agreement. For example, the earlier disposition of assets following a redemption of OneWater LLC Units may accelerate payments under the Tax Receivable Agreement and increase the present value of such payments, and the disposition of assets before a redemption of OneWater LLC Units may increase the applicable OneWater Unit Holders' tax liability without giving rise to any rights of the applicable OneWater Unit Holders to receive payments under the Tax Receivable Agreement. Such effects may result in differences or conflicts of interest between the interests of the applicable OneWater Unit Holders and other stockholders.

Payments generally are due under the Tax Receivable Agreement within 5 days following the finalization of the schedule with respect to which the payment obligation is calculated. However, interest on such payments will begin to accrue from the due date (without extensions) of OneWater Inc.'s U.S. federal income tax return for the period to which such payments relate until such payment due date at a rate equal to one-year LIBOR plus basis points. Except in cases where OneWater Inc. elects to terminate the Tax Receivable Agreement early or it is otherwise terminated as described above, generally OneWater Inc. may elect to defer payments due under the Tax Receivable Agreement if OneWater Inc. does not have available cash to satisfy its payment obligations under the Tax Receivable Agreement or if OneWater Inc.'s contractual obligations limit its ability to make these payments. Any such deferred payments under the Tax Receivable Agreement generally will accrue interest from the due date for such payment until the payment date at a rate of one-year LIBOR plus basis points. However, interest will accrue from the due date for such payment until the payment date at a rate of one-year LIBOR plus basis points if OneWater Inc. is unable to make such payment as a result of limitations imposed by existing credit agreements. OneWater Inc. has no present intention to defer payments under the Tax Receivable Agreement.

Because OneWater Inc. is a holding company with no operations of its own, its ability to make payments under the Tax Receivable Agreement is dependent on the ability of OneWater LLC to make distributions to OneWater Inc. in an amount sufficient to cover OneWater Inc.'s obligations under the Tax Receivable Agreement. This ability, in turn, may depend on the ability of OneWater LLC's subsidiaries to make distributions to it. The ability of OneWater LLC, its subsidiaries and other entities in which it directly or indirectly holds an equity interest to make such distributions will be subject to, among other things, the applicable provisions of Delaware law (or other applicable jurisdiction) that may limit the amount of funds available for distribution and restrictions in relevant debt instruments issued by OneWater LLC or its subsidiaries and/other entities in which it directly or indirectly holds an equity interest. To the extent that OneWater Inc. is unable to make payments under the Tax Receivable Agreement for any reason, such payments will be deferred and will accrue interest until paid.

The Tax Receivable Agreement is filed as an exhibit to the registration statement of which this prospectus forms a part, and the foregoing description of the Tax Receivable Agreement is qualified by reference thereto.

Registration Rights Agreement

In connection with the closing of this offering, we plan to enter into a registration rights agreement with certain of the Legacy Owners. We expect that the agreement will contain provisions by which we agree to register under the federal securities laws the offer and resale of shares of our Class A common stock by certain of the Legacy Owners or certain of their affiliates or permitted transferees under the

registration rights agreement. These registration rights will be subject to certain conditions and limitations. We will generally be obligated to pay all registration expenses in connection with these registration obligations, regardless of whether a registration statement is filed or becomes effective.

Historical Transactions with Affiliates

GS/BIP Credit Facility

On October 28, 2016, OneWater LLC and certain of our subsidiaries entered into the GS/BIP Credit Facility, which consists of a $50.0 million multi-draw term loan and a $5.0 million revolving line of credit. OWM BIP Investor, LLC is an affiliate of Beekman and Goldman Sachs Specialty Lending Group, L.P. is an affiliate of Goldman. As of September 30, 2018, we had $28.6 million outstanding under the multi-draw term loan and no amount outstanding under the revolving line of credit. As of March 31, 2019, we had $44.1 million outstanding under the multi-draw term loan and $5.0 million outstanding under the revolving line of credit. All amounts owed are guaranteed by us and certain of our subsidiaries. The multi-draw term loan may be used to fund certain Permitted Acquisitions, and the revolving line of credit may be used for working capital and general corporate matters.

The annual interest rate on the GS/BIP Credit Facility is equal to (i) the Applicable Cash Rate, which ranges from 0.0% to 8.0% based on the time period and is payable in cash, plus (ii) the Applicable PIK Rate, which ranges from 2.0% to 10.0% based on the time period and is payable in kind by increasing the principal amount of the underlying loan. Additionally, we pay a commitment fee calculated based on the unused amount under the multi-draw term loan and revolving line of credit, times 0.50% per annum.

We are subject to customary financial and non-financial covenants under the GS/BIP Credit Facility. We are also subject to mandatory prepayment (in whole or in part) upon the occurrence of certain events and transactions, including, among other things, issuance of securities pursuant to this offering. We expect that completion of this offering will trigger the mandatory prepayment obligations under the GS/BIP Credit Facility and intend to use a portion of the net proceeds from this offering to make such mandatory prepayments. To the extent that the net proceeds from this offering do not cover the outstanding amount due under the GS/BIP Credit Facility in whole, we expect to refinance the remaining amount. For additional information relating to the GS/BIP Credit Facility, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Debt Agreements.”

Opco Preferred Units

On October 28, 2016, Goldman and Beekman entered into a Subscription Agreement with us and certain of our subsidiaries, pursuant to which Goldman and Beekman purchased 45,000 and 23,000 Opco Preferred Units, representing 66.2% and 33.8% of the total Opco Preferred Units outstanding for purchase prices of approximately $44.4 million and $22.7 million, respectively. The Opco Preferred Holders are entitled to (i) a “preferred return” at a rate of 10% per annum, compounded quarterly, on (a) the aggregate amount of capital contributions made, minus any prior distributions (the “unreturned preferred amount”), plus (b) any unpaid preferred returns for prior periods, and (ii) a “preferred target distribution” at a rate of 10% per annum on the unreturned preferred amount multiplied by (a) 40% for the calendar quarters ending March 31, 2019, June 30, 2019 and September 30, 2019, (b) 60% for each calendar quarters ending December 31, 2019, March 31, 2020, June 30, 2020 and September 30, 2020, and (c) 80% for each calendar quarter thereafter. The preferred target distribution proportionally adjusts the amount of capital contribution of each Opco Preferred Holder. Repayment in full or acceleration of the obligations under the GS/BIP Credit Facility will permit a majority of the Opco Preferred Holders to require us to purchase all Opco Preferred Units equal to the unreturned preferred amount plus any unpaid preferred returns (the “redemption amount”).

We intend to use a portion of the net proceeds from this offering to redeem all of the shares of Opco Preferred Units held by Goldman and Beekman. As of September 30, 2018 and March 31, 2019, the redemption amount was $80.0 million and $83.6 million, respectively. For additional information relating to the Opco Preferred Units, see “Use of Proceeds” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Opco Preferred Units.”

OneWater LLC Warrants

Additionally, pursuant to the Subscription Agreement dated October 28, 2016, Goldman purchased warrants ("Goldman Warrants") to acquire OneWater LLC Units, and Beekman purchased warrants ("Beekman Warrants," and together with the Goldman Warrants, the "LLC Warrants") to acquire OneWater LLC Units, each under private placement exemptions. The LLC Warrants will be exercised in full for OneWater LLC Units in connection with our corporate reorganization. Please see "Corporate Reorganization" for additional information related to the exercise of the LLC Warrants.

Goldman purchased the Goldman Warrants for an aggregate purchase price of approximately $0.6 million, which warrants are exercisable for 16,544 OneWater LLC Units and represent 16.6% of the OneWater LLC Units outstanding. Beekman purchased the Beekman Warrants for an aggregate purchase price of approximately $0.3 million, which warrants are exercisable for 8,456 OneWater LLC Units and represent 8.4% of the OneWater LLC Units outstanding. The LLC Warrants are exercisable at a price of $0.0001 per OneWater LLC Unit and expire on October 28, 2026. The LLC Warrants may be exercised for cash or by cashless exercise.

The LLC Warrants also contain certain anti-dilution provisions that apply in connection with, among other things, any issuance, split, combination, recapitalization or similar transactions with respect to the OneWater LLC Units. Additionally, if OneWater LLC declares a dividend or other distribution, excluding certain tax distributions, or redemptions on or with respect to any of its equity securities, Goldman and Beekman will be entitled to receive their pro rata share of such dividend or distribution on all OneWater LLC Units underlying the LLC Warrants, regardless of whether the LLC Warrants have been exercised. Additionally, Goldman and Beekman are entitled to vote together with the other holders of the OneWater LLC Units as though the LLC Warrants had been exercised into OneWater LLC Units.

Goldman and Beekman also have certain rights under the OneWater LLC Agreement with respect to the shares of OneWater LLC Units underlying the LLC Warrants, including the right to receive certain tax distributions and certain preemptive rights. The LLC Warrants also contain customary rights of first offer and tag-along rights. Additionally, upon the occurrence of certain events, including repayment in full or acceleration of the obligations under the GS/BIP Credit Facility, Goldman and Beekman have the right to require us to purchase all of the LLC Warrants at an applicable put price.

Personal Guarantees Under the Inventory Financing Facility

In connection with our Inventory Financing Facility, in their individual capacities, (i) Austin Singleton, our Chief Executive Officer and Sole Director, entered into that Third Amended and Restated Guaranty dated June 14, 2018, and (ii) Anthony Aisquith, our Chief Operating Officer entered into that Third Amended and Restated Guaranty dated June 14, 2018, for the benefit of Wells Fargo Commercial Distribution Finance, LLC, as Agent to the Inventory Financing Facility. Mr. Singleton and Mr. Aisquith have each personally guaranteed $157.5 million and $97.9 million as of September 30, 2018 and 2017, respectively, and $263.2 million as of March 31, 2019, of the amounts due under the Inventory Financing Facility. Mr. Aisquith's guarantee is limited to circumstances involving fraud or disposal of collateral without payment to the lenders. In connection with the personal guarantee, we paid Mr. Singleton a guarantee fee in the amount of $300,000 for each of the fiscal years 2018 and 2017, and of $150,000 in the six months ended March 31, 2019. We did not pay any guarantee fees to Mr. Singleton for fiscal year 2016. No guarantee fees were paid by us to Mr. Aisquith in the last three fiscal years.

Leases

We enter into store leases with certain related parties, all of whom are Legacy Owners, for which we incurred an aggregate of $1.8 million, $2.1 million and $1.3 million in lease expense in the fiscal years ended September 30, 2018, 2017 and 2016, respectively, and $1.0 million in the six months ended March 31, 2019. We currently lease the following retail facilities with the following related parties:

Location	Legacy Owner	Six Months Ended March 31, 2019 Lease Amount	Fiscal Year 2018 Lease Amount	Fiscal Year 2017 Lease Amount	Fiscal Year 2016 Lease Amount
Alabama					
Dadeville and Equality	Austin Singleton	$ 162,750	$ 255,750	$ 302,250	$ 298,321
Florida					
Destin	Peter and Teresa Bos	304,746	630,493	619,363	469,855
Panama City Beach (Location No. 1)	Peter and Teresa Bos	62,523	125,567	86,265	—
Panama City Beach (Location No. 2)	Peter and Teresa Bos	181,970	378,382	449,800	—
Georgia / Texas					
Buford, GA	Austin Singleton	94,500	148,500	302,250	172,942
Fortson, GA and Conroe, TX	Austin Singleton	184,625	290,125	342,875	328,711

Peter and Teresa Bos hold a controlling interest in LMI Holding, LLC, which holds more than 10% of the outstanding equity securities in OneWater LLC. Austin Singleton currently serves as a Director and as our Chief Executive Officer.

Consignment Inventory

We currently have inventory consignment relationships with Global Marine Finance, LLC and Grande Yachts International, LLC, entities in which Austin Singleton, our Chief Executive Officer and a Director, and Anthony Aisquith, our Chief Operating Officer, maintain ownership interests. Under the inventory consignment arrangements, we display certain boats for sale in our stores, and once we enter into a retail sales agreement with a customer, we purchase the consigned boats from these entities. We made payments to Global Marine Finance, LLC in the amounts of $32.8 million and $1.7 million in fiscal years 2018 and 2017, respectively, and $14.8 million in the six months ended March 31, 2019. No payments were made to Global Marine Finance, LLC in fiscal year 2016. We made payments to Grande Yachts International, LLC in the amounts of $1.9 million and $3.1 million in fiscal years 2018 and 2017, respectively, and no payments in fiscal year 2016 or in the six months ended March 31, 2019.

Customers and Service Providers

We have entered into various arrangements with related parties for the purchase and sale of new and pre-owned boats and for maintenance and repair services. The related party, nature of the transaction, and the amounts involved are set forth in the table below:

Related Party	Nature of Transaction	Amount for the Six Months Ended March 31, 2019	Amount for the fiscal year ended September 30,		
			2018	2017	2016
Peter and Teresa Bos, through Legendary Boating Club, LLC	Boat purchase and repair services	$ 12,959	$229,841	$185,672	$426,040
Peter and Teresa Bos, through LYC Destin, LLC	Boat purchase and repair services	37,069	119,088	141,829	125,600
Austin Singleton	Boat purchase and advancement of expenses	279,269	482,577	343,267	483,826
Anthony Aisquith, through Cobalt Boats of America	Boat purchases and repair services	25,560	859,809	152,981	426,040
John Troiano	Boat purchase and resale	—	241,579	266,904	—

Peter and Teresa Bos hold a controlling interest in LMI Holding, LLC, which holds more than 10% of the outstanding equity securities in OneWater LLC. Austin Singleton currently serves as a Director and as our Chief Executive Officer. Anthony Aisquith currently serves on the Board of Managers of OneWater LLC and is our Chief Operating Officer. John Troiano currently serves on the Board of Managers of OneWater LLC.

Conflicts of Interest

Goldman and one of its affiliates will receive 5% or more of the net proceeds of this offering by reason of the repayment of amounts due under our GS/BIP Credit Facility, and the redemption of the Opco Preferred Units. As a result, Goldman will receive approximately $ million of the net proceeds of this offering, and will be deemed to have a "conflict of interest" with us within the meaning of Rule 5121 of FINRA. See "Underwriting (Conflicts of Interest)."

Corporate Reorganization

In connection with our corporate reorganization, we engaged in certain transactions with certain affiliates and the members of OneWater LLC. Please read "Corporate Reorganization."

Policies and Procedures for Review of Related Party Transactions

A "Related Party Transaction" is a transaction, arrangement or relationship in which we or any of our subsidiaries was, is or will be a participant, the amount of which involved exceeds $120,000, and in which any related person had, has or will have a direct or indirect material interest. A "related person" means:

- any person who is, or at any time during the applicable period was, one of our executive officers or one of our directors;
- any person who is known by us to be the beneficial owner of more than 5.0% of our Class A common stock;
- any immediate family member of any of the foregoing persons, which means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law of a director, executive officer or a beneficial owner of more than 5.0% of our Class A common stock, and any person (other than a tenant or employee) sharing the household of such director, executive officer or beneficial owner of more than 5.0% of our Class A common stock; and
- any firm, corporation or other entity in which any of the foregoing persons is a partner or principal or in a similar position or in which such person has a 10.0% or greater beneficial ownership interest.

Our board of directors will adopt a written related party transactions policy prior to the completion of this offering. Pursuant to this policy, our nominating and corporate governance committee will review all material facts of all Related Party Transactions and either approve or disapprove entry into the Related Party Transaction, subject to certain limited exceptions. In determining whether to approve or disapprove entry into a Related Party Transaction, our nominating and corporate governance committee shall take into account, among other factors, the following: (i) whether the Related Party Transaction is on terms no less favorable than terms generally available to an unaffiliated third-party under the same or similar circumstances and (ii) the extent of the Related Person's interest in the transaction. Furthermore, the policy requires that all Related Party Transactions required to be disclosed in our filings with the SEC be so disclosed in accordance with applicable laws, rules and regulations.

Additionally, any amounts due under advances or loans that we have entered into with our directors, executive officers or principal stockholders have been retired or repaid in full prior to the public filing of this registration statement with the SEC.

PRINCIPAL STOCKHOLDERS

The following table sets forth information with respect to the beneficial ownership of our Class A common stock and Class B common stock that, upon the consummation of this offering and transactions related thereto, and, unless otherwise stated, assuming the underwriters do not exercise their option to purchase additional common shares, will be owned by:

- each person known to us to beneficially own more than 5% of any class of our outstanding voting securities;
- each member of our board of directors and each nominee to our board of directors;
- each of our named executive officers; and
- all of our directors, director nominees and executive officers as a group.

All information with respect to beneficial ownership has been furnished by the respective 5% or more stockholders, directors and director nominees or executive officers, as the case may be. Unless otherwise noted, the mailing address of each listed beneficial owner is 6275 Lanier Islands Parkway, Buford, GA 30518.

The table does not reflect any shares of Class A common stock that 5% stockholders, directors, director nominees and executive officers may purchase in this offering through the directed share program described under “Underwriting (Conflicts of Interest).”

	Shares of Class A Common Stock beneficially owned after this offering		Shares of Class B Common Stock beneficially owned after this offering		Combined Voting Power after this offering[1]	
Name of Beneficial Holders	Number	%	Number	%	Number	%
5% Stockholders						
One Water Ventures LLC						
LMI Holding, LLC						
Goldman Sachs & Co. LLC.						
OWM BIP Investor, LLC						
Directors, Director Nominees and Named Executive Officers						
Austin Singleton						
Anthony Aisquith						
Jack Ezzell						
Christopher W. Bodine						
Mitchell W. Legler						
John F. Schraudenbach						
Michael C. Smith						
Keith R. Style						
John G. Troiano						
Directors, director nominees and executive officers as a group (9 persons)						

* indicates beneficial ownership of less than 1%.

(1) Represents percentage of voting power of our Class A common stock and Class B common stock voting together as a single class. The OneWater Unit Holders will hold one share of Class B common stock for each OneWater LLC Unit.

DESCRIPTION OF CAPITAL STOCK

Upon completion of this offering, the authorized capital stock of OneWater Inc. will consist of shares of Class A common stock, $0.01 par value per share, of which shares will be issued and outstanding, shares of Class B common stock, $0.01 par value per share, of which shares will be issued and outstanding and shares of preferred stock, $0.01 par value per share, of which no shares will be issued and outstanding.

The following summary of the capital stock and amended and restated certificate of incorporation and amended and restated bylaws of OneWater Inc., each of which will be in effect upon the completion of this offering, does not purport to be complete and is qualified in its entirety by reference to the provisions of applicable law and to our amended and restated certificate of incorporation and bylaws, which are filed as exhibits to the registration statement of which this prospectus is a part.

Class A Common Stock

Voting Rights. Holders of shares of Class A common stock are entitled to one vote per share held of record on all matters to be voted upon by the stockholders. The holders of Class A common stock do not have cumulative voting rights in the election of directors.

Dividend Rights. Holders of shares of our Class A common stock are entitled to ratably receive dividends when and if declared by our board of directors out of funds legally available for that purpose, subject to any statutory or contractual restrictions on the payment of dividends and to any prior rights and preferences that may be applicable to any outstanding preferred stock.

Liquidation Rights. Upon our liquidation, dissolution, distribution of assets or other winding up, the holders of Class A common stock are entitled to receive ratably the assets available for distribution to the stockholders after payment of liabilities and the liquidation preference of any of our outstanding shares of preferred stock.

Other Matters. The shares of Class A common stock have no preemptive or conversion rights and are not subject to further calls or assessment by us. There are no redemption or sinking fund provisions applicable to the Class A common stock. All outstanding shares of our Class A common stock, including the Class A common stock offered in this offering, are fully paid and non-assessable.

Class B Common Stock

Generally. In connection with the reorganization and this offering, the OneWater Unit Holders will receive one share of Class B common stock for each OneWater LLC Unit that they hold. Accordingly, the OneWater Unit Holders will have a number of votes in OneWater Inc. equal to the aggregate number of OneWater LLC Units that they hold.

Voting Rights. Holders of shares of our Class B common stock are entitled to one vote per share held of record on all matters to be voted upon by the stockholders. Holders of shares of our Class A common stock and Class B common stock vote together as a single class on all matters presented to our stockholders for their vote or approval.

Dividend and Liquidation Rights. Holders of our Class B common stock do not have any right to receive dividends, unless the dividend consists of shares of our Class B common stock or of rights, options, warrants or other securities convertible or exercisable into or exchangeable for shares of Class B common stock paid proportionally with respect to each outstanding share of our Class B common stock and a dividend consisting of shares of Class A common stock or of rights, options, warrants or other securities convertible or exercisable into or exchangeable for shares of Class A common stock on the same terms as simultaneously paid to the holders of Class A common stock. Holders of our Class B common stock do not have any right to receive a distribution upon a liquidation or winding up of OneWater Inc.

Preferred Stock

Our amended and restated certificate of incorporation authorizes our board of directors, subject to any limitations prescribed by law, without further shareholder approval, to establish and to issue from time to time one or more classes or series of preferred stock, par value $0.01 per share, covering up to an

aggregate of shares of preferred stock. Each class or series of preferred stock will cover the number of shares and will have the powers, preferences, rights, qualifications, limitations and restrictions determined by the board of directors, which may include, among others, dividend rights, liquidation preferences, voting rights, conversion rights, preemptive rights and redemption rights. Except as provided by law or in a preferred stock designation, the holders of preferred stock will not be entitled to vote at or receive notice of any meeting of stockholders.

Anti-Takeover Effects of Provisions of Our Amended and Restated Certificate of Incorporation, our Bylaws and Delaware Law

Some provisions of Delaware law, and our amended and restated certificate of incorporation and our bylaws, as will be in effect upon the closing of this offering and as described below, will contain provisions that could make the following transactions more difficult: acquisitions of us by means of a tender offer, a proxy contest or otherwise; or removal of our incumbent officers and directors. These provisions may also have the effect of preventing changes in our management. It is possible that these provisions could make it more difficult to accomplish or could deter transactions that stockholders may otherwise consider to be in their best interest or in our best interests, including transactions that might result in a premium over the market price for our shares.

These provisions, summarized below, are expected to discourage coercive takeover practices and inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of us to first negotiate with us. We believe that the benefits of increased protection and our potential ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure us outweigh the disadvantages of discouraging these proposals because, among other things, negotiation of these proposals could result in an improvement of their terms.

Delaware Law

We will be subject to the provisions of Section 203 of the DGCL, regulating corporate takeovers. In general, those provisions prohibit a Delaware corporation, including those whose securities are listed for trading on the Nasdaq, from engaging in any business combination with any interested shareholder for a period of three years following the date that the shareholder became an interested shareholder, unless:

- the transaction is approved by the board of directors before the date the interested shareholder attained that status;
- upon consummation of the transaction that resulted in the shareholder becoming an interested shareholder, the interested shareholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced; or
- on or after such time the business combination is approved by the board of directors and authorized at a meeting of stockholders by at least two-thirds of the outstanding voting stock that is not owned by the interested shareholder.

Amended and Restated Certificate of Incorporation and Bylaws

Provisions of our amended and restated certificate of incorporation and our bylaws, which will become effective upon the closing of this offering, may delay or discourage transactions involving an actual or potential change in control or change in our management, including transactions in which stockholders might otherwise receive a premium for their shares, or transactions that our stockholders might otherwise deem to be in their best interests. Therefore, these provisions could adversely affect the price of our Class A common stock.

Among other things, upon the completion of this offering, our amended and restated certificate of incorporation and amended and restated bylaws will:

- establish advance notice procedures with regard to shareholder proposals relating to the nomination of candidates for election as directors or new business to be brought before meetings of our stockholders. These procedures provide that notice of shareholder proposals must be timely given in writing to our corporate secretary prior to the meeting at which the action is to be taken. Generally, to be timely, notice must be received at our principal executive offices not less than 90 days nor more than 120 days prior to the first anniversary date of the annual meeting for the preceding year. Our amended and restated bylaws specify the requirements as to form and content of all stockholders' notices. These requirements may preclude stockholders from bringing matters before the stockholders at an annual or special meeting;
- provide our board of directors the ability to authorize undesignated preferred stock. This ability makes it possible for our board of directors to issue, without shareholder approval, preferred stock with voting or other rights or preferences that could impede the success of any attempt to change control of us. These and other provisions may have the effect of deferring hostile takeovers or delaying changes in control or management of our company;
- provide that the authorized number of directors may be changed only by resolution of the board of directors, subject to the rights of the holders of any series of our preferred stock to elect directors under specified circumstances;
- provide that all vacancies, including newly created directorships, may, except as otherwise required by law or, if applicable, the rights of holders of a series of preferred stock, be filled by the affirmative vote of a majority of directors then in office, even if less than a quorum;
- provide that any action required or permitted to be taken by the stockholders must be effected at a duly called annual or special meeting of stockholders and may not be effected by any consent in writing in lieu of a meeting of such stockholders, subject to the rights of the holders of any series of preferred stock with respect to such series;
- provide that our amended and restated certificate of incorporation may only be amended by the affirmative vote of the holders of at least 66 2⁄3% of our then outstanding Class A common stock and Class B common stock, voting together as a single class;
- provide that special meetings of our stockholders may only be called by the board of directors, the chief executive officer or the chairman of the board;
- provide for our board of directors to be divided into three classes of directors, with each class as nearly equal in number as possible, serving staggered three-year terms, other than directors which may be elected by holders of preferred stock, if any. This system of electing and removing directors may tend to discourage a third party from making a tender offer or otherwise attempting to obtain control of us, because it generally makes it more difficult for stockholders to replace a majority of the directors; and
- provide that our amended and restated bylaws can be amended by the board of directors.

No Cumulative Voting

Under Delaware law, the right to vote cumulatively does not exist unless the certificate of incorporation specifically authorizes cumulative voting. Our amended and restated certificate of incorporation will not authorize cumulative voting. Therefore, stockholders holding a majority in voting power of the shares of our stock entitled to vote generally in the election of directors will be able to elect all our directors.

Forum Selection

Our amended and restated certificate of incorporation will provide that unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will, to the fullest extent permitted by applicable law, be the sole and exclusive forum for:

- any derivative action or proceeding brought on our behalf;

- any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, employees or agents to us or our stockholders;
- any action asserting a claim against us or any director or officer or other employee of ours arising pursuant to any provision of the DGCL, our amended and restated certificate of incorporation or our bylaws; or
- any action asserting a claim against us or any director or officer or other employee of ours that is governed by the internal affairs doctrine, in each such case subject to such Court of Chancery having personal jurisdiction over the indispensable parties named as defendants therein.

Notwithstanding the foregoing, the exclusive forum provision will not apply to suits brought to enforce any liability or duty created by the Exchange Act, the Securities Act or any other claim for which the federal courts have exclusive jurisdiction. Our amended and restated certificate of incorporation will also provide that any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock will be deemed to have notice of, and to have consented to, this forum selection provision. Although we believe these provisions will benefit us by providing increased consistency in the application of Delaware law for the specified types of actions and proceedings, the provisions may have the effect of discouraging lawsuits against our directors, officers, employees and agents. The enforceability of similar exclusive forum provisions in other companies' certificates of incorporation has been challenged in legal proceedings, and it is possible that, in connection with one or more actions or proceedings described above, a court could rule that this provision in our amended and restated certificate of incorporation is inapplicable or unenforceable.

Limitation of Liability and Indemnification Matters

Our amended and restated certificate of incorporation will limit the liability of our directors for monetary damages for breach of their fiduciary duty as directors, except for liability that cannot be eliminated under the DGCL. Delaware law provides that directors of a company will not be personally liable for monetary damages for breach of their fiduciary duty as directors, except for liabilities:

- for any breach of their duty of loyalty to us or our stockholders;
- for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;
- for unlawful payment of dividend or unlawful stock repurchase or redemption, as provided under Section 174 of the DGCL; or
- for any transaction from which the director derived an improper personal benefit.

Any amendment, repeal or modification of these provisions will be prospective only and would not affect any limitation on liability of a director for acts or omissions that occurred prior to any such amendment, repeal or modification.

Our amended and restated bylaws will also provide that we will indemnify our directors and officers to the fullest extent permitted by Delaware law. Our amended and restated bylaws also will permit us to purchase insurance on behalf of any officer, director, employee or other agent for any liability arising out of that person's actions as our officer, director, employee or agent, regardless of whether Delaware law would permit indemnification. We intend to enter into indemnification agreements with each of our current and future directors and officers. These agreements will require us to indemnify these individuals to the fullest extent permitted under Delaware law against liability that may arise by reason of their service to us, and to advance expenses incurred as a result of any proceeding against them as to which they could be indemnified. We believe that the limitation of liability provision that will be in our amended and restated certificate of incorporation and the indemnification agreements will facilitate our ability to continue to attract and retain qualified individuals to serve as directors and officers.

Registration Rights

For a description of registration rights with respect to our Class A common stock, see the information under the heading "Certain Relationships and Related Party Transactions—Registration Rights Agreement."

Dissenters' Rights of Appraisal and Payment

Under the DGCL, with certain exceptions, our stockholders will have appraisal rights in connection with a merger or consolidation. Pursuant to the DGCL, stockholders who properly request and perfect appraisal rights in connection with such merger or consolidation will have the right to receive payment of the fair value of their shares as determined by the Delaware Court of Chancery.

Stockholders' Derivative Actions

Under the DGCL, any of our stockholders may bring an action in our name to procure a judgment in our favor, also known as a derivative action, provided that the stockholder bringing the action is a holder of our shares at the time of the transaction to which the action relates or such stockholder's stock thereafter devolved by operation of law.

Transfer Agent and Registrar

The transfer agent and registrar for our Class A common stock is .

Listing

We have been authorized to list our Class A common stock on The Nasdaq Global Market under the symbol " ."

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no public market for our Class A common stock. Future sales of our Class A common stock in the public market, or the availability of such shares for sale in the public market, could adversely affect the market price of our Class A common stock prevailing from time to time. As described below, only a limited number of shares will be available for sale shortly after this offering due to contractual and legal restrictions on resale. Nevertheless, sales of a substantial number of shares of our Class A common stock in the public market after such restrictions lapse, or the perception that those sales may occur, could adversely affect the prevailing market price of our Class A common stock at such time and our ability to raise equity-related capital at a time and price we deem appropriate.

Sales of Restricted Shares

Upon the closing of this offering, we will have outstanding an aggregate of shares of Class A common stock (or shares of Class A common stock if the underwriters' option to purchase additional shares is exercised). Of these shares, all of the shares of Class A common stock (or shares of Class A common stock if the underwriters' option to purchase additional shares is exercised) to be sold in this offering will be freely tradable without restriction or further registration under the Securities Act, unless the shares are held by any of our "affiliates" as such term is defined in Rule 144 under the Securities Act. All remaining shares of Class A common stock held by the OneWater Unit Holders and other recipients of Class A common stock in the Reorganization in connection with the offering will be deemed "restricted securities" as such term is defined under Rule 144. The restricted securities were issued and sold by us in private transactions and are eligible for public sale only if registered under the Securities Act or if they qualify for an exemption from registration under Rule 144 or Rule 701 under the Securities Act, which rules are summarized below.

Each OneWater Unit Holder will, subject to certain limitations, have the right, pursuant to the Redemption Right, to cause OneWater LLC to acquire all or a portion of its OneWater LLC Units for shares of Class A common stock (on a one-for-one basis, subject to conversion rate adjustments for stock splits, stock dividends and reclassification and similar transactions). See "Certain Relationships and Related Party Transactions—OneWater LLC Agreement." The shares of Class A common stock we issue upon such redemptions would be "restricted securities" as defined in Rule 144 described below. However, upon the closing of this offering, we will enter into a registration rights agreement with certain of the OneWater Unit Holders that will require us to register under the Securities Act these shares of Class A common stock. See "Certain Relationships and Related Party Transactions—Registration Rights Agreement."

As a result of the lock-up agreements described below and the provisions of Rule 144 and Rule 701 under the Securities Act, the shares of our Class A common stock (excluding the shares to be sold in this offering) that will be available for sale in the public market are as follows:

- no shares will be eligible for sale on the date of this prospectus or prior to 180 days after the date of this prospectus; and
- shares (assuming redemption of all applicable OneWater LLC Units along with a corresponding number of shares of Class B common stock) will be eligible for sale upon the expiration of the lock-up agreements, beginning 180 days after the date of this prospectus when permitted under Rule 144 or Rule 701.

Lock-up Agreements

We, all of our directors and officers and substantially all of our Legacy Owners have agreed not to sell any Class A common stock for a period of 180 days from the date of this prospectus, subject to certain exceptions and extensions. See "Underwriting (Conflicts of Interest)" for a description of these lock-up provisions.

Rule 144

In general, under Rule 144 under the Securities Act as currently in effect, a person (or persons whose shares are aggregated) who is not deemed to have been an affiliate of ours at any time during the three months preceding a sale, and who has beneficially owned restricted securities within the meaning of

Rule 144 for at least six months (including any period of consecutive ownership of preceding non-affiliated holders) would be entitled to sell those shares, subject only to the availability of current public information about us. A non-affiliated person (who has been unaffiliated for at least the past three months) who has beneficially owned restricted securities within the meaning of Rule 144 for at least one year would be entitled to sell those shares without regard to the provisions of Rule 144.

A person (or persons whose shares are aggregated) who is deemed to be an affiliate of ours and who has beneficially owned restricted securities within the meaning of Rule 144 for at least six months would be entitled to sell within any three-month period a number of shares that does not exceed the greater of one percent of the then outstanding shares of our Class A common stock or the average weekly trading volume of our Class A common stock reported through the Nasdaq during the four calendar weeks preceding the filing of notice of the sale. Such sales are also subject to certain manner of sale provisions, notice requirements and the availability of current public information about us.

Rule 701

In general, under Rule 701 under the Securities Act, any of our employees, directors, officers, consultants or advisors who purchases shares from us in connection with a compensatory stock or option plan or other written agreement before the effective date of this offering is entitled to sell such shares 90 days after the effective date of this offering in reliance on Rule 144, without having to comply with the holding period requirement of Rule 144 and, in the case of non-affiliates, without having to comply with the public information, volume limitation or notice filing provisions of Rule 144. The SEC has indicated that Rule 701 will apply to typical stock options granted by an issuer before it becomes subject to the reporting requirements of the Exchange Act, along with the shares acquired upon exercise of such options, including exercises after the date of this prospectus.

Stock Issued Under Employee Plans

We intend to file a registration statement on Form S-8 under the Securities Act to register stock issuable under our long-term incentive plan. This registration statement on Form S-8 is expected to be filed following the effective date of the registration statement of which this prospectus is a part and will be effective upon filing. Accordingly, shares registered under such registration statement will be available for sale in the open market following the effective date, unless such shares are subject to vesting restrictions with us or the lock-up restrictions described above.

MATERIAL U.S. FEDERAL TAX CONSIDERATIONS FOR NON-U.S. HOLDERS

The following is a summary of the material U.S. federal income tax considerations and, to the extent specifically described below, U.S. federal estate tax considerations related to the purchase, ownership and disposition of our Class A common stock by a non-U.S. holder (as defined below), that holds our Class A common stock as a "capital asset" (generally property held for investment). This summary is based on the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), U.S. Treasury regulations, administrative rulings and judicial decisions, all as in effect on the date hereof, and all of which are subject to change, possibly with retroactive effect. We cannot assure you that a change in law will not significantly alter the tax considerations that we describe in this summary. We have not sought any ruling from the Internal Revenue Service ("IRS") with respect to the statements made and the conclusions reached in the following summary, and there can be no assurance that the IRS or a court will agree with such statements and conclusions.

This summary does not address all aspects of U.S. federal income or estate taxation that may be relevant to non-U.S. holders in light of their personal circumstances. In addition, this summary does not address the Medicare tax on certain investment income, U.S. federal gift tax laws, any state, local or non-U.S. tax laws or any tax treaties. This summary also does not address tax considerations applicable to investors that may be subject to special treatment under the U.S. federal income tax laws, such as:

- banks, insurance companies or other financial institutions;
- tax-exempt or governmental organizations;
- dealers in securities or foreign currencies;
- persons whose functional currency is not the U.S. dollar;
- "controlled foreign corporations," "passive foreign investment companies," and corporations that accumulate earnings to avoid U.S. federal income tax;
- traders in securities that use the mark-to-market method of accounting for U.S. federal income tax purposes;
- persons subject to the alternative minimum tax;
- partnerships or other pass-through entities for U.S. federal income tax purposes or holders of interests therein;
- persons deemed to sell our Class A common stock under the constructive sale provisions of the Code;
- persons that acquired our Class A common stock through the exercise of employee stock options or otherwise as compensation or through a tax-qualified retirement plan;
- certain former citizens or long-term residents of the United States;
- persons that hold our Class A common stock as part of a straddle, appreciated financial position, synthetic security, hedge, conversion transaction or other integrated investment or risk reduction transaction; and
- accrual method taxpayers for U.S. federal income tax purposes required to accelerate the recognition of any item of gross income with respect to our Class A common stock as a result of such income being recognized on an applicable financial statement.

PROSPECTIVE INVESTORS ARE ENCOURAGED TO CONSULT THEIR TAX ADVISORS WITH RESPECT TO THE APPLICATION OF THE U.S. FEDERAL INCOME TAX LAWS TO THEIR PARTICULAR SITUATIONS, AS WELL AS ANY TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF OUR CLASS A COMMON STOCK ARISING UNDER THE U.S. FEDERAL ESTATE OR GIFT TAX LAWS OR UNDER THE LAWS OF ANY STATE, LOCAL, NON-U.S. OR OTHER TAXING JURISDICTION OR UNDER ANY APPLICABLE INCOME TAX TREATY.

Non-U.S. Holder Defined

For purposes of this discussion, a "non-U.S. holder" is a beneficial owner of our Class A common stock that is not for U.S. federal income tax purposes a partnership or any of the following:

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust (i) whose administration is subject to the primary supervision of a U.S. court and which has one or more United States persons who have the authority to control all substantial decisions of the trust or (ii) which has made a valid election under applicable U.S. Treasury regulations to be treated as a United States person.

If a partnership (including an entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds our Class A common stock, the tax treatment of a partner in the partnership generally will depend upon the status of the partner, upon the activities of the partnership and upon certain determinations made at the partner level. Accordingly, we urge partners in partnerships (including entities or arrangements treated as partnerships for U.S. federal income tax purposes) considering the purchase of our Class A common stock to consult their tax advisors regarding the U.S. federal income tax considerations of the purchase, ownership and disposition of our Class A common stock by such partnership.

Dividends and Other Distributions

As described in the section entitled "Dividend Policy," we do not plan to make any distributions on our Class A common stock for the foreseeable future. However, in the event we do make distributions of cash or other property on our Class A common stock, such distributions will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. To the extent those distributions exceed our current and accumulated earnings and profits, the distributions will instead be treated as a non-taxable return of capital to the extent of the non-U.S. holder's tax basis in our Class A common stock (and will reduce such tax basis, but not below zero) and thereafter as capital gain from the sale or exchange of such Class A common stock. See "—Gain on Disposition of Class A Common Stock." Subject to the withholding requirements under "—Backup Withholding and Information Reporting" and FATCA (as defined below) and provided that such distributions are not effectively connected dividends, each of which is discussed below, any distribution made to a non-U.S. holder on our Class A common stock generally will be subject to U.S. withholding tax at a rate of 30% of the gross amount of the distribution unless an applicable income tax treaty provides for a lower rate or another exception applies. To receive the benefit of a reduced treaty rate, a non-U.S. holder must provide the applicable withholding agent with a properly executed IRS Form W-8BEN or IRS Form W-8BEN-E (or other applicable or successor form) certifying qualification for the reduced rate. In the event that we determine that a portion of a distribution does not constitute a dividend, we may determine not to withhold U.S. federal income tax from such portion of the distribution or a non-U.S. holder may be entitled to claim a refund of excess amounts withheld.

Distributions treated as dividends paid to a non-U.S. holder that are effectively connected with a trade or business conducted by the non-U.S. holder in the United States (and, if required by an applicable income tax treaty, are treated as attributable to a permanent establishment maintained by the non-U.S. holder in the United States) generally will be taxed on a net income basis at the rates and in the manner generally applicable to United States persons (as defined under the Code). Such effectively connected dividends will not be subject to U.S. withholding tax (including backup withholding described below) if the non-U.S. holder satisfies certain certification requirements by providing the applicable withholding agent with a properly executed IRS Form W-8ECI certifying eligibility for exemption. If the non-U.S. holder is a corporation for U.S. federal income tax purposes, it may also be subject to a branch profits tax (at a 30% rate or such lower rate as specified by an applicable income tax treaty) on its effectively connected earnings and profits (as adjusted for certain items), which will include effectively connected dividends.

Gain on Disposition of Class A Common Stock

Subject to the discussion below under "—Backup Withholding and Information Reporting" and the discussion below of FATCA, a non-U.S. holder generally will not be subject to U.S. federal income tax or withholding on any gain realized upon the sale or other disposition of our Class A common stock unless:

- the non-U.S. holder is an individual who is present in the United States for a period or periods aggregating 183 days or more during the calendar year in which the sale or disposition occurs and certain other conditions are met;
- the gain is effectively connected with a trade or business conducted by the non-U.S. holder in the United States (and, if required by an applicable income tax treaty, is attributable to a permanent establishment maintained by the non-U.S. holder in the United States); or
- our Class A common stock constitutes a United States real property interest as a result of our becoming a United States real property holding corporation ("USRPHC") for U.S. federal income tax purposes at any time during the shorter of the five-year period ending on the date of the disposition of or the non-U.S. holder's holding period for the Class A common stock and, as a result, such gain is treated as effectively connected with a trade or business conducted by the non-U.S. holder in the United States.

A non-U.S. holder described in the first bullet point above will be subject to U.S. federal income tax at a rate of 30% (or such lower rate as specified by an applicable income tax treaty) on the amount of such gain, which generally may be offset by U.S. source capital losses.

A non-U.S. holder whose gain is described in the second bullet point above or, subject to the exceptions described in the next paragraph, the third bullet point above generally will be taxed on a net income basis at the rates and in the manner generally applicable to United States persons (as defined under the Code) unless an applicable income tax treaty provides otherwise. If the non-U.S. holder is a corporation for U.S. federal income tax purposes whose gain is described in the second bullet point above, then such gain would also be included in its effectively connected earnings and profits (as adjusted for certain items), which may be subject to a branch profits tax (at a 30% rate or such lower rate as specified by an applicable income tax treaty).

With respect to the third bullet point above, generally, a corporation is a USRPHC if the fair market value of its United States real property interests equals or exceeds 50% of the sum of the fair market value of its worldwide real property interests and its other assets used or held for use in a trade or business. We believe that we currently are not a USRPHC for U.S. federal income tax purposes, and we do not expect to become a USRPHC for the foreseeable future. However, because the determination of whether we are a USRPHC is made from time to time and depends on the relative fair market value of our assets, there can be no assurance in this regard. In the event that we become a USRPHC, as long as our Class A common stock is and continues to be "regularly traded on an established securities market" (within the meaning of applicable U.S. Treasury regulations), only a non-U.S. holder that actually or constructively owns, or owned at any time during the shorter of the five-year period ending on the date of the disposition or the non-U.S. holder's holding period for the Class A common stock, more than 5% of our Class A common stock will be treated as disposing of a U.S. real property interest and will be taxable on gain realized on the disposition of our Class A common stock as a result of our status as a USRPHC. If we were to become a USRPHC and our Class A common stock were not considered to be regularly traded on an established securities market, such holder (regardless of the percentage of stock owned) would be treated as disposing of a U.S. real property interest and would be subject to U.S. federal income tax on a taxable disposition of our Class A common stock (as described in the preceding paragraph), and a 15% withholding tax would apply to the gross proceeds from such disposition. No assurance can be provided that our Class A common stock will be treated as regularly traded on an established securities market for purposes of the rules described above.

Non-U.S. holders should consult their tax advisors with respect to the application of the foregoing rules to their ownership and disposition of our Class A common stock.

U.S. Federal Estate Tax

Our Class A common stock that is owned (or treated as owned) by an individual who is not a U.S. citizen or resident of the United States (as specially defined for U.S. federal estate tax purposes) at the time of death will be included in the individual's gross estate for U.S. federal estate tax purposes, unless an applicable estate tax or other treaty provides otherwise and, therefore, may be subject to U.S. federal estate tax.

Backup Withholding and Information Reporting

Any dividends paid to a non-U.S. holder must be reported annually to the IRS and to the non-U.S. holder. Copies of these information returns may be made available to the tax authorities in the country in which the non-U.S. holder resides or is established. Payments of dividends to a non-U.S. holder generally will not be subject to backup withholding if the non-U.S. holder establishes an exemption by properly certifying its non-U.S. status on an IRS Form W-8BEN or IRS Form W-8BEN-E (or other applicable or successor form).

Payments of the proceeds from a sale or other disposition by a non-U.S. holder of our Class A common stock effected by or through a U.S. office of a broker generally will be subject to information reporting and backup withholding (at the applicable rate) unless the non-U.S. holder establishes an exemption by properly certifying its non-U.S. status on an IRS Form W-8BEN or IRS Form W-8BEN-E (or other applicable or successor form) and certain other conditions are met. Information reporting and backup withholding generally will not apply to any payment of the proceeds from a sale or other disposition of our Class A common stock effected outside the United States by a non-U.S. office of a broker. However, unless such broker has documentary evidence in its records that the non-U.S. holder is not a United States person and certain other conditions are met, or the non-U.S. holder otherwise establishes an exemption, information reporting will apply to a payment of the proceeds of the disposition of our Class A common stock effected outside the United States by such a broker if it has certain relationships within the United States.

Backup withholding is not an additional tax. Rather, the U.S. federal income tax liability (if any) of persons subject to backup withholding will be reduced by the amount of tax withheld. If backup withholding results in an overpayment of taxes, a refund may be obtained, provided that the required information is timely furnished to the IRS.

Additional Withholding Requirements under FATCA

Sections 1471 through 1474 of the Code, and the U.S. Treasury regulations and administrative guidance issued thereunder ("FATCA"), impose a 30% withholding tax on any dividends paid on our Class A common stock if paid to a "foreign financial institution" or a "non-financial foreign entity" (each as defined in the Code) (including, in some cases, when such foreign financial institution or non-financial foreign entity is acting as an intermediary), unless (i) in the case of a foreign financial institution, such institution enters into an agreement with the U.S. government to withhold on certain payments, and to collect and provide to the U.S. tax authorities substantial information regarding U.S. account holders of such institution (which includes certain equity and debt holders of such institution, as well as certain account holders that are non-U.S. entities with U.S. owners); (ii) in the case of a non-financial foreign entity, such entity certifies that it does not have any "substantial United States owners" (as defined in the Code) or provides the applicable withholding agent with a certification identifying the direct and indirect substantial United States owners of the entity (in either case, generally on an IRS Form W-8BEN-E); or (iii) the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from these rules and provides appropriate documentation (such as an IRS Form W-8BEN-E). Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States governing these rules may be subject to different rules. FATCA also imposes a 30% withholding tax on any gross proceeds on a sale or other disposition of our Class A common stock. However, recently released proposed U.S. Treasury regulations, which may be relied upon pending finalization, would eliminate this withholding tax on gross proceeds. Accordingly, FATCA withholding on gross proceeds is not expected to apply. Under certain circumstances, a holder might be eligible for refunds or credits of such taxes. Non-U.S. holders are encouraged to consult their own tax advisors regarding the effects of FATCA on an investment in our Class A common stock.

INVESTORS CONSIDERING THE PURCHASE OF OUR CLASS A COMMON STOCK ARE URGED TO CONSULT THEIR OWN TAX ADVISORS REGARDING THE APPLICATION OF THE U.S. FEDERAL INCOME TAX LAWS TO THEIR PARTICULAR SITUATIONS AND THE APPLICABILITY AND EFFECT OF U.S. FEDERAL ESTATE AND GIFT TAX LAWS AND ANY STATE, LOCAL OR NON-U.S. TAX LAWS AND TAX TREATIES.

CERTAIN ERISA CONSIDERATIONS

The following is a summary of certain considerations associated with the acquisition and holding of shares of common stock by employee benefit plans that are subject to Title I of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), plans, individual retirement accounts and other arrangements that are subject to Section 4975 of the Code or employee benefit plans that are governmental plans (as defined in Section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA), non-U.S. plans (as described in Section 4(b)(4) of ERISA) or other plans that are not subject to the foregoing but may be subject to provisions under any other federal, state, local, non-U.S. or other laws or regulations that are similar to such provisions of ERISA or the Code (collectively, "Similar Laws"), and entities whose underlying assets are considered to include "plan assets" of any such plan, account or arrangement (each, a "Plan").

This summary is based on the provisions of ERISA and the Code (and related regulations and administrative and judicial interpretations) as of the date of this registration statement. This summary does not purport to be complete, and no assurance can be given that future legislation, court decisions, regulations, rulings or pronouncements will not significantly modify the requirements summarized below. Any of these changes may be retroactive and may thereby apply to transactions entered into prior to the date of their enactment or release. This discussion is general in nature and is not intended to be all inclusive, nor should it be construed as investment or legal advice.

General Fiduciary Matters

ERISA and the Code impose certain duties on persons who are fiduciaries of a Plan subject to Title I of ERISA or Section 4975 of the Code (an "ERISA Plan") and prohibit certain transactions involving the assets of an ERISA Plan and its fiduciaries or other interested parties. Under ERISA and the Code, any person who exercises any discretionary authority or control over the administration of an ERISA Plan or the management or disposition of the assets of an ERISA Plan, or who renders investment advice for a fee or other compensation to an ERISA Plan, is generally considered to be a fiduciary of the ERISA Plan.

In considering an investment in shares of common stock with a portion of the assets of any Plan, a fiduciary should consider the Plan's particular circumstances and all of the facts and circumstances of the investment and determine whether the acquisition and holding of shares of common stock is in accordance with the documents and instruments governing the Plan and the applicable provisions of ERISA, the Code, or any Similar Law relating to the fiduciary's duties to the Plan, including, without limitation:

- whether the investment is prudent under Section 404(a)(1)(B) of ERISA and any other applicable Similar Laws;
- whether, in making the investment, the ERISA Plan will satisfy the diversification requirements of Section 404(a)(1)(C) of ERISA and any other applicable Similar Laws;
- whether the investment is permitted under the terms of the applicable documents governing the Plan;
- whether the acquisition or holding of the shares of common stock will constitute a "prohibited transaction" under Section 406 of ERISA or Section 4975 of the Code (please see discussion under "—Prohibited Transaction Issues" below); and
- whether the Plan will be considered to hold, as plan assets, (i) only shares of common stock or (ii) an undivided interest in our underlying assets (please see the discussion under "—Plan Asset Issues" below).

Prohibited Transaction Issues

Section 406 of ERISA and Section 4975 of the Code prohibit ERISA Plans from engaging in specified transactions involving plan assets with persons or entities who are "parties in interest," within the meaning of ERISA, or "disqualified persons," within the meaning of Section 4975 of the Code, unless an exemption is available. A party in interest or disqualified person who engages in a non-exempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code.

In addition, the fiduciary of the ERISA Plan that engages in such a non-exempt prohibited transaction may be subject to excise taxes, penalties and liabilities under ERISA and the Code. The acquisition and/or holding of shares of common stock by an ERISA Plan with respect to which the issuer, the initial purchaser, or a guarantor is considered a party in interest or a disqualified person may constitute or result in a direct or indirect prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code, unless the investment is acquired and is held in accordance with an applicable statutory, class or individual prohibited transaction exemption.

Because of the foregoing, shares of common stock should not be acquired or held by any person investing "plan assets" of any Plan, unless such acquisition and holding will not constitute a non-exempt prohibited transaction under ERISA and the Code or a similar violation of any applicable Similar Laws.

Plan Asset Issues

Additionally, a fiduciary of a Plan should consider whether the Plan will, by investing in us, be deemed to own an undivided interest in our assets, with the result that we would become a fiduciary of the Plan and our operations would be subject to the regulatory restrictions of ERISA, including its prohibited transaction rules, as well as the prohibited transaction rules of the Code and any other applicable Similar Laws.

The Department of Labor (the "DOL") regulations provide guidance with respect to whether the assets of an entity in which ERISA Plans acquire equity interests would be deemed "plan assets" under some circumstances. Under these regulations, an entity's assets generally would not be considered to be "plan assets" if, among other things:

(a) the equity interests acquired by ERISA Plans are "publicly offered securities" (as defined in the DOL regulation)—i.e., the equity interests are part of a class of securities that is widely held by 100 or more investors independent of the issuer and each other, are freely transferable, and are either registered under certain provisions of the federal securities laws or sold to the ERISA Plan as part of a public offering under certain conditions;

(b) the entity is an "operating company" (as defined in the DOL regulation)—i.e., it is primarily engaged in the production or sale of a product or service, other than the investment of capital, either directly or through a majority-owned subsidiary or subsidiaries; or

(c) there is no significant investment by "benefit plan investors" (as defined in the DOL regulation)—i.e., immediately after the most recent acquisition by a ERISA Plan of any equity interest in the entity, less than 25% of the total value of each class of equity interest (disregarding certain interests held by persons (other than benefit plan investors) with discretionary authority or control over the assets of the entity or who provide investment advice for a fee (direct or indirect) with respect to such assets, and any affiliates thereof) is held by ERISA Plans, IRAs and certain other Plans (but not including governmental plans, foreign plans and certain church plans), and entities whose underlying assets are deemed to include plan assets by reason of a Plan's investment in the entity.

Due to the complexity of these rules and the excise taxes, penalties and liabilities that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries, or other persons considering acquiring and/or holding shares of our common stock on behalf of, or with the assets of, any Plan, consult with their counsel regarding the potential applicability of ERISA, Section 4975 of the Code and any Similar Laws to such investment and whether an exemption would be applicable to the acquisition and holding of shares of common stock. Purchasers of shares of common stock have the exclusive responsibility for ensuring that their acquisition and holding of shares of common stock complies with the fiduciary responsibility rules of ERISA and does not violate the prohibited transaction rules of ERISA, the Code or applicable Similar Laws. The sale of shares of common stock to a Plan is in no respect a representation by us or any of our affiliates or representatives that such an investment meets all relevant legal requirements with respect to investments by any such Plan or that such investment is appropriate for any such Plan.

UNDERWRITING (CONFLICTS OF INTEREST)

The Company and the underwriters named below have entered into an underwriting agreement with respect to the shares of Class A common stock being offered. Subject to certain conditions, each underwriter has severally agreed to purchase the number of shares of Class A common stock indicated in the following table. Goldman Sachs & Co. LLC and Raymond James & Associates, Inc. are the representatives of the underwriters.

Underwriters	Number of Shares
Goldman Sachs & Co. LLC	
Raymond James & Associates, Inc.	
Total	

The underwriters are committed to take and pay for all of the shares of Class A common stock being offered, if any are taken, other than the shares covered by the option described below unless and until this option is exercised.

The underwriters have an option to buy up to an additional shares of Class A common stock from the Company. They may exercise that option for 30 days. If any shares are purchased pursuant to this option, the underwriters will severally purchase shares in approximately the same proportion as set forth in the table above.

The following table shows the per share and total underwriting discounts and commissions to be paid to the underwriters by the Company. Such amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase additional shares of Class A common stock.

Paid by the Company	No Exercise	Full Exercise
Per Share	$	$
Total	$	$

Shares sold by the underwriters to the public will initially be offered at the initial public offering price set forth on the cover of this prospectus. Any shares sold by the underwriters to securities dealers may be sold at a discount of up to $ per share from the initial public offering price. After the initial offering of the shares, the representatives may change the offering price and the other selling terms. The offering of the shares by the underwriters is subject to receipt and acceptance and subject to the underwriters' right to reject any order in whole or in part.

The Company and its officers, directors, and holders of substantially all of the Company's shares of common stock have agreed with the underwriters, subject to certain exceptions, not to dispose of or hedge any of their common stock or securities convertible into or exchangeable for shares of Class A common stock during the period from the date of this prospectus continuing through the date 180 days after the date of this prospectus, except with the prior written consent of the representatives. This agreement does not apply to any existing employee benefit plans. See "Shares Eligible for Future Sale" for a discussion of certain transfer restrictions.

Prior to the offering, there has been no public market for the Class A common stock. The initial public offering price has been negotiated among the Company and the representatives. Among the factors to be considered in determining the initial public offering price of the Class A common stock, in addition to prevailing market conditions, will be the Company's historical performance, estimates of the business potential and earnings prospects of the Company, an assessment of the Company's management and the consideration of the above factors in relation to market valuation of companies in related businesses.

An application has been made to list the shares of Class A common stock on The Nasdaq Global Market under the symbol " ".

In connection with the offering, the underwriters may purchase and sell shares of Class A common stock in the open market. These transactions may include short sales, stabilizing transactions and

purchases to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater number of shares than they are required to purchase in the offering, and a short position represents the amount of such sales that have not been covered by subsequent purchases. A “covered short position” is a short position that is not greater than the amount of additional shares for which the underwriters’ option described above may be exercised. The underwriters may cover any covered short position by either exercising their option to purchase additional shares or purchasing shares in the open market. In determining the source of shares to cover the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase additional shares pursuant to the option described above. “Naked” short sales are any short sales that create a short position greater than the amount of additional shares for which the option described above may be exercised. The underwriters must cover any such naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the shares of the Company’s Class A common stock in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of various bids for or purchases of common stock made by the underwriters in the open market prior to the completion of the offering.

The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased shares sold by or for the account of such underwriter in stabilizing or short covering transactions.

Purchases to cover a short position and stabilizing transactions, as well as other purchases by the underwriters for their own accounts, may have the effect of preventing or retarding a decline in the market price of the shares of the Company’s Class A common stock, and together with the imposition of the penalty bid, may stabilize, maintain or otherwise affect the market price of the shares of the Company’s Class A common stock. As a result, the price of the shares of the Company’s Class A common stock may be higher than the price that otherwise might exist in the open market. The underwriters are not required to engage in these activities and may end any of these activities at any time. These transactions may be effected on The Nasdaq Global Market, in the over-the-counter market or otherwise.

We estimate that the total expenses of the offering, excluding underwriting discounts and commissions, will be approximately $.

We have agreed to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act.

Conflicts of Interest

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Certain of the underwriters and their respective affiliates have provided, and may in the future provide, a variety of these services to the Company and to persons and entities with relationships with the Company, for which they received or will receive customary fees and expenses. For example, an affiliate of Goldman acts as a lender and agent under our GS/BIP Credit Facility. Additionally, Goldman owns Opco Preferred Units and LLC Warrants.

Goldman and one of its affiliates will receive 5% or more of the net proceeds of this offering by reason of the repayment of amounts due under our GS/BIP Credit Facility and the redemption of the Opco Preferred Units. Accordingly, Goldman is deemed to have a “conflict of interest” within the meaning of FINRA Rule 5121 and this offering will be conducted in accordance with Rule 5121. That rule requires that a “Qualified Independent Underwriter” meeting specified requirements must participate in the preparation of the registration statement of which this prospectus forms a part and exercise its usual standard of due diligence with respect thereto. has agreed to act as the Qualified Independent Underwriter for this offering and has agreed in so acting to undertake the legal responsibilities and liabilities of an underwriter under the Securities Act, specifically including those inherent in Section 11 thereof. will not receive a fee for acting as the Qualified Independent Underwriter for this offering.

We have agreed to indemnify against certain liabilities, including liabilities under the Securities Act. As provided in Rule 5121, Goldman will not confirm sales to any account over which it exercises discretion without the specific written approval of the account holder.

In the ordinary course of their various business activities, the underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the Company (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Company. The underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State") an offer to the public of our common shares may not be made in that Relevant Member State, except that an offer to the public in that Relevant Member State of our common shares may be made at any time under the following exemptions under the Prospectus Directive:

- to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the representatives for any such offer; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of shares of our common shares shall result in a requirement for the publication of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer to public" in relation to our common shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and our common shares to be offered so as to enable an investor to decide to purchase our common shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "Prospectus Directive" means Directive 2003/71/EC (as amended), including by Directive 2010/73/EU, and includes any relevant implementing measure in the Relevant Member State.

This European Economic Area selling restriction is in addition to any other selling restrictions set out below.

United Kingdom

In the United Kingdom, this prospectus is only addressed to and directed as qualified investors who are (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"); or (ii) high net worth entities and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). Any investment or investment activity to which this prospectus relates is available only to relevant persons and will only be engaged with relevant persons. Any person who is not a relevant person should not act or relay on this prospectus or any of its contents.

Canada

The shares may be sold in Canada only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National

Instrument 31-103 Registration Requirements, Exemptions, and Ongoing Registrant Obligations. Any resale of the shares must be made in accordance with an exemption form, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Hong Kong

The shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) ("Companies (Winding Up and Miscellaneous Provisions) Ordinance") or which do not constitute an invitation to the public within the meaning of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) ("Securities and Futures Ordinance"), or (ii) to "professional investors" as defined in the Securities and Futures Ordinance and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance, and no advertisement, invitation or document relating to the shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" in Hong Kong as defined in the Securities and Futures Ordinance and any rules made thereunder.

Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined under Section 4A of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA")) under Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA, in each case subject to conditions set forth in the SFA.

Where the shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor, the securities (as defined in Section 239(1) of the SFA) of that corporation shall not be transferable for 6 months after that corporation has acquired the shares under Section 275 of the SFA except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA), (2) where such transfer arises from an offer in that corporation's securities pursuant to Section 275(1A) of the SFA, (3) where no consideration is or will be given for the transfer, (4) where the transfer is by operation of law, (5) as specified in Section 276(7) of the SFA, or (6) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore ("Regulation 32").

Where the shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is a trust (where the trustee is not an accredited investor (as defined in Section 4A of the SFA))

whose sole purpose is to hold investments and each beneficiary of the trust is an accredited investor, the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferable for 6 months after that trust has acquired the shares under Section 275 of the SFA except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA), (2) where such transfer arises from an offer that is made on terms that such rights or interest are acquired at a consideration of not less than S$200,000 (or its equivalent in a foreign currency) for each transaction (whether such amount is to be paid for in cash or by exchange of securities or other assets), (3) where no consideration is or will be given for the transfer, (4) where the transfer is by operation of law, (5) as specified in Section 276(7) of the SFA, or (6) as specified in Regulation 32.

Japan

The shares have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended), or the FIEA. The securities may not be offered or sold, directly or indirectly, in Japan or to or for the benefit of any resident of Japan (including any person resident in Japan or any corporation or other entity organized under the laws of Japan) or to others for reoffering or resale, directly or indirectly, in Japan or to or for the benefit of any resident of Japan, except pursuant to an exemption from the registration requirements of the FIEA and otherwise in compliance with any relevant laws and regulations of Japan.

LEGAL MATTERS

The validity of our Class A common stock offered by this prospectus will be passed upon for us by Vinson & Elkins L.L.P., Houston, Texas. Certain legal matters in connection with this offering will be passed upon for the underwriters by Fried, Frank, Harris, Shriver & Jacobson LLP, New York, New York.

EXPERTS

The audited balance sheet of OneWater Marine Inc. included in this prospectus and elsewhere in the registration statement has been so included in reliance upon the report of Grant Thornton LLP, independent registered public accountants, upon the authority of said firm as experts in accounting and auditing.

The audited financial statements of One Water Marine Holdings, LLC included in this prospectus and elsewhere in the registration statement have been so included in reliance upon the reports of Grant Thornton LLP, independent registered public accountants, upon the authority of said firm as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1 (including the exhibits, schedules and amendments thereto) under the Securities Act, with respect to the shares of our Class A common stock offered hereby. This prospectus does not contain all of the information set forth in the registration statement and the exhibits and schedules thereto. For further information with respect to us and the Class A common stock offered hereby, we refer you to the registration statement, including all amendments, supplements, exhibits and schedules thereto. Statements contained in this prospectus as to the contents of any contract, agreement or any other document are summaries of the material terms of this contract, agreement or other document. With respect to each of these contracts, agreements or other documents filed as an exhibit to the registration statement, reference is made to the exhibits for a more complete description of the matter involved. The SEC maintains a website at *www.sec.gov* that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC.

As a result of this offering, we will become subject to full information requirements of the Exchange Act. We will fulfill our obligations with respect to such requirements by filing periodic reports and other information with the SEC. We intend to furnish our stockholders with annual reports containing financial statements certified by an independent public accounting firm.

INDEX TO FINANCIAL STATEMENTS

One Water Marine Holdings, LLC and Subsidiaries
Condensed Consolidated Balance Sheets

	March 31, 2019 (Unaudited)	September 30, 2018
Assets		
Current assets:		
Cash	$ 15,488,809	$ 15,345,808
Restricted cash	1,536,087	411,559
Accounts receivable	25,981,490	10,888,564
Inventories	295,292,824	184,361,296
Prepaid expenses and other current assets	1,152,820	1,507,262
Total current assets	339,452,030	212,514,489
Property and equipment, net of accumulated depreciation of $4,158,394 in 2019 and $3,082,163 in 2018	21,835,112	18,586,549
Other assets		
Deposits	333,132	347,416
Identifiable intangible assets	55,724,000	47,732,000
Goodwill	104,266,935	96,180,010
Total other assets	160,324,067	144,259,426
Total assets	$ 521,611,209	$ 375,360,464
Liabilities and Members' Equity		
Current liabilities:		
Accounts payable	$ 9,598,001	$ 6,339,555
Other payables and accrued expenses	12,534,923	9,764,128
Customer deposits	11,110,724	4,198,319
Notes payable - floor plan	263,235,452	157,483,121
Current portion of long-term debt	3,343,950	1,890,402
Total current liabilities	299,823,050	179,675,525
Long-term Liabilities		
Other long-term liabilities	900,000	2,486,563
Warrant liability	59,823,000	52,223,000
Long-term debt, net of current portion and unamortized debt issuance costs	62,954,048	39,954,403
Total liabilities	423,500,098	274,339,491
Redeemable Preferred interest in subsidiary	83,620,221	79,965,097
Members' Equity:		
Members' Equity attributable to One Water Marine Holdings, LLC	9,351,219	15,962,511
Equity attributable to non-controlling interests	5,139,671	5,093,365
Total liabilities and Members' Equity	$ 521,611,209	$ 375,360,464

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

One Water Marine Holdings, LLC and Subsidiaries
Condensed Consolidated Statement of Operations
(Unaudited)

For the six months ended March 31,	2019	2018
Revenues		
New boat sales	$ 194,492,066	$ 144,710,858
Pre-owned boat sales	55,928,857	53,467,543
Finance and insurance income	8,518,647	5,685,344
Service, parts and other sales	25,965,948	17,787,763
Total revenues	284,905,948	221,651,508
Cost of Sales (exclusive of depreciation and amortization shown separately below)		
New boat sales	160,102,231	117,249,793
Pre-owned boat sales	46,719,371	44,341,047
Service, parts and other sales	15,039,432	9,966,946
Total cost of sales	221,861,034	171,557,786
Selling, general and administrative expenses	49,175,811	38,404,703
Depreciation and amortization	1,192,432	704,995
Gain on settlement of contingent consideration	(1,654,859)	—
Income from operations	14,331,100	10,984,024
Other (income) expense		
Interest expense - floor plan	3,996,160	2,205,378
Interest expense - other	2,521,924	1,550,506
Transaction costs	742,433	126,043
Change in fair value of warrant liability	7,600,000	19,246,609
Other (income) expense	(90,333)	130,742
Total other expense	14,770,184	23,259,278
Net income (loss)	(439,084)	(12,275,254)
Less: Net income attributable to non-controlling interest	546,306	275,357
Net income (loss) attributable to One Water Marine Holdings, LLC	(985,390)	(12,550,611)
Redeemable Preferred interest, dividends and accretion	4,477,800	3,992,946
OneWater LLC preferred distribution	84,366	88,488
Net loss attributable to common interest holders	$ (5,547,556)	$ (16,632,045)
Loss per unit attributable to common interest holders:		
Basic	$ (73.02)	$ (221.31)
Diluted	$ (73.02)	$ (221.31)
Pro forma loss per unit attributable to common interest holders (unaudited):		
Basic	$	
Diluted	$	

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

One Water Marine Holdings, LLC and Subsidiaries
Condensed Consolidated Statements of Members' Equity
(Unaudited)

		Members' Equity		
	Redeemable Preferred Interest in Subsidiary	Common Interest	Non-controlling interest in Subsidiary	Total Members' Equity
Balance at September 30, 2018	$ 79,965,097	$ 15,962,511	$ 5,093,365	$ 21,055,876
Net loss	—	(985,390)	546,306	(439,084)
Distributions to members	(822,676)	(1,225,092)	(500,000)	(1,725,092)
Accumulated unpaid preferred returns	4,164,798	(4,164,798)	—	(4,164,798)
Accretion of redeemable preferred and issuance costs	313,002	(313,002)	—	(313,002)
Equity-based compensation	—	76,990	—	76,990
Balance at March 31, 2019	$ 83,620,221	$ 9,351,219	$ 5,139,671	$ 14,490,890

		Members' Equity		
	Redeemable Preferred Interest in Subsidiary	Common Interest	Non-controlling interest in Subsidiary	Total Members' Equity
Balance at September 30, 2017	$ 71,695,134	$ 26,310,738	$ 1,763,455	$ 28,074,193
Net loss	—	(12,550,611)	275,357	(12,275,254)
Distributions to members	—	(501,963)	—	(501,963)
Accumulated unpaid preferred returns	3,773,102	(3,773,102)	—	(3,773,102)
Preferred issuance costs	(93,158)	—	—	—
Accretion of redeemable preferred and issuance costs	313,002	(313,002)	—	(313,002)
Equity-based compensation	—	76,991	—	76,991
Balance at March 31, 2018	$ 75,688,080	$ 9,249,051	$ 2,038,812	$ 11,287,863

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

One Water Marine Holdings, LLC and Subsidiaries
Condensed Consolidated Statements of Cash Flows
(Unaudited)

For the six months ended March 31,	2019	2018
Cash flows from operating activities		
Net loss	$ (439,084)	$ (12,275,254)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	1,192,432	704,995
Equity-based awards	76,990	76,991
Loss on asset disposals	50,289	24,056
Change in fair value of long-term warrant liability	7,600,000	19,246,609
Non-cash interest expense	1,405,835	826,248
Non-cash gain on settlement of contingent consideration	(1,654,859)	—
(Increase) decrease in assets:		
Restricted cash	(1,124,528)	(793,570)
Accounts receivable	(14,958,540)	(12,601,770)
Inventories	(83,636,846)	(55,170,445)
Prepaid expenses and other current assets	479,981	618,315
Deposits	14,284	(12,051)
Increase (decrease) in liabilities:		
Accounts payable	3,186,220	1,041,106
Other payables and accrued expenses	1,549,106	2,404,128
Customer deposits	6,667,935	7,147,765
Net cash used in operating activities	(79,590,785)	(48,762,277)
Cash flows from investing activities		
Purchases of property and equipment and construction in progress	(3,512,274)	(3,583,166)
Proceeds on disposal of property and equipment	50,388	—
Cash used in Acquisitions	(2,110,641)	(349,958)
Net cash used in investing activities	(5,572,527)	(3,933,124)
Cash flows from financing activities		
Net borrowings from floor plan	81,319,565	59,491,944
Proceeds from long-term debt	7,000,000	4,061,450
Payments on long-term debt	(465,484)	(228,639)
Payments of preferred issuance costs	—	(93,158)
Distribution to redeemable preferred interest members	(822,676)	—
Distributions to members	(1,725,092)	(501,963)
Net cash provided by financing activities	85,306,313	62,729,634
Net increase in cash	143,001	10,033,633
Cash at beginning of period	15,345,808	9,662,691
Cash at end of period	$ 15,488,809	$ 19,696,324
Supplemental cash flow disclosures		
Cash paid for interest	$ 5,112,248	$ 2,929,636
Noncash items		
Acquisition purchase price funded by long-term debt	$ 8,500,000	$ 8,000,000
Acquisition purchase price funded by seller notes payable	8,273,750	815,000
Purchase of property and equipment funded by long-term debt	992,811	536,449

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

One Water Marine Holdings, LLC and Subsidiaries
Notes to the Condensed Consolidated Financial Statements
(Unaudited)

1 Description of Company and Basis of Presentation

Description of the Business

One Water Marine Holdings, LLC ("OneWater LLC" or the "Company") was organized as a limited liability company under the law of the State of Delaware in 2014. OneWater LLC does not have revenue generating operations of its own and is dependent on the earnings and cash flows of its operating subsidiaries. After formation of OneWater LLC the assets of Singleton Marine and Legendary Marine were contributed in 2014 in exchange for an equity interest in OneWater LLC. Subsequently, the Company has completed the acquisition of 15 dealer groups comprised of 36 stores, as of March 31, 2019 and operates a total of 59 stores in eleven states, consisting of Alabama, Florida, Georgia, Kentucky, Maryland, Massachusetts, New York, North Carolina, Ohio, South Carolina, and Texas.

The Company is one of the largest recreational boat retailers in the United States. The Company engages primarily in the retail sale, brokerage, and service of new and used boats, motors, trailers, marine parts and accessories and offers slip and storage accommodations in certain locations. The Company also arranges related boat financing, insurance, and extended service contracts for customers with third-party lenders and insurance companies.

Operating results are generally subject to seasonal variations. Demand for products are generally highest during the third and fourth quarters of the fiscal year and, accordingly, revenues are generally expected to be higher during these periods. General economic conditions and consumer spending patterns can negatively impact the Company's operating results. Unfavorable local, regional, national, or global economic developments or uncertainties could reduce consumer spending and adversely affect the Company's business. Consumer spending on discretionary goods may also decline as a result of lower consumer confidence levels, even if prevailing economic conditions are otherwise favorable. Economic conditions in areas in which the Company operates stores, particularly in the Southeast, can have a major impact on the Company's overall results of operations. Local influences, such as corporate downsizing, inclement weather such as hurricanes and other storms, environmental conditions, and other events could adversely affect the Company's operations in certain markets and in certain periods. Any extended period of adverse economic conditions or low consumer confidence is likely to have a negative effect on the Company's business.

Principles of Consolidation

The consolidated financial statements include the accounts of OneWater LLC and its wholly-owned subsidiaries. Additionally, the Company consolidates two subsidiaries with minority members: South Shore Assets and Operations (SSAO) and Bosun's Assets and Operations (BAO). The Company maintains control over both SSAO and BAO as it has 100.0% voting rights of each entity but only a 75.0% ownership interest. Accordingly, the results of operations of SSAO and BAO have been included in the accompanying consolidated financial statements from the date of their respective acquisition and their minority interest in these subsidiaries has been recorded accordingly. Singleton Assets and Operations (SAO), Legendary Assets and Operations (LAO), South Florida Assets and Operations (SFAO), Midwest Assets and Operations (MAO), One Water Assets & Operations (OWAO), BAO and SSAO are collectively referred to herein as "the Company". All significant intercompany accounts and transactions have been eliminated in consolidation.

Basis of Financial Statement Preparation

The unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States for complete financial statements and should be read in conjunction with the annual financial statements. These financial statements reflect the consolidated accounts of OneWater LLC and wholly owned subsidiaries. All intercompany transactions have been

eliminated in consolidation. In addition, certain reclassifications of amounts previously reported have been made to the accompanying consolidated financial statements in order to conform to current presentation. The Company operates on a fiscal year basis with the first day of the fiscal year being October 1, and the last day of the year ending on September 30. Additionally, since there are no differences between net income and comprehensive income, all references to comprehensive income have been excluded from the consolidated financial statements.

All adjustments, consisting of only normal recurring adjustments considered necessary for fair presentation, have been reflected in these unaudited financial statements. Significant estimates made by us in the accompanying unaudited consolidated financial statements include, valuation allowances, valuation of equity, valuation of goodwill and intangible assets, valuation of long-lived assets, and valuation of accruals. Operating results for the six months ended March 31, 2019 are not necessarily indicative of the results to be expected for the year ending September 30, 2019.

2 New Accounting Pronouncements

As an “emerging growth company” (“EGC”), the Jumpstart Our Business Startups Act (“JOBS Act”) allows the Company to delay adoption of new or revised accounting pronouncements applicable to public companies until such pronouncements are made applicable to private companies. The Company has elected to use this extended transition period under the JOBS Act. The adoption dates discussed below reflects this election.

In May 2014, the FASB issued Accounting Standards Update (“ASU”) No. 2014-09, “*Revenue from Contracts with Customers (Topic 606)”* (“ASU 2014-09”), as subsequently amended, a converged standard on revenue recognition. The new pronouncement requires revenue recognition to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The guidance also specifies the accounting for some costs to obtain or fulfil a contract with a customer, as well as enhanced disclosure requirements. ASU 2014-09 is effective for a public company’s annual reporting periods beginning after December 15, 2017. As an EGC the Company has elected to adopt ASU 2014-09 following the effective dates for private companies beginning with annual reporting periods beginning after December 15, 2018, including interim reporting periods within that reporting period. The Company is currently in the process of evaluating the effects of this pronouncement on its consolidated financial statements, related disclosures and internal controls over financial reporting. The Company plans to adopt ASU 2014-09 in the first quarter of fiscal year 2020.

In February 2016, the FASB issued ASU 2016-02, “*Leases (Topic 842)*” (“ASU 2016-02”). This update requires organizations to recognize lease assets and lease liabilities on the balance sheet and discloses key information about leasing arrangements. ASU 2016-02 is effective for a public company’s annual reporting periods beginning on or after December 15, 2018, and interim periods within those annual periods. As an EGC the Company has elected to adopt ASU 2016-02 following the effective dates for private companies beginning with annual reporting periods beginning after December 15, 2019, including interim reporting periods within that reporting period, earlier application is permitted. The Company is currently in the process of evaluating the effects of this pronouncement on its consolidated financial statements, related disclosures and internal controls over financial reporting. The Company plans to adopt ASU 2016-02 in the first quarter of fiscal year 2021 and expects the adoption of ASU 2016-02 to have a significant and material impact on the consolidated balance sheet given the current lease agreements for the Company’s stores. Based on the current assessment, it is expected that most of the operating lease commitments will be subject to the new guidance and recognized as operating lease liabilities and right-of use assets upon adoption, resulting in a material increase in the assets and liabilities recorded on the consolidated balance sheet. The Company is continuing its assessment, which may identify additional impacts this standard will have on the consolidated financial statements and related disclosures and internal control over financial reporting.

In August 2016, the FASB issued ASU 2016-15, "*Statement of Cash Flows (Topic 230)*" ("ASU 2016-15"). Additionally, in November 2016, the FASB issued ASU 2016-18, "*Statement of Cash Flows (Topic 230)*" ("ASU 2016-18"). These updates require organizations to reclassify certain cash receipts and cash payments within the Statement of Cash Flows and modify the classification and presentation of restricted cash. These ASU's are effective for a public company's annual reporting periods beginning on or after December 15, 2017, and interim periods within those annual periods. As an EGC, the Company has elected to adopt these ASU's following the effective dates for private companies beginning with annual reporting periods beginning after December 15, 2018, including interim reporting periods within that reporting period. The Company is currently in the process of evaluating the effects of this pronouncement on its consolidated financial statements, related disclosures and internal controls over financial reporting. The Company plans to adopt ASU 2016-15 and ASU 2016-18 in fiscal 2021.

In January 2017, the FASB issued ASU 2017-01, "*Business Combinations (Topic 805)*" ("ASU 2017-01"). This update clarifies the definition of a business with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. The definition of a business affects many areas of accounting including acquisitions, disposals, goodwill, and consolidation. As an EGC the Company has elected to adopt ASU 2017-01 following the effective dates for private companies beginning with annual reporting periods beginning after December 15, 2018, including interim reporting periods within that reporting period. The Company is currently in the process of evaluating the effects of this pronouncement on its consolidated financial statements, related disclosures and internal controls over financial reporting. The Company plans to adopt ASU 2017-01 in the first quarter of fiscal year 2020.

In January 2017, the FASB issued ASU 2017-04, "*Simplifying the Test for Goodwill impairment (Topic 350)*" ("ASU 2017-04"). This update removes the requirement to compare the implied fair value of goodwill with its carrying amount as part of step 2 of the goodwill impairment test. As a result, under ASU 2017-04, an entity should perform its annual, or interim, goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount and should recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value; however, the impairment loss recognized should not exceed the total amount of goodwill allocated to that reporting unit. This guidance is effective for public companies prospectively for fiscal years beginning after December 15, 2019. Early adoption is permitted for interim or annual goodwill impairment tests performed after January 1, 2017. As an EGC the Company has elected to early adopt ASU 2017-04 with annual impairment tests performed after January 1, 2017.

3 Revenue Recognition

Revenue is recognized from the sale of products and commissions earned on new and pre-owned boats (including used, brokerage and consignment) when ownership is transferred to the customer. Revenue from sales of parts, accessories, and supplies is recognized when they are delivered to the customer. Revenue from new, used and consignment sales is recorded at the gross sales price, while revenue from brokerage transactions is recorded on a net basis. Service revenue, including repairs under manufacturers' warranties, is recognized when the customer accepts the serviced boat. Deferred revenue from storage and marina operations on a straight-line basis over the term of the contract as services are completed. Revenue from arranging financing, insurance and extended warranty contracts to customers through various third-party financial institutions and insurance companies is recognized when the related boats are sold. A chargeback fee may be assessed in the event of an early cancellation of a loan or insurance contract by the customer. Deposits received from customers are recorded as a liability on the balance sheet until the related sales orders have been fulfilled by the Company.

4 Per Share Data

Basic earnings (loss) per common interest is computed by dividing net income (loss) attributable to common interest holders by the weighted-average common units outstanding during the period. Diluted earnings (loss) per common interest is computed by dividing net earnings (loss) attributable to common

interest holders by the weighted-average common units and common unit equivalents outstanding during the period. Earnings (loss) attributable to common interest holders reflects accretion of redeemable preferred interest in subsidiary, dividends and issuance costs.

The following table illustrates the dilutive effect of profits in interest unit agreements and common warrants outstanding:

As of March 31,	2019	2018
Common units outstanding	75,972	75,152
Weighted average common unit equivalents outstanding	28,491	27,922
Diluted common unit equivalents	104,463	103,074

For the six months ended March 31, 2019 and 2018, the diluted common unit equivalents were not utilized in calculating loss per unit attributable to common interest holders as the impact would be anti-dilutive.

5 Acquisitions

The Company has completed acquisitions of multiple retail boat dealer groups in the United States. The results of operations of acquisitions are included in the accompanying financial statements from the acquisition date forward. The purchase price of acquisitions was allocated to identifiable tangible assets and intangible assets acquired based on their estimated fair values at the acquisition date, with the excess being allocated to goodwill. Costs related to acquisitions are included in transaction costs and primarily relate to legal, accounting, and valuation fees, which are charged directly to operations in the accompanying consolidated statements of operations as incurred.

The following unaudited pro forma results of operations for the six months ended March 31, 2019 and 2018 assumes that the all 2019 and 2018 acquisitions were completed on October 1, 2017.

	2019	2018
Pro forma revenues	$ 354,684,148	$ 294,562,508
Pro forma net loss attributable to common interest holders	1,819,786	(11,477,254)
Pro forma loss per share:		
Basic	$ 23.95	$ (152.72)
Diluted	$ 17.42	$ (152.72)

Included in our results for the six months ended March 31, 2019, the 2019 acquisitions contributed $13.4 million to our consolidated revenue and $0.7 million to our net income, respectively. Included in our results for the six months ended March 31, 2018, the 2018 acquisitions contributed $7.5 million to our consolidated revenue and $0.8 million to our net income, respectively.

Acquisitions completed during the six months ended March 31, 2019:

On December 1, 2018, the Company purchased The Slalom Shop, LLC (“Slalom Shop”), a Texas boat retailer comprised of two stores. The acquisition expands the Company’s presence in the state of Texas, expands the Company’s product offering and strengthens its market share in a top boating market. The purchase price was $7,920,448, with $1,566,698 paid at closing, $5,083,000 due to seller note payable upon completion of stated milestones expected within 90 days of closing and $1,270,750 financed through a note payable to the seller bearing interest at a rate of 5.0% per year. The note is payable in one lump sum three years from the closing date, with interest payments due quarterly.

One Water Marine Holdings, LLC and Subsidiaries
Notes to the Condensed Consolidated Financial Statements
(Unaudited)

The table below summarizes the fair values of the assets acquired at the acquisition date, including the goodwill recorded as a result of this transaction.

Assets acquired		
Prepaid expenses	$	25,784
Inventory		6,725,676
Property and equipment		3,240
Identifiable intangible assets		3,003,000
Goodwill		3,347,509
Total assets acquired	$	13,105,209
Liabilities		
Accounts payable and accrued expenses	$	30,935
Customer deposits		11,400
Notes payable - floor plan financing		5,142,426
Total liabilities assumed		5,184,761
Net assets acquired	$	7,920,448
Consideration exchanged		
Cash paid to seller	$	1,566,698
Seller's notes payable		6,353,750
Total consideration exchanged	$	7,920,448

On February 1, 2019, the Company purchased Ocean Blue Yacht Sales. ("Ocean Blue"), a Florida boat retailer comprised of three stores. The acquisition expands its presence on the east coast of Florida, expands the Company's product offering and strengthens the Company's market share in a top boating market. The purchase price was $10,656,437, with $8,736,437 paid at closing, and $1,920,000 financed through a note payable to the seller bearing interest at a rate of 5.0% per year. The note is payable in one lump sum three years from the closing date, with interest payments due quarterly.

The table below summarizes the fair values of the assets acquired at the acquisition date, including the goodwill recorded as a result of this transaction.

Assets acquired		
Prepaid expenses	$	86,899
Accounts Receivable		134,383
Inventory		19,377,508
Property and equipment		24,674
Identifiable intangible assets		4,989,000
Goodwill		4,461,325
Total assets acquired	$	29,073,789
Liabilities		
Accounts payable and accrued expenses	$	76,895
Customer deposits		221,000
Notes payable - floor plan financing		18,119,457
Total liabilities assumed		18,417,353
Net assets acquired	$	10,656,437

One Water Marine Holdings, LLC and Subsidiaries
Notes to the Condensed Consolidated Financial Statements
(Unaudited)

Consideration exchanged		
Cash paid to seller	$	8,736,437
Seller's notes payable		1,920,000
Total consideration exchanged	$	10,656,437

On February 1, 2019, the Company purchased Ray Clepper, Inc. d/b/a Ray Clepper Boat Center ("Ray Clepper"), a South Carolina boat retailer comprised of a single location. The acquisition expands its presence in South Carolina, expands the Company's product offering and strengthens the Company's market share in a top boating market. The purchase price was $307,506, paid at closing.

The table below summarizes the fair values of the assets acquired at the acquisition date, including the goodwill recorded as a result of this transaction.

Assets acquired		
Inventory	$	1,191,597
Prepaid Expenses		12,856
Property and equipment		8,574
Goodwill		278,091
Total assets acquired	$	1,491,118
Liabilities		
Customer deposits		12,070
Accrued expenses		659
Notes payable - floor plan financing		1,170,883
Total liabilities assumed		1,183,612
Net assets acquired	$	307,506
Consideration exchanged		
Cash paid to seller	$	307,506

Acquisitions completed during the six months ended March 31, 2018:

On February 1, 2018, the Company purchased substantially all the assets of Texas Marine ("Texas Marine"), a Texas based boat retailer. The acquisition expands the Company's presence in the state of Texas, expands the Company's product offering and strengthens its market share in a top boating market. The purchase price was $11,809,230, with $8,349,958 paid at closing, $815,000 financed through a note payable to the seller bearing interest at a rate of 4.5% per year and an estimated payment of contingent consideration of $2,644,272. The estimated contingent consideration is based on the performance of the acquired assets. The amount of contingent consideration has been included in other payables and accrued expenses and other long-term liabilities. The note is payable in one lump sum three years from the closing date, with interest payments due quarterly.

One Water Marine Holdings, LLC and Subsidiaries
Notes to the Condensed Consolidated Financial Statements
(Unaudited)

The table below summarizes the fair values of the assets acquired at the acquisition date, including the goodwill recorded as a result of this transaction.

Assets acquired		
Boat Inventory	$	9,713,481
Parts Inventory		430,819
Prepaid expenses		198,147
Property and equipment		148,625
Identifiable intangible assets		3,777,000
Goodwill		6,886,249
Total assets acquired	$	21,154,321
Liabilities		
Accounts Payable	$	371,254
Customer deposits		245,366
Accrued expenses		242,151
Notes payable - floor plan financing		8,486,320
Total liabilities assumed		9,345,091
Net assets acquired	$	11,809,230
Consideration exchanged		
Cash paid to seller ($8.0 million funded by long-term debt)	$	8,349,958
Seller's contingent liability		2,644,272
Seller's note payable		815,000
Total consideration exchanged	$	11,809,230

6 Accounts Receivable

The accounts receivable balance represents trade and other receivables. Accounts receivable primarily consists of contracts in transit. These amounts represent anticipated funding from the loan agreement customers execute at the store when they purchase their new or preowned boat. These finance contracts are typically funded within 30 days. Trade receivables include amounts due from customers on the sale of boats, parts, service, and storage. Amounts due from manufacturers represent receivables for various manufacturer incentive programs and parts and service work performed pursuant to the manufacturers' warranties.

Accounts Receivable consisted of the following:

	March 31, 2019	September 30, 2018
Contracts in transit	$ 16,524,183	$ 5,449,296
Trade and other accounts receivable	5,394,007	3,518,646
Manufacturer receivable	4,063,300	1,920,622
Total accounts receivable	$ 25,981,490	$ 10,888,564

As of March 31, 2019 and September 30, 2018, all accounts receivable amounts are deemed collectible. Management closely monitors outstanding accounts receivable for collectability based on the age of the receivable and the history of past collections and will write off any balances that are considered to be uncollectable. Historically, these amounts were immaterial and as a result the Company does not maintain an allowance for doubtful accounts.

One Water Marine Holdings, LLC and Subsidiaries
Notes to the Condensed Consolidated Financial Statements
(Unaudited)

7 Inventories

Inventories consisted of the following:

	March 31, 2019	September 30, 2018
New vessels	$ 253,836,220	$ 158,909,427
Used vessels	32,902,023	18,855,811
Work in process, parts and accessories	8,554,581	6,596,058
Total inventories	$ 295,292,824	$ 184,361,296

8 Identifiable Intangible Assets

Intangible assets are initially measured at fair value on the date of an acquisition and consisted of the following:

	Intangibles
Balance as of September 30, 2018	$ 47,732,000
Intangibles acquired during the year	7,992,000
Balance as of March 31, 2019	$ 55,724,000

Identifiable intangible assets consist of trade names related to the acquisitions the Company has completed. It has been determined that trade names have an indefinite life, as there is no economic, contractual or other factors that limit their useful lives and they are expected to generate value as long as the trade name is utilized by the dealer group.

Identifiable intangibles are deemed to have indefinite lives and therefore are not subject to amortization. The Company reviews intangible assets for impairment annually in the fourth quarter, or more often if events or circumstances indicate that impairment may have occurred. Financial statement risk exists to the extent identifiable intangibles become impaired due to the decrease in the fair value of the identifiable assets.

9 Goodwill

Goodwill is initially measured at fair value on the date of an acquisition and consisted of the following:

	Goodwill
Balance as of September 30, 2018	$ 96,180,010
Goodwill acquired during the year	8,086,925
Balance as of March 31, 2019	$ 104,266,935

Goodwill is recognized to the extent that the purchase price of the acquisition exceeds the estimated fair value of the net assets acquired, including other identifiable intangible assets. Goodwill is an asset representing operational synergies and future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. In accordance with ASC 350, goodwill is tested for impairment at least annually, or more frequently when events or circumstances indicate that impairment might have occurred.

The Company reviews goodwill for impairment annually in the fourth quarter, or more often if events or circumstances indicate that impairment may have occurred.

10 Notes Payable — Floor Plan

The Company maintains an ongoing wholesale marine products inventory financing program with a syndicate of banks and administered by Wells Fargo Commercial Distribution Finance, LLC (Wells Fargo). The facility provides a capacity of $275,000,000 to purchase new and used inventory (boats, engines, and

trailers), as of March 31, 2019. The outstanding balance of the facility was $263,235,452 as of March 31, 2019. Interest on new boats is calculated using the one month LIBOR rate plus an applicable margin of 2.75% to 5.00% depending on the days the boat has been in inventory. Interest on used boats is calculated at the new boat rate plus 0.25%. Wells Fargo will finance 100.0% of the vendor invoice price for new boats, engines and trailers. The advances are subject to a curtailment payment of 2.0% at 270 days and an additional 2.0% each month thereafter. All boats and engines are on a pay as sold program. Trailers are on a scheduled liquidation program and are paid in 1/3 increments at 90, 120 and 150 days on inventory. All unsold financed units are held as collateral.

11 Long-term Debt and Line of Credit

In October of 2016, the Company entered into a $20,000,000 multi-draw term loan. The loans are subject to an applicable interest rate of 10.0% per annum. The multi-draw term loan is also subject to a 0.5% unused line fee. The multi-draw term loan shall be repaid in equal consecutive quarterly payments in the annual amount equal to 5.0% of the aggregate principal amount outstanding immediately prior to December 31, 2019. The loan matures on October 28, 2021 and the full principal and any accrued unpaid interest is due in full on that date.

On February 1, 2018, the Company expanded the multi-draw term loan. The maximum available under the facility was increased from $20,000,000 to $50,000,000. The applicable interest rate, maturity, terms, conditions and covenants were unchanged.

In October 2016, the Company entered into a $5,000,000 revolving line of credit. Advances on the line are subject to an applicable interest rate of 10.0% per annum. Repayments on the revolving line of credit can be made at any time. The loan matures on October 28, 2021 and the full principal and any accrued unpaid interest is due in full on that date.

The term loan and revolving line of credit are collateralized by all real, personal and mixed property (including capital units) of the Company. Under the agreement, the Company is required to be in compliance with various financial covenants. The Company was in compliance with these covenants as of March 31, 2019.

The table below summarizes the key terms and outstanding balances of long-term debt as of:

	March 31, 2019	September 30, 2018
Multi-draw term note payable to Goldman Sachs Specialty Lending Group, L.P. and OWM BIP Investor, LLC, secured and bearing interest at 10.0% per annum. The note requires payments of principal and interest, as discussed above, and is due on October 28, 2021	$ 44,104,889	$ 28,604,889
Revolving note payable to Goldman Sachs Specialty Lending Group, L.P. and OWM BIP Investor, LLC, secured and bearing interest at 10.0% per annum. The note requires payments of interest and principal, as discussed above, and is due on October 28, 2021	$ 5,000,000	$ —
Note payable to Rambo Marine, Inc., unsecured and bearing interest at 7.5% per annum. The note requires annual interest payments, with a balloon payment of principal due on July 1, 2020	3,132,500	3,132,500
Note payable to Marina Mikes, LLC, unsecured and bearing interest at 5.0% per annum. The note requires annual interest payments, with a balloon payment of principal due on June 1, 2020	2,125,000	2,125,000

One Water Marine Holdings, LLC and Subsidiaries
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	March 31, 2019	September 30, 2018
Note payable to commercial vehicle lenders secured by the value of the vehicles bearing interest at rates ranging from 1.0% to 6.5% per annum. The note requires monthly installment payments of principal and interest ranging from $261 to $2,230 through October 2021	2,353,673	1,819,071
Note payable to Ocean Blue Yacht Sales, Inc., unsecured and bearing interest at 5.0% per annum. The note requires annual interest payments, with a balloon payment of principal due on February 1, 2022	1,920,000	—
Note payable to Lab Marine, Inc., unsecured and bearing interest at 6.0% per annum. The note requires annual interest payments, with a balloon payment of principal due on March 1, 2021	1,500,000	1,500,000
Note payable to Sunrise Marine, Inc. and Sunrise Marine of Alabama, Inc., unsecured and bearing interest at 6.0% per annum. The note requires annual interest payments, with a balloon payment of principal due on November 1, 2019	1,400,000	1,400,000
Note payable to The Slalom Shop, LLC, unsecured and bearing interest at 5.0% per annum. The note requires annual interest payments with a balloon payment due on December 1, 2021	1,270,000	—
Note payable to Bosun's Marine, Inc., unsecured and bearing interest at 4.5% per annum. The note requires annual interest payments with a balloon payment due on June 1, 2021	1,227,000	1,227,000
Note payable to Rebo, Inc., unsecured and bearing interest at 5.5% per annum. The note requires annual interest payments with a balloon payment due on April 1, 2021. Repayment contingent upon certain performance metrics	1,000,000	1,000,000
Note payable to Texas Marine, Inc., unsecured and bearing interest at 4.5% per annum. The note requires annual interest payments, with a balloon payment of principal due on August 1, 2020	815,000	815,000
Note payable to Lookout Marine, Inc., unsecured and bearing interest at 4.0% per annum. The note requires annual interest payments, with a balloon payment of principal due on August 1, 2019	650,000	650,000
Note payable to Lookout Marine, Inc., unsecured and bearing interest at 4.0% per annum. The note requires annual interest payments, with a balloon payment of principal due on August 1, 2019	488,523	488,523

One Water Marine Holdings, LLC and Subsidiaries
Notes to the Condensed Consolidated Financial Statements
(Unaudited)

	March 31, 2019	September 30, 2018
Note payable to USA Marine Sales, Inc., unsecured and bearing interest at 1.0% per annum. The note requires annual installment payments of principal and interest of $212,743 through April 1, 2019. Repayment contingent upon certain performance metrics	$ 210,627	$ 210,627
	67,197,962	42,972,610
Less current portion	(3,343,950)	(1,890,402)
Less unamortized portion of debt issuance costs	(899,964)	(1,127,805)
	$ 62,954,048	$ 39,954,403

Debt issuance costs are amortized on a straight-line basis over the life of the loan, which approximates the effective interest method. Amortization for the six months ended March 31, 2019 and 2018 amounted to $227,841 and $55,553, respectively, and is included in interest expense.

12 Equity-Based Compensation

The Company accounts for equity-based compensation plans in accordance with the provisions of FASB ASC 718, "*Compensation — Stock Compensation*". Equity-based awards are designed to reward employees for their long-term contributions to the Company and to provide incentives for them to remain with the Company. Valuation models are utilized to value all equity-based compensation. Compensation for awards are measured at fair value on the grant date based on the number of shares expected to vest. The Company recognizes compensation cost for all awards on a straight-line basis over the requisite service period of the award.

The Company has issued Profit in Interests awards to select members of executive management. These awards are for Class B units which represent non-voting units. These awards vest over three to five years and are designed to motivate and retain the executives through long-term performance incentives. Profit in Interests awards are as follows:

	Non-Vested Profits in Interests	Vested Profits in Interests	Weighted Average Grant Date Fair Value Per Share
Balance as of September 30, 2018	3,329	513	$ 349
Granted	—		
Forfeited	—		
Vested	(756)	756	437
Balance as of March 31, 2019	2,573	1,269	$ 349

During the six months ended March 31, 2019, there were no awards granted. There were 756 unit awards which vested during the period with a grant date fair value of $276,468. For the six months ended March 31, 2019, $76,990 was expensed related to equity awards and the Company expects to recognize $443,038 of compensation cost related to non-vested equity awards over a weighted-average period of 1.1 years.

13 Members' Equity

Investor Warrants

On October 28, 2016, the Company entered into equity and debt terms with Goldman Sachs & Co. and OWM BIP Investor, LLC. As part of this transaction, the Company issued 25,000 OneWater LLC common unit warrants in exchange for $979,173. The common unit warrants have a ten-year life from the

date of issuance and provide the holders with a put right after 5 years, or potentially earlier, under certain circumstances. The holders of the warrants maintain full voting rights in OneWater LLC. The common unit warrants can be exercised for $0.0001 per unit in exchange for cash or common units of OneWater LLC. As the common unit warrants may be settled in cash at the election of the holder, the fair value of the common unit warrants has been included in warrant liability in the accompanying consolidated balance sheet.

The Company engaged a third-party valuation specialist to assist management in performing a valuation of the fair value of the common unit warrants outstanding. Accordingly, the warrant liability has been accounted for based on inputs that are unobservable and significant to the overall fair value measurement (Level 3). The valuation considered both a market and a discounted cash flows approach in arriving at the fair value of the common unit warrants. As of March 31, 2019 and September 30, 2018, the fair value of the warrant liability was $59.8 million and $52.2 million, respectively. The Company recognized expenses of $7.6 million and $21.2 million for the six months ended March 31, 2019 and 2018, respectively, and this increase in the fair value was recorded as a change in the fair value of warrants in the accompanying statements of operations.

OneWater LLC Preferred Distribution

During the year ended September 30, 2015, the Company amended the Limited Liability Company Agreement to require a payment to a founding common member in the form of a preferred distribution of $3,752,108 prior to any distributions to common members (including the founding common member that will receive the preferred distribution). This preferred distribution is paid only if and when distributions are declared by the Company's Board of Directors. As of September 30, 2016, the balance of the preferred distribution was $3,752,108.

During the year ended September 30, 2017, the Limited Liability Company Agreement was amended. Under the terms of the amendment, the preferred distribution will accrue interest at the rate of 5.0% per annum, compounded quarterly commencing on December 31, 2016. If and when distributions are declared by the Board of Directors, the preferred distribution shall be paid until the aggregate preferred distribution is reduced to zero. In the event of liquidation, the Company's property shall be distributed among the members to first satisfy any remaining preferred distribution and thereafter in accordance with their ownership interest within 90 days after the event of liquidation.

As of March 31, 2019 and September 30, 2018, the unpaid balance of the preferred distribution was $3,303,858 and $3,398,017, respectively. The 5% cumulative interest on preferred distribution is recognized as distribution when declared by the Board of Directors. As of March 31, 2019 and September 30, 2018, unpaid cumulative interest on preferred distribution was zero.

Non-Controlling Interest

On June 1, 2018, the Company purchased Bosun's Marine, a Massachusetts based boat retailer through its subsidiary BAO. The former owner of Bosun's Marine invested $2,500,000 of the purchase price to obtain a 25.0% ownership interest in BAO, with no voting rights in the subsidiary BAO. The results of operations for Bosun's Marine have been included in the Company's consolidated financial statements from that date and the former owner's minority interest in the subsidiary BAO has been recorded accordingly.

On August 1, 2017, the Company purchased South Shore Marine, an Ohio based boat retailer through its subsidiary SSAO. The former owner of South Shore Marine invested $1,750,000 of the purchase price to obtain a 25.0% ownership interest in SSAO, with no voting rights in the subsidiary SSAO. The results of operations for South Shore Marine have been included in the Company's consolidated financial statements from that date and the former owner's minority interest in the subsidiary SSAO has been recorded accordingly.

One Water Marine Holdings, LLC and Subsidiaries
Notes to the Condensed Consolidated Financial Statements
(Unaudited)

14 Redeemable Preferred Interest in Subsidiary

On September 1, 2016, the Company organized OWAO. As of September 30, 2016, OWAO was not funded. In conjunction with the new investor, OneWater LLC contributed a majority of its assets, including subsidiaries operating all of its retail operations, to OWAO in return for 100,000 common units. Additionally, OWAO issued 68,000 preferred units in OWAO to GS and BIP. The preferred interest has a stated 10.0% rate of return and there is no allocation of profits in excess of the stated return. The preferred interests are not convertible but may be redeemed by the holder after 5 years or upon certain triggering events at face value plus accrued interest.

The Company has classified the redeemable preferred interest as temporary equity in the consolidated balance sheets. The discount on the issuance of the redeemable preferred interest is being accreted to retained common interests as a dividend from the date of issuance through the fifth anniversary of the issuance date.

15 Contingencies and Commitments

Claims and Litigation

The Company is involved in various legal proceedings as either the defendant or plaintiff. Due to their nature, such legal proceedings involve inherent uncertainties including, but not limited to, court rulings, negotiations between the affected parties and other actions. Management assesses the probability of losses or gains for such contingencies and accrues a liability and/or discloses the relevant circumstances as appropriate. In the opinion of management, it is not reasonably probable that the pending litigation, disputes or claims against the Company, if decided adversely, will have a material adverse effect on its financial condition, results of operations or cash flows.

16 Related Party Transactions

In accordance with agreements approved by the Board of Directors of the Company, we purchased inventory, in conjunction with our retail sale of the products, from certain entities affiliated with common members of the Company. For the six months ended March 31, 2019 and 2018, $14,831,352 and $21,519,017, respectively, in total purchases were incurred under these arrangements.

In accordance with agreements approved by the Board of Directors of the Company, certain entities affiliated with common members of the Company receive fees for rent of commercial property. For the six months ended March 31, 2019 and 2018, $1,113,775 and $1,115,289, respectively, in total expenses were incurred under these arrangements.

In accordance with agreements approved by the Board of Directors of the Company, certain entities and individuals affiliated with common members of the Company received fees from the Company for goods and services. For the six months ended March 31, 2019 and 2018, $479,172 and $625,658, respectively, were recorded under these arrangements. Included in these amounts and in connection with our notes payable floor plan financing, our Chief Executive Officer was paid a guarantee fee of $150,000 for the six months ended March 31, 2019 and 2018 for his personal guarantee associated with this arrangement. Also, the Company made payments to certain entities and individuals affiliated with common members of the Company for goods and services. For the six months ended March 31, 2019 and 2018, $50,028 and $90,716, respectively, were recorded under these arrangements.

In connection with transactions noted above, the Company was due certain amounts as recorded within accounts receivable for the six months ended March 31, 2019 and 2018, of $861,092 and $381,021, respectively.

17 Subsequent events

The Company has evaluated events and transactions that occurred between March 31, 2019 and June 21, 2019 which is the date the unaudited interim consolidated financial statements were issued. There were no material subsequent events that require recognition or additional disclosure in the consolidated financial statements except as detailed below.

One Water Marine Holdings, LLC and Subsidiaries
Notes to the Condensed Consolidated Financial Statements
(Unaudited)

The Company maintains an ongoing wholesale marine products inventory financing program with a syndicate of banks and administered by Wells Fargo Commercial Distribution Finance LLC. On April 5, 2019 the Company increased the capacity of the facility to $292,500,000 from $275,000,000, to purchase new and used inventory (boats, engines, and trailers). The other terms and conditions of the facility, including interest rate and covenants, remain unchanged.

On May 1, 2019, the Company expanded the multi-draw term loan with GS and BIP. The maximum available under the facility was increased from $50,000,000 to $60,000,000. The applicable interest rate, maturity, terms, conditions and covenants were unchanged.

On May 1, 2019, the Company purchased Caribee Boat Sales and Marina, Inc. (“Caribee”), a Florida boat retailer and storage facility comprised of a single store. The acquisition expands the Company’s presence in the state of Florida, expands the Company’s product offering and strengthens its market share in a top boating market. The purchase price was $10,337,874 and includes both the retail boat operations and the related real estate.

One Water Marine Holdings, LLC and Subsidiaries

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Members
One Water Marine Holdings, LLC

Opinion on the financial statements

We have audited the accompanying consolidated balance sheets of One Water Marine Holdings, LLC (a Delaware limited liability company) and subsidiaries (the "Company") as of September 30, 2018 and 2017, the related consolidated statements of operations, members' equity, and cash flows for each of the two years in the period ended September 30, 2018, and the related notes (collectively referred to as the "financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of September 30, 2018 and 2017, and the results of its operations and its cash flows for each of the two years in the period ended September 30, 2018, in conformity with accounting principles generally accepted in the United States of America.

Restatement of 2018 and 2017 financial statements

As discussed in Note 21 to the consolidated financial statements, the consolidated financial statements for the years ended September 30, 2018 and 2017 have been restated to correct a misstatement.

Basis for opinion

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

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

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

/s/ GRANT THORNTON LLP

We have served as the Company's auditor since 2017.

Atlanta, Georgia
April 26, 2019

One Water Marine Holdings, LLC and Subsidiaries
Consolidated Balance Sheets

September 30	2018	2017 Restated
Assets		
Current assets:		
Cash	$ 15,345,808	$ 9,662,691
Restricted cash	411,559	7,432
Accounts receivable	10,888,564	5,845,799
Inventories	184,361,296	115,349,860
Prepaid expenses and other current assets	1,507,262	1,189,191
Total current assets	212,514,489	132,054,973
Property and equipment, net	18,586,549	9,356,148
Other assets		
Deposits	347,416	298,616
Identifiable intangible assets	47,732,000	34,712,000
Goodwill	96,180,010	81,925,111
Total other assets	144,259,426	116,935,727
Total assets	$ 375,360,464	$ 258,346,848
Liabilities and Members' Equity		
Current liabilities:		
Accounts payable	$ 6,339,555	$ 5,781,316
Other payables and accrued expenses	9,764,128	4,438,728
Customer deposits	4,198,319	3,201,647
Notes payable - floor plan	157,483,121	97,934,361
Current portion of long-term debt	1,890,402	1,926,375
Total current liabilities	179,675,525	113,282,427
Long-term Liabilities		
Other long-term liabilities	2,486,563	900,000
Warrant liability	52,223,000	19,036,000
Long-term debt, net of current portion and unamortized debt issuance costs	39,954,403	25,359,094
Total liabilities	274,339,491	158,577,521
Redeemable Preferred interest in subsidiary	79,965,097	71,695,134
Members' Equity:		
Members' Equity attributable to One Water Marine Holdings, LLC	15,962,511	26,310,738
Equity attributable to non-controlling interests	5,093,365	1,763,455
Total liabilities and Members' Equity	$ 375,360,464	$ 258,346,848

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

One Water Marine Holdings, LLC and Subsidiaries
Consolidated Statement of Operations

For the years ended September 30	2018 Restated	2017 Restated
Revenues		
New boat sales	$ 398,586,398	$ 250,297,435
Pre-owned boat sales	140,930,595	98,320,366
Finance and insurance income	16,622,594	9,895,986
Service, parts and other sales	46,665,172	32,969,131
Total revenues	602,804,759	391,482,918
Cost of Sales (exclusive of depreciation and amortization shown separately below)		
New boat sales	322,125,936	204,206,722
Pre-owned boat sales	116,457,214	83,115,286
Service, parts and other sales	26,567,920	18,460,223
Total cost of sales	465,151,070	305,782,231
Selling, general and administrative expenses	91,296,806	65,351,234
Depreciation and amortization	1,684,919	1,055,174
Income from operations	44,671,964	19,294,279
Other (income) expense		
Interest expense - floor plan	5,533,977	2,685,826
Interest expense - other	3,836,084	2,265,850
Transaction costs	437,667	327,454
Change in fair value of warrant liability	33,187,000	18,056,827
Other (income) expense	(269,189)	216,821
Total other expense	42,725,539	23,552,778
Net income (loss)	1,946,425	(4,258,499)
Less: Net income attributable to non-controlling interest	829,910	13,455
Net income (loss) attributable to One Water Marine Holdings, LLC	1,116,515	(4,271,954)
Redeemable Preferred interest, dividends and accretion	8,269,963	6,731,901
OneWater LLC Preferred distribution	225,412	128,679
Net loss attributable to common interest holders	$ (7,378,860)	$ (11,132,534)
Loss per unit attributable to common interest holders:		
Basic	$ (97.95)	$ (148.43)
Diluted	$ (97.95)	$ (148.43)
Pro forma loss per unit attributable to common interest holders (unaudited):		
Basic	$	
Diluted	$	

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

One Water Marine Holdings, LLC and Subsidiaries
Consolidated Statements of Members' Equity

	Redeemable Preferred Interest in Subsidiary	Members' Equity			
		Common Interest	OneWater LLC Preferred Distribution	Non-controlling interest in Subsidiary	Total Members' Equity
Balance at September 30, 2016	$ —	$ 80,332,063	$ 3,752,108	$ —	$ 84,084,171
Non-controlling interest in subsidiary	—	—	—	1,750,000	1,750,000
Net (loss) income (restated)	—	(4,271,954)	—	13,455	(4,258,499)
Distributions to members	—	(47,072,847)	(128,679)	—	(47,201,526)
Issuance of redeemable preferred interest in subsidiary, net of issuance costs of $2,057,594	64,963,233	—	—	—	—
Accumulated unpaid preferred returns	6,175,160	(6,175,160)	—	—	(6,175,160)
Accretion of redeemable preferred and issuance costs	556,741	(556,741)	—	—	(556,741)
Equity-based compensation	—	431,948	—	—	431,948
Balance at September 30, 2017 (restated)	$ 71,695,134	$ 22,687,309	$ 3,623,429	$ 1,763,455	$ 28,074,193
Non-controlling interest in subsidiary	—	—	—	2,500,000	2,500,000
Net income (restated)	—	1,116,515	—	829,910	1,946,425
Distributions to members	—	(3,030,091)	(225,412)	—	(3,255,503)
Accumulated unpaid preferred returns	7,737,216	(7,737,216)	—	—	(7,737,216)
Preferred issuance costs	(93,257)	—	—	—	—
Accretion of redeemable preferred and issuance costs	626,004	(626,004)	—	—	(626,004)
Equity-based compensation	—	153,981	—	—	153,981
Balance at September 30, 2018	$ 79,965,097	$ 12,564,494	$ 3,398,017	$ 5,093,365	$ 21,055,876

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

One Water Marine Holdings, LLC and Subsidiaries
Consolidated Statements of Cash Flows

For the year ended September 30	2018 Restated	2017 Restated
Cash flows from operating activities		
Net income (loss)	$ 1,946,425	$ (4,258,499)
Adjustments to reconcile net (loss) income to net cash provided by (used in) operating activities:		
Depreciation and amortization	1,684,919	1,055,174
Equity-based awards	153,981	431,948
Loss on asset disposals	(49,198)	30,653
(Gain) loss on extinguishment of debt	(208,532)	93,635
Change in fair value of long-term warrant liability	33,187,000	18,056,827
Non-cash interest expense	2,441,940	553,592
(Increase) decrease in assets:		
Restricted cash	(404,127)	948,486
Accounts receivable	(4,742,765)	(1,745,382)
Inventories	(39,857,784)	(13,282,877)
Prepaid expenses and other current assets	111,429	(301,728)
Deposits	(48,800)	(50,547)
Increase (decrease) in liabilities:		
Accounts payable	9,002	1,790,735
Other payables and accrued expenses	1,604,504	1,406,680
Customer deposits	(482,450)	1,784,952
Net cash provided by (used in) operating activities	(4,654,456)	6,513,649
Cash flows from investing activities		
Purchases of property and equipment and construction in progress	(10,134,631)	(4,111,846)
Proceeds on disposal of property and equipment	—	61,080
Cash used in Acquisitions	(13,785,105)	(19,253,480)
Net cash used in investing activities	(23,919,736)	(23,304,246)
Cash flows from financing activities		
Net borrowings from floor plan	35,421,450	6,968,162
Net payment (to) from related party	(300,000)	1,569,256
Proceeds from long-term debt	7,045,500	11,464,495
Payments on long-term debt	(3,899,028)	(21,042,728)
Payments of debt issuance costs	(661,853)	(707,201)
Payments of preferred issuance costs	(93,257)	(2,057,594)
Issuance of redeemable preferred interest in subsidiary	—	68,000,000
Distributions to members	(3,255,503)	(47,201,526)
Net cash provided by financing activities	34,257,309	16,992,864
Net increase in cash	5,683,117	202,267
Cash at beginning of period	9,662,691	9,460,424
Cash at end of period	$ 15,345,808	$ 9,662,691
Supplemental cash flow disclosures		
Cash paid for interest	$ 6,928,120	$ 4,398,082
Noncash items		
Acquisition purchase price funded by long-term debt	$ 9,000,000	$ —
Acquisition purchase price funded by seller notes payable	3,042,000	5,025,000
Acquisition purchase price funded by contingent consideration	2,644,272	900,000

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

One Water Marine Holdings, LLC and Subsidiaries
Notes to the Consolidated Financial Statements

1 Description of Company and Basis of Presentation

Description of the Business

One Water Marine Holdings, LLC ("OneWater LLC" or the "Company") was organized as a limited liability company under the law of the State of Delaware in 2014. OneWater LLC does not have revenue generating operations of its own and is dependent on the earnings and cash flows of its operating subsidiaries. After formation of OneWater LLC the assets of Singleton Marine and Legendary Marine were contributed in 2014 in exchange for an equity interest in OneWater LLC. Subsequently, the Company has completed the acquisition of 12 dealer groups comprised of 30 stores, as of September 30, 2018 and operates a total of 53 stores in eleven states, consisting of Alabama, Florida, Georgia, Kentucky, Maryland, Massachusetts, New York, North Carolina, Ohio, South Carolina, and Texas.

The Company is one of the largest recreational boat retailers in the United States. The Company engages primarily in the retail sale, brokerage, and service of new and used boats, motors, trailers, marine parts and accessories and offers slip and storage accommodations in certain locations. The Company also arranges related boat financing, insurance, and extended service contracts for customers with third-party lenders and insurance companies.

Operating results are generally subject to seasonal variations. Demand for products are generally highest during the third and fourth quarters of the fiscal year and, accordingly, revenues are generally expected to be higher during these periods. General economic conditions and consumer spending patterns can negatively impact the Company's operating results. Unfavorable local, regional, national, or global economic developments or uncertainties could reduce consumer spending and adversely affect the Company's business. Consumer spending on discretionary goods may also decline as a result of lower consumer confidence levels, even if prevailing economic conditions are otherwise favorable. Economic conditions in areas in which the Company operates stores, particularly in the Southeast, can have a major impact on the Company's overall results of operations. Local influences, such as corporate downsizing, inclement weather such as hurricanes and other storms, environmental conditions, and other events could adversely affect the Company's operations in certain markets and in certain periods. Any extended period of adverse economic conditions or low consumer confidence is likely to have a negative effect on the Company's business.

Sales of new boats from the Company's top ten manufacturers represents approximately 40.0% of total sales, making them major suppliers of the Company. Of this amount, Malibu Boats, Inc, including its brands Malibu, Axis, Cobalt and Pursuit, accounted for 13.4% of our consolidated revenue, for the fiscal year ended September 30, 2018. No manufacturer accounted for more than 10% of our sales during the fiscal year ended September 30, 2017. Used boats are usually trade-ins from retail customers who are purchasing a boat from the Company. As is typical in the industry, the Company contracts with most manufacturers, under renewable annual dealer agreements, each of which gives the right to sell various makes and models of boats within a given geographic region. Any change or termination of these agreements, or the agreements discussed above, for any reason, or changes in competitive, regulatory, or marketing practices, including rebate or incentive programs, could adversely affect results of operations.

Principles of Consolidation

The consolidated financial statements include the accounts of OneWater LLC and its wholly-owned subsidiaries. Additionally, the Company consolidates two subsidiaries with minority members: South Shore Assets and Operations (SSAO) and Bosun's Assets and Operations (BAO). The Company maintains control over both SSAO and BAO as it has 100.0% voting rights of each entity but only a 75.0% ownership interest. Accordingly, the results of operations of SSAO and BAO have been included in the accompanying consolidated financial statements from the date of their respective acquisition and their minority interest in these subsidiaries has been recorded accordingly. Singleton Assets and Operations

(SAO), Legendary Assets and Operations (LAO), South Florida Assets and Operations (SFAO), Midwest Assets and Operations (MAO), One Water Assets & Operations (OWAO), BAO and SSAO are collectively referred to herein as "the Company". All significant intercompany accounts and transactions have been eliminated in consolidation.

Basis of Financial Statement Preparation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") and reflect the consolidated accounts of OneWater LLC and wholly owned subsidiaries. All intercompany transactions have been eliminated in consolidation. In addition, certain reclassifications of amounts previously reported have been made to the accompanying consolidated financial statements in order to conform to current presentation. The Company operates on a fiscal year basis with the first day of the fiscal year being October 1, and the last day of the year ending on September 30. For ease of presentation, we may refer to the 12 month period ended September 30, 2018 and September 30, 2017 as Fiscal 2018 and Fiscal 2017, respectively. Additionally, since there are no differences between net income and comprehensive income, all references to comprehensive income have been excluded from the consolidated financial statements.

Unaudited Pro Forma Net Loss Per Unit Attributable to Common Interest Holders

Unaudited pro forma basic and diluted net loss per share has been computed to give effect of an additional shares of common stock that would have been required to be issued to generate sufficient proceeds to fund the cash payment of current year dividends in excess of net income.

2 Summary of Significant Accounting Policies

Cash

At times the amount of cash on deposit may exceed the federally insured limit of the bank. Deposit accounts at each of the institutions are insured up to $250,000 by the Federal Deposit Insurance Corporation (FDIC). At September 30, 2018 and 2017, the Company exceeded FDIC limits at various institutions by approximately $12,639,000 and $6,972,000, respectively. The Company has not experienced any losses in such accounts and believes there is little to no exposure to any significant credit risk.

Restricted Cash

Restricted cash relates to amounts collected for pre-owned sales, in certain states, which are held in escrow on behalf of the respective buyers and sellers for future purchases of boats. Total customers deposits are shown as a liability on the consolidated balance sheets. These liabilities are more than the applicable restricted cash balances because in certain states the deposits are not restricted from use.

Fair Value of Financial Instruments

The Company's financial instruments include cash, accounts receivable, accounts payable, other payables and accrued expenses and debt. The carrying values of cash, accounts receivable, accounts payable and other payables and accrued expenses approximate their fair values due to their short-term nature. The carrying value of debt approximates its fair value due to the debt agreements bearing interest at rates that approximate current market rates for debt agreements with similar maturities and credit quality.

Inventories

Inventories are stated at the lower of cost or net realizable value. The cost of the new and used boat inventory is determined using the specific identification method. In assessing lower of cost or net realizable value the Company considers the aging of the boats, historical sales of a brand and current market conditions. The cost of parts and accessories is determined using the weighted average cost method.

Vendor Consideration Received

Consideration received from vendors is accounted for in accordance with FASB Accounting Standards Codification 605-50, "*Revenue Recognition - Customer Payments and incentives*" ("ASC 605-50"). Pursuant to ASC 605-50, manufacturer incentives based upon cumulative volume of sales and purchases are recorded when the amounts are probable and reasonably estimable and recorded as a reduction of inventory cost and related cost of sales. Pursuant to ASC 605-50, amounts received by us under our co-op assistance programs from our manufacturers are netted against related advertising expenses.

Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation. Depreciation of property and equipment is calculated using a straight-line method over the estimated useful lives. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Maintenance and repairs are charged to expense as incurred. Leasehold improvements are amortized over the shorter of the lease period or the estimated useful lives. The estimated useful lives of assets are as follows:

	Years
Automobiles and trucks	5
Buildings and improvements	10-39
Leasehold improvements	15
Machinery and equipment	5-7
Office equipment	5-7

Expenditures for property and equipment or additions and major improvements that extend the useful life of assets are capitalized. Minor replacements, maintenance and repairs which do not extend the useful life of an asset are expensed as incurred. Property and equipment is reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. Management believes there are no long-lived assets which are considered to be impaired at September 30, 2018 and 2017.

The carrying value of property and equipment and other long-term assets (other than goodwill and indefinite life intangible assets) is evaluated for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. If such an indication is present, the carrying amount of the asset is compared to the estimated undiscounted cash flows related to that asset. The Company would conclude that an asset is impaired if the sum of such expected future cash flows is less than the carrying amount of the related asset. If an asset is impaired, the impairment loss would be the amount by which the carrying amount of the related asset exceeds its fair value.

Lease Commitments

The Company leases certain land, buildings, machinery, equipment, wet slips and vehicles related to its dealership's operations under third-party operating leases. Certain leases include provisions for renewal periods and rent escalations. Rent expense under these agreements and month-to-month rentals were recognized on a straight-line basis and totaled approximately $8,032,000 and $5,956,000 for the fiscal years ended September 30, 2018 and 2017, respectively.

Goodwill and Other Identifiable Intangible Assets

Goodwill and intangible assets are accounted for in accordance with FASB Accounting Standards Codification 350, "*Intangibles - Goodwill and Other*" ("ASC 350"), which provides that the excess of cost over the fair value of the net assets of businesses acquired is recorded as goodwill. For the years ended September 30, 2018 and 2017 the Company completed a combined total of seven acquisitions and recorded $14.3 million and $10.0 million in goodwill, and $13.0 million and $13.0 million in intangible assets, respectively. In total, current and previous acquisitions have resulted in the recording of $96.2 million in goodwill and $47.7 million in intangible assets.

In accordance with ASC 350, goodwill and indefinite lived intangible assets are tested for impairment at least annually, or more frequently when events or circumstances indicate that impairment might have occurred. ASC 350 also states that if an entity determines, based on an assessment of certain qualitative factors, that it is more likely than not that the fair value of a reporting unit is greater than its carrying amount, then a quantitative goodwill impairment test is unnecessary.

In January 2017, the FASB issued ASU 2017-04, "*Simplifying the Test for Goodwill Impairment*," that removes the step two of the goodwill impairment test, which requires a hypothetical purchase price allocation. Under the new guidance, a goodwill impairment is now the amount by which a reporting unit's carrying value exceeds its fair value. The guidance is effective for annual and interim periods in fiscal years beginning after December 15, 2019 with early adoption permitted for any goodwill impairment tests performed after January 1, 2017. We early adopted ASU 2017-04 and the guidance has been applied for all goodwill impairment tests performed after January 1, 2017. We early adopted ASU 2017-04 and the guidance has been applied for all goodwill impairment tests performed after January 1, 2017.

The Company engaged a valuation specialist to assist management in performing a qualitative assessment used in testing goodwill for impairment. Based on this assessment, management concluded that it was more likely than not that the fair value of the reporting unit was greater than its carrying amount at September 30, 2018 and 2017. As a result, no impairment for goodwill was required for the years ended September 30, 2018 and 2017.

Sales Tax

The Company collects sales tax on all of the Company's sales to nonexempt customers and remits the entire amount to the states that imposed the sales tax on and concurrent with specific sales transactions. The Company's accounting policy is to exclude the tax collected and remitted to the states from revenues and cost of sales.

Advertising Costs

We expense advertising and promotional costs as incurred and include them in selling, general, and administrative expenses in the accompanying consolidated statements of operations. Pursuant to ASC 605-50, we net amounts received under our co-op assistance programs from our manufacturers against the related advertising expenses. Advertising costs are expensed as incurred. Total advertising costs for the years ended September 30, 2018 and 2017, were approximately $4,800,000 and $3,655,000, net of related co-op assistance of approximately $789,000 and $305,000, respectively.

Equity-Based Compensation

Equity-based compensation plans are accounted for following the provisions of FASB Accounting Standards Codification 718, "*Compensation — Stock Compensation*" ("ASC 718"). Equity-based awards are designed to reward employees for their long-term contributions to the Company and to provide incentives for them to remain with the Company. Valuation models are used to value all equity-based compensation. Compensation for awards is measured at fair value on the grant date based on the number of shares expected to vest. The Company recognizes compensation cost for all awards on a straight-line basis over the requisite service period of the award.

Revenue Recognition

Revenue is recognized from the sale of products and commissions earned on new and pre-owned boats (including used, brokerage and consignment) when ownership is transferred to the customer. Revenue from new, used and consignment sales is recorded at the gross sales price, while revenue from brokerage transactions is recorded on a net basis. Revenue from sales of parts, accessories, and supplies is recognized when they are delivered to the customer. Service revenue, including repairs under manufacturers' warranties, is recognized when the customer accepts the serviced boat. Deferred revenue from storage and marina operations on a straight-line basis over the term of the contract as services are

completed. Revenue from arranging financing, insurance and extended warranty contracts to customers through various third-party financial institutions and insurance companies is recognized when the related boats are sold. A chargeback fee may be assessed in the event of an early cancellation of a loan or insurance contract by the customer. The Company does not currently maintain a chargeback reserve as these amounts are not material to the consolidated financial statements taken as a whole. Deposits received from customers are recorded as a liability on the balance sheet until the related sales orders have been fulfilled by the Company.

Per Share Data

Basic earnings (loss) per common interest is computed by dividing net income (loss) attributable to common interest holders by the weighted-average common units outstanding during the period. Diluted earnings (loss) per common interest is computed by dividing net earnings (loss) attributable to common interest holders by the weighted-average common units and common unit equivalents outstanding during the period. Earnings (loss) attributable to common interest holders reflects accretion of redeemable preferred interest in subsidiary, dividends and issuance costs.

The following table illustrates the dilutive effect of profits in interest unit agreements and common warrants outstanding:

	2018	2017
Common units outstanding	75,333	75,000
Weighted average common unit equivalents outstanding	28,371	25,379
Diluted common unit equivalents	103,704	100,379

For the fiscal years ended September 30, 2018 and 2017, the diluted common unit equivalents were not utilized in calculating loss per unit attributable to common interest holders as the impact would be anti-dilutive.

Income Taxes

No provision for income taxes is made in the accompanying consolidated financial statements since the Company, as a limited liability company (LLC), is treated as a partnership for federal and state income tax purposes whereby the members are responsible for recording their proportionate share of the Company's income or loss in their tax returns.

Management does not believe there are any uncertain tax positions as defined by FASB Accounting Standards Codification (ASC) 740, "*Income Taxes*", at September 30, 2018 and 2017.

The Company could be subject to income tax examinations for its U.S. federal and state income tax returns for the current tax year and previous filings for tax years 2017, 2016, and 2015, which are still open under the statute of limitations.

Loan costs

The Company accounts for its loan costs in accordance with FASB ASU No. 2015-03, "*Interest-Imputation Subtopic (835-30): Simplifying the Presentation of Debt Issuance Costs*", which requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction of the carrying amount of that debt liability.

Loan closing costs are amortized to interest expense on a straight-line basis over the life of the loan, which approximates the effective interest method.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of

revenues and expenses during the periods presented. Actual results could differ materially from these estimates. Estimates and assumptions are reviewed periodically, and the effects of any revisions are reflected in the consolidated financial statements in the period they are determined to be necessary. Significant estimates made in the accompanying consolidated financial statements include, but are not limited to, those relating to inventory mark downs, certain assumptions related to intangible and long-lived assets, share based compensation, fair value of warrants and accruals for expenses relating to business operations.

Segment Information

As of September 30, 2018, and 2017, the Company had one operating segment. The marine retail segment consists of retail boat dealerships offering the sale of new and pre-owned boats, arrangement of finance and insurance products, performance of repair and maintenance services and offers marine related parts and accessories. The marine retail business has discrete financial information and is regularly reviewed by the Company's chief operating decision maker (CODM) to assess performance and allocate resources. The Company has identified its Chief Executive Officer as its CODM and has determined its marine retail operating segment is its reporting unit and is also the reportable segment.

3 New Accounting Pronouncements

As an "emerging growth company" ("EGC"), the Jumpstart Our Business Startups Act ("JOBS Act") allows the Company to delay adoption of new or revised accounting pronouncements applicable to public companies until such pronouncements are made applicable to private companies. The Company has elected to use this extended transition period under the JOBS Act. The adoption dates discussed below reflects this election.

In May 2014, the FASB issued Accounting Standards Update ("ASU") No. 2014-09, "*Revenue from Contracts with Customers (Topic 606)"* ("ASU 2014-09"), as subsequently amended, a converged standard on revenue recognition. The new pronouncement requires revenue recognition to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The guidance also specifies the accounting for some costs to obtain or fulfil a contract with a customer, as well as enhanced disclosure requirements. ASU 2014-09 is effective for a public company's annual reporting periods beginning after December 15, 2017. As an EGC the Company has elected to adopt ASU 2014-09 following the effective dates for private companies beginning with annual reporting periods beginning after December 15, 2018, including interim reporting periods within that reporting period. The Company is currently in the process of evaluating the effects of this pronouncement on its consolidated financial statements, related disclosures and internal controls over financial reporting. The Company plans to adopt ASU 2014-09 in the first quarter of fiscal year 2020.

In February 2016, the FASB issued ASU 2016-02, "*Leases (Topic 842)*" ("ASU 2016-02"). This update requires organizations to recognize lease assets and lease liabilities on the balance sheet and discloses key information about leasing arrangements. ASU 2016-02 is effective for a public company's annual reporting periods beginning on or after December 15, 2018, and interim periods within those annual periods. As an EGC the Company has elected to adopt ASU 2016-02 following the effective dates for private companies beginning with annual reporting periods beginning after December 15, 2019, including interim reporting periods within that reporting period, earlier application is permitted. The Company is currently in the process of evaluating the effects of this pronouncement on its consolidated financial statements, related disclosures and internal controls over financial reporting. The Company plans to adopt ASU 2016-02 in the first quarter of fiscal year 2021 and expects the adoption of ASU 2016-02 to have a significant and material impact on the consolidated balance sheet given the current lease agreements for the Company's stores. Based on the current assessment, it is expected that most of the operating lease commitments will be subject to the new guidance and recognized as operating lease liabilities and right-of use assets upon adoption, resulting in a material increase in the assets and liabilities recorded on the consolidated balance sheet. The Company is continuing its assessment, which may

identify additional impacts this standard will have on the consolidated financial statements and related disclosures and internal control over financial reporting.

In March 2016, the FASB issued ASU 2016-09, "*Compensation – Stock Compensation (Topic 718)*" ("ASU 2016-09"). This update is part of the FASB's Simplification Initiative. The objective of the Simplification Initiative is to identify, evaluate, and improve areas of GAAP for which cost and complexity can be reduced while maintaining or improving the usefulness of the information provided to users of financial statements. This guidance is effective for public companies prospectively for fiscal years beginning after December 15, 2017, with early adoption permitted for any interim or annual periods. As an EGC the Company has elected to early adopt ASU 2016-09, reflecting the adoption for all periods presented.

In August 2016, the FASB issued ASU 2016-15, "*Statement of Cash Flows (Topic 230)*" ("ASU 2016-15"). Additionally, in November 2016, the FASB issued ASU 2016-18, "*Statement of Cash Flows (Topic 230)*" ("ASU 2016-18"). These updates require organizations to reclassify certain cash receipts and cash payments within the Statement of Cash Flows and modify the classification and presentation of restricted cash. These ASU's are effective for a public company's annual reporting periods beginning on or after December 15, 2017, and interim periods within those annual periods. As an EGC, the Company has elected to adopt these ASU's following the effective dates for private companies beginning with annual reporting periods beginning after December 15, 2018, including interim reporting periods within that reporting period. The Company is currently in the process of evaluating the effects of this pronouncement on its consolidated financial statements, related disclosures and internal controls over financial reporting. The Company plans to adopt ASU 2016-15 and ASU 2016-18 in fiscal 2021.

In January 2017, the FASB issued ASU 2017-01, "*Business Combinations (Topic 805)*" ("ASU 2017-01"). This update clarifies the definition of a business with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. The definition of a business affects many areas of accounting including acquisitions, disposals, goodwill, and consolidation. As an EGC the Company has elected to adopt ASU 2017-01 following the effective dates for private companies beginning with annual reporting periods beginning after December 15, 2018, including interim reporting periods within that reporting period. The Company is currently in the process of evaluating the effects of this pronouncement on its consolidated financial statements, related disclosures and internal controls over financial reporting. The Company plans to adopt ASU 2017-01 in the first quarter of fiscal year 2020.

In January 2017, the FASB issued ASU 2017-04, "*Simplifying the Test for Goodwill impairment (Topic 350)*" ("ASU 2017-04"). This update removes the requirement to compare the implied fair value of goodwill with its carrying amount as part of step 2 of the goodwill impairment test. As a result, under ASU 2017-04, an entity should perform its annual, or interim, goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount and should recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value; however, the impairment loss recognized should not exceed the total amount of goodwill allocated to that reporting unit. This guidance is effective for public companies prospectively for fiscal years beginning after December 15, 2019. Early adoption is permitted for interim or annual goodwill impairment tests performed after January 1, 2017. As an EGC the Company has elected to early adopt ASU 2017-04 with annual impairment tests performed after January 1, 2017.

4 Investors

On October 28, 2016, the Company entered into equity and debt terms with Goldman Sachs & Co. (GS) and OWM BIP Investor, LLC (BIP). The Company issued 68,000 shares of preferred units, in its wholly owned subsidiary OWAO, in exchange for $67,020,827 in cash consideration. Additionally, the Company issued 25,000 OneWater LLC common unit warrants in exchange for $979,173 in cash consideration. The proceeds were used to repay $20,433,261 in outstanding notes payable, $2,210,562 in line of credit borrowings, $1,000,000 in related party payables and $41,344,532 in equity distributions to the members of the Company, net of $1,500,000 in satisfaction of a related party advance. In

completing the transaction, the Company incurred costs related to the equity syndication of $2,057,594 and debt issuance costs of $865,960. The remaining funds were held by the Company for working capital use.

As part of the transaction the Company entered into a $20,000,000 multi-draw term loan. The loans are subject to an applicable interest rate of 10.0% per annum. The multi-draw term loan shall be repaid in equal consecutive quarterly payments in the annual amount equal to 5.0% of the aggregate principal amount outstanding immediately prior to December 31, 2019. The loans mature on October 28, 2021 and the full principal and loan balance is due in full on that date. The combined loan is subject to an excess cash flow provision in which the loan amount shall be paid down by the excess cash flow starting for the fiscal year ending September 30, 2017. The loan is collateralized by all real, personal and mixed property (including capital units) of the Company.

On February 1, 2018, the Company expanded the multi-draw term loan with GS and BIP. The maximum available under the facility was increased from $20,000,000 to $50,000,000. The applicable interest rate, maturity, terms, conditions and covenants were unchanged.

Under the agreement, the Company is required to be in compliance with various financial covenants. The Company was in compliance with these covenants as of September 30, 2018 and 2017.

5 Acquisitions

In the years ended September 30, 2018 and 2017, the Company has completed acquisitions of multiple retail boat dealer groups in the United States. The results of operations of acquisitions are included in the accompanying financial statements from the acquisition date forward. The purchase price of acquisitions was allocated to identifiable tangible assets and intangible assets acquired based on their estimated fair values at the acquisition date, with the excess being allocated to goodwill. Costs related to acquisitions are included in transaction costs and primarily relate to legal, accounting, and valuation fees, which are charged directly to operations in the accompanying consolidated statements of operations as incurred in the amount of $437,667 and $327,454 for the years ended September 30, 2018 and 2017, respectively.

The following unaudited pro forma results of operations for the fiscal years ended September 30, 2018 and 2017 assumes that the all 2018 and 2017 acquisitions were completed on October 1, 2016.

	2018	2017
Pro forma revenues	$ 654,050,759	$ 545,565,945
Pro forma net loss attributable to common interest holders	(5,355,448)	(6,501,145)
Pro forma loss per share:		
Basic	$ (71.09)	$ (86.68)
Diluted	$ (71.09)	$ (86.68)

Included in our results for the fiscal year ended September 30, 2018, the 2018 acquisitions contributed $68.4 million to our consolidated revenue and $6.1 million to our net income, respectively. Included in our results for the fiscal year ended September 30, 2017, the 2017 acquisitions contributed $87.5 million to our consolidated revenue and $1.6 million to our net income, respectively.

Acquisitions completed during the year ended September 30, 2018:

On February 1, 2018, the Company purchased substantially all the assets of Texas Marine (“Texas Marine”), a Texas based boat retailer. The acquisition expands the Company’s presence in the state of Texas, expands the Company’s product offering and strengthens its market share in a top boating market. The purchase price was $11,809,230, with $8,349,958 paid at closing, $815,000 financed through a note payable to the seller bearing interest at a rate of 4.5% per year and an estimated payment of contingent consideration of $2,644,272. The estimated contingent consideration is based on the performance of the acquired assets. The amount of contingent consideration has been included in other payables and

accrued expenses and other long-term liabilities. The note is payable in one lump sum three years from the closing date, with interest payments due quarterly.

The table below summarizes the fair values of the assets acquired at the acquisition date, including the goodwill recorded as a result of this transaction.

Assets acquired		
Boat Inventory	$	9,713,481
Parts Inventory		430,819
Prepaid expenses		198,147
Property and equipment		148,625
Identifiable intangible assets		3,777,000
Goodwill		6,886,249
Total assets acquired	$	21,154,321
Liabilities		
Accounts Payable	$	371,254
Customer deposits		245,366
Accrued expenses		242,151
Notes payable - floor plan financing		8,486,320
Total liabilities assumed		9,345,091
Net assets acquired	$	11,809,230
Consideration exchanged		
Cash paid to seller ($8.0 million funded by long-term debt)	$	8,349,958
Seller's contingent liability		2,644,272
Seller's note payable		815,000
Total consideration exchanged	$	11,809,230

On April 1, 2018, the Company purchased substantially all the assets of Spend-A-Day Marina (“Spend-A-Day”), an Ohio based boat retailer. The acquisition expands the Company’s presence in the state of Ohio and expands its product offering. The purchase price was $7,664,963, with $6,664,963 paid at closing and $1,000,000 financed through a note payable to the seller bearing interest at a rate of 5.5% per year. The note is payable in one lump sum three years from the closing date, with interest payments due quarterly.

The table below summarizes the fair values of the assets acquired at the acquisition date, including the goodwill recorded as a result of this transaction.

Assets acquired		
Inventory	$	6,214,059
Parts		376,813
Prepaid expenses		98,451
Property and equipment		459,096
Identifiable intangible assets		4,568,000
Goodwill		1,000,250
Total assets acquired	$	12,716,669
Liabilities		
Customer deposits	$	369,514
Accrued and other expenses		86,185
Notes payable - floor plan financing		4,596,007
Total liabilities assumed		5,051,706
Net assets acquired	$	7,664,963
Consideration exchanged		
Cash paid to seller ($1.0 million funded by long-term debt)	$	6,664,963
Seller's note payable		1,000,000
Total consideration exchanged	$	7,664,963

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On June 1, 2018, the Company purchased substantially all the assets of Bosun's Marine, ("Bosun's"), a Massachusetts based boat retailer through its subsidiary BAO. The acquisition expands the Company's presence to include the state of Massachusetts and expands its product offering. The former owners of Bosun's invested $2,500,000 of the purchase price to obtain a 25.0% ownership interest in the subsidiary BAO. The Company maintains control over BAO as it has 100.0% of the voting rights of the entity but only a 75.0% ownership interest. The purchase price was $9,207,895 subject to a working capital adjustment, with $6,707,895 cash consideration paid at closing and $2,500,000 reinvested in BAO. Additionally, the purchase agreement contained an earnout provision whereby an additional payment was due should BAO's operating results exceed a threshold. The operations exceeded the threshold and an additional payment of $1,227,000 is due the seller. The earnout payment is to be repaid in the form of a sellers note payable bearing interest at 4.5%. The note is payable in one lump sum three years from the closing date, with interest payments due quarterly.

The table below summarizes the fair values of the assets acquired at the acquisition date, including the goodwill recorded as a result of this transaction.

Assets acquired		
Boat Inventory	$	11,900,405
Parts inventory		518,075
Prepaid expenses		132,902
Property and equipment		123,770
Identifiable intangible assets		4,675,000
Goodwill		6,368,400
Total assets acquired	$	23,718,552
Liabilities		
Accounts payable	$	177,983
Customer deposits		864,242
Accrued and other expenses		134,160
Notes payable - floor plan financing		11,044,983
Total liabilities assumed		12,221,368
Net assets acquired	$	11,497,184
Consideration exchanged		
Cash paid to seller	$	7,770,184
Seller note payable		1,227,000
Non-controlling interest in BAO		2,500,000
Total consideration exchanged	$	11,497,184

Acquisitions completed during the year ended September 30, 2017:

On November 1, 2016, the Company purchased Destin Sunrise Marine, Inc. and Sunrise Marine of Alabama, Inc. ("Sundance Marine"), a Florida and Alabama boat retailer. The acquisition expands the Company's presence in North Florida and Alabama, expands the Company's product offering and strengthens its market share in a top boating market. The purchase price was $6,852,321, with $5,452,321 paid at closing, $1,400,000 financed through a note payable to the seller bearing interest at a rate of 6.0% per year. The note is payable in one lump sum three years from the closing date, with interest payments due quarterly.

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The table below summarizes the fair values of the assets acquired at the acquisition date, including the goodwill recorded as a result of this transaction.

Assets acquired		
Inventory	$	5,535,616
Property and equipment		52,932
Identifiable intangible assets		3,574,000
Goodwill		2,513,066
Total assets acquired	$	11,675,614
Liabilities		
Notes payable - floor plan financing	$	4,823,293
Total liabilities assumed		4,823,293
Net assets acquired	$	6,852,321
Consideration exchanged		
Cash paid to seller	$	5,452,321
Seller's note payable		1,400,000
Total consideration exchanged	$	6,852,321

On December 1, 2016, the Company purchased Marina Mike's, LLC. ("Marina Mikes"), a Florida boat retailer. The acquisition establishes a presence on the west coast of Florida, expands the Company's product offering and positions in a top boating market. The purchase price was $4,544,315, with $2,419,315 paid at closing and $2,125,000 financed through a note payable to the seller bearing interest at a rate of 5.0% per year. The note is payable in one lump sum forty two months from the closing date, with interest payments due quarterly.

The table below summarizes the fair values of the assets acquired at the acquisition date, including the goodwill recorded as a result of this transaction.

Assets acquired		
Inventory	$	5,215,650
Property and equipment		1,260,188
Identifiable intangible assets		1,577,000
Goodwill		1,412,812
Total assets acquired	$	9,465,650
Liabilities		
Notes payable - floor plan financing	$	4,921,335
Total liabilities assumed		4,921,335
Net assets acquired	$	4,544,315
Consideration exchanged		
Cash paid to seller	$	2,419,315
Seller's note payable		2,125,000
Total consideration exchanged	$	4,544,315

On March 1, 2017, the Company purchased Lab Marine, Inc, d/b/a Grande Yachts ("Grande Yachts"), a recreational boat retailer. With the acquisition the Company enters into the Northeastern

boating market and expands its presence on the east coast of Florida, expands the Company's product offering and strengthens its market share in a top boating market. The purchase price was $7,853,997, subject to a working capital adjustment, with $5,453,997 cash consideration paid at closing, $900,000 financed through a contingent payment (included in other long-term liabilities) to seller, $1,500,000 financed through a note payable to the seller bearing interest at a rate of 6.0% per year with the outstanding principal balance due after four years.

The table below summarizes the fair values of the assets acquired at the acquisition date, including the goodwill recorded as a result of this transaction.

Assets acquired		
Inventory	$	11,358,177
Property and equipment		64,455
Identifiable intangible assets		3,658,000
Goodwill		3,781,045
Total assets acquired	$	18,861,677
Liabilities		
Notes payable - floor plan financing	$	11,007,680
Total liabilities assumed		11,007,680
Net assets acquired	$	7,853,997
Consideration exchanged		
Cash paid to seller	$	5,453,997
Seller's contingent liability		900,000
Seller's note payable		1,500,000
Total consideration exchanged	$	7,853,997

On August 1, 2017, the Company purchased South Shore Marine Services, Inc., ("South Shore Marine"), an Ohio based boat retailer through its subsidiary SSAO. The acquisition provides an entrance into the state of Ohio, expands the Company's product offering and establishes a presence in the Mid-West boating market. The former owners of South Shore Marine invested $1,750,000 of the purchase price to obtain a 25% ownership interest in the subsidiary SSAO. The Company maintains control over SSAO as it has 100.0% of the voting rights of the entity but only a 75.0% ownership interest. The purchase price was $7,677,848, subject to a working capital adjustment, with $5,677,848 cash consideration paid at closing, $1,750,000 reinvested in SSAO and $250,000 holdback to settle working capital adjustments.

The table below summarizes the fair values of the assets acquired at the acquisition date, including the goodwill recorded as a result of this transaction.

Assets acquired		
Accounts receivable	$	173,621
Prepaid expenses		115,387
Inventory		4,952,285
Property and equipment		573,315
Identifiable intangible assets		4,223,000
Goodwill		2,278,685
Total assets acquired	$	12,316,293
Liabilities		
Accounts payable and accrued expenses	$	122,538
Customer deposits		196,460
Notes payable - floor plan financing		4,319,447
Total liabilities assumed		4,638,445
Net assets acquired	$	7,677,848
Consideration exchanged		
Cash paid to seller	$	5,677,848
Holdback for working capital adjustments		250,000
Non-controlling interest in SSAO		1,750,000
Total consideration exchanged	$	7,677,848

6 Accounts Receivable

The accounts receivable balance at September 30, 2018 and 2017, represents trade and other receivables. Accounts receivable primarily consists of contracts in transit. These amounts represent anticipated funding from the loan agreement customers execute at the store when they purchase their new or preowned boat. These finance contracts are typically funded within 30 days. Trade receivables include amounts due from customers on the sale of boats, parts, service, and storage. Amounts due from manufacturers represent receivables for various manufacturer incentive programs and parts and service work performed pursuant to the manufacturers' warranties.

Accounts Receivable consisted of the following at September 30:

		2018		2017
Contracts in transit	$	5,449,296	$	2,435,530
Trade and other accounts receivable		3,518,646		1,986,568
Manufacturer receivable		1,920,622		1,423,701
Total accounts receivable	$	10,888,564	$	5,845,799

As of September 30, 2018 and 2017, all accounts receivable amounts are deemed collectible. Management closely monitors outstanding accounts receivable for collectability based on the age of the receivable and the history of past collections and will write off any balances that are considered to be uncollectable. Historically, these amounts were immaterial and as a result the Company does not maintain an allowance for doubtful accounts.

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7 Inventories

Inventories consisted of the following at September 30:

	2018	2017
New vessels	$ 158,909,427	$ 98,132,149
Used vessels	18,855,811	12,677,416
Work in process, parts and accessories	6,596,058	4,540,295
Total inventories	$ 184,361,296	$ 115,349,860

8 Property and Equipment

Property and equipment consisted of the following as of September 30:

	2018	2017
Land	$ 4,639,860	$ 1,066,000
Buildings and improvements	2,401,752	336,438
Leasehold improvements	3,558,017	1,802,461
Machinery and equipment	3,836,707	2,565,442
Office equipment	2,757,749	1,706,706
Automobiles and trucks	3,218,675	3,008,674
Construction in progress	1,255,952	361,450
	21,668,712	10,847,171
Less accumulated depreciation	(3,082,163)	(1,491,023)
	$ 18,586,549	$ 9,356,148

For the years ended September 30, 2018 and 2017, depreciation and amortization expense totaled $1,684,919 and $1,055,147, respectively.

9 Identifiable Intangible Assets

Intangible assets are initially measured at fair value on the date of an acquisition and consisted of the following at September 30:

	Intangibles
Balance as of September 30, 2016	$ 21,680,000
Intangibles acquired during the year	13,032,000
Balance as of September 30, 2017	$ 34,712,000
Intangibles acquired during the year	13,020,000
Balance as of September 30, 2018	$ 47,732,000

Identifiable intangible assets consist of trade names related to the acquisitions the Company has completed. It has been determined that trade names have an indefinite life, as there is no economic, contractual or other factors that limit their useful lives and they are expected to generate value as long as the trade name is utilized by the dealer group.

Identifiable intangibles are deemed to have indefinite lives and therefore are not subject to amortization. The Company reviews intangible assets for impairment annually in the fourth quarter, or more often if events or circumstances indicate that impairment may have occurred. Financial statement risk exists to the extent identifiable intangibles become impaired due to the decrease in the fair value of the identifiable assets.

10 Goodwill

Goodwill is initially measured at fair value on the date of an acquisition and consisted of the following at September 30:

	Goodwill
Balance as of September 30, 2016	$ 71,927,359
Goodwill acquired during the year	9,997,752
Balance as of September 30, 2017	$ 81,925,111
Goodwill acquired during the year	14,254,899
Balance as of September 30, 2018	$ 96,180,010

Goodwill is recognized to the extent that the purchase price of the acquisition exceeds the estimated fair value of the net assets acquired, including other identifiable intangible assets. Goodwill is an asset representing operational synergies and future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. In accordance with ASC 350, goodwill is tested for impairment at least annually, or more frequently when events or circumstances indicate that impairment might have occurred.

The Company reviews goodwill for impairment annually in the fourth quarter, or more often if events or circumstances indicate that impairment may have occurred. The Company has elected to early adopt ASU 2017-04, accordingly, in evaluating goodwill for impairment, if the fair value of a reporting unit is less than its carrying value, the difference would represent the amount of required goodwill impairment. To the extent the reporting unit's earnings decline significantly or there are changes in one or more of these inputs that would result in a lower valuation, it could cause the carrying value of the reporting unit to exceed its fair value and thus require OneWater LLC to record goodwill impairment. The Company engaged a valuation specialist to assist management in performing a qualitative assessment used in testing goodwill for impairment. Based on this assessment, management concluded that it was more likely than not that the fair value of the reporting unit was greater than its carrying amount at September 30, 2018 and 2017. As a result, no impairment for goodwill was required for the years ended September 30, 2018 and 2017.

11 Other Payables and Accrued Expenses

Other payables and accrued expenses consisted of the following at September 30:

	2018	2017
Payroll accrual	$ 3,406,897	$ 1,796,675
Sales taxes payable	1,430,610	832,503
Other payables and accrued expenses	1,096,120	1,255,958
Acquisition contingent consideration	1,057,709	—
Accrued interest	2,772,792	553,592
	$ 9,764,128	$ 4,438,728

12 Notes Payable — Floor Plan

The Company maintains an ongoing wholesale marine products inventory financing program with a syndicate of banks and administered by Wells Fargo Commercial Distribution Finance, LLC (Wells Fargo). The facility provides a capacity of $275,000,000 and $200,000,000, to purchase new and used inventory (boats, engines, and trailers), as of September 30, 2018 and 2017, respectively. The outstanding balance of the facility was $157,483,121 and $97,934,361, as of September 30, 2018 and 2017, respectively. Interest on new boats is calculated using the one month LIBOR rate plus an applicable margin of 2.75% to 5.00% depending on the days the boat has been in inventory. Interest on used boats is calculated at the new boat rate plus 0.25%. Wells Fargo will finance 100.0% of the vendor invoice price for new boats,

engines and trailers. The advances are subject to a curtailment payment of 2.0% at 270 days and an additional 2.0% each month thereafter. All boats and engines are on a pay as sold program. Trailers are on a scheduled liquidation program and are paid in 1/3 increments at 90, 120 and 150 days on inventory. All unsold financed units are held as collateral.

13 Long-term Debt and Line of Credit

As part of the transaction with GS and BIP, the Company entered into a $20,000,000 multi-draw term loan. The loans are subject to an applicable interest rate of 10.0% per annum. The multi-draw term loan is also subject to a 0.5% unused line fee. The multi-draw term loan shall be repaid in equal consecutive quarterly payments in the annual amount equal to 5.0% of the aggregate principal amount outstanding immediately prior to December 31, 2019. The loan matures on October 28, 2021 and the full principal and any accrued unpaid interest is due in full on that date.

On February 1, 2018, the Company expanded the multi-draw term loan with GS and BIP. The maximum available under the facility was increased from $20,000,000 to $50,000,000. The applicable interest rate, maturity, terms, conditions and covenants were unchanged.

As part of the transaction with GS and BIP, the Company entered into a $5,000,000 revolving line of credit. Advances on the line are subject to an applicable interest rate of 10.0% per annum. Repayments on the revolving line of credit can be made at any time. The loan matures on October 28, 2021 and the full principal and any accrued unpaid interest is due in full on that date.

The term loan and revolving line of credit are collateralized by all real, personal and mixed property (including capital units) of the Company. Under the agreement, the Company is required to be in compliance with various financial covenants. The Company was in compliance with these covenants as of September 30, 2018 and 2017.

The table below summarizes the key terms and outstanding balances of long-term debt as of September 30:

	2018	2017
Multi-draw term note payable to Goldman Sachs Specialty Lending Group, L.P. and OWM BIP Investor, LLC, secured and bearing interest at 10.0% per annum. The note requires payments of principal and interest, as discussed above, and is due on October 28, 2021	$ 28,604,889	$ 13,500,000
Note payable to Rambo Marine, Inc., unsecured and bearing interest at 7.5% per annum. The note requires annual interest payments, with a balloon payment of principal due on July 1, 2020. The note was paid in full subsequent to year end.	3,132,500	3,132,500
Note payable to Marina Mikes, LLC, unsecured and bearing interest at 5.0% per annum. The note requires annual interest payments, with a balloon payment of principal due on June 1, 2020.	2,125,000	2,125,000
Revolving note payable to Goldman Sachs Specialty Lending Group, L.P. and OWM BIP Investor, LLC, secured and bearing interest at 10.0% per annum. The note requires payments of interest and principal, as discussed above, and is due on October 28, 2021	$ —	$ 2,000,000
Note payable to Lab Marine, Inc., unsecured and bearing interest at 6.0% per annum. The note requires annual interest payments, with a balloon payment of principal due on March 1, 2021.	1,500,000	1,500,000

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	2018	2017
Note payable to commercial vehicle lenders secured by the value of the vehicles bearing interest at rates ranging from 1.0% to 6.5% per annum. The note requires monthly installment payments of principal and interest ranging from $261 to $2,230 through October 2021.	1,819,071	1,427,486
Note payable to Sunrise Marine, Inc. and Sunrise Marine of Alabama, Inc., unsecured and bearing interest at 6.0% per annum. The note requires annual interest payments, with a balloon payment of principal due on November 1, 2019.	1,400,000	1,400,000
Note payable to Captain's Choice Marine, Inc., unsecured and bearing interest at 5.0% per annum. The note requires annual interest payments with a balloon payment due on May 1, 2018. Repayment contingent upon certain performance metrics.	—	1,350,000
Note payable to Bosun's Marine, Inc., unsecured and bearing interest at 4.5% per annum. The note requires annual interest payments with a balloon payment due on June 1, 2021.	1,227,000	—
Note payable to Rebo, Inc., unsecured and bearing interest at 5.5% per annum. The note requires annual interest payments with a balloon payment due on April 1, 2021. Repayment contingent upon certain performance metrics.	1,000,000	—
Note payable to Texas Marine, Inc., unsecured and bearing interest at 4.5% per annum. The note requires annual interest payments, with a balloon payment of principal due on August 1, 2020.	815,000	—
Note payable to Lookout Marine, Inc., unsecured and bearing interest at 4.0% per annum. The note requires annual interest payments, with a balloon payment of principal due on August 1, 2019.	650,000	650,000
Note payable to Lookout Marine, Inc., unsecured and bearing interest at 4.0% per annum. The note requires annual interest payments, with a balloon payment of principal due on August 1, 2019.	488,523	488,523
Note payable to USA Marine Sales, Inc., unsecured and bearing interest at 1.0% per annum. The note requires annual installment payments of principal and interest of $212,743 through April 1, 2019. Repayment contingent upon certain performance metrics.	$ 210,627	$ 419,160
	42,972,610	27,992,669
Less current portion	(1,890,402)	(1,926,375)
Less unamortized portion of debt issuance costs	(1,127,805)	(707,200)
	$ 39,954,403	$ 25,359,094

Principal repayment requirements of long-term debt at September 30, 2018 are as follows:

For the year ending September 30:		
2019	$	1,890,402
2020		9,419,668
2021		5,491,946
2022		26,079,135
2023		83,875
Thereafter		7,584
		42,972,610
Less: Unamortized portion of capitalized debt issuance costs		(1,127,805)
	$	41,844,805

Debt issuance costs are amortized on a straight-line basis over the life of the loan, which approximates the effective interest method. During 2018 and 2017, the Company capitalized loan costs of $661,853 and $707,201, respectively, and had accumulated amortization of $400,008 and $158,759 as of September 30, 2018 and 2017, respectively. Amortization for the years ended September 30, 2018 and 2017 amounted to $241,249 and $158,759, respectively, and is included in interest expense.

14 Equity-Based Compensation

The Company accounts for equity-based compensation plans in accordance with the provisions of FASB ASC 718, "*Compensation — Stock Compensation*". Equity-based awards are designed to reward employees for their long-term contributions to the Company and to provide incentives for them to remain with the Company. Valuation models are utilized to value all equity-based compensation. Compensation for awards are measured at fair value on the grant date based on the number of shares expected to vest. The Company recognizes compensation cost for all awards on a straight-line basis over the requisite service period of the award.

The Company has issued Profit in Interests awards to select members of executive management. These awards are for Class B units which represent non-voting units. These awards vest over three to five years and are designed to motivate and retain the executives through long-term performance incentives. Profit in Interests awards are as follows:

	Non-Vested Profits in Interests	Vested Profits in Interests	Weighted Average Grant Date Fair Value Per Share
Balance as of September 30, 2016	1,000	—	$ 788
Granted	2,500		174
Balance as of September 30, 2017	3,500	—	
Granted	2,529		193
Forfeited	(2,188)		189
Vested	(513)	513	437
Balance as of September 30, 2018	3,329	513	$ 349

During the year ended September 30, 2018, there were 5 awards granted totalling 2,632 units awarded with a grant date fair value of $540,624. The Company engaged a valuation specialist to assist management in completing a fair value measurement of equity and equity-based awards using a combination of a market and income approaches to arrive at fair value. These approaches use earnings multiples of comparable public companies, the Company's 5-year income projections and weighted average cost of capital, as the main inputs to the valuation. There were 2,188 unit awards with a grant date fair value or $414,179 forfeited during the year. There were 513 unit awards which vested during the year with a grant date fair value of $224,351. For the year ended September 30, 2018, $153,981 was

expensed related to equity awards and the Company expects to recognize $520,000 of compensation cost related to non-vested equity awards over a weighted-average period of 1.7 years.

During the year ended September 30, 2017, there were 3 awards granted totalling 2,500 units awarded with a grant date fair value of $480,983. For the year ended September 30, 2017, $431,948 was expensed for compensation cost related to non-vested equity awards.

15 Retirement Plan

The Company offers a 401(k) retirement plan to its full-time employees over the age of 21. The Company currently makes discretionary matching contributions of 50.0% for the first 4.0% of employee salary deferrals. The Company made a discretionary contribution of approximately $405,000 and $346,000 for the years ended September 30, 2018 and 2017, respectively.

16 Fair Value Measurements

In determining fair value, OneWater LLC uses various valuation approaches including market, income and/or cost approaches. FASB standard "*Fair Value Measurements*" (Topic 820) establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from independent sources. Unobservable inputs are those that reflect the Company's expectation of the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the reliability of inputs as follows:

Level 1 – Valuations based on quoted prices in active markets for identical assets or liabilities that OneWater LLC has the ability to access. Assets utilizing Level 1 inputs include marketable securities that are actively traded.

Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement. Asset and liability measurements utilizing Level 3 inputs include those used in estimating fair value of non-financial assets and non-financial liabilities in purchase acquisitions, those used in assessing impairment of property, plant and equipment and other intangibles and those used in the reporting unit valuation in the annual goodwill impairment evaluation contingent consideration and those used in the valuation of the warrant liability.

The availability of observable inputs can vary and is affected by a wide variety of factors. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment required in determining fair value is greatest for assets and liabilities categorized in Level 3. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement is disclosed is determined based on the lowest level input that is significant to the fair value measurement. Fair value measurements can be volatile based on various factors that may or may not be within the Company's control.

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17 Members' Equity

The Company was organized as a Delaware limited liability company on March 28, 2014. Each member's liability is limited to its capital contribution. Within members' equity, there are three classes of membership units as follows:

	Units Outstanding	Equity Interest
Common Voting Membership Interests (Class A)	73,140	73.1%
Common Non-Voting Membership Interests (Class B)	1,860	1.9%
Investor Voting Warrants	25,000	25.0%
	100,000	100.0%

Investor Warrants

In connection with the transaction discussed in Note 4, the Company issued 25,000 OneWater LLC common unit warrants in exchange for $979,173. The common unit warrants have a ten-year life from the date of issuance and provide the holders with a put right after 5 years, or potentially earlier, under certain circumstances. The holders of the warrants maintain full voting rights in OneWater LLC. The common unit warrants can be exercised for $0.0001 per unit in exchange for cash or common units of OneWater LLC. As the common unit warrants may be settled in cash at the election of the holder, the fair value of the common unit warrants has been included in warrant liability in the accompanying consolidated balance sheet.

The Company engaged a third-party valuation specialist to assist management in performing a valuation of the fair value of the common unit warrants outstanding. Accordingly, the warrant liability has been accounted for based on inputs that are unobservable and significant to the overall fair value measurement (Level 3). The valuation considered both a market and a discounted cash flows approach in arriving at the fair value of the common unit warrants. As of September 30, 2018 and 2017, the fair value of the warrant liability was $52.2 million and $18.1 million, respectively. The Company recognized expenses of $33.2 million and $18.1 million for the years ended September 30, 2018 and 2017, respectively, and this increase in the fair value was recorded as a change in the fair value of warrants in the accompanying statements of operations.

OneWater LLC Preferred Distribution

During the year ended September 30, 2015, the Company amended the Limited Liability Company Agreement to require a payment to a founding common member in the form of a preferred distribution of $3,752,108 prior to any distributions to common members (including the founding common member that will receive the preferred distribution). This preferred distribution is paid only if and when distributions are declared by the Company's Board of Directors. As of September 30, 2016, the balance of the preferred distribution was $3,752,108.

During the year ended September 30, 2017, the Limited Liability Company Agreement was amended. Under the terms of the amendment, the preferred distribution will accrue interest at the rate of 5.0% per annum, compounded quarterly commencing on December 31, 2016. If and when distributions are declared by the Board of Directors, the preferred distribution shall be paid until the aggregate preferred distribution is reduced to zero. In the event of liquidation, the Company's property shall be distributed among the members to first satisfy any remaining preferred distribution and thereafter in accordance with their ownership interest within 90 days after the event of liquidation.

As of September 30, 2018 and 2017, the unpaid balance of the preferred distribution was $3,398,017 and $3,623,429, respectively. The 5% cumulative interest on the preferred distribution is recognized as a distribution when declared by the Board of Directors. As of September 30, 2018 and 2017, unpaid cumulative interest on the preferred distribution was zero.

Non-Controlling Interest

On June 1, 2018, the Company purchased Bosun's Marine, a Massachusetts based boat retailer through its subsidiary BAO. The former owner of Bosun's Marine invested $2,500,000 of the purchase price to obtain a 25.0% ownership interest in BAO, with no voting rights in the subsidiary BAO. The results of operations for Bosun's Marine have been included in the Company's consolidated financial statements from that date and the former owner's minority interest in the subsidiary BAO has been recorded accordingly.

On August 1, 2017, the Company purchased South Shore Marine, an Ohio based boat retailer through its subsidiary SSAO. The former owner of South Shore Marine invested $1,750,000 of the purchase price to obtain a 25.0% ownership interest in SSAO, with no voting rights in the subsidiary SSAO. The results of operations for South Shore Marine have been included in the Company's consolidated financial statements from that date and the former owner's minority interest in the subsidiary SSAO has been recorded accordingly.

Dividend Restrictions

Under the credit agreement with GS and BIP and the redeemable preferred interest agreement, the Company and its subsidiaries are generally restricted from making cash dividends or distributions and are required to obtain consent from GS and BIP prior to the payment of dividends, excluding dividends related to the payment of taxes by members and payments of the preferred dividends. These restrictions apply to all income and net assets of the Company and its consolidated subsidiaries. Additionally, certain of the Company's subsidiaries designated as "Dealers" under its inventory financing program are generally restricted from incurring indebtedness, including certain restrictions on intercompany loans or advances.

18 Redeemable Preferred Interest in Subsidiary

On September 1, 2016, the Company organized OWAO. As of September 30, 2016, OWAO was not funded. In conjunction with the new investor described in Note 4, OneWater LLC contributed a majority of its assets, including subsidiaries operating all of its retail operations, to OWAO in return for 100,000 common units. Additionally, as a part of the transaction described in Note 4, OWAO issued 68,000 preferred units in OWAO to GS and BIP. The preferred interest has a stated 10.0% rate of return and there is no allocation of profits in excess of the stated return. The preferred interests are not convertible but may be redeemed by the holder after 5 years or upon certain triggering events at face value plus accrued interest.

The Company has classified the redeemable preferred interest as temporary equity in the consolidated balance sheets. The discount on the issuance of the redeemable preferred interest is being accreted to retained common interests as a dividend from the date of issuance through the fifth anniversary of the issuance date.

19 Contingencies and Commitments

The Company recorded rent expense of $8,032,000 and $5,956,000 during the years ended September 30, 2018 and 2017, respectively. The Company leases certain facilities and equipment under noncancelable operating lease agreements having terms in excess of one year expiring through 2031.

Future minimum lease payments under these noncancelable leases as of September 30, 2018, are summarized as follows:

For the year ending September 30:		
2019	$	7,783,591
2020		7,690,807
2021		6,716,687
2022		5,824,194
2023		5,583,181
Thereafter		36,365,678
	$	69,964,138

As detailed in Note 3, a portion of the purchase price of the Texas Marine and Grande Yachts acquisitions is contingent upon certain performance criteria. For the fiscal year ended September 30, 2018, the Company has recorded an estimate of contingent consideration for Texas Marine and Grande Yachts of $2,644,272 and $900,000, respectively. For the fiscal year ended September 30, 2017, the Company has recorded an estimate of contingent consideration for $900,000 for Grande Yachts. The acquisition contingent consideration liability has been accounted for based on inputs that are unobservable and significant to the overall fair value measurement (Level 3). These amounts have been recorded in other payables and accrued expenses and other long-term liabilities in the financial statements.

Employment Agreements

The Company is party to employment agreements with certain executives, which provide for compensation, other benefits and severance payments under certain circumstances. The Company also has consulting and noncompete agreements in place with previous owners of acquired companies.

Claims and Litigation

The Company is involved in various legal proceedings as either the defendant or plaintiff. Due to their nature, such legal proceedings involve inherent uncertainties including, but not limited to, court rulings, negotiations between the affected parties and other actions. Management assesses the probability of losses or gains for such contingencies and accrues a liability and/or discloses the relevant circumstances as appropriate. In the opinion of management, it is not reasonably probable that the pending litigation, disputes or claims against the Company, if decided adversely, will have a material adverse effect on its financial condition, results of operations or cash flows. Additionally, based on the Company's review of the various types of claims currently known, there is no indication of a material reasonably possible loss in excess of amounts accrued. The Company currently does not anticipate that any known claim will materially adversely affect our financial condition, liquidity, or results of operations. However, the outcome of any matter cannot be predicted with certainty, and an unfavorable resolution of one or more matters presently known or arising in the future could have a material adverse effect on the Company's financial condition, liquidity or results of operations.

Risk Management

The Company is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions and natural disasters for which the Company carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past years.

Major Vendors

Sales of new boats from the Company's top ten manufacturers represents approximately 40.0% of total sales, making them major suppliers of the Company.

20 Related Party Transactions

In accordance with agreements approved by the Board of Directors of the Company, we purchased inventory, in conjunction with our retail sale of the products, from certain entities affiliated with common members of the Company. For the years ended September 30, 2018 and 2017, $34,642,909 and $4,809,158, respectively, in total purchases were incurred under these arrangements.

In accordance with agreements approved by the Board of Directors of the Company, certain entities affiliated with common members of the Company receive fees for rent of commercial property. For the years ended September 30, 2018 and 2017, $2,045,998 and $2,335,301, respectively, in total expenses were incurred under these arrangements.

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In accordance with agreements approved by the Board of Directors of the Company, certain entities and individuals affliliated with common members of the Company received fees from the Company for goods and services. For the years ended September 30, 2018 and 2017, $953,782 and $641,579, respectively, were recorded under these arrangements. Included in these amounts and in connection with our notes payable floor plan financing, our Chief Executive Officer was paid a guarantee fee of $300,000 for each of the years ended September 30, 2018 and 2017 for his personal guarantee associated with this arrangement. Also, the Company made payments to certain entities and individuals affiliated with common members of the Company for goods and services. For the years ended September 30, 2018 and 2017, $468,297 and $594,405, respectively, were recorded under these arrangements.

In connection with transactions noted above, the Company was due certain amounts as recorded within accounts receivable for the fiscal years ended September 30, 2018, and 2017, of $840,971 and $524,027, respectively.

21 Restatement of the Consolidated Financial Statements

In connection with the issuance of the Company's financial statements audited under Public Company Accounting Oversight Board ("PCAOB") standards, but subsequent to the issuance of the Company's financial statements prepared under accounting standards applicable to private companies, as of and for the years ended September 30, 2018 and 2017, management identified certain errors in connection with the accounting for the fair value of the Company's warrants. Management determined that the Company's warrant liability at September 30, 2017 was understated by $18,056,827 due to the Company not adjusting the liability to its fair value. As a result of this error, the Company has restated the accompanying 2018 and 2017 financial statements.

The effect of the restatement on the Company's consolidated balance sheet as of September 30, 2017 is as follows:

	As of September 30, 2017		
	As previously reported[1]	Restatement adjustment	As restated
Warrant Liability	$ 979,173	$ 18,056,827	$ 19,036,000
Total Liabilities	140,520,691	18,056,827	158,577,518
Members' equity attributable to One Water Marine Holdings, LLC	44,367,565	(18,056,827)	26,310,738
Total liabilities and members' equity	276,403,675	(18,056,827)	258,346,848

(1) The Company's previously issued financial statements were prepared under accounting standards applicable to private companies. The previously reported amounts have been adjusted to reflect the standards applicable to a public company.

The effect of the restatement on the Company's consolidated statements of operations for the years ended September 30, 2018 and 2017 is as follows:

	For the year ended September 30, 2018		
	As previously reported[1]	Restatement adjustment	As restated
Change in fair value of warrant liability	$ 51,243,827	$ (18,056,827)	$ 33,187,000
Total other expense	60,782,366	(18,056,827)	42,725,639
Net income (loss)	(16,110,402)	18,056,827	1,946,425
Net income (loss) attributable to One Water Marine Holdings, LLC	(16,940,312)	18,056,827	1,116,515
(Loss) income per unit attributable to common interest holders:			
Basic	(334.65)	239.69	(97.95)
Diluted	(334.65)	174.12	(97.95)

(1) The Company's previously issued financial statements were prepared under accounting standards applicable to private companies. The previously reported amounts have been adjusted to reflect the standards applicable to a public company.

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	For the year ended September 30, 2017		
	As previously reported[1]	Restatement adjustment	As restated
Change in fair value of warrant liability	$ —	$ 18,056,827	$ 18,056,827
Total other expense	5,495,951	18,056,827	23,552,778
Net income (loss)	13,798,328	(18,056,827)	(4,258,499)
Net income (loss) attributable to One Water Marine Holdings, LLC	13,784,873	(18,056,827)	(4,271,954)
Income (loss) per unit attributable to common interest holders:			
Basic	94.04	(240.76)	(148.43)
Diluted	70.26	(240.76)	(148.43)

(1) The Company's previously issued financial statements were prepared under accounting standards applicable to private companies. The previously reported amounts have been adjusted to reflect the standards applicable to a public company.

The effect of the restatement on the Company's consolidated statement of members' equity as of September 30, 2017 is as follows:

	September 30, 2017		
	As previously reported[1]	Restatement adjustment	As restated
Net (loss) income	$ 13,798,328	$ (18,056,827)	$ (4,258,499)
Members' equity attributable to One Water Marine Holdings, LLC	44,367,565	(18,056,827)	26,310,738

(1) The Company's previously issued financial statements were prepared under accounting standards applicable to private companies. The previously reported amounts have been adjusted to reflect the standards applicable to a public company.

The effect of the restatement on the Company's consolidated statement of cash flows for the years ended September 30, 2018 and 2017 is as follows:

	September 30, 2018		
	As previously reported[1]	Restatement adjustment	As restated
Net income (loss)	$ (16,110,402)	$ 18,056,827	$ 1,946,425
Change in fair value of long-term warrant liability	51,243,827	(18,056,827)	33,187,000
Net cash used in operating activities	(4,654,456)	—	(4,654,456)

	September 30, 2017		
	As previously reported	Restatement adjustment	As restated
Net income (loss)	$ 13,798,328	$ (18,056,827)	$ (4,258,499)
Change in fair value of long-term warrant liability	—	18,056,827	18,056,827
Net cash provided by operating activities	6,513,649	—	6,513,649

(1) The Company's previously issued financial statements were prepared under accounting standards applicable to private companies. The previously reported amounts have been adjusted to reflect the standards applicable to a public company.

There was no impact to net cash used in investing activities, net cash provided by financing activities or the net increase in cash for the years ended September 30, 2018 and 2017, resulting from the restatement.

The impacts of the restatement for the years ended September 30, 2018 and 2017 have been reflected throughout these financial statements, including the applicable footnotes, as appropriate.

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Notes to the Consolidated Financial Statements

22 Unaudited Pro Forma Net Loss Per Unit Attributable to Common Interest Holders

The following table sets forth the computation of the Company's unaudited pro forma basic and diluted net loss per share attributable to common interest holders for the fiscal year ended September 30, 2018 after giving the effect of an additional shares of common stock that would have been required to be issued to generate sufficient proceeds to fund the cash payment of current year dividends in excess of net income. The unaudited pro forma net loss attributable to common interest holders was computed using the weighted average number of common interests outstanding after giving effect of the additional shares as if it had occurred at the beginning of the period presented.

	For the year ended September 30, 2018
Numerator:	
Net loss	
Denominator:	
Weighted average common units used to compute net loss per unit attributable to common interest holders, basic	
Pro forma adjustment to give the effect of an additional shares of common stock that would have been required to be issued to generate sufficient proceeds to fund the cash payment of current year dividends in excess of net income	
Pro forma weighted average common units used to compute net loss per unit attributable to common interest holders, basic	
Weighted average common unit equivalents outstanding	
Pro forma weighted average common units used to compute net loss per unit attributable to common interest holders, diluted	
Pro forma loss per unit attributable to common interest holders:	
Basic	
Diluted	

23 Subsequent events

The Company has evaluated events and transactions that occurred between September 30, 2018 and April 26, 2019 which is the date the consolidated financial statements were issued. There were no material subsequent events that require recognition or additional disclosure in the consolidated financial statements except as detailed below.

Acquisitions

On December 1, 2018, the Company purchased The Slalom Shop, LLC ("Slalom Shop"), a Texas boat retailer comprised of two stores. The acquisition expands the Company's presence in the state of Texas, expands the Company's product offering and strengthens its market share in a top boating market. The purchase price was $7,920,448, with $1,566,698 paid at closing, $5,083,000 due to seller upon completion of stated milestones expected within 90 days of closing and $1,270,750 financed through a note payable to the seller bearing interest at a rate of 5.0% per year. The note is payable in one lump sum three years from the closing date, with interest payments due quarterly.

On February 1, 2019, the Company purchased Ocean Blue Yacht Sales. ("Ocean Blue"), a Florida boat retailer comprised of three stores. The acquisition expands its presence on the east coast of Florida, expands the Company's product offering and strengthens the Company's market share in a top boating market. The purchase price was $10,656,437, with $8,736,437 paid at closing, and $1,920,000 financed

through a note payable to the seller bearing interest at a rate of 5.0% per year. The note is payable in one lump sum three years from the closing date, with interest payments due quarterly.

Notes Payable - Floor plan

The Company maintains an ongoing wholesale marine products inventory financing program with a syndicate of banks and administered by Wells Fargo Commercial Distribution Finance, LLC (Wells Fargo). On April 5, 2019 the Company increased the capacity of the facility to $292,500,000 from $275,000,000, to purchase new and used inventory (boats, engines, and trailers). The other terms and conditions of the facility, including interest rate and covenants, remain unchanged.

OneWater Marine Inc.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders
OneWater Marine Inc.

Opinion on the financial statement – Balance Sheet

We have audited the accompanying balance sheet of OneWater Marine Inc. (the "Company") as of April 3, 2019 (date of inception), and the related notes (collectively referred to as the "financial statement"). In our opinion, the financial statement presents fairly, in all material respects, the financial position of the Company as of April 3, 2019 (date of inception) in conformity with accounting principles generally accepted in the United States of America.

Basis for opinion

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

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

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

/s/ GRANT THORNTON LLP

We have served as the Company's auditor since 2019.

Atlanta, Georgia
April 26, 2019

OneWater Marine Inc.
Balance Sheet

	April 3, 2019
Assets	
Cash	$ 10
Total assets	$ 10
Liabilities and Stockholder's Equity	
Commitments and Contingencies (Note 4)	
Stockholder's Equity:	
Common stock, $0.01 par value per share, 1,000 shares authorized, 1,000 shares issued and outstanding at April 3, 2019	$ 10
Total liabilities and stockholder's equity	$ 10

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

OneWater Marine Inc.
Notes to Balance Sheet

1 Organization

OneWater Marine Inc (the "Company") was incorporated in Delaware on April 3, 2019 and was a wholly owned subsidiary of One Water Marine Holdings, LLC ("OneWater LLC") as of April 3, 2019. Pursuant to a reorganization into a holding company structure, the Company will be a holding company and its sole material asset will be a minority equity interest in OneWater LLC, which holds all of the equity interest in One Water Assets & Operations ("OWAO"). As the sole managing member of OneWater LLC, the Company will operate and control all of the business and affairs of OneWater LLC, and through OneWater LLC and its subsidiaries, conduct its business.

2 Summary of Significant Accounting Policies

Basis of Presentation

The balance sheet was prepared in conformity with U.S. generally accepted accounting principles. Separate statements of operations, changes in stockholder's equity and cash flows have not been presented because the Company has not engaged in any business or other activities except in connection with its formation and initial capitalization.

3 Stockholder's Equity

The Company is authorized to issue 1,000 shares of common stock, par value $0.01 per share, all of which were issued and outstanding as of April 3, 2019. On April 3, 2019, the Company issued 1,000 shares of common stock to OneWater LLC for $10.00.

4 Commitments and Contingencies

We did not have any commitments or contingencies as of April 3, 2019.

5 Subsequent Events

The Company has evaluated events and transactions that occurred between April 3, 2019 and April 26, 2019 which is the date the balance sheet was issued. There were no material subsequent events that require recognition or additional disclosure in the balance sheet.

Shares

OneWater Marine Inc.

Class A Common Stock

Goldman Sachs & Co. LLC
Raymond James

Through and including , 2019 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

Part II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution

The following table sets forth an itemized statement of the amounts of all expenses (excluding underwriting discounts and commissions) payable by us in connection with the registration of the common stock offered hereby. With the exception of the SEC registration fee, FINRA filing fee and the Nasdaq listing fee, the amounts set forth below are estimates.

	Amount
SEC registration fee	$ *
FINRA filing fee	*
Nasdaq listing fee	*
Accountants' fees and expenses	*
Legal fees and expenses	*
Printing and engraving expenses	*
Transfer agent and registrar fees	*
Blue Sky fees and expenses	*
Miscellaneous expenses	*
Total	$ *

* To be filed by amendment.

Item 14. Indemnification of Directors and Officers

Our amended and restated certificate of incorporation will provide that a director will not be liable to the corporation or its stockholders for monetary damages for breach of fiduciary duties to the fullest extent permitted by the Delaware General Corporation Law ("DGCL"). In addition, if the DGCL is amended to authorize the further elimination or limitation of the liability of directors, then the liability of a director of the corporation, in addition to the limitation on personal liability provided for in our certificate of incorporation, will be limited to the fullest extent permitted by the amended DGCL. Our amended and restated bylaws will provide that the corporation will indemnify, and advance expenses to, any officer or director to the fullest extent authorized by the DGCL.

Section 145 of the DGCL provides that a corporation may indemnify directors and officers as well as other employees and individuals against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement in connection with specified actions, suits and proceedings whether civil, criminal, administrative, or investigative, other than a derivative action by or in the right of the corporation, if they acted in good faith and in a manner they reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe their conduct was unlawful. A similar standard is applicable in the case of derivative actions, except that indemnification extends only to expenses, including attorneys' fees, incurred in connection with the defense or settlement of such action and the statute requires court approval before there can be any indemnification where the person seeking indemnification has been found liable to the corporation. The statute provides that it is not exclusive of other indemnification that may be granted by a corporation's certificate of incorporation, bylaws, disinterested director vote, stockholder vote, agreement or otherwise.

Our amended and restated certificate of incorporation will also contain indemnification rights for our directors and our officers. Specifically, our amended and restated certificate of incorporation will provide that we shall indemnify our officers and directors to the fullest extent authorized by the DGCL. Furthermore, we may maintain insurance on behalf of our officers and directors against expense, liability or loss asserted against, or incurred by, them in their capacities as officers and directors.

We have obtained directors' and officers' insurance to cover our directors, officers and some of our employees for certain liabilities.

We will enter into written indemnification agreements with our directors and executive officers. Under these proposed agreements, if an officer or director makes a claim of indemnification to us, either a majority of the independent directors or independent legal counsel selected by the independent directors must review the relevant facts and make a determination whether the officer or director has met the standards of conduct under Delaware law that would permit (under Delaware law) and require (under the indemnification agreement) us to indemnify the officer or director.

The underwriting agreement provides for indemnification by the underwriters of us and our officers and directors, and by us of the underwriters, for certain liabilities arising under the Securities Act or otherwise in connection with this offering.

Item 15. Recent Sales of Unregistered Securities

In connection with our incorporation on April 3, 2019 under the laws of the State of Delaware, we issued 1,000 shares of our common stock to One Water Marine Holdings, LLC for an aggregate purchase price of $10.00. These securities were offered and sold by us in reliance upon the exemption from the registration requirements provided by Section 4(a)(2) of the Securities Act in a transaction by an issuer not involving any public offering. These shares will be redeemed for nominal value in connection with our reorganization described in “Corporate Reorganization.”

Item 16. Exhibits and financial statement schedules

See the Exhibit Index immediately preceding the signature page hereto, which is incorporated by reference as if fully set forth herein.

Item 17. Undertakings

The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

INDEX TO EXHIBITS

Exhibit Number	Description
*1.1	Form of Underwriting Agreement
*2.1	Form of Master Reorganization Agreement
*3.1	Form of Amended and Restated Certificate of Incorporation of OneWater Marine Inc., to be effective prior to or upon the closing of this offering
*3.2	Form of Amended and Restated Bylaws of OneWater Marine Inc., to be effective prior to or upon the closing of this offering
*5.1	Opinion of Vinson & Elkins L.L.P. as to the legality of the securities being registered
*10.1†	Form of OneWater Marine Inc. Long Term Incentive Plan
*10.2†	Form of Indemnification Agreement
*10.3	Form of Tax Receivable Agreement, to be effective prior to or upon the closing of this offering
*10.4	Form of the Fourth Amended and Restated Limited Liability Company Operating Agreement of One Water Marine Holdings, LLC, to be effective prior to or upon the closing of this offering
*10.5	Form of Registration Rights Agreement, to be effective prior to or upon the closing of this offering
**10.6#	Credit and Guaranty Agreement, dated as of October 28, 2016, by and among One Water Assets & Operations, LLC, Singleton Assets & Operations, LLC, Legendary Assets & Operations, LLC, South Florida Assets & Operations, LLC, Sundance Lauderdale Realty, Inc., One Water Marine Holdings, LLC, and certain subsidiaries of One Water Marine Holdings, LLC, as Guarantors, the Lenders party thereto from time to time, and Goldman Sachs Specialty Lending Group, L.P. as Administrative Agent, Collateral Agent and Lead Arranger (as conformed through the fifteenth amendment)
**10.7	Fourth Amended and Restated Inventory Financing Agreement, dated as of June 14, 2018, by and among Wells Fargo Commercial Distribution Finance, LLC as Agent to the Lenders party thereto from time to time, One Water Marine Holdings, LLC, One Water Assets & Operations, LLC, and certain of its other subsidiaries thereto, and the lenders thereto (as conformed through the fourth amendment)
*10.8†	Form of Employment Agreement, by and between One Water Marine Holdings, LLC and Austin Singleton
*10.9†	Form of Employment Agreement, by and between One Water Marine Holdings, LLC and Anthony Aisquith
*10.10†	Form of Employment Agreement, by and between One Water Marine Holdings, LLC and Jack Ezzell
**21.1	List of subsidiaries of OneWater Marine Inc.
**23.1	Consent of Grant Thornton LLP
**23.2	Consent of Grant Thornton LLP
*23.3	Consent of Vinson & Elkins L.L.P. (included as part of Exhibit 5.1 hereto)
**24.1	Power of Attorney (included on the signature page of this Registration Statement)
**99.1	Consent of Director Nominee (Christopher W. Bodine)
**99.2	Consent of Director Nominee (Mitchell W. Legler)
**99.3	Consent of Director Nominee (John Schraudenbach)
**99.4	Consent of Director Nominee (Michael C. Smith)
**99.5	Consent of Director Nominee (Keith R. Style)
**99.6	Consent of Director Nominee (John G. Troiano)

* To be filed by amendment.

** Filed herewith.

† Indicates a management contract or compensatory plan or arrangement.

Specific terms in this exhibit (indicated therein by asterisks) have been omitted because such terms are both not material and would likely cause competitive harm to the Company if publicly disclosed.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Buford, State of Georgia, on July 12, 2019.

OneWater Marine Inc.

By: /s/ Philip Austin Singleton, Jr.
Philip Austin Singleton, Jr.
Founder and Chief Executive Officer

Each person whose signature appears below appoints Philip Austin Singleton, Jr. and Jack Ezzell, and each of them, any of whom may act without the joinder of the other, as his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him or her and in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement and any Registration Statement (including any amendment thereto) for this offering that is to be effective upon filing pursuant to Rule 462(b) under the Securities Act of 1933, as amended, and to file the same, with all exhibits thereto, and all other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he or she might or would do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed below by the following persons in the capacities indicated below as of July 12, 2019.

Name	Title	Date
/s/ Philip Austin Singleton, Jr. Philip Austin Singleton, Jr.	Founder, Chief Executive Officer and Director (Principal Executive Officer)	July 12, 2019
/s/ Jack Ezzell Jack Ezzell	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	July 12, 2019

Exhibit 10.6

SPECIFIC TERMS IN THIS EXHIBIT HAVE BEEN REDACTED BECAUSE SUCH TERMS ARE BOTH NOT MATERIAL AND WOULD LIKELY CAUSE COMPETITIVE HARM TO THE COMPANY IF PUBLICLY DISCLOSED. THESE REDACTED TERMS HAVE BEEN MARKED IN THIS EXHIBIT WITH THREE ASTERISKS [***].

CREDIT AND GUARANTY AGREEMENT

dated as of October 28, 2016

among

ONE WATER ASSETS & OPERATIONS, LLC,
SINGLETON ASSETS & OPERATIONS, LLC,
LEGENDARY ASSETS & OPERATIONS, LLC,
SOUTH FLORIDA ASSETS & OPERATIONS, LLC,
and
SUNDANCE LAUDERDALE REALTY, INC.

as the Companies,

ONE WATER MARINE HOLDINGS, LLC
and
CERTAIN SUBSIDIARIES OF SUCH PERSONS,

as Guarantors,

VARIOUS LENDERS,

and

GOLDMAN SACHS SPECIALTY LENDING GROUP, L.P.,

as Administrative Agent, Collateral Agent, and Lead Arranger

$65,000,000 Senior Secured Credit Facilities

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F-1	Tax Certificate (Foreign Non-Partnership Lenders)
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F-3	Tax Certificate (Foreign Partnership Participants)
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G-1	Closing Date Certificate
G-2	Solvency Certificate
H	Counterpart Agreement
I	Pledge and Security Agreement

CREDIT AND GUARANTY AGREEMENT

This **CREDIT AND GUARANTY AGREEMENT**, dated as of _____, 2016, is entered into by and among **ONE WATER ASSETS & OPERATIONS, LLC**, a Delaware limited liability company ("**Intermediate Holdings**"), **SINGLETON ASSETS & OPERATIONS, LLC,** a Georgia limited liability company ("**Singleton**"), **LEGENDARY ASSETS & OPERATIONS, LLC**, a Florida limited liability company ("**Legendary**"), **SOUTH FLORIDA ASSETS & OPERATIONS, LLC**, a Florida limited liability company ("**South Florida**"), and **SUNDANCE LAUDERDALE REALTY, INC.**, a Florida corporation ("**SunDance**" and, together with Intermediate Holdings, Singleton, Legendary and South Florida, each, a "**Company**", and collectively, the "**Companies**"), **ONE WATER MARINE HOLDINGS, LLC**, a Delaware limited liability company ("**Holdings**"), and **CERTAIN SUBSIDIARIES OF HOLDINGS**, as Guarantors, the Lenders party hereto from time to time, and **GOLDMAN SACHS SPECIALTY LENDING GROUP, L.P.** ("**GSSLG**"), as Administrative Agent (together with its successors and assigns in such capacity, "**Administrative Agent**"), Collateral Agent (together with its successors and assigns in such capacity, "**Collateral Agent**"), and Lead Arranger.

RECITALS:

WHEREAS, capitalized terms used in these Recitals shall have the respective meanings set forth for such terms in **Section 1.1** hereof;

WHEREAS, Lenders have agreed to extend certain credit facilities to the Companies, in an aggregate amount not to exceed $65,000,000, consisting of up to $5,000,000 aggregate principal amount of Revolving Commitments and $60,000,000 aggregate principal amount of Multi-Draw Term Loan Commitments, the proceeds of which will be used (a) with respect to Multi-Draw Term Loans, to fund Permitted Acquisitions, and (b) with respect to Revolving Loans, for working capital and other purposes permitted hereunder;

WHEREAS, the Companies have agreed to secure all of their Obligations by granting to Collateral Agent, for the benefit of Secured Parties, a First Priority Lien on certain of their assets, including a pledge of all of the Capital Stock of each of their respective Domestic Subsidiaries; and

WHEREAS, Guarantors have agreed to guarantee the obligations of the Companies hereunder and to secure their respective Obligations by granting to Collateral Agent, for the benefit of Secured Parties, a First Priority Lien on certain of their respective assets, including a pledge of all of the Capital Stock of each of their respective Domestic Subsidiaries (including the Companies).

NOW, THEREFORE, in consideration of the premises and the agreements, provisions and covenants herein contained, the parties hereto agree as follows:

SECTION 1. DEFINITIONS AND INTERPRETATION

1.1. Definitions. The following terms used herein, including in the preamble, recitals, exhibits and schedules hereto, shall have the following meanings:

"**651**" 651 S Federal Highway, LLC, a Delaware limited liability company.

"**Accounts**" means all "accounts" (as defined in the UCC) of the Companies (or, if referring to another Person, of such Person), including, without limitation, accounts, accounts receivable, monies due or to become due and obligations in any form (whether arising in connection with contracts, contract rights, instruments, general intangibles, or chattel paper), in each case whether arising out of goods sold or services rendered or from any other transaction and whether or not earned by performance, now or hereafter in existence, and all documents of title or other documents representing any of the foregoing, and all collateral security and guaranties of any kind, now or hereafter in existence, given by any Person with respect to any of the foregoing.

"**Administrative Agent**" as defined in the preamble hereto.

"**Adverse Proceeding**" means any action, suit, proceeding (whether administrative, judicial or otherwise), governmental investigation or arbitration (whether or not purportedly on behalf of Holdings or any of its Subsidiaries) at law or in equity, or before or by any Governmental Authority, domestic or foreign (including any Environmental Claims), whether pending or, to the Knowledge of Holdings or any of its Subsidiaries, threatened against or affecting Holdings or any of its Subsidiaries or any property of Holdings or any of its Subsidiaries.

"**Affiliate**" means, as applied to any Person, any other Person directly or indirectly controlling (including any member of the senior management group of such Person), controlled by, or under common control with, that Person. For the purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as applied to any Person, means the possession, directly or indirectly, of the current power (i) to vote 5% or more of the Securities having ordinary voting power of such Person, or (ii) to direct or cause the direction of the management and policies of that Person, whether through the ownership of voting securities or by contract or otherwise. Notwithstanding anything in this definition to the contrary, none of any Warrant Holder, any Preferred Holder or any of their affiliates shall be considered an "Affiliate" of any Credit Party or of any Subsidiary of any Credit Party.

"**Agent**" means each of Administrative Agent and Collateral Agent.

"**Aggregate Amounts Due**" as defined in **Section 2.14**.

"**Aggregate Payments**" as defined in **Section 7.2**.

"**Agreement**" means this Credit and Guaranty Agreement, dated as of October 28, 2016, as it may be amended, supplemented or otherwise modified from time to time.

"**AML Laws**" means all laws, rules, and regulations of any jurisdiction applicable to any Credit Party or any Affiliate thereof from time to time concerning or relating to anti-money laundering.

"**Anti-Corruption Laws**" means all laws, rules, and regulations of any jurisdiction applicable to any Credit Party or any Affiliate thereof from time to time concerning or relating to bribery or corruption.

"**Applicable Cash Rate**" means, with respect to any date, a percentage per annum equal to the rate set forth in the following table for the time period that includes such date:

Time Period	Cash Rate
October 28, 2016 through October 31, 2018	0.00%
November 1, 2018 through October 31, 2019	4.00%
November 1, 2019 through October 31, 2020	6.00%
November 1, 2020 through the Maturity Date and thereafter	8.00%

"**Applicable PIK Rate**" means, with respect to any date, a percentage per annum equal to the rate set forth in the following table for the time period that includes such date:

Time Period	PIK Rate
October 28, 2016 through October 31, 2018	10.00%
November 1, 2018 through October 31, 2019	6.00%
November 1, 2019 through October 31, 2020	4.00%
November 1, 2020 through the Maturity Date and thereafter	2.00%

"**Approved Floorplan Financing**" means any floorplan inventory financing that is provided to any of the Companies (other than Intermediate Holdings) pursuant to Approved Floorplan Financing Documents and is permitted under **Section 6.1(l)**.

"**Approved Floorplan Financing Documents**" means, collectively or individually as the context requires, (i) that certain Second Amended and Restated Inventory Financing Agreement dated as of the Closing Date, by and among Wells Fargo Commercial Distribution Finance, LLC, Legendary, Singleton, and South Florida, and each other "Loan Document" under and as defined therein, in each case as in effect on the Closing Date, (ii) that certain Amended and Restated Inventory Financing Agreement (Yamaha) dated as of the Closing Date, by and among Wells Fargo Commercial Distribution Finance, LLC, Legendary, Singleton, and South Florida, and each other "Loan Document" under and as defined therein, in each case as in effect on the Closing Date, (iii) that certain Second Amended and Restated Inventory Financing Agreement dated as of the Closing Date, by and among Brunswick Acceptance Company, LLC, Legendary, Singleton, and South Florida, and each other "Loan Document" under and as defined therein, in each case as in effect on the Closing Date, (iv) any amendments, restatements, supplements or other modifications to any of the documents described in **clauses (i)**, **(ii)** or **(iii)** of this definition in accordance with this Agreement and (v) the definitive documentation of any new floorplan inventory financing, including any refinancing or replacement of any existing Approved Floorplan Financing, in each case under this **clause (v)** to the extent consented to by Administrative Agent and Requisite Lenders.

"**Approved Subordinated Debt**" means any Indebtedness and other obligations of Holdings under any Approved Subordinated Debt Documents and the LMI Priority Distribution.

"**Approved Subordinated Debt Cap**" means, at any time, an amount determined as the product of (i) 0.50 multiplied by (ii) Consolidated Adjusted EBITDA as of the last day of the most recently ended month for which financial statements have been or were required to be delivered pursuant to **Section 5.1(a)**.

"**Approved Subordinated Debt Documents**" means, collectively or individually as the context requires, (i) that certain Asset Purchase Agreement dated as of December 31, 2014, by and among Singleton, U.S.A. Marine Sales, Inc. (doing business as "American Boat Broker"), and Lawrence M. Sosnow, and each "Ancillary Agreement" under and as defined therein, in each case as in effect on the Closing Date, (ii) that certain Asset Purchase Agreement dated as of June 1, 2015, by and among Holdings, Singleton, Captain's Choice Marine, Inc., W. Alan Giddens, Melanie Giddens, and A & M Properties, LLC, and each "Ancillary Agreement" under and as defined therein, in each case as in effect on the Closing Date, (iii) that certain Asset Purchase Agreement dated as of July 1, 2015, by and among Holdings, Singleton, Rambo Marine, Inc., Karl J. Rambo, Lora D. Rambo, Bennett Rambo, Rambo HG Properties, L.L.C., Rambo BHM Properties, L.L.C., and Rambo's Pond, LLV, and each "Ancillary Agreement" under and as defined therein, in each case as in effect on the Closing Date, (iv) that certain Asset Purchase Agreement dated as of June 7, 2016, by and among Holdings, Singleton, Lookout Marine Sales, Inc., Jimmy H. Troxtell and Ruth F. Troxtell, and each of the ancillary agreements entered into in connection therewith, and (v) the definitive documentation of any other Indebtedness or other obligations of Holdings consisting of seller notes, earnout obligations or Disqualified Stock in respect of Permitted Acquisitions, in each case under this **clause (v)** to the extent that the terms and conditions of such definitive documentation are permitted under **Section 6.1(k)** and are consented to by Administrative Agent and Requisite Lenders.

"**Asset Sale**" means a sale, lease or sublease (as lessor or sublessor), sale and leaseback, assignment, conveyance, transfer, license or other disposition to, or any exchange of property with, any Person (other than to or with a Credit Party which is not Holdings), in one transaction or a series of transactions, of all or any part of any Credit Party's businesses, assets or properties of any kind, whether real, personal, or mixed and whether tangible or intangible, whether now owned or hereafter acquired, including, without limitation, the Capital Stock of any Credit Party, other than inventory sold or leased in the ordinary course of business. For purposes of clarification, "Asset Sale" shall include (x) the sale or other disposition for value of any contracts or (y) the early termination or modification of any contract resulting in the receipt by any Credit Party of a cash payment or other consideration in exchange for such event (other than payments in the ordinary course for accrued and unpaid amounts due through the date of termination or modification).

"**Asset Sale Reinvestment Amounts**" as defined in **Section 2.11(a)**.

"**Assignment Agreement**" means an Assignment and Assumption Agreement substantially in the form of **Exhibit E**, with such amendments or modifications as may be approved by Administrative Agent.

"**Assumed Tax Rate**" means, for any taxable year of the Companies, the combined annual federal, state and local income tax rate applicable to an individual resident in New York, New York for such taxable year.

"**Authorized Officer**" means, as applied to any Person, any individual holding the position of chairman of the board (if an officer), chief executive officer, president or one of its vice presidents (or the equivalent thereof), and such Person's chief financial officer or treasurer.

"**Availability**" means, at any time of determination with respect to the Revolving Commitments or the Multi-Draw Term Loan Commitments, as the case may be, the lesser of (i) the aggregate principal amount of the unfunded Revolving Commitments or Multi-Draw Term Loan Commitments, as applicable, under this Agreement at such time, and (ii) the result of (a) an amount equal to the product of (x) Consolidated Adjusted EBITDA as of the last day of the most recently ended month for which financial statements have been or were required to be delivered pursuant to **Section 5.1(a)** minus Closing Date EBITDA (provided that this **clause (x)** shall not be less than zero), multiplied by (y) 4.0, minus (b) an amount equal to the sum of (x) the aggregate principal balance of the Loans at such time (excluding any interest on the Obligations that has been capitalized to the principal balance of the Obligations), plus (y) all other Consolidated Total Debt (other than the Approved Floorplan Financing and Indebtedness under any Approved Subordinated Debt) at such time. Availability shall be computed (A) giving pro forma effect to all Credit Extensions proposed to be made on the relevant date of determination and (B) including pro forma adjustments to Consolidated Adjusted EBITDA for any Subject Transaction in accordance with **Section 6.8(e)**.

"**Bankruptcy Code**" means Title 11 of the United States Code entitled "Bankruptcy," as now and hereafter in effect, or any successor statute.

"**BAO**" Bosun's Assets & Operations, LLC, a Delaware limited liability company.

"**BAO Operating Agreement**" means that certain First Amended and Restated Limited Liability Company Agreement of Bosun's Assets & Operations, LLC, dated as of the Seventh Amendment Effective Date, as amended, restated, supplemented or otherwise modified in accordance with this Agreement.

"**Base Rate**" means, for any day, a rate per annum equal to the greatest of (i) the Prime Rate in effect on such day, (ii) the Federal Funds Effective Rate in effect on such day plus ½ of 1%, and (iii) the sum of (a) daily one-month LIBOR as determined by the ICE Benchmark Administration for such date plus (b) 1.00% per annum.

"**Beekman**" means, (a) OWM BIP Investor, LLC**,** and (b) any Affiliate of The Beekman Group LLC, in each case solely to the extent such Person described in this definition is a Lender hereunder.

"**Beneficiary**" means each Agent and Lender.

"**BMI Stock**" means the 25% interest in the Capital Stock of BAO owned by Bosun's Marine, Inc., a Massachusetts corporation, as of the Seventh Amendment Effective Date, as such percentage interest may be reduced in accordance with the terms of the BAO Operating Agreement.

"**Business Day**" means any day excluding Saturday, Sunday and any day which is a legal holiday under the laws of the State of New York or the State of Texas or is a day on which banking institutions located in either such state are authorized or required by law or other governmental action to close.

"**Capital Lease**" means, as applied to any Person, any lease of any property (whether real, personal or mixed) by that Person (i) as lessee that, in conformity with GAAP, is or should be accounted for as a capital lease on the balance sheet of that Person or (ii) as lessee which is a transaction of a type commonly known as a "synthetic lease" (i.e., a transaction that is treated as an operating lease for accounting purposes but with respect to which payments of rent are intended to be treated as payments of principal and interest on a loan for Federal income tax purposes).

"**Capital Stock**" means any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent ownership interests in a Person (other than a corporation), including, without limitation, partnership interests and membership interests, and any and all warrants, rights or options to purchase or other arrangements or rights to acquire any of the foregoing.

"**Caribee Acquisition**" means the closing of the "Proposed Acquisition" referred to in the Thirteenth Amendment.

"**Caribee Acquisition Agreement**" means the "Proposed Acquisition Agreement" referred to in the Thirteenth Amendment, as in effect on the Thirteenth Amendment Effective Date.

"**Cash**" means money, currency or a credit balance in any demand or Deposit Account; provided, however, that notwithstanding anything to the contrary contained herein, for purposes of calculating compliance with the requirements of **Sections 3** and **6** hereof "Cash" shall exclude any amounts that would not be considered "cash" under GAAP or "cash" as recorded on the books of the Companies and the Guarantors.

"**Cash Equivalents**" means, as at any date of determination, (i) marketable securities (a) issued or directly and unconditionally guaranteed as to interest and principal by the United States Government, or (b) issued by any agency of the United States the obligations of which are backed by the full faith and credit of the United States, in each case maturing within one year after such date; (ii) marketable direct obligations issued by any state of the United States of America or any political subdivision of any such state or any public instrumentality thereof, in each case maturing within one year after such date and having, at the time of the acquisition thereof, a rating of at least A-1 from S&P or at least P-1 from Moody's; (iii) commercial paper maturing no more than one year from the date of creation thereof and having, at the time of the acquisition thereof, a rating of at least A-1 from S&P or at least P-1 from Moody's; (iv) certificates of deposit or bankers' acceptances maturing within one year after such date and issued or accepted by any Lender or by any commercial bank organized under the laws of the United States of America or any state thereof or the District of Columbia that (a) is at least "adequately capitalized" (as defined in the regulations of its primary Federal banking regulator), and (b) has Tier 1 capital (as defined in such regulations) of not less than $100,000,000; and (v) shares of any money market mutual fund that (a) has substantially all of its assets invested continuously in the types of investments referred to in **clauses (i)** and **(ii)** above, (b) has net assets of not less than $500,000,000, and (c) has the highest rating obtainable from either S&P or Moody's.

"**Certificate Regarding Tax Status**" means a certificate substantially in the form of **Exhibit F-1**, **F-2**, **F-3**, or **F-4**, as applicable.

"**Change of Control**" means, at any time, (i) Equity Investors shall cease to beneficially own and control at least 25% on a fully diluted basis of the economic and voting interests in the Capital Stock of Holdings; (ii) any Person or "group" (within the meaning of Rules 13d 3 and 13d 5 under the Exchange Act) other than Warrant Holders, Preferred Holders, any of their respective affiliates or Equity Investors (a) shall have acquired current beneficial ownership of 20% or more on a fully diluted basis of the voting and/or economic interest in the Capital Stock of Holdings or (b) shall have obtained the current power (whether or not exercised) to elect a majority of the members of the board of managers (or similar governing body) of Holdings; (iii) Holdings shall cease to beneficially own and control 100% of the common membership interests in Intermediate Holdings, (iv) Intermediate Holdings shall cease to beneficially own and control (a) (i) 75% on a fully diluted basis of the economic interest and 100% on a fully diluted basis of the voting interest in the Capital Stock of SSAO or (ii) 75% on a fully diluted basis of the economic interest and 100% on a fully diluted basis of the voting interest in the Capital Stock of BAO, or (b) 100% on a fully diluted basis of the economic and voting interest in the Capital Stock of each other Company; (v) any "change of control" or similar event under the Approved Floorplan Financing or any Approved Subordinated Debt Documents shall occur; (vi) any event, transaction or occurrence as a result of which any of P. Austin Singleton, Jr. or Anthony Aisquith shall for any reason cease to be actively engaged in the day-to-day management of the Companies in the role each such Person serves on the Closing Date, unless an interim or permanent successor reasonably acceptable to Agent and Requisite Lenders is promptly appointed, (vii) Thomas W. Mack shall cease to beneficially own and control all of the Mack Stock (except pursuant to the exercise of the Put Option in accordance with, and as defined in, Section 3.4(c) of the SSAO Operating Agreement so long as no Default or Event of Default is continuing at the time of any such exercise) or (viii) Bosun's Marine Inc. shall cease to beneficially own and control all of the BMI Stock.

"**Class**" means (i) with respect to Lenders, each of the following classes of Lenders: (a) Lenders having Revolving Exposure and (b) Lenders having Multi-Draw Term Loan Exposure, and (ii) with respect to Loans, each of the following classes of Loans(a) Revolving Loans and (b) Multi-Draw Term Loans.

"**Closing Date**" means October 28, 2016.

"**Closing Date Distribution**" means a one-time cash distribution on the Closing Date in an aggregate amount not to exceed $41,344,531.52, which distribution will initially be made by Intermediate Holdings to Holdings and then will be further distributed by Holdings to certain holders of its Capital Stock.

"**Closing Date EBITDA**" means [***].

"**Closing Date Certificate**" means a Closing Date Certificate substantially in the form of **Exhibit G-1**.

"**Collateral**" means, collectively, all of the real, personal and mixed property (including Capital Stock) in which Liens are purported to be granted pursuant to the Collateral Documents as security for the Obligations.

"**Collateral Agent**" as defined in the preamble hereto.

"**Collateral Documents**" means the Pledge and Security Agreement, the Mortgages, the Landlord Consent and Estoppels and all other instruments, documents and agreements delivered by any Credit Party pursuant to this Agreement or any of the other Credit Documents in order to grant to Collateral Agent, for the benefit of Secured Parties, a Lien on any real, personal or mixed property of that Credit Party as security for the Obligations.

"**Collateral Questionnaire**" means a perfection or similar certificate in form satisfactory to Collateral Agent that provides information with respect to the real, personal or mixed property of each Credit Party.

"**Commitment**" means the Revolving Commitment or the Multi-Draw Term Loan Commitment of a Lender, and "**Commitments**" means such commitments of all Lenders.

"**Company**" or "**Companies**" as defined in the preamble hereto.

"**Compliance Certificate**" means a Compliance Certificate substantially in the form of **Exhibit C**.

"**Consolidated Adjusted EBITDA**" means, for any period, an amount determined for Holdings and its Subsidiaries on a consolidated basis equal to (i) the sum, without duplication, of the amounts for such period of (a) Consolidated Net Income, plus (b) Consolidated Interest Expense, plus (c) provisions for taxes based on income (and, without duplication, Permitted Tax Payments), plus (d) total depreciation expense, plus (e) total amortization expense, plus (f) other non-Cash items reducing Consolidated Net Income (excluding any such non-Cash item to the extent that it represents an accrual or reserve for potential Cash items in any future period or amortization of a prepaid Cash item that was paid in a prior period), plus (g) total rent expense, plus (h) Permitted Add-Backs, minus (ii) the sum, without duplication of the amounts for such period of (a) other non-Cash items increasing Consolidated Net Income for such period (excluding any such non-Cash item to the extent it represents the reversal of an accrual or reserve for potential Cash item in any prior period), plus (b) interest income, plus (c) other income, plus (d) rent expense paid in cash. Consolidated Adjusted EBITDA shall be adjusted as set forth in Section 6.8(e) for all purposes under this Agreement, provided that (x) no such adjustments shall be made to Consolidated Adjusted EBITDA for purposes of calculating Consolidated Excess Cash Flow, (y) for all purposes, Consolidated Adjusted EBITDA attributable to SSAO shall be reduced by a percentage equal to the percentage interest that the Mack Stock represents in SSAO and (z) for all purposes, Consolidated Adjusted EBITDA attributable to BAO shall be reduced by a percentage equal to the percentage interest that the BMI Stock represents in BAO. Notwithstanding anything to the contrary in this Agreement, for all purposes, any and all components of Consolidated Adjusted EBITDA attributable to the business acquired pursuant to the Slalom Acquisition Agreement, shall be excluded in determining Consolidated Adjusted EBTIDA (including any adjustment pursuant to Section 6.8(e)) until the delivery of the "Required Lewisville Consents" in accordance with and as defined in the Slalom Acquisition Agreement.

"**Consolidated Capital Expenditures**" means, for any period, the aggregate of all expenditures of Holdings and its Subsidiaries during such period determined on a consolidated basis that, in accordance with GAAP, are or should be included in "purchase of property and equipment or which should otherwise be capitalized" or similar items reflected in the consolidated statement of cash flows of Holdings and its Subsidiaries.

"**Consolidated Cash Interest Expense**" means, for any period, Consolidated Interest Expense for such period based upon GAAP, excluding any paid-in-kind interest and amortization of deferred financing costs.

"**Consolidated Current Assets**" means, as at any date of determination, the total assets of Holdings and its Subsidiaries on a consolidated basis that may properly be classified as current assets in conformity with GAAP, excluding Cash and Cash Equivalents.

"**Consolidated Current Liabilities**" means, as at any date of determination, the total liabilities of Holdings and its Subsidiaries on a consolidated basis that may properly be classified as current liabilities in conformity with GAAP, excluding the current portion of long term debt.

"**Consolidated Excess Cash Flow**" means, for any period, an amount (if positive) determined for Holdings and its Subsidiaries on a consolidated basis equal to: (i) the sum, without duplication, of the amounts for such period of (a) Consolidated Adjusted EBITDA, plus (b) interest income, plus (c) other income (excluding any gains or losses attributable to Asset Sales), plus (d) the Consolidated Working Capital Adjustment, minus (ii) the sum, without duplication, of the amounts for such period of (a) voluntary and scheduled repayments of Consolidated Total Debt (including cash payments with respect to interest accrued at the Applicable PIK Rate that has been capitalized as principal, but excluding (x) repayments of Revolving Loans except to the extent the Revolving Commitments are permanently reduced in connection with such repayments and (y) repayments of the Approved Floorplan Financing), plus (b) Consolidated Capital Expenditures (net of any proceeds of (x) Net Asset Sale Proceeds to the extent reinvested in accordance with **Section 2.11**, (y) Net Insurance/Condemnation Proceeds to the extent reinvested in accordance with **Section 2.11**, and (z) any proceeds of related financings with respect to such expenditures), plus (c) Consolidated Cash Interest Expense, plus (d) provisions for current taxes based on income of Holdings and its Subsidiaries and payable in cash with respect to such period (and, without duplication, Permitted Tax Payments), plus (e) Restricted Junior Payments made in cash (other than dividends and distributions made to Companies by Subsidiaries of Companies, on the Mack Stock, or on the BMI Stock), plus (f) any payment in respect of the Warrants, plus (g) Permitted Add-Backs.

"**Consolidated Fixed Charges**" means, for any period, the sum, without duplication, of the amounts determined for Holdings and its Subsidiaries on a consolidated basis equal to (i) Consolidated Interest Expense (excluding amounts included in Consolidated Interest Expense consisting of amortization of deferred financing costs) , (ii) scheduled payments of principal on Consolidated Total Debt, (iii) Consolidated Capital Expenditures (excluding amounts included in Consolidated Capital Expenditures consisting of acquisition consideration incurred pursuant to a Permitted Acquisition upon or after the closing thereof in accordance with the definitive purchase agreement for such Permitted Acquisition as approved by Administrative Agent and Requisite Lenders), (iv) the current portion of taxes provided for with respect to such period in accordance with GAAP (including, without duplication, Permitted Tax Payments during such period), and (v) dividends on the Preferred Stock (whether paid in cash or accrued and unpaid).

"**Consolidated Interest Expense**" means, for any period, total interest expense (including that portion attributable to Capital Leases in accordance with GAAP and capitalized interest) of Holdings and its Subsidiaries on a consolidated basis with respect to all outstanding Consolidated Total Debt, including all commissions, discounts and other fees and charges owed with respect to letters of credit, but excluding, however, (i) any amounts referred to in **Section 2.8(d)** payable on or before the Closing Date, and (ii) any interest expense attributable to any Approved Floorplan Financing; provided, that the interest component of the LMI Priority Distribution accrued for such period shall be deemed to constitute Consolidated Interest Expense for purposes of this definition, whether or not constituting interest expense for purposes of GAAP.

"**Consolidated Liquidity**" means, at any time of determination, an amount determined for Holdings and its Subsidiaries on a consolidated basis equal to the sum of (i) Cash and Cash Equivalents of Holdings and its Subsidiaries plus (ii) Availability with respect to the Revolving Commitments.

"**Consolidated Net Income**" means, for any period, (i) the net income (or loss) of Holdings and its Subsidiaries on a consolidated basis for such period taken as a single accounting period determined in conformity with GAAP, minus (ii) the sum of the amounts for such period of (a) the income (or loss) of any Person (other than a Subsidiary of Holdings) in which any other Person (other than Holdings or any of its Subsidiaries) has a joint interest, plus (b) the income (or loss) of any Person accrued prior to the date it becomes a Subsidiary of Holdings or is merged into or consolidated with Holdings or any of its Subsidiaries or that Person's assets are acquired by Holdings or any of its Subsidiaries, plus (c) the income of any Subsidiary of Holdings to the extent that the declaration or payment of dividends or similar distributions by that Subsidiary of that income is not at the time permitted by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Subsidiary, plus (d) any gains or losses attributable to Asset Sales or returned surplus assets of any Pension Plan, plus (e) (to the extent not included in **clauses (a)** through **(d)** above) any net extraordinary gains or net extraordinary losses.

"**Consolidated Senior Debt**" means Consolidated Total Debt excluding any Approved Subordinated Debt.

"**Consolidated Total Debt**" means, as at any date of determination, the aggregate stated balance sheet amount of all Indebtedness of Holdings and its Subsidiaries determined on a consolidated basis in accordance with GAAP; provided, that the aggregate amount of the LMI Priority Distribution as of such date (excluding any interest component thereof) shall be deemed to constitute Consolidated Total Debt for purposes of this definition, whether or not constituting Indebtedness for purposes of GAAP.

"**Consolidated Working Capital**" means, as at any date of determination, the amount (which may be a negative number) by which Consolidated Current Assets exceeds (or is less than) Consolidated Current Liabilities.

"**Consolidated Working Capital Adjustment**" means, for any period of determination on a consolidated basis, the amount (which may be a negative number) by which Consolidated Working Capital as of the beginning of such period exceeds (or is less than) Consolidated Working Capital as of the end of such period.

"**Consumer Compliance Action Items**" as defined in **Section 5.16**.

"**Consumer Finance Laws**" means all laws, rules, and regulations of any jurisdiction applicable to any Credit Party or any Affiliate thereof from time to time concerning or relating to consumer financial activities, including, without limitation, the brokering, soliciting, arranging, or making of loans or other financing transactions for the purchase of consumer goods and related products and services, and the soliciting, arranging, brokering, or underwriting of insurance products for consumers and the receipt of referral fees relating to insurance products.

"**Contractual Obligation**" means, as applied to any Person, any provision of any Security issued by that Person or of any indenture, mortgage, deed of trust, contract, undertaking, agreement or other instrument to which that Person is a party or by which it or any of its properties is bound or to which it or any of its properties is subject.

"**Contributing Guarantors**" as defined in **Section 7.2**.

"**Counterpart Agreement**" means a Counterpart Agreement substantially in the form of **Exhibit H** delivered by a Credit Party pursuant to **Section 5.10**.

"**Credit Date**" means the date of a Credit Extension.

"**Credit Document**" means any of this Agreement, the Notes, if any, the Collateral Documents, the Individual Guaranty Agreements, the Fee Letter, the Intercreditor Agreement, and all other documents, instruments or agreements executed and delivered by a Credit Party for the benefit of any Agent or any Lender in connection herewith, excluding the Warrant, the Preferred Stock and any other documents related solely thereto.

"**Credit Extension**" means the making of a Loan.

"**Credit Party**" means the Companies, Holdings, and each of their respective direct and indirect Subsidiaries.

"**Customer Information**" means any personally identifiable information any Company obtains from or about an individual who is a prospective customer, current customer, or past customer of such Company or that otherwise is protected as "personal information" or the equivalent under applicable laws.

"**Deadlock Matter**" as defined in **Section 10.5(g)**.

"**Default**" means a condition or event that, after notice or lapse of time or both, would constitute an Event of Default.

"**Default Excess**" means, with respect to any Defaulting Lender, the excess, if any, of such Defaulting Lender's Pro Rata Share of the aggregate outstanding principal amount of Loans of all Lenders (calculated as if all Defaulting Lenders (other than such Defaulting Lender) had funded all of their respective Defaulted Loans) over the aggregate outstanding principal amount of all Loans of such Defaulting Lender.

"**Default Period**" means, with respect to any Defaulting Lender, the period commencing on the date of the applicable Funding Default, or violation of **Section 9.5(c)**, and ending on the earliest of the following dates: (i) the date on which all Commitments are cancelled or terminated and/or the Obligations are declared or become immediately due and payable, (ii) the date on which (a) the Default Excess with respect to such Defaulting Lender shall have been reduced to zero (whether by the funding by such Defaulting Lender of any Defaulted Loans of such Defaulting Lender or by the non-pro rata application of any voluntary or mandatory prepayments of the Loans in accordance with the terms of **Section 2.10** or **Section 2.11** or by a combination thereof), and (b) such Defaulting Lender shall have delivered to the Companies, Administrative Agent and each other Lender a written reaffirmation of its intention to honor its obligations hereunder with respect to its Commitments, (iii) the date on which the Companies, Administrative Agent and Requisite Lenders waive all Funding Defaults of such Defaulting Lender in writing, and (iv) the date on which Administrative Agent and Requisite Lenders shall have waived all violations of **Section 9.5(c)** by such Defaulting Lender in writing.

"**Defaulted Loan**" as defined in **Section 2.18**.

"**Defaulting Lender**" as defined in **Section 2.18**.

"**Default Rate**" means any interest payable pursuant to **Section 2.7**.

"**Deposit Account**" means a demand, time, savings, passbook or like account with a bank, savings and loan association, credit union or like organization, other than an account evidenced by a negotiable certificate of deposit.

"**Disqualified Stock**" means any Capital Stock, other than the Mack Stock, and the BMI Stock, the Warrants and the Preferred Stock, that, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable), or upon the happening of any event, (i) matures (excluding any maturity as the result of an optional redemption by the issuer thereof) or is mandatorily redeemable, in whole or in part, or required to be repurchased or redeemed, in whole or in part, in each case other than for common Capital Stock of Holdings, pursuant to a sinking fund obligation or otherwise, on or prior to 180 days after the latest possible maturity date of the Loans, (ii) is or becomes convertible into or exchangeable (unless at the sole option of the issuer thereof) for (a) debt securities or (b) any Capital Stock of Holdings or any of its Subsidiaries that would constitute Disqualified Stock, in each case at any time on or prior to 180 days after the latest possible maturity date of the Loans, (iii) contains any mandatory repurchase obligation which may come into effect on or prior to 180 days after the latest possible maturity date of the Loans or (iv) provides for the scheduled payments of dividends in Cash on or prior to 180 days after the latest possible maturity date of the Loans.

"**Dollars**" and the sign "**$**" mean the lawful money of the United States of America.

"**Domestic Subsidiary**" means any Subsidiary organized under the laws of the United States of America, any State thereof or the District of Columbia.

"**Eighth Amendment**" means that certain Limited Consent and Eighth Amendment to Credit and Guaranty Agreement dated as of July 6, 2018.

"**Eighth Amendment Effective Date**" has the meaning assigned to such term in the Eighth Amendment.

"**Eligible Assignee**" means (i) in the case of the Revolving Loans or Revolving Commitments and, prior to the Multi-Draw Term Loan Commitment Termination Date, the Multi-Draw Term Loans and Multi-Draw Term Loan Commitments, (a) any Lender with Revolving Exposure, Multi-Draw Term Loan Exposure or any Affiliate (other than a natural person) of a Lender with Revolving Exposure or Multi-Draw Term Loan Exposure, (b) a commercial bank organized under the laws of the United States, or any state thereof, and having total assets in excess of $100,000,000, (c) a commercial bank organized under the laws of any other country which is a member of the Organization for Economic Cooperation and Development or a political subdivision of any such country and which has total assets in excess of $100,000,000, provided that such bank is acting through a branch or agency located in the United States, and (d) a finance company, insurance company, or other financial institution or fund that is engaged in making, purchasing, or otherwise investing in commercial loans in the ordinary course of its business and having (together with its Affiliates) total assets in excess of $100,000,000, (ii) in the case of the Multi-Draw Term Loans following the Multi-Draw Term Loan Commitment Termination Date, (a) any Lender, any Affiliate of any Lender and any Related Fund (any two or more Related Funds being treated as a single Eligible Assignee for all purposes hereof), and (b) any commercial bank, insurance company, investment or mutual fund or other entity that is an "accredited investor" (as defined in Regulation D under the Securities Act) and which extends credit or buys loans as one of its businesses, and (iii) any other Person (other than a natural Person) approved by Administrative Agent; provided, (x) neither (A) Holdings nor any Affiliate of Holdings nor (B) the Equity Investors nor any Affiliate of any Equity Investor shall, in any event, be an Eligible Assignee and (y) no Person owning or controlling any trade debt or Indebtedness of any Credit Party other than the Obligations (including, but not limited to, any Approved Floorplan Financing and any Approved Subordinated Debt) or any Capital Stock of any Credit Party shall, in any event, be an Eligible Assignee, in each case other than (I) Warrant Holders, Preferred Holders and their respective affiliates, and (II) such other Persons as are approved in writing by Administrative Agent and Requisite Lenders).

"**Employee Benefit Plan**" means any "employee benefit plan" as defined in Section 3(3) of ERISA which is or was sponsored, maintained or contributed to by, or required to be contributed by, Holdings, any of its Subsidiaries or any of their respective ERISA Affiliates.

"**Environmental Claim**" means any investigation, notice, notice of violation, claim, action, suit, proceeding, demand, abatement order or other order or directive (conditional or otherwise), by any Governmental Authority or any other Person, arising (i) pursuant to or in connection with any actual or alleged violation of any Environmental Law; (ii) in connection with any Hazardous Material or any actual or alleged Hazardous Materials Activity; or (iii) in connection with any actual or alleged damage, injury, threat or harm to health, safety, natural resources or the environment.

"**Environmental Laws**" means any and all current or future foreign or domestic, federal or state (or any subdivision of either of them), statutes, ordinances, orders, rules, regulations, judgments, Governmental Authorizations, or any other requirements of Governmental Authorities relating to (i) environmental matters, including those relating to any Hazardous Materials Activity; (ii) the generation, use, storage, transportation or disposal of Hazardous Materials; or (iii) occupational safety and health, industrial hygiene, land use or the protection of human, plant or animal health or welfare, in any manner applicable to Holdings or any of its Subsidiaries or any Facility.

"**Environmental Obligations**" as defined in **Section 5.16**.

"**Equity Investors**" means, collectively or individually as the context requires, P. Austin Singleton, Jr. and Anthony Aisquith.

"**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and any successor thereto.

"**ERISA Affiliate**" means, as applied to any Person, (i) any corporation which is a member of a controlled group of corporations within the meaning of Section 414(b) of the Internal Revenue Code of which that Person is a member; (ii) any trade or business (whether or not incorporated) which is a member of a group of trades or businesses under common control within the meaning of Section 414(c) of the Internal Revenue Code of which that Person is a member; and (iii) any member of an affiliated service group within the meaning of Section 414(m) or (o) of the Internal Revenue Code of which that Person, any corporation described in **clause (i)** above or any trade or business described in **clause (ii)** above is a member. Any former ERISA Affiliate of Holdings or any of its Subsidiaries shall continue to be considered an ERISA Affiliate of Holdings or any such Subsidiary within the meaning of this definition with respect to the period such entity was an ERISA Affiliate of Holdings or such Subsidiary and with respect to liabilities arising after such period for which Holdings or such Subsidiary could be liable under the Internal Revenue Code or ERISA.

"**ERISA Event**" means (i) a "reportable event" within the meaning of Section 4043 of ERISA and the regulations issued thereunder with respect to any Pension Plan (excluding those for which the provision for thirty day notice to the PBGC has been waived by regulation); (ii) the failure to meet the minimum funding standard of Section 412 of the Internal Revenue Code with respect to any Pension Plan (whether or not waived in accordance with Section 412(c) of the Internal Revenue Code) or the failure to make by its due date a required installment under Section 430(j) of the Internal Revenue Code with respect to any Pension Plan or the failure to make any required contribution to a Multiemployer Plan; (iii) the provision by the administrator of any Pension Plan pursuant to Section 4041(a)(2) of ERISA of a notice of intent to terminate such plan in a distress termination described in Section 4041(c) of ERISA; (iv) the withdrawal by Holdings, any of its Subsidiaries or any of their respective ERISA Affiliates from any Pension Plan with two or more contributing sponsors or the termination of any such Pension Plan resulting in liability to Holdings, any of its Subsidiaries or any of their respective Affiliates pursuant to Section 4063 or 4064 of ERISA; (v) the institution by the PBGC of proceedings to terminate any Pension Plan, or the occurrence of any event or condition which might constitute grounds under ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan; (vi) the imposition of liability on Holdings, any of its Subsidiaries or any of their respective ERISA Affiliates pursuant to Section 4062(e) or 4069 of ERISA or by reason of the application of Section 4212(c) of ERISA; (vii) the withdrawal of Holdings, any of its Subsidiaries or any of their respective ERISA Affiliates in a complete or partial withdrawal (within the meaning of Sections 4203 and 4205 of ERISA) from any Multiemployer Plan if there is any potential liability therefor, or the receipt by Holdings, any of its Subsidiaries or any of their respective ERISA Affiliates of notice from any Multiemployer Plan that it is in reorganization or insolvency pursuant to Section 4241 or 4245 of ERISA, or that it intends to terminate or has terminated under Section 4041A or 4042 of ERISA; (viii) the occurrence of an act or omission which could give rise to the imposition on Holdings, any of its Subsidiaries or any of their respective ERISA Affiliates of fines, penalties, taxes or related charges under Chapter 43 of the Internal Revenue Code or under Section 409, Section 502(c), (i) or (l), or Section 4071 of ERISA in respect of any Employee Benefit Plan; (ix) the assertion of a material claim (other than routine claims for benefits) against any Employee Benefit Plan other than a Multiemployer Plan or the assets thereof, or against Holdings, any of its Subsidiaries or any of their respective ERISA Affiliates in connection with any Employee Benefit Plan; (x) receipt from the Internal Revenue Service of notice of the failure of any Pension Plan (or any other Employee Benefit Plan intended to be qualified under Section 401(a) of the Internal Revenue Code) to qualify under Section 401(a) of the Internal Revenue Code, or the failure of any trust forming part of any Pension Plan to qualify for exemption from taxation under Section 501(a) of the Internal Revenue Code; or (xi) the imposition of a Lien pursuant to Section 430(k) of the Internal Revenue Code or pursuant to Section 303(k) of ERISA with respect to any Pension Plan.

"**Event of Default**" means each of the conditions or events set forth in **Section 8.1**.

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended from time to time, and any successor statute.

"**Excluded ROFO Transfer**" as defined in **Section 10.6(j)**.

"**Excluded Tag Transfer**" as defined in **Section 10.6(k)**.

"**Excluded Tax**" means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (i) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (a) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (b) that are Other Connection Taxes, (ii) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (a) such Lender acquires such interest in the Loan or Commitment (other than pursuant to any assignment under **Section 2.19**) or (b) such Lender changes its lending office, except in each case to the extent that, pursuant to **Section 2.16**, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (iii) Taxes attributable to such Recipient's failure to comply with **Section 2.16(f)** and (iv) any U.S. federal withholding Taxes imposed under FATCA.

"**Existing Indebtedness**" means Indebtedness and other obligations outstanding under (i) that certain Loan Agreement dated as of March 30, 2015, by and between Whitney Bank d/b/a Hancock Bank, as lender, Holdings, Singleton Assets & Operations, LLC, and Legendary Assets & Operations, LLC, as borrowers, and Philip Austin Singleton, Jr., as guarantor, as amended prior to the Closing Date, (ii) the convertible and balloon promissory notes made by Holdings pursuant to that certain Asset Purchase Agreement dated as of February 19, 2016, by and among Holdings, South Florida, Sundance Marine, Inc., Sundance Marine North, Inc., Mitchell Milesi, Joseph V. Clawges, Lori A. Clawges, MMJC Realty, LLC, Sundance Marine Dixie, LLC, Indian River Drive, Inc., LAC Marine Corp. and Sundance Lauderdale Realty, Inc. and (iii) the TCF Agreement, in each case as amended prior to the Closing Date.

"**Facility**" means any real property (including all buildings, fixtures or other improvements located thereon) now, hereafter or heretofore owned, leased, operated or used by Holdings or any of its Subsidiaries or any of their respective predecessors or Affiliates.

"**Fair Share**" as defined in **Section 7.2**.

"**Fair Share Contribution Amount**" as defined in **Section 7.2**.

"**FATCA**" means Sections 1471 through 1474 of the Internal Revenue Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the Internal Revenue Code.

"**Federal Funds Effective Rate**" means for any day, the rate per annum (expressed, as a decimal, rounded upwards, if necessary, to the next higher 1/100 of 1%) equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided, (i) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (ii) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate charged to GSSLH or any other Lender selected by Administrative Agent on such day on such transactions as determined by Administrative Agent.

"**Fee Letter**" means the second amended and restated letter agreement dated as of the Fifteenth Amendment Effective Date among the Companies, the Administrative Agent, and the Lenders.

"**Fifteenth Amendment**" means that certain Fifteenth Amendment to Credit and Guaranty Agreement entered into as of the Fifteenth Amendment Effective Date by and among Holdings, the Companies, Agent and the lenders party thereto.

"**Fifteenth Amendment Effective Date**" means May 3, 2019.

"**Financial Officer Certification**" means, with respect to the financial statements or other financial reports or information for which such certification is required, the certification of the chief financial officer of Holdings that such financial statements fairly present in all material respects, as applicable, the financial condition of Holdings and its Subsidiaries as at the dates indicated and the results of their operations and their cash flows for the periods indicated, subject to changes resulting from audit and normal year-end adjustments.

"**Financial Plan**" as defined in **Section 5.1(i)**.

"**First Priority**" means, with respect to any Lien purported to be created in any Collateral pursuant to any Collateral Document, that such Lien is the only Lien to which such Collateral is subject, other than any Permitted Lien.

"**Fiscal Quarter**" means a fiscal quarter of any Fiscal Year.

"**Fiscal Year**" means the fiscal year of Holdings and its Subsidiaries ending on September 30 of each calendar year.

"**Fixed Charge Coverage Ratio**" means the ratio as of the last day of (i) the first Fiscal Quarter ending after the Closing Date of (a) Consolidated Adjusted EBITDA for the four-Fiscal Quarter period then ending, to (b) Consolidated Fixed Charges for such Fiscal Quarter *multiplied* by four, (ii) the second Fiscal Quarter ending after the Closing Date of (a) Consolidated Adjusted EBITDA for the four-Fiscal Quarter period then ending, to (b) Consolidated Fixed Charges for the two Fiscal Quarter period then ending *multiplied* by two, (iii) the third Fiscal Quarter period ending after the Closing Date of (a) Consolidated Adjusted EBITDA for the four-Fiscal Quarter period then ending, to (b) Consolidated Fixed Charges for the three-Fiscal Quarter period then ended *multiplied* by four-thirds, and (iv) any other Fiscal Quarter of (a) Consolidated Adjusted EBITDA for the four-Fiscal Quarter period then ending, to (b) Consolidated Fixed Charges for such four-Fiscal Quarter period.

"**Flood Hazard Property**" means any Real Estate Asset subject to a mortgage in favor of Collateral Agent, for the benefit of the Secured Parties, and located in an area designated by the Federal Emergency Management Agency as having special flood or mud slide hazards.

"**Floorplan Collateral**" as defined in the Intercreditor Agreement.

"**Foreign Lender**" means a Lender that is not a U.S. Person.

"**Foreign Subsidiary**" means any Subsidiary that is not a Domestic Subsidiary.

"**Fourth Amendment Effective Date**" means August 1, 2017.

"**Funding Default**" as defined in **Section 2.18**.

"**Funding Guarantor**" as defined in **Section 7.2**.

"**Funding Notice**" means a notice substantially in the form of **Exhibit A**.

"**GAAP**" means, subject to the limitations on the application thereof set forth in **Section 1.2**, United States generally accepted accounting principles in effect as of the date of determination thereof.

"**Governmental Authority**" means any federal, state, municipal, national or other government, governmental department, commission, board, bureau, court, agency or instrumentality or political subdivision thereof or any entity or officer exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to any government or any court, in each case whether associated with a state of the United States, the United States, or a foreign entity or government.

"**Governmental Authorization**" means any permit, license, authorization, plan, directive, consent order or consent decree of or from any Governmental Authority.

"**Grantor**" as defined in the Pledge and Security Agreement.

"**GS**" means, (a) GSSLH, and (b) any Affiliate of Goldman Sachs & Co. LLC, including GSSLG and GSSLH, in each case solely to the extent such Person described in this definition is a Lender hereunder.

"**GSSLG**" as defined in the preamble hereto.

"**GSSLH**" means Goldman Sachs Specialty Lending Holdings, Inc., a Delaware corporation.

"**Guaranteed Obligations**" as defined in **Section 7.1**.

"**Guarantor**" means each of Holdings and each Domestic Subsidiary of Holdings (other than the Companies).

"**Guarantor Subsidiary**" means each Guarantor other than Holdings.

"**Guaranty**" means the guaranty of each Guarantor set forth in **Section 7**, as supplemented by any Counterpart Agreement delivered from time to time in accordance with **Section 5.10**.

"**Hazardous Materials**" means any chemical, material or substance, exposure to which is prohibited, limited or regulated by any Governmental Authority or which may or could pose a hazard to the health and safety of the owners, occupants or any Persons in the vicinity of any Facility or to the indoor or outdoor environment.

"**Hazardous Materials Activity**" means any past, current, proposed or threatened activity, event or occurrence involving any Hazardous Materials, including the use, manufacture, possession, storage, holding, presence, existence, location, Release, threatened Release, discharge, placement, generation, transportation, processing, construction, treatment, abatement, removal, remediation, disposal, disposition or handling of any Hazardous Materials, and any corrective action or response action with respect to any of the foregoing.

"**Highest Lawful Rate**" means the maximum lawful interest rate, if any, that at any time or from time to time may be contracted for, charged, or received under the laws applicable to any Lender which are presently in effect or, to the extent allowed by law, under such applicable laws which may hereafter be in effect and which allow a higher maximum nonusurious interest rate than applicable laws now allow.

"**Historical Financial Statements**" means as of the Closing Date, (i) the audited financial statements of Holdings and its Subsidiaries for the Fiscal Year ended September 30, 2015, consisting of a balance sheet and the related consolidated statements of income, stockholders' equity and cash flows for such Fiscal Year, and (ii) for the interim period from October 1, 2015 to the Closing Date, internally prepared, unaudited financial statements of Holdings and its Subsidiaries, consisting of a balance sheet and the related consolidated statements of income, stockholders' equity for each quarterly period completed prior to forty-six days before the Closing Date and for each monthly period completed prior to thirty-one days prior to the Closing Date, in the case of **clauses (i)** and **(ii)**, certified by the chief financial officer of Holdings that they fairly present, in all material respects, the financial condition of Holdings and its Subsidiaries as at the dates indicated and the results of their operations and their cash flows for the periods indicated, subject, if applicable, to changes resulting from audit and normal year-end adjustments.

"**Holdings**" as defined in the preamble hereto.

"**Holdings Operating Agreement**" means that certain Second Amended & Restated Limited Liability Company Agreement of Holdings, dated as of the Closing Date, as amended, restated, supplemented or otherwise modified in accordance with this Agreement.

"**Increased-Cost Lender**" as defined in **Section 2.19**.

"**Indebtedness**," as applied to any Person, means, without duplication, (i) all indebtedness for borrowed money; (ii) that portion of obligations with respect to Capital Leases that is properly classified as a liability on a balance sheet in conformity with GAAP; (iii) notes payable and drafts accepted representing extensions of credit whether or not representing obligations for borrowed money; (iv) any obligation owed for all or any part of the deferred purchase price of property or services (excluding any such obligations incurred under ERISA); (v) all indebtedness secured by any Lien on any property or asset owned or held by that Person regardless of whether the indebtedness secured thereby shall have been assumed by that Person or is nonrecourse to the credit of that Person; (vi) the face amount of any letter of credit issued for the account of that Person or as to which that Person is otherwise liable for reimbursement of drawings; (vii) the direct or indirect guaranty, endorsement (otherwise than for collection or deposit in the ordinary course of business), co-making, discounting with recourse or sale with recourse by such Person of the obligation of another; (viii) any obligation of such Person the primary purpose or intent of which is to provide assurance to an obligee that the obligation of the obligor thereof will be paid or discharged, or any agreement relating thereto will be complied with, or the holders thereof will be protected (in whole or in part) against loss in respect thereof; (ix) any liability of such Person for an obligation of another through any agreement (contingent or otherwise) (a) to purchase, repurchase or otherwise acquire such obligation or any security therefor, or to provide funds for the payment or discharge of such obligation (whether in the form of loans, advances, stock purchases, capital contributions or otherwise) or (b) to maintain the solvency or any balance sheet item, level of income or financial condition of another if, in the case of any agreement described under subclauses (a) or (b) of this **clause (ix)**, the primary purpose or intent thereof is as described in **clause (viii)** above; (x) all obligations of such Person in respect of any exchange traded or over the counter derivative transaction; and (xi) all Disqualified Stock issued by such Person, with the amount of Indebtedness represented by such Disqualified Stock being equal to the greater of its voluntary or involuntary liquidation preference and its maximum fixed repurchase price (for purposes hereof, the "maximum fixed repurchase price" of any Disqualified Stock that does not have a fixed repurchase price shall be calculated in accordance with the terms of such Disqualified Stock as if such Disqualified Stock were purchased on any date on which Indebtedness shall be required to be determined pursuant to this Agreement, and if such price is based upon, or measured by, the fair market value of such Disqualified Stock).

"**Indemnified Liabilities**" means, collectively, any and all liabilities, obligations, losses, damages (including natural resource damages), penalties, claims (including Environmental Claims), costs (including the costs of any investigation, study, sampling, testing, abatement, cleanup, removal, remediation or other response action necessary to remove, remediate, clean up or abate any Hazardous Materials Activity), expenses and disbursements of any kind or nature whatsoever (including the reasonable fees and disbursements of counsel for Indemnitees in connection with any investigative, administrative or judicial proceeding commenced or threatened by any Person, whether or not any such Indemnitee shall be designated as a party or a potential party thereto, and any fees or expenses incurred by Indemnitees in enforcing this indemnity), whether direct, indirect or consequential and whether based on any federal, state or foreign laws, statutes, rules or regulations (including securities and commercial laws, statutes, rules or regulations and Environmental Laws), on common law or equitable cause or on contract or otherwise, that may be imposed on, incurred by, or asserted against any such Indemnitee, in any manner relating to or arising out of (i) this Agreement or the other Credit Documents or the transactions contemplated hereby or thereby (including the Lenders' agreement to make Credit Extensions or the use or intended use of the proceeds thereof, or any enforcement of any of the Credit Documents (including any sale of, collection from, or other realization upon any of the Collateral or the enforcement of the Guaranty)); or (ii) any Environmental Claim or any Hazardous Materials Activity relating to or arising from, directly or indirectly, any past or present activity, operation, land ownership, or practice of Holdings or any of its Subsidiaries.

"**Indemnified Taxes**" means (i) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by, or on account of any obligation of any Credit Party under, any Credit Document and (ii) to the extent not otherwise described in the foregoing **clause (i)** hereof, Other Taxes.

"**Indemnitee**" as defined in **Section 10.3**.

"**Indemnitee Agent Party**" as defined in **Section 9.6**.

"**Individual Guarantors**" means P. Austin Singleton, Jr. and Anthony Aisquith.

"**Individual Guaranty Agreements**" means the guaranty agreements dated as of the Closing Date entered into by each of the Individual Guarantors.

"**Installment**" as defined in **Section 2.9**.

"**Installment Date**" as defined in **Section 2.9**.

"**Intellectual Property**" means any and all proprietary, industrial and intellectual property rights under the law of any jurisdiction or under international treaties, both statutory and common law, including: (i) utility models, supplementary protection certificates, patents and applications for same, and extensions, divisionals, continuations, continuations-in-part, reexaminations, and reissues thereof; (ii) trademarks, service marks, trade names, slogans, domain names, logos, trade dress and other indicia of source or origin (including all goodwill associated with the foregoing), and registrations and applications for registrations thereof; (iii) copyrights, moral rights, database rights, and other rights in works of authorship and registrations and applications for registration of the foregoing; and (iv) trade secrets, know-how, and rights in confidential information, including designs, formulations, concepts, compilations of information, methods, techniques, documentation, algorithms, procedures, and processes, whether or not patentable.

"**Intercreditor Agreement**" means that certain Intercreditor and Collateral Access Agreement dated as of the Closing Date, by and among Wells Fargo Commercial Distribution Finance, LLC, Brunswick Acceptance Company, LLC, Collateral Agent, Holdings, Intermediate Holdings, Singleton, Legendary, and South Florida.

"**Interest Payment Date**" means, with respect to any Loan, (i) the last day of each calendar quarter, commencing on the first such date to occur after the Closing Date, and (ii) the final maturity date of such Loan.

"**Intermediate Holdings**" as defined in the preamble hereto.

"**Intermediate Holdings Operating Agreement**" means that certain First Amended & Restated Limited Liability Company Agreement of Intermediate Holdings, dated as of the Closing Date, as amended, restated, supplemented or otherwise modified in accordance with this Agreement.

"**Internal Revenue Code**" means the Internal Revenue Code of 1986, as amended to the date hereof and from time to time hereafter, and any successor statute.

"**Investment**" means (i) any direct or indirect purchase or other acquisition by Holdings or any of its Subsidiaries of, or of a beneficial interest in, any of the Securities of any other Person; (ii) any direct or indirect redemption, retirement, purchase or other acquisition for value, by Holdings or any Subsidiary of Holdings from any Person, of any Capital Stock of such Person; and (iii) any direct or indirect loan, advance (other than advances to employees for moving, entertainment and travel expenses, drawing accounts and similar expenditures in the ordinary course of business) or capital contributions by Holdings or any of its Subsidiaries to any other Person, including all indebtedness and accounts receivable from that other Person that are not current assets or did not arise from sales to that other Person in the ordinary course of business. The amount of any Investment shall be the original cost of such Investment plus the cost of all additions thereto, without any adjustments for increases or decreases in value, or write-ups, write-downs or write-offs with respect to such Investment.

"**IRS**" means the Internal Revenue Service.

"**Joint Venture**" means a joint venture, partnership or other similar arrangement, whether in corporate, partnership or other legal form; provided, in no event shall any corporate Subsidiary of any Person be considered to be a Joint Venture to which such Person is a party.

"**Knowledge**" means, with respect to any Person, the actual or constructive knowledge, after due inquiry, of (i) any director, manager or executive officer of any such Person that is not a natural person, or (ii) the individual if such Person is a natural person. "**Known**" has a correlative meaning.

"**Landlord Consent and Estoppel**" means, with respect to any Leasehold Property, a letter, certificate or other instrument in writing from the lessor under the related lease, pursuant to which, among other things, the landlord agrees to provide Collateral Agent certain leasehold mortgagee protections and consents to the granting of a Mortgage on such Leasehold Property by the Credit Party tenant, such Landlord Consent and Estoppel to be in form and substance acceptable to Collateral Agent in its reasonable discretion, but in any event sufficient for Collateral Agent to obtain a Title Policy with respect to such Mortgage.

"**Lead Arranger**" as defined in the preamble hereto.

"**Leasehold Property**" means any leasehold interest of any Credit Party as lessee under any lease of real property, other than any such leasehold interest designated from time to time by Collateral Agent in its sole discretion as not being required to be included in the Collateral.

"**Legendary**" as defined in the preamble hereto.

"**Lender**" means each financial institution or other Person listed on the signature pages hereto as a Lender, and any other Person that becomes a party hereto pursuant to an Assignment Agreement.

"**Lien**" means (i) any lien, mortgage, pledge, assignment, security interest, charge or encumbrance of any kind (including any agreement to give any of the foregoing, any conditional sale or other title retention agreement, and any lease in the nature thereof) and any option, trust or other preferential arrangement having the practical effect of any of the foregoing, and (ii) in the case of Securities, any purchase option, call or similar right of a third party with respect to such Securities.

"**LMI Priority Distribution**" as defined in the Holdings Operating Agreement as in effect on the Closing Date.

"**Loan**" means a Revolving Loan and a Multi-Draw Term Loan.

"**Mack Stock**" means the 25% of the Capital Stock of SSAO owned by Thomas W. Mack as of the Fourth Amendment Effective Date, as such percentage interest may be reduced in accordance with the terms of the SSAO Operating Agreement.

"**Margin Stock**" as defined in Regulation U of the Board of Governors of the Federal Reserve System as in effect from time to time.

"**Material Adverse Effect**" means a material adverse effect on and/or material adverse developments with respect to (i) the business operations, properties, assets, condition (financial or otherwise) or prospects of Holdings and its Subsidiaries taken as a whole; (ii) a significant portion of the industry or business segment in which Holdings or its Subsidiaries operate or rely upon if such effect or development is reasonably likely to have a material adverse effect on Holdings and its Subsidiaries taken as a whole; (iii) the ability of any Credit Party to fully and timely perform its Obligations; (iv) the legality, validity, binding effect, or enforceability against a Credit Party of a Credit Document to which it is a party; or (v) the rights, remedies and benefits available to, or conferred upon, any Agent and any Lender or any Secured Party under any Credit Document.

"**Material Brand**" means Malibu / Axis, Bennington, Harris, Yamaha, Cobalt, Regal, Sea Hunt, Everglades and Chris-Craft.

"**Material Contract**" means (i) any contract or other arrangement to which Holdings or any of its Subsidiaries is a party (other than the Credit Documents) for which breach, nonperformance, cancellation or failure to renew could reasonably be expected to have a Material Adverse Effect, (ii) any contract with a boat manufacturer constituting a Material Brand and, without duplication, those contracts and arrangements listed on **Schedule 4.16**, and (iii) any other contract or arrangement with any counterparty or its Affiliates from which Holdings and its Subsidiaries, on an aggregate basis for all contracts with such counterparty or any of its Affiliates, have received or are anticipated to receive earnings in excess of 2.5% of Consolidated Adjusted EBITDA on an annual basis; provided that, any such contract or other arrangement described in **clause (iii)** of this definition that is terminated and replaced in accordance with **Section 6.18**, shall no longer constitute a Material Contract for purposes of this definition upon such replacement.

"**Material Real Estate Asset**" means (i) (a) any fee-owned Real Estate Asset having a fair market value in excess of $200,000 as of the date of the acquisition thereof, and (b) all Leasehold Properties other than those with respect to which the aggregate payments under the term of the lease are less than $35,000 per annum, or (ii) any Real Estate Asset that Requisite Lenders have determined is material to the business, operations, properties, assets, condition (financial or otherwise) or prospects of Holdings or any Subsidiary thereof, including any listed on **Schedule 1.1(a)**.

"**Maturity Date**" means the earlier of (i) October 28, 2021, and (ii) the date that all Loans shall become due and payable in full hereunder, whether by acceleration or otherwise.

"**Moody's**" means Moody's Investor Services, Inc.

"**Mortgage**" means each mortgage, deed of trust or other real property security document evidencing any Lien granted to Administrative Agent for the benefit of the Secured Parties in any Real Estate Assets now or hereafter owned by any Credit Party, each of which shall be in form and substance reasonably satisfactory to Administrative Agent, as any such document may be amended, supplemented or otherwise modified from time to time.

"**Mortgaged Property**" means, with respect to any Mortgage, any Real Estate Assets encumbered by such Mortgage.

"**Multi-Draw Term Loan**" means a Multi-Draw Term Loan made by a Lender to the Companies pursuant to **Section 2.1(a)**.

"**Multi-Draw Term Loan Commitment**" means the commitment of a Lender to make or otherwise fund a Multi-Draw Term Loan and "**Multi-Draw Term Loan Commitments**" means such commitments of all Lenders in the aggregate. The amount of each Lender's Multi-Draw Term Loan Commitment as of the Fifteenth Amendment Effective Date, if any, is set forth on **Appendix A-2** or, thereafter, in the applicable Assignment Agreement, subject to any adjustment or reduction pursuant to the terms and conditions hereof. The aggregate amount of the Multi-Draw Term Loan Commitments as of the Fifteenth Amendment Effective Date is $10,000,000.

"**Multi-Draw Term Loan Commitment Period**" means the time period commencing after the Closing Date through and including the Multi-Draw Term Loan Commitment Termination Date.

"**Multi-Draw Term Loan Commitment Termination Date**" means with respect to any Multi-Draw Term Loan Commitments, the earliest to occur of the following: (i) December 31, 2019; (ii) the date such Commitments are permanently reduced to zero pursuant to **Sections 2.9**, **2.10(b)** and **2.11**; and (iii) the date of the termination of such Commitments pursuant to **Section 8.1**.

"**Multi-Draw Term Loan Exposure**" means, with respect to any Lender, as of any date of determination, the sum of (i) the outstanding principal amount of the Multi-Draw Term Loans of such Lender plus (ii) the remaining unused portion of such Lender's Multi-Draw Term Loan Commitment; provided, at any time prior to the making of the initial Multi-Draw Term Loans, the Multi-Draw Term Loan Exposure of any Lender shall be equal to such Lender's Multi-Draw Term Loan Commitment.

"**Multi-Draw Term Loan Note**" means a promissory note in the form of **Exhibit B-2**, as it may be amended, supplemented or otherwise modified from time to time.

"**Multiemployer Plan**" means any Employee Benefit Plan which is a "multiemployer plan" as defined in Section 3(37) of ERISA.

"**NAIC**" means The National Association of Insurance Commissioners, and any successor thereto.

"**Narrative Report**" means, with respect to the financial statements for which such narrative report is required, a narrative report describing the operations of Holdings and its Subsidiaries in the form prepared for presentation to senior management thereof for the applicable month, Fiscal Quarter or Fiscal Year and for the period from the beginning of the then current Fiscal Year to the end of such period to which such financial statements relate with comparison to and variances from the immediately preceding period and budget.

"**Net Asset Sale Proceeds**" means, with respect to any Asset Sale, an amount equal to: (i) Cash payments received by Holdings or any of its Subsidiaries from such Asset Sale, minus (ii) any bona fide direct costs incurred in connection with such Asset Sale to the extent paid or payable to non-Affiliates, including (a) sales commissions, (b) income or gains taxes payable by the seller (or its ultimate equity holders) as a result of any gain recognized in connection with such Asset Sale during the tax period the sale occurs (including Permitted Tax Payments in respect thereof), (c) payment of the outstanding principal amount of, premium or penalty, if any, and interest on any Indebtedness (other than the Loans) that is secured by a Lien on the stock or assets in question and that is required to be repaid under the terms thereof as a result of such Asset Sale, and (d) a reasonable reserve for any indemnification payments (fixed or contingent) attributable to seller's indemnities and representations and warranties to purchaser in respect of such Asset Sale undertaken by Holdings or any of its Subsidiaries in connection with such Asset Sale; provided that upon release of any such reserve, the amount released shall be considered Net Asset Sale Proceeds.

"**Net Insurance/Condemnation Proceeds**" means an amount equal to: (i) any Cash payments or proceeds received by Holdings or any of its Subsidiaries (a) under any casualty, business interruption or "key man" insurance policies in respect of any covered loss thereunder, or (b) as a result of the taking of any assets of Holdings or any of its Subsidiaries by any Person pursuant to the power of eminent domain, condemnation or otherwise, or pursuant to a sale of any such assets to a purchaser with such power under threat of such a taking, minus (ii) (a) any actual and reasonable costs incurred by Holdings or any of its Subsidiaries in connection with the adjustment or settlement of any claims of Holdings or such Subsidiary in respect thereof, and (b) any bona fide direct costs incurred in connection with any sale of such assets as referred to in **clause (i)(b)** of this definition to the extent paid or payable to non-Affiliates, including income taxes payable as a result of any gain recognized in connection therewith (including, without limitation, Permitted Tax Payments in respect thereof).

"**Non-Consenting Lender**" as defined in **Section 2.19**.

"**Non-Supporting Lender**" as defined in **Section 10.5(g).**

"Note" means a Revolving Loan Note or a Multi-Draw Term Loan Note**.**

"**Obligations**" means all obligations of every nature of each Credit Party from time to time owed to the Agents (including former Agents), the Lenders or any of them under any Credit Document, whether for principal, interest (including interest which, but for the filing of a petition in bankruptcy with respect to such Credit Party, would have accrued on any Obligation, whether or not a claim is allowed against such Credit Party for such interest in the related bankruptcy proceeding), fees, expenses, indemnification or otherwise.

"**Obligee Guarantor**" as defined in **Section 7.7**.

"**OFAC**" means the Office of Foreign Assets Control of the United States Department of the Treasury or any successor thereto.

"**Organizational Documents**" means (i) with respect to any corporation, its certificate or articles of incorporation or organization, as amended, and its by-laws, as amended, (ii) with respect to any limited partnership, its certificate of limited partnership, as amended, and its partnership agreement, as amended, (iii) with respect to any general partnership, its partnership agreement, as amended, and (iv) with respect to any limited liability company, its articles of organization, as amended, and its operating agreement, as amended. In the event any term or condition of this Agreement or any other Credit Document requires any Organizational Document to be certified by a secretary of state or similar governmental official, the reference to any such "**Organizational Document**" shall only be to a document of a type customarily certified by such governmental official.

"**Other Connection Taxes**" means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Credit Document, or sold or assigned an interest in any Loan or Credit Document).

"**Other Taxes**" means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Credit Document.

"**Pompano Beach Acquisition**" means the closing of the "Proposed Real Estate Acquisition" referred to in the Eighth Amendment.

"**Pompano Beach Acquisition Agreement**" means the "Proposed Real Estate Acquisition Agreement" referred to in the Eighth Amendment, as in effect on the Eighth Amendment Effective Date.

"**Participant Register**" as defined in **Section 10.6(h)**.

"**PATRIOT Act**" means the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)).

"**PBGC**" means the Pension Benefit Guaranty Corporation or any successor thereto.

"**Pension Plan**" means any Employee Benefit Plan, other than a Multiemployer Plan, which is subject to Section 412 of the Internal Revenue Code or Section 302 of ERISA.

"**Permitted Acquisition**" means any acquisition by any Company or any of their wholly-owned Guarantor Subsidiaries, whether by purchase, merger or otherwise, of all or substantially all of the assets of, all of the Capital Stock of, or a business line or unit or a division of, any Person; provided, Administrative Agent and Requisite Lenders consent in writing to such acquisition and, without limiting any other additional conditions or information that Administrative Agent or Requisite Lenders may require, each of the following conditions is satisfied with respect to such acquisition:

(i) immediately prior to, and after giving effect thereto, no Default or Event of Default shall have occurred and be continuing or would result therefrom;

(ii) all transactions in connection therewith shall be consummated, in all material respects, in accordance with all applicable laws and in conformity with all applicable Governmental Authorizations;

(iii) in the case of the acquisition of Capital Stock, all of the Capital Stock (except for any such Securities in the nature of directors' qualifying shares required pursuant to applicable law) acquired or otherwise issued by such Person or any newly formed Guarantor Subsidiary of any of the Companies in connection with such acquisition shall be owned 100% by the Companies or a Guarantor Subsidiary thereof, and the Companies shall have taken, or caused to be taken, as of the date such Person becomes a Subsidiary of any of the Companies, each of the actions set forth in **Sections 5.10** and/or **5.11**, as applicable;

(iv) any Person or assets or division as acquired in accordance herewith (x) shall be in the same business or lines of business in which the Companies are engaged as of the Closing Date and (y) for the four-quarter period most recently ended prior to the date of such acquisition, shall have generated earnings before income taxes, depreciation, and amortization during such period that shall exceed the amount of capital expenditures related to such Person or assets or division during such period (calculated in substantially the same manner as Consolidated Adjusted EBITDA and Consolidated Capital Expenditures are calculated);

(v) the acquisition shall have been approved by the board of directors or other governing body or controlling Person of the Person acquired or the Person from whom such assets or division is acquired;

(vi) the Companies shall have delivered to Administrative Agent and Lenders at least ten Business Days prior to such proposed acquisition, and Administrative Agent and Requisite Lenders shall have satisfactorily completed their review of, each of the following in form and substance satisfactory to Requisite Lenders in their respective sole discretion:

(a) all relevant financial information with respect to such acquisition, including, without limitation, the aggregate consideration for such acquisition and historical financial statements evidencing EBITDA that satisfies **clause (iv)** above;

(b) a quality of earnings report detailing proposed adjustments;

(c) a due diligence memorandum prepared by the Companies' counsel regarding such counsel's due diligence review of the target's business, assets, liabilities, operations and condition (financial or otherwise), including customary lien and litigation searches, all in scope and determination satisfactory to Requisite Lenders in their respective sole discretion;

(d) copies of any letter of intent or term sheet entered into in connection with such acquisition and a draft acquisition agreement (including all schedules and other attachments) therefor in form and substance satisfactory to Requisite Lenders in their respective sole discretion;

(e) if such acquisition is to be funded with the proceeds of Loans, a draft Funding Notice therefor, including calculations demonstrating satisfaction of the conditions set forth in **Section 3.2** before and after giving effect to such acquisition, certified by the Chief Financial Officer of Holdings;

(f) a summary memorandum prepared by management detailing the acquisition rationale, turnaround plan, requested add-back justifications, and any other material information related to such acquisition;

(g) drafts of any material third-party consents or other material approvals required in connection with such acquisition, including any such consents or approvals required by any Governmental Authority or under any Approved Floorplan Financing, the TCF Agreement or under any Material Contract; and

(h) any other information related to such acquisition that is requested by any Lender or its counsel; and

(vii) at least five Business Days prior to the closing of such acquisition that will be funded with Loans, the Companies shall have delivered a final executed Funding Notice therefor, including calculations demonstrating satisfaction of the conditions set forth in **Section 3.2** before and after giving effect to such acquisition, certified by the Chief Financial Officer of Holdings.

"**Permitted Add-Backs**" means, for any period, each of the following amounts determined for such period: (i) Transaction Costs, (ii) costs and other expenses paid to the Warrant Holders or the Preferred Holders in the ordinary course of business, (iii) the adjustments set forth on Schedule 1.1(b), and (iv) other items approved by Administrative Agent and Requisite Lenders from time to time.

"**Permitted Liens**" means each of the Liens permitted pursuant to **Section 6.2**.

"**Permitted Tax Payments**" means, with respect to any taxable year for which Holdings and each Company is treated as a disregarded or pass-through entity for U.S. federal income tax purposes, cash distributions made by the Companies to Holdings, in order to provide Holdings (and its direct or indirect members) with funds to pay federal, state and, in certain cases, local income Tax liabilities, including estimated Tax payments, associated with their respective direct or indirect allocable shares of taxable income of Holdings, subject to the limitations set forth herein. The amount of such distributions shall not exceed, for each member, (i) Holdings' quarterly determination of the taxable income allocable to such member by virtue of its interest in Holdings, multiplied by (ii) the applicable Assumed Tax Rate. Such distributions shall be made no more than 10 Business Days before any such member's obligation to make any quarterly estimated Tax payment. In addition, Holdings shall be permitted to make a final distribution to each such member with respect to each taxable year if and to the extent necessary to reconcile the cumulative distributions made in respect of such member's interest based upon the amount of taxable income determined pursuant to **clause (i)** above for such year with the amount of distributions which would have been allowable in respect of such member's interest based upon Holdings' actual taxable income as reflected on the IRS Form 1065 and Schedules K-1 filed by Holdings for such year. If Holdings' actual taxable income allocable to any such member's interest in Holdings for such year exceeds the amount determined pursuant to **clause (i)** above for such year, Holdings shall be permitted to make a final distribution to such member in an amount not to exceed (a) such actual taxable income allocable to such member's interest in Holdings for such year multiplied by the applicable Assumed Tax Rate, minus (b) the cumulative amount of distributions made in respect of such member's interest in Holdings with respect to such year. Such final distributions shall be made no more than 10 Business Days before April 15 of the year following the year with respect to which the distributions were made. If the amount determined for any such member's interest in Holdings pursuant to **clause (i)** above for such year exceeds Holdings' actual taxable income allocable to such member's interest in Holdings for such year, the excess of the amount of distributions made in respect of such member's interest in Holdings over the amount of distributions which would have been allowable in respect of such interest based on Holdings' actual taxable income shall be treated as a distribution made to such member in the following year and shall reduce the amount of distributions permitted to be made to such member for such following year. If the taxable income of Holdings is increased as a result of any audit or redetermination of Taxes, Holdings shall be permitted to make a further distribution to each such member in an amount not to exceed the amount of such member's allocable share of the increase multiplied by the applicable Assumed Tax Rate. If the taxable income of Holdings is reduced as a result of any audit or redetermination of Taxes, the excess of the amount of distributions made to each such member over the amount of distributions which would have been allowable to such member with respect to its allocable share of taxable income (as so reduced) shall be treated as a distribution made within the current period and shall reduce the amount of distributions permitted to be made to such member in such period or succeeding periods, as necessary. For purposes of this definition, such member's allocable share of taxable income of Holdings for a taxable year or period shall equal the sum of all items of income or gain allocated to such member for such taxable year or period less all items of deduction, loss and the loss equivalent (determined using the applicable Assumed Tax Rate) of tax credits allocated to such member (or, to the extent applicable, its predecessors in interest) for such taxable year or period and all prior taxable years or periods to the extent not previously taken into account as a reduction of income or gain allocated to such member (or, to the extent applicable, its predecessors in interest). All calculations of estimated and actual taxes pursuant to this definition shall take into account the deductibility of state and local taxes and the character of any income, gains, deductions, losses or credits.

"**Person**" means and includes natural persons, corporations, limited partnerships, general partnerships, limited liability companies, limited liability partnerships, joint stock companies, Joint Ventures, associations, companies, trusts, banks, trust companies, land trusts, business trusts or other organizations, whether or not legal entities, and Governmental Authorities.

"**Phase I Report**" means, with respect to any Facility, a report that (i) conforms to the ASTM Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process, E 1527, (ii) was conducted no more than six months prior to the date such report is required to be delivered hereunder, by one or more environmental consulting firms reasonably satisfactory to Administrative Agent, (iii) includes an assessment of asbestos-containing materials at such Facility, (iv) is accompanied by (a) an estimate of the reasonable worst-case cost of investigating and remediating any Hazardous Materials Activity identified in the Phase I Report as giving rise to an actual or potential material violation of any Environmental Law or as presenting a material risk of giving rise to a material Environmental Claim, and (b) a current compliance audit setting forth an assessment of Holdings', its Subsidiaries' and such Facility's current and past compliance with Environmental Laws and an estimate of the cost of rectifying any non-compliance with current Environmental Laws identified therein and the cost of compliance with reasonably anticipated future Environmental Laws identified therein.

"**Pledge and Security Agreement**" means the Pledge and Security Agreement to be executed by the Companies and each Guarantor substantially in the form of **Exhibit I**, as it may be amended, supplemented or otherwise modified from time to time.

"**Preferred Holders**" means Goldman Sachs & Co. LLC and OWM BIP Investor, LLC.

"**Preferred Stock**" means the "Preferred Units" under and as defined in the Intermediate Holdings Operating Agreement as in effect on the Closing Date**.**

"**Prime Rate**" means the rate of interest quoted in The Wall Street Journal, Money Rates Section as the Prime Rate (currently defined as the base rate on corporate loans posted by at least 70% of the nation's ten largest banks), as in effect from time to time.

"**Principal Office**" means, for Administrative Agent, such Person's "Principal Office" as set forth on **Appendix B**, or such other office as such Person may from time to time designate in writing to the Companies and each Lender; provided, however, that for the purpose of making any payment on the Obligations or any other amount due hereunder or any other Credit Document, the Principal Office of Administrative Agent shall be 200 West Street, New York, New York, 10282 (or such other location within the City and State of New York as Administrative Agent may from time to time designate in writing to the Companies and each Lender).

"**Projections**" as defined in **Section 4.8**.

"**Protective Advances**" as defined in **Section 2.2(c)**.

"**Pro Rata Share**" means (i) with respect to all payments, computations and other matters relating to the Multi-Draw Term Loan of any Lender, the percentage obtained by dividing (a) the Multi-Draw Term Loan Exposure of that Lender in respect of funded Multi-Draw Term Loans, by (b) the aggregate Multi-Draw Term Loan Exposure of all Lenders in respect of the funded Multi-Draw Term Loans, (ii) with respect to all payments, computations, and other matters relating to unfunded Multi-Draw Term Loan Commitments, the percentage obtained by dividing (a) the Multi-Draw Term Loan Exposure in respect of unfunded Multi-Draw Term Loan Commitments of such Lender by (b) the aggregate Multi-Draw Term Loan Exposure in respect of Multi-Draw Term Loan Commitments of all Lenders, and (iii) with respect to all payments, computations and other matters relating to the Revolving Commitment or Revolving Loans of any Lender, the percentage obtained by dividing (a) the Revolving Exposure of that Lender, by (b) the aggregate Revolving Exposure of all Lenders. For all other purposes with respect to each Lender, "Pro Rata Share" means the percentage obtained by dividing (A) an amount equal to the sum of the Revolving Exposure and the Multi-Draw Term Loan Exposure of that Lender, by (B) an amount equal to the sum of the aggregate Revolving Exposure and the aggregate Multi-Draw Term Loan Exposure of all Lenders.

"**Real Estate Asset**" means, at any time of determination, any interest (fee, leasehold or otherwise) then owned by any Credit Party in any real property.

"**Recipient**" means (i) any Agent, (ii) any Lender, (iii) Lead Arranger or (iv) any other Person receiving payments under any Credit Document, as applicable.

"**Record Document**" means, with respect to any Leasehold Property, (i) the lease evidencing such Leasehold Property or a memorandum thereof, executed and acknowledged by the owner of the affected real property, as lessor, or (ii) if such Leasehold Property was acquired or subleased from the holder of a Recorded Leasehold Interest, the applicable assignment or sublease document, executed and acknowledged by such holder, in each case in form sufficient to give such constructive notice upon recordation and otherwise in form reasonably satisfactory to Collateral Agent.

"**Recorded Leasehold Interest**" means a Leasehold Property with respect to which a Record Document has been recorded in all places necessary or desirable, in Administrative Agent's reasonable discretion, to give constructive notice of such Leasehold Property to third party purchasers and encumbrancers of the affected real property.

"**Register**" as defined in **Section 2.5(b)**.

"**Registered Intellectual Property**" means all Intellectual Property owned, in whole or in part, by any Credit Party and registered with any Governmental Authority, including all applications for any such registration.

"**Regulation D**" means Regulation D of the Board of Governors of the Federal Reserve System, as in effect from time to time.

"**Related Fund**" means, with respect to any Lender that is an investment fund or a special purpose vehicle of an investment fund, any other investment fund that invests in commercial loans and that is managed or advised by the same investment advisor as such Lender or by an Affiliate of such investment advisor.

"**Release**" means any release, spill, emission, leaking, pumping, pouring, injection, escaping, deposit, disposal, discharge, dispersal, dumping, leaching or migration of any Hazardous Material into the indoor or outdoor environment (including the abandonment or disposal of any barrels, containers or other closed receptacles containing any Hazardous Material), including the movement of any Hazardous Material through the air, soil, surface water or groundwater.

"**Replacement Lender**" as defined in **Section 2.19**.

"**Required Prepayment Date**" as defined in **Section 2.12(c)**.

"**Requisite Class Lenders**" means, at any time of determination, but subject to the provisions of **Section 2.18**, (i) for the Class of Lenders having Revolving Exposure, Lenders holding more than 66 2/3% of the aggregate Revolving Exposure of all Lenders, provided, that such "Requisite Class Lenders" shall include Beekman so long as Beekman and its Affiliates collectively hold Revolving Exposure (excluding any and all repayments and prepayments of the Loans) greater than or equal to Beekman's and its Affiliates' collective Revolving Exposure as of the Sixth Amendment Effective Date; and (ii) for the Class of Lenders having Multi-Draw Term Loan Exposure, Lenders holding more than 66 2/3% of the aggregate Multi-Draw Term Loan Exposure of all Lenders; provided, that such "**Requisite Class Lenders**" shall include Beekman so long as Beekman and its Affiliates collectively hold Multi-Draw Term Loan Exposure (excluding any and all repayments and prepayments of the Loans) greater than or equal to Beekman's and its Affiliates' collective Multi-Draw Term Loan Exposure as of the Sixth Amendment Effective Date; provided further that, in the case of clause (i) and clause (ii) of this definition, if at any time there are two or more Lenders of a Class, "Requisite Class Lenders" means at least two Lenders having or holding such Revolving Exposure or Multi-Draw Term Loan Exposure, respectively.

"**Requisite Consent**" as defined in **Section 10.5(g)**.

"**Requisite Lenders**" means one or more Lenders having or holding Revolving Exposure and/or Multi-Draw Term Loan Exposure representing more than 66 2/3% of the sum of (i) the aggregate Revolving Exposure of all Lenders; and (ii) the aggregate Multi-Draw Term Loan Exposure of all Lenders; provided, that (a) so long as Beekman and its Affiliates collectively hold Revolving Exposure and Multi-Draw Term Loan Exposure (excluding any and all repayments and prepayments of the Loans), in each case, greater than or equal to Beekman's and its Affiliates' collective Revolving Exposure and Multi-Draw Term Loan Exposure, respectively, as of the Sixth Amendment Effective Date, any determination of "Requisite Lenders" shall include Beekman (or its Lender Affiliate) and (b) if at any time there are two or more Lenders, "Requisite Lenders" means at least two Lenders having or holding such Revolving Exposure and/or Multi-Draw Term Loan Exposure.

"**Restricted Junior Payment**" means (i) any dividend or other distribution, direct or indirect, on account of any shares of any class of Capital Stock of Holdings or any of its Subsidiaries now or hereafter outstanding, except a dividend payable solely in shares of that class of Capital Stock to the holders of that class; (ii) any redemption, retirement, sinking fund or similar payment, purchase or other acquisition for value, direct or indirect, of any shares of any class of Capital Stock of Holdings or any of its Subsidiaries now or hereafter outstanding, excluding any such payment in respect of the Preferred Stock; (iii) any payment made to retire, or to obtain the surrender of, any outstanding warrants, options or other rights to acquire shares of any class of Capital Stock of Holdings or any of its Subsidiaries now or hereafter outstanding, excluding any such payment in respect of the Warrants; (iv) management or similar fees payable to any Equity Investor or any of its Affiliates; and (v) any payment or prepayment of principal of, premium, if any, or interest on, or redemption, purchase, retirement, defeasance (including in substance or legal defeasance), sinking fund or similar payment with respect to, any Subordinated Indebtedness.

"**Revolving Commitment**" means the commitment of a Lender to make or otherwise fund any Revolving Loan and "Revolving Commitments" means such commitments of all Lenders in the aggregate. The amount of each Lender's Revolving Commitment, if any, is set forth on **Appendix A-1** or in the applicable Assignment Agreement, subject to any adjustment or reduction pursuant to the terms and conditions hereof. The aggregate amount of the Revolving Commitments as of the Closing Date is $5,000,000.

"**Revolving Commitment Period**" means the period from the Closing Date to but excluding the Revolving Commitment Termination Date.

"**Revolving Commitment Termination Date**" means the earliest to occur of the following: (i) the Multi-Draw Term Loan Commitment Termination Date, if the Multi-Draw Term Loans are not made on or before that date; (ii) the Maturity Date; (iii) the date the Revolving Commitments are permanently reduced to zero pursuant to **Sections 2.10(b)** or **2.11**; and (iv) the date of the termination of the Revolving Commitments pursuant to **Section 8.1**.

"**Revolving Exposure**" means, with respect to any Lender as of any date of determination, (i) prior to the termination of the Revolving Commitments, that Lender's Revolving Commitment; and (ii) after the termination of the Revolving Commitments, the aggregate outstanding principal amount of the Revolving Loans of that Lender.

"**Revolving Loan**" means a Loan made by a Lender to the Companies pursuant to **Section 2.2(a)**.

"**Revolving Loan Note**" means a promissory note in the form of **Exhibit B-1**, as it may be amended, supplemented or otherwise modified from time to time.

"**ROFO Acceptance Notice**" as defined in **Section 10.6(j)**.

"**ROFO Buyer**" as defined in **Section 10.6(j)**.

"**ROFO Commitment Period**" as defined in **Section 10.6(j)**.

"**ROFO Disposition**" as defined in **Section 10.6(j)**.

"**ROFO Eligible Lender**" as defined in **Section 10.6(j)**.

"**ROFO Notice**" as defined in **Section 10.6(j)**.

"**ROFO Notice Date**" as defined in **Section 10.6(j)**.

"**ROFO Offer Notice**" as defined in **Section 10.6(j)**.

"**ROFO Offering Period**" as defined in **Section 10.6(j)**.

"**ROFO Offeror**" as defined in **Section 10.6(j)**.

"**ROFO Qualifying Third Party Offer**" as defined in **Section 10.6(j)**.

"**ROFO Right**" as defined in **Section 10.6(j)**.

"**ROFO Sale Period**" as defined in **Section 10.6(j)**.

"**ROFO Solicitation Period**" as defined in **Section 10.6(j)**.

"**ROFO Third Party Transferee**" as defined in **Section 10.6(j)**.

"**ROFO Transfer Interest**" as defined in **Section 10.6(j)**.

"**ROFO Transfer Offer**" as defined in **Section 10.6(j)**.

"**S&P**" means Standard & Poor's Ratings Group, a division of The McGraw Hill Corporation.

"**Sale Transaction**" means any transaction or series of related transactions resulting in a Change of Control or a Liquidation Event (as defined in the Intermediate Holdings Operating Agreement as in effect on the date hereof).

"**Sanctioned Country**" means, at any time, a country or territory that is, or whose government is, the subject or target of any Sanctions.

"**Sanctioned Person**" means, at any time, any Person with whom dealings are restricted or prohibited under Sanctions, including (i) any Person listed in any Sanctions-related list of designated Persons maintained by the United States (including by OFAC, the U.S. Department of the Treasury, or the U.S. Department of State), or by the United Nations Security Council, the European Union or any EU member state, Her Majesty's Treasury of the United Kingdom or any other relevant Sanctions, (ii) any Person located, operating, organized or resident in a Sanctioned Country or (iii) any Person owned or controlled, directly or indirectly, by any such Person described in **clause (i)** or **(ii)** of this definition.

"**Sanctions**" means economic or financial sanctions or trade embargoes enacted, imposed, administered or enforced from time to time by (i) the U.S. government, including those administered by OFAC, the U.S. Department of State or the U.S. Department of Commerce, (ii) the United Nations Security Council, the European Union or any of its member states, Her Majesty's Treasury of the United Kingdom or any other relevant sanctions authority, or (iii) any successor Governmental Authority to the Governmental Authorities described in **clauses (i)** and **(ii)** of this definition.

"**Secured Parties**" as defined in the Pledge and Security Agreement.

"**Securities**" means any stock, shares, membership interests, partnership interests, voting trust certificates, certificates of interest or participation in any profit-sharing agreement or arrangement, options, warrants, bonds, debentures, notes, or other evidences of indebtedness, secured or unsecured, convertible, subordinated or otherwise, or in general any instruments commonly known as "securities" or any certificates of interest, shares or participations in temporary or interim certificates for the purchase or acquisition of, or any right to subscribe to, purchase or acquire, any of the foregoing.

"**Securities Act**" means the Securities Act of 1933, as amended from time to time, and any successor statute.

"**Senior Leverage Ratio**" means (i) with respect to determining quarterly financial covenant compliance pursuant to **Section 6.8(b)**, the ratio as of the last day of the relevant Fiscal Quarter of (a) Consolidated Senior Debt (excluding (x) the Approved Floorplan Financing, (y) Indebtedness under the TCF Agreement and (z) any interest on the Obligations that has been capitalized to the principal balance of the Obligations) as of such day, to (b) Consolidated Adjusted EBITDA as of such day, and (ii) with respect to any determination thereof pursuant to any other provision of this Agreement, the ratio as of the time of determination of (a) Consolidated Senior Debt (excluding (x) the Approved Floorplan Financing, (y) Indebtedness under the TCF Agreement and (z) any interest on the Obligations that has been capitalized to the principal balance of the Obligations) as of such time, to (b) Consolidated Adjusted EBITDA as of the last day of the most recent calendar month for which monthly financial statements have been or were required to be delivered in accordance with **Section 5.1(a)**.

"**Seventh Amendment**" means that certain Limited Consent and Seventh Amendment to Credit and Guaranty Agreement dated as of the Seventh Amendment Effective Date by and among Holdings, certain subsidiaries of Holdings, as borrowers, Agent, and the lenders party thereto.

"**Seventh Amendment Effective Date**" means June 14, 2018.

"**Singleton**" as defined in the preamble hereto.

"**Sixth Amendment**" means that certain Sixth Amendment to Credit and Guaranty Agreement entered into as of April 16, 2018 by and among Holdings, the Companies, Agent and the lenders party thereto.

"**Sixth Amendment Effective Date**" means April 16, 2018.

"**Slalom Acquisition**" means the closing of the "Proposed Acquisition" referred to in the Tenth Amendment.

"**Slalom Acquisition Agreement**" means the "Proposed Acquisition Agreement" referred to in the Tenth Amendment, as in effect on the Tenth Amendment Effective Date.

"**Solvency Certificate**" means a Solvency Certificate of the chief financial officer of Holdings substantially in the form of **Exhibit G-2**.

"**Solvent**" means, with respect to any Credit Party, that as of the date of determination, both (i) (a) the sum of such Credit Party's debt (including contingent liabilities) does not exceed the present fair saleable value of such Credit Party's present assets; (b) such Credit Party's capital is not unreasonably small in relation to its business as contemplated on the Closing Date and reflected in the Projections or with respect to any transaction contemplated or undertaken after the Closing Date; and (c) such Person has not incurred and does not intend to incur, or believe (nor should it reasonably believe) that it will incur, debts beyond its ability to pay such debts as they become due (whether at maturity or otherwise); and (ii) such Person is "solvent" within the meaning given that term and similar terms under applicable laws relating to fraudulent transfers and conveyances. For purposes of this definition, the amount of any contingent liability at any time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability (irrespective of whether such contingent liabilities meet the criteria for accrual under Statement of Financial Accounting Standard No. 5).

"**South Florida**" as defined in the preamble hereto.

"**Special Designee**" as defined in **Section 10.5(g)**.

"**Specified Matter**" means proposed actions that are not permitted under any Credit Document without the consent, approval or waiver of Requisite Lenders, in each case to the extent reasonably relating to any of the following: (i) an acquisition or disposition of assets (including those pertaining to a possible Sale Transaction) or (ii) a financing transaction, whether relating to an issuance of Capital Stock or an issuance or incurrence of debt securities or other Indebtedness (excluding, however, any refinancing, redemption or prepayment of the Obligations or the Preferred Stock and the issuance of the Preferred Stock, which shall be governed by the terms of this Agreement and the Intermediate Holdings Operating Agreement, as applicable).

"**SSAO**" means South Shore Lake Erie Assets & Operations, LLC, a Delaware limited liability company.

"**SSAO Operating Agreement**" means that certain First Amended & Restated Limited Liability Company Agreement of SSAO, dated as of the Fourth Amendment Effective Date, as amended, restated, supplemented or otherwise modified in accordance with this Agreement.

"**Subject Transaction**" as defined in **Section 6.8(e)**.

"**Subordinated Indebtedness**" means Indebtedness that is structurally or otherwise subordinated to the Obligations on terms and conditions satisfactory to Administrative Agent and Requisite Lenders in their respective sole discretion, including the Approved Subordinated Debt.

"**Subsidiary**" means, with respect to any Person, any corporation, partnership, limited liability company, association, joint venture or other business entity of which more than 50% of the total voting power of shares of stock or other ownership interests entitled (without regard to the occurrence of any contingency) to vote in the election of the Person or Persons (whether directors, managers, trustees or other Persons performing similar functions) having the power to direct or cause the direction of the management and policies thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof; provided, in determining the percentage of ownership interests of any Person controlled by another Person, no ownership interest in the nature of a "qualifying share" of the former Person shall be deemed to be outstanding.

"**Sundance**" as defined in the preamble hereto.

"**Supporting Lender**" as defined in **Section 10.5(g).**

"**Tag-Along Notice**" as defined in **Section 10.6(k)**.

"**Tag-Along Offer**" as defined in **Section 10.6(k)**.

"**Tag-Along Right**" as defined in **Section 10.6(k)**.

"**Tag-Along Sale**" as defined in **Section 10.6(k)**.

"**Tag Election Notice**" as defined in **Section 10.6(k)**.

"**Tag Election Period**" as defined in **Section 10.6(k)**.

"**Tag Eligible Lender**" as defined in **Section 10.6(j)**.

"**Tag Offeree**" as defined in **Section 10.6(k)**.

"**Tag Purchased Interest**" as defined in **Section 10.6(k)**.

"**Tag Purchased Percentage**" as defined in **Section 10.6(k)**.

"**Tag Requested Interest**" as defined in **Section 10.6(k)**.

"**Tag Third Party Transferee**" as defined in **Section 10.6(k)**.

"**Tag Transfer Interest**" as defined in **Section 10.6(k)**.

"**Tag Transferor**" as defined in **Section 10.6(k)**.

"**Tax**" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"**TCF Agreement**" means that certain Inventory Security Agreement date as of June 19, 2015, by and among SAO, Holdings and TCF Inventory Finance, Inc.

"**Tenth Amendment**" means that certain Limited Consent and Tenth Amendment to Credit and Guaranty Agreement dated as of December 17, 2018.

"**Tenth Amendment Effective Date**" has the meaning assigned to such term in the Tenth Amendment.

"**Terminated Lender**" as defined in **Section 2.19**.

"**Third Party**" means any Person that is an Eligible Assignee and is not a Lender or an Affiliate of any Lender.

"**Thirteenth Amendment**" means that certain Limited Consent and Thirteenth Amendment to Credit and Guaranty Agreement dated as of April 9, 2019.

"**Thirteenth Amendment Effective Date**" has the meaning assigned to such term in the Thirteenth Amendment.

"**Title Policy**" means, with respect to any Mortgaged Property, an ALTA mortgagee title insurance policy or unconditional commitment therefor issued by a title company reasonably satisfactory to Collateral Agent.

"**Total Leverage Ratio**" means (i) with respect to determining quarterly financial covenant compliance pursuant to **Section 6.8(c)**, the ratio as of the last day of the relevant Fiscal Quarter of (a) Consolidated Total Debt (excluding (x) the Approved Floorplan Financing, (y) Indebtedness under the TCF Agreement and (z) any interest on the Obligations that has been capitalized to the principal balance of the Obligations) as of such day, to (b) Consolidated Adjusted EBITDA as of such day, and (ii) with respect to any determination thereof pursuant to any other provision of this Agreement, the ratio as of the time of determination of (a) Consolidated Total Debt (excluding (x) the Approved Floorplan Financing, (y) Indebtedness under the TCF Agreement, and (z) any interest on the Obligations that has been capitalized to the principal balance of the Obligations) as of such time, to (b) Consolidated Adjusted EBITDA as of the last day of the most recent calendar month for which monthly financial statements have been or were required to be delivered in accordance with **Sections 5.1(a)**.

"Trade Announcements" as defined in **Section 10.17.**

"**Transaction Costs**" means the fees, costs and expenses payable by Holdings, the Companies or any of the Companies' Subsidiaries on or before the Fifteenth Amendment Effective Date in connection with the transactions contemplated by the Credit Documents, the Warrants and the Preferred Stock, to the extent approved in writing by Administrative Agent and Requisite Lenders.

"**Transfer**" means any assignment of Loans and unfunded Commitments by any Lender.

"**UCC**" means the Uniform Commercial Code (or any similar or equivalent legislation) as in effect in any applicable jurisdiction.

"**U.S. Person**" means any Person that is a "United States Person" as defined in Section 7701(a)(30) of the Internal Revenue Code.

"**U.S. Tax Compliance Certificate**" as defined in **Section 2.16(f)**.

"**Waivable Mandatory Prepayment**" as defined in **Section 2.12(c)**.

"**Warrant Holders**" means Goldman, Sachs & Co. and OWM BIP Investor, LLC.

"**Warrants**" means those certain Purchase Warrants for Common Units dated as of the Closing Date, issued by Holdings to each of the Warrant Holders, as they may be amended, supplemented or otherwise modified from time to time.

"**Withholding Agent**" means any Credit Party and Administrative Agent.

1.2. Accounting Terms. Except as otherwise expressly provided herein, all accounting terms not otherwise defined herein shall have the meanings assigned to them in conformity with GAAP. Financial statements and other information required to be delivered by Holdings to Lenders pursuant to **Section 5.1(a)**, **5.1(b)** and **5.1(c)** shall be prepared in accordance with GAAP as in effect at the time of such preparation (and delivered together with the reconciliation statements provided for in **Section 5.1(e)**, if applicable). Subject to the foregoing, calculations in connection with the definitions, covenants and other provisions hereof shall utilize accounting principles and policies in conformity with those used to prepare the Historical Financial Statements.

1.3. Interpretation, etc. Any of the terms defined herein may, unless the context otherwise requires, be used in the singular or the plural, depending on the reference. References herein to any Section, Appendix, Schedule or Exhibit shall be to a Section, an Appendix, a Schedule or an Exhibit, as the case may be, hereof unless otherwise specifically provided. The use herein of the word "include" or "including," when following any general statement, term or matter, shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not no limiting language (such as "without limitation" or "but not limited to" or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that fall within the broadest possible scope of such general statement, term or matter. During the period from the Closing Date until the initial test date for any financial ratio, any reference to such financial ratio permitted as of the most recently ended or immediately preceding fiscal or calendar period shall be deemed to refer to such financial ratio permitted as of such initial test date.

Section 2. LOANS

2.1. Multi-Draw Term Loans.

(a) Multi-Draw Term Loan Commitments. Subject to the terms and conditions hereof, each Lender severally agrees to make, at any time during the Multi-Draw Term Loan Commitment Period, one or more Multi-Draw Term Loans to the Companies in an aggregate amount equal to such Lender's Multi-Draw Term Loan Commitment. The aggregate principal amount of the Multi-Draw Term Loans outstanding immediately prior to any drawing of Multi-Draw Term Loans on or after the Sixth Amendment Effective Date is $21,361,140.06. The aggregate principal amount of the Multi-Draw Term Loans outstanding immediately prior to any drawing of Multi-Draw Term Loans on or after the Fifteenth Amendment Effective Date is $53,922,505.80.

The Companies may make multiple borrowings under the Multi-Draw Term Loan Commitments subject to Availability and the other conditions set forth in **Section 3.2**. Any amount borrowed under this **Section 2.1(a)** and subsequently repaid or prepaid may not be reborrowed. Subject to **Sections 2.9**, **2.10** and **2.11**, all amounts owed hereunder with respect to the Multi-Draw Term Loans shall be paid in full no later than the Maturity Date. Each Lender's Multi-Draw Term Loan Commitment shall terminate immediately and without further action (A) on each Credit Date to the extent any such Commitment is funded on such date, and (B) on the Multi-Draw Commitment Termination Date to the extent of any remaining unused portion of any such Commitment on such date.

(b) Borrowing Mechanics for Multi-Draw Term Loans.

(i) Following the Closing Date, whenever the Companies desire that Lenders make Multi-Draw Term Loans, the Companies shall deliver to Administrative Agent a fully executed and delivered Funding Notice no later than 10:00 a.m. (New York City time) at least five Business Days in advance of the proposed Credit Date. Promptly upon receipt by Administrative Agent of any such Funding Notice, Administrative Agent shall notify each Lender of the proposed borrowing.

(ii) Each Lender shall make its Multi-Draw Term Loan available to Administrative Agent not later than 12:00 p.m. (New York City time) on the applicable Credit Date, by wire transfer of same day funds in Dollars, at Administrative Agent's Principal Office. Upon satisfaction or waiver of the conditions precedent specified herein, Administrative Agent shall make the proceeds of the Multi-Draw Term Loans available to the Companies on the applicable Credit Date by causing an amount of same day funds in Dollars equal to the proceeds of all such Loans received by Administrative Agent from Lenders to be credited to the account of the Companies at Administrative Agent's Principal Office or to such other account as may be designated in writing to Administrative Agent by the Companies.

(c) During the Multi-Draw Term Loan Commitment Period, drawings under the Multi-Draw Term Loan Commitments shall be made in an aggregate minimum amount of $1,000,000 and integral multiples of $250,000 in excess of that amount.

2.2. Revolving Loans.

(a) Revolving Commitments. During the Revolving Commitment Period, subject to the terms and conditions hereof (including **Section 3.2** and sufficient Availability therefor), each Lender severally agrees to make Revolving Loans to the Companies in an aggregate amount up to but not exceeding such Lender's Revolving Commitment; provided, that after giving effect to the making of any Revolving Loans in no event shall the aggregate principal amount of the Revolving Loans exceed the Revolving Commitments then in effect. Amounts borrowed pursuant to this **Section 2.2(a)** may be repaid and reborrowed during the Revolving Commitment Period. Each Lender's Revolving Commitment shall expire on the Revolving Commitment Termination Date and all Revolving Loans and all other amounts owed hereunder with respect to the Revolving Loans and the Revolving Commitments shall be paid in full no later than such date.

(b) Borrowing Mechanics for Revolving Loans.

(i) Revolving Loans shall be made in an aggregate minimum amount of $500,000 and integral multiples of $100,000 in excess of that amount.

(ii) Whenever the Companies desire that Lenders make Revolving Loans, the Companies shall deliver to Administrative Agent a fully executed and delivered Funding Notice no later than 10:00 a.m. (New York City time) at least three Business Days in advance of the proposed Credit Date.

(iii) Notice of receipt of each Funding Notice in respect of Revolving Loans, together with the amount of each Lender's Pro Rata Share thereof, if any, shall be provided by Administrative Agent to each applicable Lender by electronic means with reasonable promptness, but (provided Administrative Agent shall have received such notice by 10:00 a.m. (New York City time)) not later than 2:00 p.m. (New York City time) on the same day as Administrative Agent's receipt of such Notice from the Companies.

(iv) Each Lender shall make the amount of its Revolving Loan available to Administrative Agent not later than 12:00 p.m. (New York City time) on the applicable Credit Date by wire transfer of same day funds in Dollars, at Administrative Agent's Principal Office. Except as provided herein, upon satisfaction or waiver of the conditions precedent specified herein, Administrative Agent shall make the proceeds of such Revolving Loans available to the Companies on the applicable Credit Date by causing an amount of same day funds in Dollars equal to the proceeds of all such Revolving Loans received by Administrative Agent from Lenders to be credited to the account of the Companies at Administrative Agent's Principal Office or such other account as may be designated in writing to Administrative Agent by the Companies.

(c) Protective Advances. Subject to the limitations set forth below, and whether or not an Event of Default or a Default shall have occurred and be continuing, Administrative Agent is authorized by the Companies and the Lenders, from time to time in Administrative Agent's sole discretion (but Administrative Agent shall have absolutely no obligation to), to make Revolving Loans to the Companies on behalf of the Revolving Lenders, which Administrative Agent, in its sole discretion, deems necessary or desirable (i) to preserve or protect the Collateral, or any portion thereof, (ii) to enhance the likelihood of, or maximize the amount of, repayment of the Loans and other Obligations, or (iii) to pay any other amount chargeable to or required to be paid by any Credit Party pursuant to the terms of this Agreement and the other Credit Documents, including, without limitation, payments of principal, interest, customary fees and reimbursable expenses (any of such Loans are in this **clause (c)** referred to as "**Protective Advances**"); provided, that the amount of Revolving Loans plus Protective Advances shall not exceed the Revolving Commitments then in effect. Protective Advances may be made even if the conditions precedent set forth in **Section 3** have not been satisfied. Protective Advances shall not exceed $1,500,000 in the aggregate at any time without the prior consent of Requisite Lenders. Each Protective Advance shall be secured by the Liens in favor of Collateral Agent in and to the Collateral and shall constitute Obligations hereunder. The Companies shall pay the unpaid principal amount and all unpaid and accrued interest of each Protective Advance on the earlier of the Revolving Commitment Termination Date and the date on which demand for payment is made by Administrative Agent or Requisite Lenders.

2.3. Pro Rata Shares; Availability of Funds.

(a) Pro Rata Shares. All Loans shall be made by Lenders simultaneously and proportionately to their respective Pro Rata Shares, it being understood that no Lender shall be responsible for any default by any other Lender in such other Lender's obligation to make a Loan requested hereunder nor shall any Commitment of any Lender be increased or decreased as a result of a default by any other Lender in such other Lender's obligation to make a Loan requested hereunder.

(b) Availability of Funds. Unless Administrative Agent shall have been notified by any Lender prior to the applicable Credit Date that such Lender does not intend to make available to Administrative Agent the amount of such Lender's Loan requested on such Credit Date, Administrative Agent may assume that such Lender has made such amount available to Administrative Agent on such Credit Date and Administrative Agent may, in its sole discretion, but shall not be obligated to, make available to the Companies a corresponding amount on such Credit Date. If such corresponding amount is not in fact made available to Administrative Agent by such Lender, Administrative Agent shall be entitled to recover such corresponding amount on demand from such Lender together with interest thereon, for each day from such Credit Date until the date such amount is paid to Administrative Agent, at the customary rate set by Administrative Agent for the correction of errors among banks for three Business Days and thereafter at the Base Rate. If such Lender does not pay such corresponding amount forthwith upon Administrative Agent's demand therefor, Administrative Agent shall promptly notify the Companies and the Companies shall immediately pay such corresponding amount to Administrative Agent together with interest thereon, for each day from such Credit Date until the date such amount is paid to Administrative Agent at a rate equal to 10% per annum. Nothing in this **Section 2.3(b)** shall be deemed to relieve any Lender from its obligation to fulfill its Commitments hereunder or to prejudice any rights that the Companies may have against any Lender as a result of any default by such Lender hereunder.

2.4. Use of Proceeds. The Commitments shall remain undrawn on the Closing Date. The proceeds of the Multi-Draw Term Loans made after the Closing Date shall be applied by the Companies to fund for Permitted Acquisitions. The proceeds of the Revolving Loans made after the Closing Date shall be applied by the Companies for working capital and general corporate purposes of Holdings and its Subsidiaries. No portion of the proceeds of any Credit Extension shall be used in any manner that causes or might cause such Credit Extension or the application of such proceeds to violate Regulation T, Regulation U or Regulation X of the Board of Governors of the Federal Reserve System or any other regulation thereof or to violate the Exchange Act. The Credit Parties shall not, directly or indirectly, use the proceeds of the Loans, or lend, contribute or otherwise make available such proceeds to any Subsidiary, joint venture partner or other Person, (a) to fund any activities or business of or with any Sanctioned Person, or in any Sanctioned Country, (b) in any other manner that would result in a violation of Sanctions by any Person (including any Person participating in the Loans, whether as underwriter, advisor, investor, or otherwise), or (c) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws or AML Laws.

2.5. Evidence of Debt; Register; Lenders' Books and Records; Notes.

(a) Lenders' Evidence of Debt. Each Lender shall maintain on its internal records an account or accounts evidencing the Obligations of the Companies to such Lender, including the amounts of the Loans made by it and each repayment and prepayment in respect thereof. Any such recordation shall be conclusive and binding on the Companies, absent manifest error; provided, that the failure to make any such recordation, or any error in such recordation, shall not affect any Lender's Commitments or the Companies' Obligations in respect of any applicable Loans; and provided further, in the event of any inconsistency between the Register and any Lender's records, the recordations in the Register shall govern.

(b) Register. Administrative Agent shall maintain at its Principal Office a register for the recordation of the names and addresses of Lenders and the Commitments of, and principal amounts (and stated interest) of the Loans owing to, each Lender from time to time (the "**Register**"). The Register shall be available for inspection by the Companies or any Lender at any reasonable time and from time to time upon reasonable prior notice. Administrative Agent shall record in the Register the Commitments and the Loans, and each repayment or prepayment in respect of the principal amount of the Loans, and any such recordation shall be conclusive and binding on the Companies and each Lender, absent manifest error; provided, failure to make any such recordation, or any error in such recordation, shall not affect any Lender's Commitments or the Companies' Obligations in respect of any Loan. The Companies hereby designates the entity serving as Administrative Agent to serve as the Companies' non-fiduciary agent solely for purposes of maintaining the Register as provided in this **Section 2.5**, and each Company hereby agrees that, to the extent such entity serves in such capacity, the entity serving as Administrative Agent and its officers, directors, employees, agents and affiliates shall constitute "**Indemnitees**."

(c) Notes. If so requested by any Lender by written notice to the Companies (with a copy to Administrative Agent) at least two Business Days prior to the Closing Date, or at any time thereafter, the Companies shall execute and deliver to such Lender (and/or, if applicable and if so specified in such notice, to any Person who is an assignee of such Lender pursuant to **Section 10.6**) on the Closing Date (or, if such notice is delivered after the Closing Date, promptly after the Companies' receipt of such notice) a Note or Notes to evidence such Lender's Revolving Loans or Multi-Draw Term Loans, as the case may be.

2.6. Interest on Loans.

(a) Except as otherwise set forth herein, each Loan shall bear interest on the unpaid principal amount thereof from the date made through repayment (whether by acceleration or otherwise) thereof at the Applicable Cash Rate plus the Applicable PIK Rate.

(b) Interest payable pursuant to **Section 2.6(a)** shall be computed on the basis of a 360-day year, in each case for the actual number of days elapsed in the period during which it accrues. In computing interest on any Loan, the date of the making of such Loan shall be included, and the date of payment of such Loan shall be excluded; provided, if a Loan is repaid on the same day on which it is made, one day's interest shall be paid on that Loan.

(c) Except as otherwise set forth herein, interest on each Loan shall be payable in arrears on and to (i) each Interest Payment Date applicable to that Loan; (ii) upon any prepayment of that Loan, whether voluntary or mandatory, to the extent accrued on the amount being prepaid; and (iii) at maturity, including final maturity, and in the case of **clauses (ii)** and **(iii)** including any accrued but un-capitalized interest at the Applicable PIK Rate thereon. Except as provided in the immediately preceding sentence or in the proviso below, accrued interest payable on any Loans at the Applicable PIK Rate shall be added to the outstanding principal amount of the Loans as of the last day of each Fiscal Quarter; provided the Companies may, by prior written notice to Administrative Agent before the last day of each Fiscal Quarter, elect to pay accrued interest at the Applicable PIK Rate for such Fiscal Quarter in cash instead of capitalizing such interest. Amounts representing accrued interest which are added to the outstanding principal of Loans accruing such interest shall thereafter bear interest in accordance with **Section 2.6(a)** and otherwise be treated as Loans for purposes of this Agreement.

2.7. Default Interest. Upon the occurrence and during the continuance of an Event of Default, the principal amount of all Loans outstanding and, to the extent permitted by applicable law, any interest payments on the Loans or any fees or other amounts owed hereunder, shall, at the election of Administrative Agent or Requisite Lenders or, in the case of any Event of Default under **Section 8.1(f) or (g)**, automatically without any such election, thereafter bear interest (including post-petition interest in any proceeding under the Bankruptcy Code or other applicable bankruptcy laws) payable in cash on demand at a rate that is 3% per annum in excess of the interest rate otherwise payable hereunder with respect to the applicable Loans (or, in the case of any such fees and other amounts, at a rate which is equal to 13% per annum). Payment or acceptance of the increased rates of interest provided for in this **Section 2.7** is not a permitted alternative to timely payment and shall not constitute a waiver of any Event of Default or otherwise prejudice or limit any rights or remedies of Administrative Agent or any Lender.

2.8. Fees.

(a) The Companies agree to pay to Lenders having Revolving Exposure commitment fees equal to (i) the average of the daily difference between (a) the Revolving Commitments, and (b) the aggregate principal amount of outstanding Revolving Loans, times (ii) 0.50% per annum.

(b) The Companies agree to pay to Lenders having Multi-Draw Term Loan Commitments a commitment fee equal to (i) the daily average unused portion of their respective Multi-Draw Term Loan Commitments, times (ii) 0.50% per annum.

(c) All fees referred to in **Sections 2.8(a)** and **(b)** shall be paid to Administrative Agent as set forth in **Section 2.13(a)** and upon receipt, Administrative Agent shall promptly distribute to each Lender its Pro Rata Share thereof. All fees referred to in **Sections 2.8(a)** and **(b)** shall be calculated on the basis of a 360-day year and the actual number of days elapsed and shall be payable monthly in arrears on the last day of each month during the Revolving Commitment Period or Multi-Draw Term Loan Commitment Period, as applicable, commencing on the first such date to occur after the Closing Date, and on the Revolving Commitment Termination Date or Multi-Draw Term Loan Commitment Termination Date, as applicable.

(d) In addition to any of the foregoing fees, the Companies agree to pay to Agents and the Lenders such other fees in the amounts and at the times as separately agreed upon, including in the Fee Letter.

2.9. Scheduled Multi-Draw Term Loan Payments. The principal amount of the Multi-Draw Term Loans shall be repaid in equal consecutive quarterly installments (each, an "**Installment**") in an annual amount equal to 5.0% of the aggregate principal amount of the Multi-Draw Term Loans outstanding immediately prior to December 31, 2019, which Installments shall be due on the last day of each Fiscal Quarter (each, an "**Installment Date**"), commencing December 31, 2019. Notwithstanding the foregoing, (a) following the commencement of such amortization, such Installments shall be reduced in the order specified in **Section 2.12(b)** in connection with any voluntary or mandatory prepayments of the Multi-Draw Term Loans in accordance with **Sections 2.11**, **2.12** and **2.13**, as applicable; and (b) the Multi-Draw Term Loans, together with all other amounts owed hereunder with respect thereto, shall, in any event, be paid in full no later than the Maturity Date.

2.10. Voluntary Prepayments/Commitment Reductions.

(a) Voluntary Prepayments.

(i) Any time and from time to time, the Companies may prepay any Loans on any Business Day in whole or in part, in an aggregate minimum amount of $250,000 and integral multiples of $100,000 in excess of that amount.

(ii) All such prepayments shall be made upon not less than three Business Days prior written or telephonic notice given to Administrative Agent by 12:00 p.m. (New York City time) on the date required and, if given by telephone, promptly confirmed in writing to Administrative Agent (and Administrative Agent will promptly transmit such telephonic or original notice for Multi-Draw Term Loans or Revolving Loans, as the case may be, by electronic means or telephone to each Lender). Upon the giving of any such notice, the principal amount of the Loans specified in such notice shall become due and payable on the prepayment date specified therein. Any such voluntary prepayment shall be applied as specified in **Section 2.12(a)** with respect to Revolving Loans and **Section 2.12(b)** with respect to Multi-Draw Term Loans.

(b) Voluntary Commitment Reductions.

(i) The Companies may, upon not less than three Business Days' prior written or telephonic notice confirmed in writing to Administrative Agent (which original written or telephonic notice Administrative Agent will promptly transmit by electronic means or telephone to each applicable Lender), at any time and from time to time terminate in whole or permanently reduce in part (x) the Revolving Commitments in an amount up to the amount by which the Revolving Commitments exceed the aggregate principal amount of all outstanding Revolver Loans at the time of such proposed termination or reduction, or (y) any unused portion of the Multi-Draw Term Loan Commitments; provided, any such partial reduction of the Revolving Commitments and the Multi-Draw Term Loan Commitments shall be in an aggregate minimum amount of $500,000 and integral multiples of $100,000 in excess of that amount.

(ii) The Companies' notice to Administrative Agent shall designate the date (which shall be a Business Day) of such termination or reduction and the amount of any partial reduction, and such termination or reduction of the Revolving Commitments or the Multi-Draw Term Loan Commitments shall be effective on the date specified in the Companies' notice and shall reduce the Revolving Commitment or the Multi-Draw Term Loan Commitment of each Lender, as applicable, proportionately to its Pro Rata Share thereof.

(c) Partial Payments. Notwithstanding anything in this **Section 2.10** to the contrary, the Companies shall not partially prepay any Multi-Draw Term Loan and/or partially reduce any Commitment unless the aggregate amount of the remaining Commitments plus the remaining outstanding principal amount under the Multi-Draw Term Loans is equal to at least fifty percent (50%) of the aggregate amount of the Commitments on the Fifteenth Amendment Effective Date; provided, however, that the Companies may repay the Multi-Draw Term Loans in full at any time.

2.11. Mandatory Prepayments/Commitment Reductions.

(a) Asset Sales. No later than the first Business Day following the date of receipt by any Credit Party of any Net Asset Sale Proceeds in excess of $125,000 in the aggregate since the Closing Date (excluding a sale (whether or not made in the ordinary course of business) of any portion of the Floorplan Collateral), the Companies shall prepay the Loans and/or the Commitments shall be permanently reduced as set forth in **Section 2.12(b)** in an aggregate amount equal to such Net Asset Sale Proceeds; provided, so long as no Default or Event of Default shall have occurred and be continuing, upon delivery of a written notice to Administrative Agent, the Companies shall have the option, directly or through one or more Subsidiaries, to invest Net Asset Sale Proceeds (the "**Asset Sale Reinvestment Amounts**") in (i) long-term productive assets of the general type used in the business of the Companies if such assets are purchased or constructed within one hundred eighty days following receipt of such Net Asset Sale Proceeds (and so long as any such individual or aggregate investment in the amount of $125,000 or more has been consented to by Administrative Agent and Requisite Lenders) or (ii) Permitted Acquisitions if (A) a definitive purchase agreement with respect to such Permitted Acquisition is executed within one hundred twenty days following receipt of such Net Asset Proceeds and (B) the transaction contemplated by such purchase agreement is consummated within one hundred eighty days of receipt thereof; provided further, pending any such reinvestment all Asset Sale Reinvestment Amounts shall, at the option of the Companies, be applied to prepay Revolving Loans to the extent then outstanding (without a reduction in Revolving Commitments) and, to the extent such Asset Sale Reinvestment Amounts exceed the amount required to prepay all such Revolving Loans, the balance thereof shall be held at all times prior to such reinvestment, in an escrow account in form and substance reasonably acceptable to Administrative Agent. In the event that the Asset Sale Reinvestment Amounts are not reinvested by the Companies prior to the earliest of (1) the last day of such one hundred twenty day period (if a definitive purchase agreement with respect to a Permitted Acquisition has not been executed in accordance with the other provisions of this Agreement), (2) the last day of such one hundred eighty day period (if a definitive purchase agreement with respect to a Permitted Acquisition has been executed but the transactions contemplated thereby have not been consummated in accordance with the other provisions of this Agreement), and (3) the date of the occurrence of an Event of Default, Administrative Agent shall apply such Asset Sale Reinvestment Amounts to the Obligations as set forth in **Section 2.12(b)**.

(b) Insurance/Condemnation Proceeds. Except to the extent required to be applied as a prepayment of any Approved Floorplan Financing or Indebtedness under the TCF Agreement, no later than the first Business Day following the date of receipt by Holdings or any of its Subsidiaries, or Administrative Agent as loss payee, of any Net Insurance/Condemnation Proceeds, the Companies shall prepay the Loans and/or the Commitments shall be permanently reduced as set forth in **Section 2.12(b)** in an aggregate amount equal to such Net Insurance/Condemnation Proceeds; provided, (i) so long as no Default or Event of Default shall have occurred and be continuing, and (ii) to the extent that aggregate Net Insurance/Condemnation Proceeds from the Closing Date through the applicable date of determination do not exceed $125,000, the Companies shall have the option, directly or through one or more of its Subsidiaries to invest such Net Insurance/Condemnation Proceeds within one hundred eighty days of receipt thereof in long term productive assets of the general type used in the business of Holdings and its Subsidiaries, which investment may include the repair, restoration or replacement of the applicable assets thereof; provided, further, pending any such investment all such Net Insurance/Condemnation Proceeds, as the case may be, shall be applied to prepay Revolving Loans to the extent outstanding (without a reduction in Revolving Commitments) and otherwise held at all times prior to such investment in an escrow account in form and substance reasonably satisfactory to Administrative Agent.

(c) Issuance of Equity Securities. On the date of receipt by Holdings or any of its Subsidiaries of any Cash proceeds from a capital contribution to, or the issuance of any Capital Stock of, Holdings or any of its Subsidiaries (other than Capital Stock issued (i) pursuant to any employee stock or stock option compensation plan, (ii) by a Credit Party to another Credit Party, or (iii) for purposes approved in writing by Administrative Agent and Requisite Lenders), the Companies shall prepay the Loans and/or the Commitments shall be permanently reduced as set forth in **Section 2.12(b)** in an aggregate amount equal to 100% of such proceeds, net of underwriting discounts and commissions and other reasonable costs and expenses associated therewith, in each case, paid to non-Affiliates, including reasonable legal fees and expenses.

(d) Issuance of Debt. On the date of receipt by Holdings or any of its Subsidiaries of any Cash proceeds from the incurrence of any Indebtedness of Holdings or any of its Subsidiaries (other than with respect to any Indebtedness permitted to be incurred pursuant to **Section 6.1**), the Companies shall prepay the Loans and/or the Commitments shall be permanently reduced as set forth in **Section 2.12(b)** in an aggregate amount equal to 100% of such proceeds, net of underwriting discounts and commissions and other reasonable costs and expenses associated therewith, in each case, paid to non-Affiliates, including reasonable legal fees and expenses.

(e) Consolidated Excess Cash Flow. In the event that there shall be Consolidated Excess Cash Flow for any Fiscal Year (commencing with Fiscal Year 2017), the Companies shall, not later than the third Business Day following the date on which audited financial statements are delivered or required to be delivered pursuant to **Section 5.1(c)** for such Fiscal Year, prepay the Loans and/or the Commitments shall be permanently reduced as set forth in **Section 2.12(b)** in an aggregate amount equal to 75% of such Consolidated Excess Cash Flow; provided that such Consolidated Excess Cash Flow for Fiscal Year 2017 shall be calculated for the period commencing on the first day of the first full fiscal month after the Closing Date and ending on the last day of such Fiscal Year rather than the entirety of such Fiscal Year. Any amounts prepaid pursuant to this **Section 2.11(e)** with respect to any Fiscal Year in excess of 75% of Consolidated Excess Cash Flow shall be treated as voluntary prepayments made pursuant to **Section 2.12(a)**.

(f) Revolving Loans. The Companies shall from time to time prepay the Revolving Loans to the extent necessary so that the aggregate principal amount of all outstanding Revolving Loans (excluding any interest on the Revolving Loans that has been capitalized to the principal balance of the Revolving Loans) shall not at any time exceed the Revolving Commitments then in effect.

(g) Prepayment of Excess Outstanding Amounts. Within 3 Business Days after delivery of the financial statements pursuant to **Section 5.1(a)**, the Companies shall prepay Loans in an amount equal to 100% of the amount by which (i) the Consolidated Senior Debt (excluding (x) the Approved Floorplan Financing, (y) Indebtedness under the TCF Agreement and (z) any interest on the Obligations that has been capitalized to the principal balance of the Obligations) as of the date of such financial statements exceeds (ii) the product of (x) Consolidated Adjusted EBITDA for the twelve-month period ending on the last day of the fiscal month for which such financial statements were prepared, multiplied by (y) the maximum Senior Leverage Ratio permitted pursuant to **Section 6.8(b)** for the most recently ended Fiscal Quarter.

(h) Tax Refunds. On the date of receipt by Holdings or any of its Subsidiaries of any tax refunds in excess of $125,000 in the aggregate in any Fiscal Year, the Companies shall prepay Loans and/or Commitments shall be reduced as set forth in **Section 2.12(b)** in the amount of such tax refunds in excess of $125,000.

(i) Escrows and Indemnities. On the date of receipt by Holdings or any of its Subsidiaries of any payment in excess of $125,000 pursuant to the definitive documentation for any Permitted Acquisition which payment constitutes a release of any escrowed amounts or an indemnification obligation, the Companies shall prepay Loans and/or Commitments shall be reduced as set forth in **Section 2.12(b)** in the amount of 100% of such payments.

(j) Prepayment Certificate. Concurrently with any prepayment of the Loans and/or reduction of the Commitments pursuant to **Sections 2.11(a)** through **2.11(i)**, the Companies shall deliver to Administrative Agent (who shall promptly forward to each Lender) a certificate of an Authorized Officer demonstrating the calculation of the amount of the applicable net proceeds or Consolidated Excess Cash Flow, as the case may be. In the event that the Companies shall subsequently determine that the actual amount received exceeded the amount set forth in such certificate, the Companies shall promptly make an additional prepayment of the Loans and/or the Commitments shall be permanently reduced in an amount equal to such excess, and the Companies shall concurrently therewith deliver to Administrative Agent (who shall promptly forward to each Lender) a certificate of an Authorized Officer demonstrating the derivation of such excess.

2.12. Application of Prepayments/Reductions.

(a) Application of Voluntary Prepayments of Revolving Loans. Any prepayment of any Revolving Loan pursuant to **Section 2.10** shall be applied to repay outstanding Revolving Loans to the full extent thereof.

(b) Application of Other Prepayments to Loans. Any voluntary prepayments of Multi-Draw Term Loans pursuant to **Section 2.10** and any mandatory prepayment of any Loan pursuant to **Section 2.11** shall be applied as follows:

first, to the payment of all fees, and all expenses specified in **Section 10.2**, to the full extent thereof;

second, to the payment of any accrued interest at the Default Rate, if any;

third, to the payment of any accrued interest (other than Default Rate interest), including accrued interest at the Applicable PIK Rate that has not been capitalized;

fourth, to the payment of any other amounts owing in connection with such prepayment pursuant to the Fee Letter, including any applicable premium;

fifth, except in connection with any Waivable Mandatory Prepayment in **Section 2.12(c)**, to prepay Multi-Draw Term Loans on a pro rata basis (in accordance with the respective outstanding principal amounts thereof due at maturity) and shall be further applied in inverse order of maturity to reduce the remaining scheduled Installments of principal of the Multi-Draw Term Loans;

sixth, to permanently reduce the Multi-Draw Term Loan Commitments to the full extent thereof; and

seventh, to prepay the Revolving Loans to the full extent thereof and to further permanently reduce the Revolving Commitments to the full extent thereof.

(c) Waivable Mandatory Prepayment. Anything contained herein to the contrary notwithstanding, in the event the Companies are required to make any mandatory prepayment (a "**Waivable Mandatory Prepayment**") of the Multi-Draw Term Loans, not less than three Business Days prior to the date (the "**Required Prepayment Date**") on which the Companies are required to make such Waivable Mandatory Prepayment, the Companies shall notify Administrative Agent of the amount of such prepayment, and Administrative Agent will promptly thereafter notify each Lender holding an outstanding Multi-Draw Term Loan of the amount of such Lender's Pro Rata Share of such Waivable Mandatory Prepayment and such Lender's option to refuse such amount. Each such Lender may exercise such option by giving written notice to the Companies and Administrative Agent of its election to do so on or before the first Business Day prior to the Required Prepayment Date (it being understood that any Lender which does not notify the Companies and Administrative Agent of its election to exercise such option on or before the first Business Day prior to the Required Prepayment Date shall be deemed to have elected, as of such date, not to exercise such option). On the Required Prepayment Date, the Companies shall pay to Administrative Agent the amount of the Waivable Mandatory Prepayment, which amount shall be applied (i) in an amount equal to that portion of the Waivable Mandatory Prepayment payable to those Lenders that have elected not to exercise such option, to prepay the Multi-Draw Term Loans of such Lenders (which prepayment shall be applied to the principal of the Multi-Draw Term Loans in accordance with **Section 2.12(b)**), and (ii) to the extent of any excess, to the Companies for working capital and general corporate purposes.

2.13. General Provisions Regarding Payments.

(a) All payments by the Companies of principal, interest, fees and other Obligations shall be made in Dollars in immediately available funds, without defense, recoupment, setoff or counterclaim, free of any restriction or condition, and delivered to Administrative Agent, for the account of Lenders, not later than 12:00 p.m. (New York City time) on the date due at 200 West Street, New York, New York, 10282 or via wire transfer of immediately available funds to account number maintained by Administrative Agent with JPMorgan Chase Bank in New York City (or at such other location or bank account within the City and State of New York as may be designated by Administrative Agent from time to time); funds received by Administrative Agent after that time on such due date shall be deemed to have been paid by the Companies on the next Business Day.

(b) All payments in respect of the principal amount of any Loan shall be accompanied by payment of accrued interest on the principal amount being repaid or prepaid (including accrued but uncapitalized interest to be paid-in-kind and any applicable premium, as the case may be).

(c) Administrative Agent shall promptly distribute to each Lender at such address as such Lender shall indicate in writing, such Lender's applicable Pro Rata Share of all payments and prepayments of principal and interest due hereunder, together with all other amounts due with respect thereto, including, without limitation, all fees payable with respect thereto, to the extent received by Administrative Agent.

(d) Whenever any payment to be made hereunder shall be stated to be due on a day that is not a Business Day, such payment shall be made on the next succeeding Business Day and such extension of time shall be included in the computation of the payment of interest hereunder or of the commitment fees hereunder.

(e) Administrative Agent shall deem any payment by or on behalf of the Companies hereunder that is not made in same day funds prior to 12:00 p.m. (New York City time) to be a non-conforming payment. Any such payment shall not be deemed to have been received by Administrative Agent until the later of (i) the time such funds become available funds, and (ii) the applicable next Business Day. Administrative Agent shall give prompt telephonic notice to the Companies and each applicable Lender (confirmed in writing) if any payment is non-conforming. Any non-conforming payment may constitute or become a Default or Event of Default in accordance with the terms of **Section 8.1(a)**. Interest shall continue to accrue on any principal as to which a non-conforming payment is made until such funds become available funds (but in no event less than the period from the date of such payment to the next succeeding applicable Business Day) at the Default Rate determined pursuant to **Section 2.7** from the date such amount was due and payable until the date such amount is paid in full.

(f) If an Event of Default shall have occurred and not otherwise been waived, and the Obligations have become due and payable in full hereunder, whether by acceleration, maturity or otherwise, all payments or proceeds received by any Agent hereunder or under any Collateral Document in respect of any of the Obligations, including, but not limited to all proceeds received by any Agent in respect of any sale, any collection from, or other realization upon all or any part of the Collateral, shall be applied in full or in part as follows: *first*, to the payment of all costs and expenses of such sale, collection or other realization, including all expenses, liabilities and advances made or incurred by any Agent in connection therewith, and all amounts for which any Agent is entitled to indemnification hereunder or under any Collateral Document (in its capacity as an Agent and not as a Lender) and all advances made by any Agent under any Collateral Document for the account of the applicable Grantor, and to the payment of all costs and expenses paid or incurred by any Agent in connection with the exercise of any right or remedy hereunder or under any Collateral Document (including expenses, fees and disbursements of its agents and counsel), all in accordance with the terms hereof or thereof; *second*, to the extent of any excess of such proceeds, to the payment of all other Obligations for the ratable benefit of the Lenders; and *third*, to the extent of any excess of such proceeds, to the payment to or upon the order of such Grantor or to whosoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

2.14. Ratable Sharing. Lenders hereby agree among themselves that, except as otherwise provided in the Fee Letter, if any of them shall, whether by voluntary payment (other than a voluntary prepayment of Loans made and applied in accordance with the terms hereof), through the exercise of any right of set-off or banker's lien, by counterclaim or cross action or by the enforcement of any right under the Credit Documents or otherwise, or as adequate protection of a deposit treated as cash collateral under the Bankruptcy Code, receive payment or reduction of a proportion of the aggregate amount of principal, interest, fees and other amounts then due and owing to such Lender hereunder or under the other Credit Documents (collectively, the "**Aggregate Amounts Due**" to such Lender) which is greater than the proportion received by any other Lender in respect of the Aggregate Amounts Due to such other Lender, then the Lender receiving such proportionately greater payment shall (a) notify Administrative Agent and each other Lender of the receipt of such payment and (b) apply a portion of such payment to purchase participations (which it shall be deemed to have purchased from each seller of a participation simultaneously upon the receipt by such seller of its portion of such payment) in the Aggregate Amounts Due to the other Lenders so that all such recoveries of Aggregate Amounts Due shall be shared by all Lenders in proportion to the Aggregate Amounts Due to them; provided, if all or part of such proportionately greater payment received by such purchasing Lender is thereafter recovered from such Lender upon the bankruptcy or reorganization of any Company or otherwise, those purchases shall be rescinded and the purchase prices paid for such participations shall be returned to such purchasing Lender ratably to the extent of such recovery, but without interest. The Companies expressly consent to the foregoing arrangement and agree that any holder of a participation so purchased may exercise any and all rights of banker's lien, set-off or counterclaim with respect to any and all monies owing by the Companies to that holder with respect thereto as fully as if that holder were owed the amount of the participation held by that holder.

2.15. Increased Costs; Capital Adequacy.

(a) Compensation For Increased Costs and Taxes. In the event that any Recipient shall determine (which determination shall, absent manifest error, be final and conclusive and binding upon all parties hereto) that any law, treaty or governmental rule, regulation or order, or any change therein or in the interpretation, administration or application thereof (including the introduction of any new law, treaty or governmental rule, regulation or order), or any determination of a court or governmental authority, in each case that becomes effective after the date hereof, or compliance by such Recipient with any guideline, request or directive issued or made after the date hereof by any central bank or other governmental or quasi-governmental authority (whether or not having the force of law): (i) subjects a Recipient (or any applicable lending office of a Lender) to any additional Tax (other than any Tax on the overall net income of such Lender) with respect to this Agreement or any of the other Credit Documents or any of its obligations hereunder or thereunder or any payments to such Recipient (or any applicable lending office of a Lender) of principal, interest, fees or any other amount payable hereunder; (ii) imposes, modifies or holds applicable any reserve (including any marginal, emergency, supplemental, special or other reserve), special deposit, compulsory loan, FDIC insurance or similar requirement against assets held by, or deposits or other liabilities in or for the account of, or advances or loans by, or other credit extended by, or any other acquisition of funds by, any office of a Lender; or (iii) imposes any other condition (other than with respect to a Tax matter) on or affecting a Lender (or its applicable lending office) or its obligations hereunder or the London interbank market; and the result of any of the foregoing is to increase the cost to such Lender of agreeing to make, making or maintaining Loans hereunder or to reduce any amount received or receivable by such Lender (or its applicable lending office) with respect thereto; then, in any such case, the Companies shall promptly pay to such Recipient, upon receipt of the statement referred to in the next sentence, such additional amount or amounts (in the form of an increased rate of, or a different method of calculating, interest or otherwise as such Lender in its sole discretion shall determine) as may be necessary to compensate such Recipient on an after-Tax basis for any such increased cost or reduction in amounts received or receivable hereunder. Such Lender shall deliver to the Companies (with a copy to Administrative Agent) a written statement, setting forth in reasonable detail the basis for calculating the additional amounts owed to such Lender under this **Section 2.15(a)**, which statement shall be conclusive and binding upon all parties hereto absent manifest error.

(b) Capital Requirements. In the event that any Lender shall have determined (which determination shall, absent manifest effort, be final and conclusive and binding upon all parties hereto) that (i) the adoption, effectiveness, phase-in or applicability of any law, rule or regulation (or any provision thereof) regarding capital or liquidity requirements, or any change therein or in the interpretation or administration thereof by any Governmental Authority, central bank or comparable agency charged with the interpretation or administration thereof, or (ii) compliance by any Lender (or its applicable lending office) or any company controlling such Lender with any guideline, request or directive regarding capital or liquidity requirements (whether or not having the force of law) of any such Governmental Authority, central bank or comparable agency, in each case after the Closing Date, has or would have the effect of reducing the rate of return on the capital of such Lender or any company controlling such Lender as a consequence of, or with reference to, such Lender's Loans or Commitments or other obligations hereunder with respect to the Loans to a level below that which such Lender or such controlling company could have achieved but for such adoption, effectiveness, phase-in, applicability, change or compliance (taking into consideration the policies of such Lender or such controlling company with regard to capital adequacy), then from time to time, within five Business Days after receipt by the Companies from such Lender of the statement referred to in the next sentence, the Companies shall pay to such Lender such additional amount or amounts as will compensate such Lender or such controlling company on an after-Tax basis for such reduction. Such Lender shall deliver to the Companies (with a copy to Administrative Agent) a written statement, setting forth in reasonable detail the basis for calculating the additional amounts owed to Lender under this **Section 2.15(b)**, which statement shall be conclusive and binding upon all parties hereto absent manifest error. For the avoidance of doubt, subsections (a) and (b) of this **Section 2.15** shall apply to all requests, rules, guidelines or directives concerning capital and liquidity requirements issued by any United States regulatory authority (A) under or in connection with the implementation of the Dodd-Frank Wall Street Reform and Consumer Protection Act and (B) in connection with the implementation of the recommendations of the Bank for International Settlements or the Basel Committee on Banking Regulations and Supervisory Practices (or any successor or similar authority), regardless of the date adopted, issued, promulgated or implemented (which determination shall, absent manifest error, be final and conclusive and binding upon all parties hereto).

2.16. Taxes; Withholding, etc.

(a) Payments to Be Free and Clear. All sums payable by or on account of any obligation of any Credit Party under any Credit Document shall (except to the extent required by applicable law) be paid free and clear of, and without any deduction or withholding on account of, any Tax. If any applicable law (as determined in good faith discretion of an applicable Withholding Agent) requires the deduction or withholding on account of any such Tax, then (i) the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law, and (ii) if such Tax is an Indemnified Tax, then the sum payable by any applicable Credit Party shall be increased as necessary so that after such deduction or withholding has been made (including such deductions or withholdings applicable to additional sums payable under this **Section 2.16**) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(b) Payment of Other Taxes by the Credit Parties. The Credit Parties shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(c) Indemnification by Credit Parties. The Credit Parties shall jointly and severally indemnify each Recipient within 10 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this **Section 2.16**) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Companies by a Recipient (with a copy to Administrative Agent), or by Administrative Agent on its own behalf or on behalf of a Recipient, shall be conclusive absent manifest error.

(d) Indemnification by the Lenders. Each Lender shall severally indemnify Administrative Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that any Credit Party has not already indemnified Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Credit Parties to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of **Section 10.6(h)** relating to the maintenance of a Participant Register, and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by Administrative Agent in connection with any Credit Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by Administrative Agent shall be conclusive absent demonstrable error. Each Lender hereby authorizes Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Credit Document or otherwise payable by Administrative Agent to the Lender from any other source against any amount due to Administrative Agent under this **Section 2.16(d)**.

(e) Evidence of Payments. As soon as practicable after any payment of Taxes by any Credit Party to a Governmental Authority pursuant to this **Section 2.16**, such Credit Party shall deliver to Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to Administrative Agent.

(f) Status of Lenders. Any Lender that is entitled to an exemption from or reduction of withholding tax with respect to payments made under any Credit Document shall deliver to the Companies and Administrative Agent, at the time or times reasonably requested by the Companies or Administrative Agent, such properly completed and executed documentation reasonably requested by the Companies or Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Companies or Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Companies or Administrative Agent as will enable the Companies or Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in **Section 2.16(f)(i)**, **(f) (ii)** or **(f) (iv)** below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender. Without limiting the generality of the foregoing:

(i) any Lender that is a U.S. Person shall deliver to the Companies and Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Companies or Administrative Agent), executed copies of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(ii) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Companies and Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Companies or Administrative Agent), whichever of the following is applicable: (A) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (1) with respect to payments of interest under any Credit Document, executed copies of IRS Form W-8BEN or W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (2) with respect to any other applicable payments under any Credit Document, IRS Form W-8BEN or W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty; (B) executed copies of IRS Form W-8ECI; (C) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (1) a certificate substantially in the form of Exhibit F-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of the Companies within the meaning of Section 881(c)(3)(B) of the Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code (a "**U.S. Tax Compliance Certificate**") and (2) executed copies of IRS Form W-8BEN or W-8BEN-E; or (D) to the extent a Foreign Lender is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN or W-8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit F-2 or Exhibit F-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit F-4 on behalf of each such direct and indirect partner;

(iii) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Companies and Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Companies or Administrative Agent), executed copies of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Companies or Administrative Agent to determine the withholding or deduction required to be made; and

(iv) if any payment made to a Lender under any Credit Document would be subject to U.S. federal withholding tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Internal Revenue Code, as applicable), such Lender shall deliver to the Companies and Administrative Agent, at the time or times prescribed by law and at such time or times reasonably requested by the Companies and Administrative Agent, such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Internal Revenue Code) and such additional documentation reasonably requested by Administrative Agent as may be necessary for Administrative Agent to comply with its obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this **clause (iv)**, "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Companies and Administrative Agent in writing of its legal inability to do so.

(g) Survival. Each party's obligations under this **Section 2.16** shall survive the resignation or replacement of Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Credit Document.

2.17. Obligation to Mitigate. Each Lender agrees that, as promptly as practicable after the officer of such Lender responsible for administering its Loans becomes aware of the occurrence of an event or the existence of a condition that would entitle such Lender to receive payments under **Section 2.15** or **2.16**, it will, to the extent not inconsistent with the internal policies of such Lender and any applicable legal or regulatory restrictions, use reasonable efforts to (a) make, fund or maintain its Credit Extensions through another office of such Lender, or (b) take such other measures as such Lender may deem reasonable, if as a result thereof the additional amounts which would otherwise be required to be paid to such Lender pursuant to **Section 2.15** or **2.16** would be materially reduced and if, as determined by such Lender in its sole discretion, the making, funding or maintaining of such Commitments or Loans through such other office or in accordance with such other measures, as the case may be, would not otherwise adversely affect such Commitments or Loans or the interests of such Lender; provided, such Lender will not be obligated to utilize such other office pursuant to this **Section 2.17** unless the Companies agree to pay all incremental expenses incurred by such Lender as a result of utilizing such other office as described above. A certificate as to the amount of any such expenses payable by the Companies pursuant to this **Section 2.17** (setting forth in reasonable detail the basis for requesting such amount) submitted by such Lender to the Companies (with a copy to Administrative Agent) shall be conclusive absent manifest error.

2.18. Defaulting Lenders. Anything contained herein to the contrary notwithstanding, in the event that any Lender violates any provision of **Section 9.5(c)**, or, other than at the direction or request of any regulatory agency or authority, defaults (in each case, a "**Defaulting Lender**") in its obligation to fund (a "**Funding Default**") any Loan (in each case, a "**Defaulted Loan**"), then (a) except to the extent such Lender's vote is required under **Section 10.5(b)**, during any Default Period with respect to such Defaulting Lender, such Defaulting Lender shall be deemed not to be a "Lender" for purposes of voting on any matters (including the granting of any consents or waivers) with respect to any of the Credit Documents; (b) to the extent permitted by applicable law, until such time as the Default Excess, if any, with respect to such Defaulting Lender shall have been reduced to zero, (i) any voluntary prepayment of the Loans shall, if Administrative Agent so directs at the time of making such voluntary prepayment, be applied to the Loans of other Lenders as if such Defaulting Lender had no Loans outstanding and the outstanding Loans of such Defaulting Lender were zero, and (ii) any mandatory prepayment of the Loans shall, if Administrative Agent so directs at the time of making such mandatory prepayment, be applied to the Loans of other Lenders (but not to the Loans of such Defaulting Lender) as if such Defaulting Lender had funded all Defaulted Loans of such Defaulting Lender, it being understood and agreed that any portion of any mandatory prepayment of the Loans that is not paid to such Defaulting Lender solely as a result of the operation of the provisions of this **clause (b)** shall be paid to the non-Defaulting Lenders on a ratable basis; (c) such Defaulting Lender's Commitments shall be excluded for purposes of calculating the commitment fee payable to Lenders in respect of any day during any Default Period with respect to such Defaulting Lender, and such Defaulting Lender shall not be entitled to receive any commitment fee pursuant to **Section 2.8** with respect to such Defaulting Lender's Commitment in respect of any Default Period with respect to such Defaulting Lender. No Commitment of any Lender shall be increased or otherwise affected, and, except as otherwise expressly provided in this **Section 2.18**, performance by the Companies of their obligations hereunder and the other Credit Documents shall not be excused or otherwise modified as a result of any Funding Default or the operation of this **Section 2.18**. The rights and remedies against a Defaulting Lender under this **Section 2.18** are in addition to other rights and remedies which the Companies may have against such Defaulting Lender with respect to any Funding Default and which Administrative Agent or any Lender may have against such Defaulting Lender with respect to any Funding Default or violation of **Section 9.5(c)**.

2.19. Removal or Replacement of a Lender. Anything contained herein to the contrary notwithstanding, in the event that: (a) (i) any Lender (an "**Increased-Cost Lender**") shall give notice to the Companies that such Lender is entitled to receive payments under **Section 2.15** or **2.16**, (ii) the circumstances which entitle such Lender to receive such payments shall remain in effect, and (iii) such Lender shall fail to withdraw such notice within five Business Days after the Companies' request for such withdrawal; or (b) (i) any Lender shall become a Defaulting Lender, (ii) the Default Period for such Defaulting Lender shall remain in effect, and (iii) such Defaulting Lender shall fail to cure the default as a result of which it has become a Defaulting Lender within five Business Days after the Companies' request that it cure such default; or (c) in connection with any proposed amendment, modification, termination, waiver or consent with respect to any of the provisions hereof as contemplated by **Section 10.5(b)**, the consent of Administrative Agent and Requisite Lenders shall have been obtained but the consent of one or more of such other Lenders (each a "**Non-Consenting Lender**") whose consent is required shall not have been obtained; then, with respect to each such Increased-Cost Lender, Defaulting Lender or Non-Consenting Lender (the "**Terminated Lender**"), Administrative Agent may (and, in the case of an Increased-Cost Lender, only after receiving written request from the Companies to remove such Increased-Cost Lender), by giving written notice to the Companies and any Terminated Lender of its election to do so, elect to cause such Terminated Lender (and such Terminated Lender hereby irrevocably agrees) to assign its outstanding Loans and its Commitments, if any, in full to one or more Eligible Assignees (identified in consultation with Companies so long as no Event of Default exists) (each a "**Replacement Lender**") in accordance with the provisions of **Section 10.6** and Terminated Lender shall pay any fees payable thereunder in connection with such assignment; provided, (A) on the date of such assignment, the Replacement Lender shall pay to Terminated Lender an amount equal to the sum of (1) an amount equal to the principal of, and all accrued interest on, all outstanding Loans of the Terminated Lender and (2) an amount equal to all accrued, but theretofore unpaid fees owing to such Terminated Lender pursuant to **Section 2.8**; (B) on the date of such assignment, the Companies shall pay any amounts payable to such Terminated Lender pursuant to **Section 2.15** or **2.16**; (C) in the event such Terminated Lender is a Non-Consenting Lender, each Replacement Lender shall consent, at the time of such assignment, to each matter in respect of which such Terminated Lender was a Non-Consenting Lender; or (D) in the case such Lender is an Increased-Cost Lender, the assignment would eliminate or reduce amounts payable pursuant to **Section 2.15** or **2.16**. In the event that the Terminated Lender fails to execute an Assignment Agreement pursuant to **Section 10.6** within five Business Days after receipt by the Terminated Lender of notice of replacement pursuant to this **Section 2.19** and presentation to such Terminated Lender of an Assignment Agreement evidencing an assignment pursuant to this **Section 2.19**, the Terminated Lender shall be deemed to have executed and delivered such Assignment Agreement, and upon the execution and delivery of Assignment Agreement by the Replacement Lender and Administrative Agent, shall be effective for purposes of this **Section 2.19** and **Section 10.6**. Upon the prepayment of all amounts owing to any Terminated Lender and the termination of such Terminated Lender's Commitments, if any, such Terminated Lender shall no longer constitute a "Lender" for purposes hereof; provided, any rights of such Terminated Lender to indemnification hereunder shall survive as to such Terminated Lender.

SECTION3. CONDITIONS PRECEDENT

3.1. Closing Date. The obligation of each Lender to make a Credit Extension following the Closing Date is subject to the satisfaction, or waiver in accordance with **Section 10.5**, of the following conditions on or before the Closing Date:

(a) Credit Documents. Administrative Agent shall have received sufficient copies of each Credit Document originally executed and delivered by each applicable Credit Party and Individual Guarantor for each Lender.

(b) Preferred Stock. Preferred Holders shall have received (i) the Preferred Stock issued by Intermediate Holdings and (ii) a copy of Intermediate Holdings' amended and restated operating agreement in form and substance satisfactory to Preferred Holders.

(c) Warrants. Warrant Holders shall have received (i) the Warrants originally executed and delivered by Holdings and (ii) a copy of Holdings' amended and restated operating agreement in form and substance satisfactory to Warrant Holders.

(d) Organizational Documents; Incumbency. Administrative Agent shall have received (i) sufficient copies of each Organizational Document executed and delivered by each Credit Party, as applicable, and, to the extent applicable, certified as of a recent date by the appropriate governmental official, for each Lender, each dated the Closing Date or a recent date prior thereto; (ii) signature and incumbency certificates of the officers of such Person executing the Credit Documents to which it is a party; (iii) resolutions of the board of managers or similar governing body of each Credit Party approving and authorizing the execution, delivery and performance of this Agreement and the other Credit Documents to which it is a party or by which it or its assets may be bound (and, with respect to Holdings, the Warrants) as of the Closing Date, certified as of the Closing Date by its secretary or an assistant secretary as being in full force and effect without modification or amendment; (iv) a good standing certificate from the applicable Governmental Authority of each Credit Party's jurisdiction of incorporation, organization or formation and in each jurisdiction in which it is qualified as a foreign corporation or other entity to do business, each dated a recent date prior to the Closing Date; and (v) such other documents as Administrative Agent or Requisite Lenders may reasonably request.

(e) Organizational and Capital Structure. The organizational structure and capital structure of Holdings and its Subsidiaries shall be as set forth on **Schedule 4.2**.

(f) Existing Indebtedness. On the Closing Date, Holdings and its Subsidiaries shall have (i) repaid in full all Existing Indebtedness, (ii) terminated any commitments to lend or make other extensions of credit thereunder, (iii) delivered to Administrative Agent all documents or instruments necessary to release all Liens securing Existing Indebtedness or other obligations of Holdings and its Subsidiaries thereunder being repaid on the Closing Date (other than any such documents or instruments required to be delivered after the Closing Date as described on **Schedule 5.17**), and (iv) made arrangements satisfactory to Administrative Agent with respect to the cancellation of any letters of credit outstanding thereunder.

(g) Transaction Costs. On or prior to the Closing Date, the Companies shall have delivered to Administrative Agent and each Lender their reasonable best estimate of the Transaction Costs (other than fees payable to any Agent).

(h) Governmental Authorizations and Consents. Each Credit Party shall have obtained all Governmental Authorizations and all consents of other Persons, in each case that are necessary or advisable in connection with the transactions contemplated by the Credit Documents and each of the foregoing shall be in full force and effect and in form and substance reasonably satisfactory to Administrative Agent. All applicable waiting periods shall have expired without any action being taken or threatened by any competent authority which would restrain, prevent or otherwise impose adverse conditions on the transactions contemplated by the Credit Documents and no action, request for stay, petition for review or rehearing, reconsideration, or appeal with respect to any of the foregoing shall be pending, and the time for any applicable agency to take action to set aside its consent on its own motion shall have expired.

(i) Real Estate Assets. Administrative Agent and Collateral Agent shall have received from the Companies and each applicable Guarantor, in the case of each Leasehold Property, a Landlord Consent and Estoppel (other than any such Leasehold Property for which a Landlord Consent and Estoppel is required to be delivered after the Closing Date as described on **Schedule 5.17**).

(j) Personal Property Collateral. In order to create in favor of Collateral Agent, for the benefit of Secured Parties, a valid, perfected First Priority security interest in the personal property Collateral, Collateral Agent shall have received:

(i) evidence satisfactory to Collateral Agent of the compliance by each Credit Party with their obligations under the Pledge and Security Agreement and the other Collateral Documents (including, without limitation, their obligations to authorize or execute, as the case may be, and deliver UCC financing statements, originals of securities, instruments and chattel paper and any agreements governing deposit and/or securities accounts as provided therein);

(ii) (1) A completed Collateral Questionnaire dated the Closing Date and executed by an Authorized Officer of each Credit Party, together with all attachments contemplated thereby, including the results of a recent search, by a Person satisfactory to Collateral Agent, of all effective UCC financing statements (or equivalent filings) made with respect to any personal or mixed property of any Credit Party in the jurisdictions specified in the Collateral Questionnaire, together with copies of all such filings disclosed by such search, and (2) UCC termination statements (or similar documents) duly executed by all applicable Persons for filing in all applicable jurisdictions as may be necessary to terminate any effective UCC financing statements (or equivalent filings) disclosed in such search (other than any such financing statements in respect of Permitted Liens);

(iii) opinions of counsel (which counsel shall be reasonably satisfactory to Collateral Agent) with respect to the creation and perfection of the security interests in favor of Collateral Agent in such Collateral and such other matters governed by the laws of each jurisdiction in which any Credit Party or any personal property Collateral is located as Collateral Agent may reasonably request, in each case in form and substance reasonably satisfactory to Collateral Agent; and

(iv) evidence that each Credit Party shall have taken or caused to be taken any other action, executed and delivered or caused to be executed and delivered any other agreement, document and instrument and made or caused to be made any other filing and recording (other than as set forth herein) reasonably required by Collateral Agent.

(k) Environmental Reports. Administrative Agent and each Lender shall have received reports and other information, in form, scope and substance satisfactory to Administrative Agent and Requisite Lenders, regarding environmental matters relating to the Facilities, which reports shall include a Phase I Report for each of the Facilities specified by Administrative Agent and Requisite Lenders.

(l) Financial Statements; Projections. Lenders shall have received from Holdings (i) the Historical Financial Statements, (ii) pro forma consolidated and consolidating balance sheets of Holdings and its Subsidiaries as at the Closing Date, and reflecting the consummation of the transactions contemplated by the Credit Documents to occur on or prior to the Closing Date, which pro forma financial statements shall be in form and substance satisfactory to Administrative Agent and Requisite Lenders, (iii) pro forma consolidated and consolidating income statements of Holdings and its Subsidiaries as at the Closing Date, and reflecting the consummation of the transactions contemplated by the Credit Documents to occur on or prior to the Closing Date, and (iv) the Projections.

(m) Evidence of Insurance. Collateral Agent shall have received a certificate from the Companies' insurance broker or other evidence satisfactory to it that all insurance required to be maintained pursuant to **Section 5.5** is in full force and effect, together with endorsements naming Collateral Agent, for the benefit of Secured Parties, as additional insured and lender loss payee thereunder (but only respect to the Collateral or as its interests may otherwise appear and not with respect to the Floorplan Collateral) to the extent required under **Section 5.5**.

(n) Opinions of Counsel to Credit Parties. Lenders and their respective counsel shall have received originally executed copies of the favorable written opinions of (i) Gold Law Partners, and (ii) Smith, Gambrell & Russell, LLP, counsel for Credit Parties, as to such matters as Administrative Agent may reasonably request, each dated as of the Closing Date and otherwise in form and substance reasonably satisfactory to Administrative Agent (and each Credit Party hereby instructs such counsel to deliver such opinions to Agents and Lenders).

(o) Fees and Expenses. The Companies shall have paid to Administrative Agent and the initial Lenders (i) the fees payable on the Closing Date referred to in **Section 2.8(d)** and (ii) the expenses (including all reasonable attorneys' fees and disbursements of outside counsel) incurred by Administrative Agent and the initial Lenders on or prior to the Closing Date.

(p) Solvency Certificate. On the Closing Date, Administrative Agent shall have received a Solvency Certificate from the Credit Parties dated as of the Closing Date and addressed to Administrative Agent and Lenders, and in form, scope and substance satisfactory to Administrative Agent, with appropriate attachments and demonstrating that after giving effect to the consummation of the transactions contemplated by the Credit Agreements and the payment of Transaction Costs, the Credit Parties are and will be Solvent.

(q) Closing Date Certificate. The Credit Parties shall have delivered to Administrative Agent an originally executed Closing Date Certificate, together with all attachments thereto.

(r) No Litigation. There shall not exist any action, suit, investigation, litigation or proceeding or other legal or regulatory developments, pending or threatened in any court or before any arbitrator or Governmental Authority that, in the reasonable discretion of Administrative Agent and Requisite Lenders, singly or in the aggregate, materially impairs the financing or any of the other transactions contemplated by the Credit Documents, or that could have a Material Adverse Effect.

(s) Due Diligence. Administrative Agent and each Lender shall have completed, to its satisfaction, all legal, tax, environmental, business and other due diligence with respect to the business, assets, liabilities, operations and condition (financial or otherwise) of the Credit Parties in scope and determination satisfactory to Administrative Agent and Requisite Lenders in their respective discretion (including, without limitation, satisfactory review of (i) the lease agreements for each Leasehold Property and (ii) the Material Contracts with third-party boat manufacturers), and, other than changes occurring in the ordinary course of business, no information or materials are or should have been available to the Credit Parties as of the Closing Date that are materially inconsistent with the material previously provided to Administrative Agent and Requisite Lenders for their respective due diligence review of the Credit Parties.

(t) Floorplan Financing Documents. Administrative Agent shall have received (i) certified copies of the Companies' floorplan facilities (including the TCF Agreement), each of which shall be in form and substance satisfactory to Administrative Agent and Requisite Lenders and shall include consents, amendments and/or other modifications (including amending related UCC-1 financing statements consistent with the Intercreditor Agreement and consistent with this Agreement) to permit this Agreement, the Preferred Stock, the Warrants and the transactions contemplated hereby and thereby, and (ii) the Intercreditor Agreement entered into by the floorplan lenders thereunder, which Intercreditor Agreement shall be in form and substance acceptable to Administrative Agent and Requisite Lenders.

(u) Approved Subordinated Debt Documents. Administrative Agent shall have received (i) copies of all seller notes or earnouts payable by Holdings, which shall be in form, substance and amount satisfactory to Administrative Agent and Requisite Lenders and (ii) copies of existing subordination agreements entered into by the obligees thereunder, which subordination agreements shall be in form and substance acceptable to Administrative Agent and Requisite Lenders.

(v) Minimum EBITDA. The Companies shall demonstrate in form and substance reasonably satisfactory to Administrative Agent and Requisite Lenders that Holdings and its Subsidiaries shall have generated trailing twelve-month Consolidated Adjusted EBITDA of at least [***].

(w) Minimum Liquidity. The Companies shall demonstrate in form and substance reasonably satisfactory to Administrative Agent and each Lender that on the Closing Date after the payment of all Transaction Costs required to be paid in Cash, the Credit Parties shall have Consolidated Liquidity of at least $5,000,000.

(x) No Material Adverse Change. Since September 30, 2015, no event, circumstance or change shall have occurred that has caused or evidences, either in any case or in the aggregate, a Material Adverse Effect.

(y) Completion of Proceedings. All partnership, corporate and other proceedings taken or to be taken in connection with the transactions contemplated hereby and all documents incidental thereto not previously found acceptable by Administrative Agent and its counsel shall be satisfactory in form and substance to Administrative Agent and such counsel, and Administrative Agent and such counsel shall have received all such counterpart originals or certified copies of such documents as Administrative Agent may reasonably request.

(z) Non-Compete and Non-Solicitation Agreements. Administrative Agent shall have received copies of non-compete and non-solicitation agreements entered into by each of P. Austin Singleton, Jr. and Anthony Aisquith, which agreements shall be in form and substance acceptable to Administrative Agent and Requisite Lenders.

(aa) Service of Process. On or prior to the date that is ten days after the Closing Date, Administrative Agent shall have received evidence that each Credit Party has appointed an agent in New York City for the purpose of service of process in New York City.

(bb) "KYC" Documentation. Administrative Agent shall have received from the Credit Parties all documentation and other information required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including the PATRIOT Act.

Each Lender, by delivering its signature page to this Agreement, shall be deemed to have acknowledged receipt of, and consented to and approved, each Credit Document and each other document required to be approved by any Agent, Requisite Lenders or Lenders, as applicable on the Closing Date.

3.2. Conditions to Each Credit Extension.

(a) Conditions Precedent. The obligation of each Lender to make any Loan on any Credit Date are subject to the satisfaction, or waiver in accordance with **Section 10.5**, of the following conditions precedent:

(i) Administrative Agent shall have received a fully executed and delivered Funding Notice;

(ii) with respect to the Credit Extensions requested on such Credit Date, (x) the aggregate principal amount of all outstanding Revolving Loans shall not exceed the Revolving Commitments then in effect after giving effect to such Credit Extensions, (y) in the case of Multi-Draw Term Loans, sufficient Multi-Draw Term Loan Commitments remain for such requested Loan, and (z) in each case, Availability would be $0 or greater after giving effect to such Credit Extensions;

(iii) as of such Credit Date, the representations and warranties contained herein and in the other Credit Documents shall be true and correct in all material respects on and as of that Credit Date to the same extent as though made on and as of that date, except to the extent such representations and warranties specifically relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects on and as of such earlier date;

(iv) as of such Credit Date, no event shall have occurred and be continuing or would result from the consummation of the applicable Credit Extension that would constitute an Event of Default or a Default;

(v) the Chief Financial Officer of the Companies shall have delivered an Officer's Certificate representing and warranting and otherwise demonstrating and calculating to the satisfaction of Administrative Agent that, as of such Credit Date, (A) the Companies reasonably expect, after giving effect to the proposed borrowing and based upon good faith determinations and projections consistent with the Financial Plan, to be in compliance with all operating and financial covenants set forth in this Agreement as of the last day of the current Fiscal Quarter, (B) the Total Leverage Ratio determined as of such date after giving effect to the contemplated Credit Extension shall not exceed the maximum Total Leverage Ratio permitted as of the last day of the immediately preceding Fiscal Quarter pursuant to **Section 6.8(c)**, (C) the Senior Leverage Ratio determined as of such date after giving effect to the contemplated Credit Extension shall not exceed the maximum Senior Leverage Ratio permitted as of the last day of the immediately preceding Fiscal Quarter pursuant to **Section 6.8(b)**, (D) after making the Credit Extension requested on such Credit Date, Availability would be $0 or greater and (E) after giving effect to such Credit Extension and any permitted use of proceeds therefor on such Credit Date, the aggregate Cash and Cash Equivalents of Holdings and its Subsidiaries will not exceed $2,000,000; and

(vi) with respect to any Credit Extension the use of proceeds of which is intended to finance an acquisition, Administrative Agent and Requisite Lenders shall have consented to such acquisition, and all acquisition documentation shall be in form and substance satisfactory to Administrative Agent and Requisite Lenders.

Any Agent or Requisite Lenders shall be entitled, but not obligated to, request and receive, prior to the making of any Credit Extension, additional information reasonably satisfactory to the requesting party confirming the satisfaction of any of the foregoing if, in the good faith judgment of such Agent or such Requisite Lenders such request is warranted under the circumstances.

(b) Notices. Any Funding Notice shall be executed by an Authorized Officer in a writing delivered to Administrative Agent. In lieu of delivering a Funding Notice, the Companies may give Administrative Agent telephonic notice by the required time of any proposed borrowing; provided each such notice shall be promptly confirmed in writing by delivery of the applicable Funding Notice to Administrative Agent on or before the applicable date of borrowing. Neither Administrative Agent nor any Lender shall incur any liability to the Companies in acting upon any telephonic notice referred to above that Administrative Agent believes in good faith to have been given by a duly authorized officer or other person authorized on behalf of the Companies or for otherwise acting in good faith.

3.3. Conditions Subsequent to the Closing Date. The Companies shall fulfill, on or before the date applicable thereto (which date can be extended in writing by Administrative Agent and Requisite Lenders in their respective sole discretion), each of the conditions subsequent specified in **Section 5.15**.

SECTION4. REPRESENTATIONS AND WARRANTIES

In order to induce Agents and Lenders to enter into this Agreement and to make each Credit Extension to be made thereby, each Credit Party represents and warrants to each Agent and Lender, on the Closing Date and on each Credit Date, that the following statements are true and correct (it being understood and agreed that the representations and warranties made on the Closing Date are deemed to be made concurrently with the consummation of the transactions contemplated hereby):

4.1. Organization; Requisite Power and Authority; Qualification. Each of Holdings and its Subsidiaries (a) is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, (b) has all requisite power and authority to own and operate its properties, to carry on its business as now conducted and as proposed to be conducted, to enter into the Credit Documents to which it is a party and to carry out the transactions contemplated thereby, and (c) is qualified to do business and in good standing in every jurisdiction where its assets are located and wherever necessary to carry out its business and operations, except in jurisdictions where the failure to be so qualified or in good standing has not had, and could not be reasonably expected to have, a Material Adverse Effect. As of the Closing Date, the Sixth Amendment Effective Date and the Fifteenth Amendment Effective Date, the jurisdictions of organization or incorporation of Holdings and its Subsidiaries are set forth on **Schedule 4.1**.

4.2. Capital Stock and Ownership. The Capital Stock of each of Holdings and its Subsidiaries has been duly authorized and validly issued and is fully paid and non-assessable. Except as set forth on **Schedule 4.2**, as of the date hereof, there is no existing option, warrant, call, right, commitment or other agreement to which Holdings or any of its Subsidiaries is a party requiring, and there is no membership interest or other Capital Stock of Holdings or any of its Subsidiaries outstanding which upon conversion or exchange would require, the issuance by Holdings or any of its Subsidiaries of any additional membership interests or other Capital Stock of Holdings or any of its Subsidiaries or other Securities convertible into, exchangeable for or evidencing the right to subscribe for or purchase, a membership interest or other Capital Stock of Holdings or any of its Subsidiaries. **Schedule 4.2** correctly sets forth the organizational and capital structure of Holdings and its Subsidiaries and the ownership interest of Holdings and each of its Subsidiaries in their respective Subsidiaries as of the Closing Date, the Sixth Amendment Effective Date and the Fifteenth Amendment Effective Date.

4.3. Due Authorization. The execution, delivery and performance of the Credit Documents have been duly authorized by all necessary action on the part of each Credit Party that is a party thereto.

4.4. No Conflict. The execution, delivery and performance by Credit Parties of the Credit Documents to which they are parties and the consummation of the transactions contemplated by the Credit Documents do not and will not (a) violate any provision of any law or any governmental rule or regulation applicable to Holdings or any of its Subsidiaries, any of the Organizational Documents of Holdings or any of its Subsidiaries, or any order, judgment or decree of any court or other agency of government binding on Holdings or any of its Subsidiaries; (b) conflict with, result in a breach of or constitute (with due notice or lapse of time or both) a default under any Contractual Obligation of Holdings or any of its Subsidiaries; (c) result in or require the creation or imposition of any Lien upon any of the properties or assets of Holdings or any of its Subsidiaries (other than any Liens created under any of the Credit Documents in favor of Collateral Agent, on behalf of Secured Parties); or (d) require any approval of stockholders, members or partners or any approval or consent of any Person under any Contractual Obligation of Holdings or any of its Subsidiaries, except for such approvals or consents which will be obtained on or before the Closing Date and disclosed in writing to Lenders.

4.5. Governmental Consents. The execution, delivery and performance by Credit Parties of the Credit Documents to which they are parties and the consummation of the transactions contemplated by the Credit Documents do not and will not require any registration with, consent or approval of, or notice to, or other action to, with or by, any Governmental Authority, except for filings and recordings with respect to the Collateral to be made, or otherwise delivered to Collateral Agent for filing and/or recordation, as of the Closing Date.

4.6. Binding Obligation. Each Credit Document has been duly executed and delivered by each Credit Party that is a party thereto and is the legally valid and binding obligation of such Credit Party, enforceable against such Credit Party in accordance with its respective terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability.

4.7. Historical Financial Statements. The Historical Financial Statements were prepared in conformity with GAAP and fairly present, in all material respects, the financial position, on a consolidated basis, of the Persons described in such financial statements as at the respective dates thereof and the results of operations and cash flows, on a consolidated basis, of the entities described therein for each of the periods then ended, subject, in the case of any such unaudited financial statements, to changes resulting from audit and normal year-end adjustments. As of the Closing Date, neither Holdings nor any of its Subsidiaries has any contingent liability or liability for taxes, long-term lease or unusual forward or long-term commitment that is not reflected in the Historical Financial Statements or the notes thereto and which in any such case is material in relation to the business, operations, properties, assets, condition (financial or otherwise) or prospects of Holdings and any of its Subsidiaries taken as a whole.

4.8. Projections. On and as of the Closing Date, the Projections of Holdings and its Subsidiaries for the period of Fiscal Year 2017 through and including Fiscal Year 2021, including monthly projections for each month during the Fiscal Year in which the Closing Date takes place, (the "**Projections**") are based on good faith estimates and assumptions made by the management of Holdings and its Subsidiaries; provided, the Projections are not to be viewed as facts and that actual results during the period or periods covered by the Projections may differ from such Projections and that the differences may be material; provided, further, as of the Closing Date, management of Holdings and its Subsidiaries believed that the Projections were reasonable and attainable.

4.9. No Material Adverse Change. Since September 30, 2015, no event, circumstance or change has occurred that has caused or evidences, either in any case or in the aggregate, a Material Adverse Effect.

4.10. No Restricted Junior Payments. Since September 30, 2015, neither Holdings nor any of its Subsidiaries has directly or indirectly declared, ordered, paid or made, or set apart any sum or property for, any Restricted Junior Payment or agreed to do so except as permitted pursuant to **Section 6.5**.

4.11. Adverse Proceedings, etc. There are no Adverse Proceedings, individually or in the aggregate, that could reasonably be expected to have a Material Adverse Effect. Neither Holdings nor any of its Subsidiaries (a) is in violation of any applicable laws (including Environmental Laws) that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect, or (b) is subject to or in default with respect to any final judgments, writs, injunctions, decrees, rules or regulations of any court or any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

4.12. Payment of Taxes. Except as otherwise permitted under **Section 5.3**, all Tax returns and reports of Holdings and its Subsidiaries required to be filed by any of them have been timely filed, and all Taxes imposed upon Holdings and its Subsidiaries and upon their respective properties, assets, income, businesses and franchises which are due and payable have been paid when due and payable. No Credit Party knows of any proposed Tax assessment against Holdings or any of its Subsidiaries which is not being actively contested by Holdings or such Subsidiary in good faith and by appropriate proceedings; provided, such reserves or other appropriate provisions, if any, as shall be required in conformity with GAAP shall have been made or provided therefor.

4.13. Properties.

(a) Title. Each of Holdings and its Subsidiaries has (i) good, sufficient and legal title to (in the case of fee interests in real property), (ii) valid leasehold interests in (in the case of leasehold interests in real or personal property), and (iii) good title to (in the case of all other personal property), all of their respective properties and assets reflected in their respective Historical Financial Statements referred to in **Section 4.7** and in the most recent financial statements delivered pursuant to **Section 5.1**, in each case except for assets disposed of since the date of such financial statements in the ordinary course of business or as otherwise permitted under **Section 6.9**. Except as permitted by this Agreement, all such properties and assets are free and clear of Liens.

(b) Real Estate. As of the Closing Date, the Sixth Amendment Effective Date and the Fifteenth Amendment Effective Date, **Schedule 4.13(b)** contains a true, accurate and complete list of (i) all Real Estate Assets, and (ii) all leases, subleases or assignments of leases (together with all amendments, modifications, supplements, renewals or extensions of any thereof) affecting each Real Estate Asset of any Credit Party, regardless of whether such Credit Party is the landlord or tenant (whether directly or as an assignee or successor in interest) under such lease, sublease or assignment. Each agreement listed in **clause (ii)** of the immediately preceding sentence is in full force and effect and the Credit Parties do not have Knowledge of any default that has occurred and is continuing thereunder, and each such agreement constitutes the legally valid and binding obligation of each applicable Credit Party, enforceable against such Credit Party in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or limiting creditors' rights generally or by equitable principles.

(c) Intellectual Property.

(i) Part (i) of **Schedule 4.13(c)** is a complete and accurate list of all the Credit Parties' Registered Intellectual Property. All currently due maintenance fees, renewal fees, or similar fees for Registered Intellectual Property have been paid and all necessary documents and certificates in connection with Registered Intellectual Property have been filed with the relevant patent, copyright, trademark or other authorities in the United States or foreign jurisdictions, as the case may be, for the purposes of maintaining Registered Intellectual Property. All items of Intellectual Property, whether or not listed on **Schedule 4.13(c)**, used in the operation of the business of any Credit Party as presently conducted shall continue in full effect, on identical terms and conditions immediately following the consummation of the transactions contemplated by this Agreement as are in effect immediately prior to such consummation. The Intellectual Property used or held for use in and material to the conduct of business of each of the Credit Parties is valid, subsisting and enforceable.

(ii) Except as set forth in Part (ii) of **Schedule 4.13(c)**, (A) there are no pending suits, actions, claims, proceedings or investigations alleging that any Credit Party is infringing, misappropriating, diluting or otherwise violating any Intellectual Property of any Person or that seek to limit or challenge the validity, enforceability, ownership or use of the Intellectual Property owned by the Credit Parties, (B) no Credit Party has received any claim or correspondence from any Person alleging that any Credit Party is infringing, misappropriating, diluting or otherwise violating any Intellectual Property of any Person or that seek to limit or challenge the validity, enforceability, ownership or use of the Intellectual Property owned by any Credit Party and used in the business of any Credit Party, and (C) to the Knowledge of the Credit Parties, no Credit Party nor the business of any Credit Party infringes, misappropriates, dilutes or otherwise violates the Intellectual Property of any Person.

4.14. Environmental Matters. Neither Holdings nor any of its Subsidiaries nor any of their respective Facilities or operations are subject to any outstanding written order, consent decree or settlement agreement with any Person relating to any Environmental Law, any Environmental Claim, or any Hazardous Materials Activity that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect. Neither Holdings nor any of its Subsidiaries has received any letter or request for information under Section 104 of the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. § 9604) or any comparable state law. There are and, to each of Holdings' and its Subsidiaries' Knowledge, have been, no conditions, occurrences, or Hazardous Materials Activities which could reasonably be expected to form the basis of an Environmental Claim against Holdings or any of its Subsidiaries that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect. Neither Holdings nor any of its Subsidiaries nor, to any Credit Party's Knowledge, any predecessor of Holdings or any of its Subsidiaries has filed any notice under any Environmental Law indicating past or present treatment of Hazardous Materials at any Facility, and none of Holdings' or any of its Subsidiaries' operations involves the generation, transportation, treatment, storage or disposal of hazardous waste, as defined under 40 C.F.R. Parts 260-270 or any state equivalent. Compliance with all current or reasonably foreseeable future requirements pursuant to or under Environmental Laws could not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect. No event or condition has occurred or is occurring with respect to Holdings or any of its Subsidiaries relating to any Environmental Law, any Release of Hazardous Materials, or any Hazardous Materials Activity which individually or in the aggregate has had, or could reasonably be expected to have, a Material Adverse Effect.

4.15. No Defaults. Neither Holdings nor any of its Subsidiaries is in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any of its Contractual Obligations, and no condition exists which, with the giving of notice or the lapse of time or both, could constitute such a default, except where the consequences, direct or indirect, of such default or defaults, if any, could not reasonably be expected to have a Material Adverse Effect.

4.16. Material Contracts. **Schedule 4.16** contains a true, correct and complete list of all the Material Contracts in effect on the Closing Date, the Sixth Amendment Effective Date and the Fifteenth Amendment Effective Date, which, together with any updates provided pursuant to **Section 5.1(l)**, all such Material Contracts are in full force and effect and no defaults currently exist thereunder (other than as described in **Schedule 4.16** or in such updates).

4.17. Governmental Regulation. Neither Holdings nor any of its Subsidiaries is subject to regulation under the Public Utility Holding Company Act of 2005, the Federal Power Act or the Investment Company Act of 1940 or under any other federal or state statute or regulation which may limit its ability to incur Indebtedness or which may otherwise render all or any portion of the Obligations unenforceable. Neither Holdings nor any of its Subsidiaries is a "registered investment company" or a company "controlled" by a "registered investment company" or a "principal underwriter" of a "registered investment company" as such terms are defined in the Investment Company Act of 1940.

4.18. Margin Stock. Neither Holdings nor any of its Subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying any Margin Stock. No part of the proceeds of the Loans made to such Credit Party will be used to purchase or carry any such Margin Stock or to extend credit to others for the purpose of purchasing or carrying any such Margin Stock or for any purpose that violates, or is inconsistent with, the provisions of Regulation T, U or X of the Board of Governors of the Federal Reserve System.

4.19. Employee Matters. Neither Holdings nor any of its Subsidiaries is engaged in any unfair labor practice that could reasonably be expected to have a Material Adverse Effect. There is (a) no unfair labor practice complaint pending against Holdings or any of its Subsidiaries, or to the best knowledge of the Credit Parties, threatened against any of them before the National Labor Relations Board and no grievance or arbitration proceeding arising out of or under any collective bargaining agreement that is so pending against Holdings or any of its Subsidiaries or to the best knowledge of the Credit Parties, threatened against any of them, (b) no strike or work stoppage in existence or threatened involving Holdings or any of its Subsidiaries, and (c) to the best knowledge of the Credit Parties, no union representation question existing with respect to the employees of Holdings or any of its Subsidiaries and, to the best knowledge of the Credit Parties, no union organization activity that is taking place, except (with respect to any matter specified in **clause (a)**, **(b)** or **(c)** above, either individually or in the aggregate) such as is not reasonably likely to have a Material Adverse Effect.

4.20. Employee Benefit Plans. Holdings, each of its Subsidiaries and each of their respective ERISA Affiliates are in compliance in all material respects with all applicable provisions and requirements of ERISA and the Internal Revenue Code and the regulations and published interpretations thereunder with respect to each Employee Benefit Plan, and have performed all their obligations under each Employee Benefit Plan. Each Employee Benefit Plan which is intended to qualify under Section 401(a) of the Internal Revenue Code has received a favorable determination letter from the Internal Revenue Service indicating that such Employee Benefit Plan is so qualified and nothing has occurred subsequent to the issuance of such determination letter which would cause such Employee Benefit Plan to lose its qualified status. No liability to the PBGC (other than required premium payments), the Internal Revenue Service, any Employee Benefit Plan or any trust established under Title IV of ERISA has been or is expected to be incurred by Holdings, any of its Subsidiaries or any of their ERISA Affiliates. No ERISA Event has occurred or is reasonably expected to occur. Except to the extent required under Section 4980B of the Internal Revenue Code or similar state laws and except as described on **Schedule 4.20**, no Employee Benefit Plan provides health or welfare benefits (through the purchase of insurance or otherwise) for any retired or former employee of Holdings, any of its Subsidiaries or any of their respective ERISA Affiliates. The present value of the aggregate benefit liabilities under each Pension Plan sponsored, maintained or contributed to by Holdings, any of its Subsidiaries or any of their ERISA Affiliates (determined as of the end of the most recent plan year on the basis of the actuarial assumptions specified for funding purposes in the most recent actuarial valuation for such Pension Plan), did not exceed the aggregate current value of the assets of such Pension Plan. As of the most recent valuation date for each Multiemployer Plan for which the actuarial report is available, the potential liability of Holdings, its Subsidiaries and their respective ERISA Affiliates for a complete withdrawal from such Multiemployer Plan (within the meaning of Section 4203 of ERISA), when aggregated with such potential liability for a complete withdrawal from all Multiemployer Plans, based on information available pursuant to Section 4221(e) of ERISA is zero. Holdings, each of its Subsidiaries and each of their ERISA Affiliates have complied with the requirements of Section 515 of ERISA with respect to each Multiemployer Plan and are not in material "default" (as defined in Section 4219(c)(5) of ERISA) with respect to payments to a Multiemployer Plan.

4.21. Certain Fees. No broker's or finder's fee or commission will be payable with respect hereto or any of the transactions contemplated hereby, except for fees due to Deloitte Corporate Finance LLC pursuant to an engagement letter dated October 8, 2015.

4.22. Solvency. Each Credit Party is and, upon the incurrence of any Credit Extension by such Credit Party on any date on which this representation and warranty is made, will be, Solvent.

4.23. Compliance with Statutes, etc.

(a) Each of Holdings and its Subsidiaries is in compliance with all applicable statutes, regulations and orders of, and all applicable restrictions imposed by, all Governmental Authorities, in respect of the conduct of its business and the ownership of its property (including compliance with all applicable (i) Environmental Laws with respect to any Real Estate Asset or governing its business and the requirements of any permits issued under such Environmental Laws with respect to any such Real Estate Asset or the operations of Holdings or any of its Subsidiaries and (ii) Consumer Finance Laws), except such non-compliance that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

(b) Each of Holdings and its Subsidiaries is in compliance with all applicable federal and state privacy and data protection laws concerning Customer Information. Each of Holdings and its Subsidiaries have implemented and maintain administrative, physical and technical safeguards to protect Customer Information that complies with (i) the Credit Parties' own respective rules, policies, and procedures, (ii) all applicable laws whose subject matter is the privacy or protection of Customer Information, (iii) the Payment Card Industry Data Security Standard (PCI DSS) and (iv) contracts into which any Credit Party has entered or by which it is otherwise bound.

4.24. Disclosure. No representation or warranty of any Credit Party contained in any Credit Document or in any other documents, certificates or written statements furnished to Lenders by or on behalf of Holdings or any of its Subsidiaries for use in connection with the transactions contemplated hereby contains any untrue statement of a material fact or omits to state a material fact (Known to Holdings or any of its Subsidiaries, in the case of any document not furnished by either of them) necessary in order to make the statements contained herein or therein not misleading in light of the circumstances in which the same were made. Any projections and pro forma financial information contained in such materials are based upon good faith estimates and assumptions believed by Holdings or any of its Subsidiaries to be reasonable at the time made, it being recognized by Lenders that such projections as to future events are not to be viewed as facts and that actual results during the period or periods covered by any such projections may differ from the projected results. There are no facts Known (or which should upon the reasonable exercise of diligence be Known) to Holdings or any of its Subsidiaries (other than matters of a general economic nature) that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect and that have not been disclosed herein or in such other documents, certificates and statements furnished to Lenders for use in connection with the transactions contemplated hereby.

4.25. Sanctions; Anti-Corruption Laws; AML Laws. None of the Credit Parties, any of their respective Subsidiaries or any director, officer, employee, agent, or affiliate of the Credit Parties or any of their respective Subsidiaries is a Person that is, or is owned or controlled by Persons that are: (a) Sanctioned Persons, or (b) located, organized or resident in a Sanctioned Country, including, as of the Closing Date, Burma, the Crimea Region, Cuba, Iran, North Korea, Sudan and Syria. The Credit Parties and their Subsidiaries have implemented, and maintain in effect, policies and procedures designed to ensure compliance in all material respects by the Credit Parties, their Subsidiaries and their respective directors, officers, employees and agents with Sanctions, Anti-Corruption Laws and AML Laws, and the Credit Parties, their Subsidiaries and their respective officers and employees, and to the Knowledge of the Credit Parties, its directors and agents, are in compliance in all material respects with Sanctions, Anti-Corruption Laws and AML Laws.

SECTION 5. AFFIRMATIVE COVENANTS

Each Credit Party covenants and agrees that so long as any Commitment is in effect and until payment in full of all Obligations, each Credit Party shall perform, and shall cause each of its Subsidiaries to perform, all covenants in this **Section 5**.

5.1. Financial Statements and Other Reports. Unless otherwise provided below, Holdings will deliver to Administrative Agent and Lenders:

(a) Monthly Reports. As soon as available, and in any event within 30 days after the end of each month (including months which began prior to the Closing Date), the consolidated and consolidating balance sheet of Holdings and its Subsidiaries as at the end of such month and the related consolidated and consolidating statements of income, consolidated statements of stockholders' equity and consolidated statements of cash flows of Holdings and its Subsidiaries for such month and for the period from the beginning of the then current Fiscal Year to the end of such month, setting forth in each case in comparative form the corresponding figures for the corresponding periods of the previous Fiscal Year and the corresponding figures from the Financial Plan for the current Fiscal Year, all in reasonable detail, together with a schedule of reconciliations for any reclassifications with respect to prior months or periods (and, in connection therewith, copies of any restated financial statements for any impacted month or period) and a Financial Officer Certification with respect thereto and any other operating reports prepared by management for such period;

(b) Quarterly Financial Statements. As soon as available, and in any event within 45 days after the end of each Fiscal Quarter of each Fiscal Year (including the fourth Fiscal Quarter), the consolidated and consolidating balance sheets of Holdings and its Subsidiaries as at the end of such Fiscal Quarter and the related consolidated (and with respect to statements of income, consolidating) statements of income, stockholders' equity and cash flows of Holdings and its Subsidiaries for such Fiscal Quarter and for the period from the beginning of the then current Fiscal Year to the end of such Fiscal Quarter, setting forth in each case in comparative form the corresponding figures for the corresponding periods of the previous Fiscal Year and the corresponding figures from the Financial Plan for the current Fiscal Year, all in reasonable detail, together with a Financial Officer Certification and a Narrative Report with respect thereto;

(c) Annual Financial Statements. As soon as available, and in any event within 120 days after the end of each Fiscal Year, (i) the consolidated and consolidating balance sheets of Holdings and its Subsidiaries as at the end of such Fiscal Year and the related consolidated (and with respect to statements of income, consolidating) statements of income, stockholders' equity and cash flows of Holdings and its Subsidiaries for such Fiscal Year, setting forth in each case in comparative form the corresponding figures for the previous Fiscal Year and the corresponding figures from the Financial Plan for the Fiscal Year covered by such financial statements, in reasonable detail, together with a Financial Officer Certification and a Narrative Report with respect thereto; and (ii) with respect to such consolidated financial statements a report thereon of independent certified public accountants of recognized national standing selected by Holdings and reasonably satisfactory to Administrative Agent (which report shall be unqualified as to going concern and scope of audit, and shall state that such consolidated financial statements fairly present, in all material respects, the consolidated financial position of Holdings and its Subsidiaries as at the dates indicated and the results of their operations and their cash flows for the periods indicated in conformity with GAAP applied on a basis consistent with prior years (except as otherwise disclosed in such financial statements) and that the examination by such accountants in connection with such consolidated financial statements has been made in accordance with generally accepted auditing standards) together with a written statement by such independent certified public accountants stating (A) that their audit examination has included a review of the terms of the Credit Documents, (B) whether, in connection therewith, any condition or event that constitutes a Default or an Event of Default has come to their attention and, if such a condition or event has come to their attention, specifying the nature and period of existence thereof, and (C) that nothing has come to their attention that causes them to believe that the information contained in any Compliance Certificate is not correct or that the matters set forth in such Compliance Certificate are not stated in accordance with the terms hereof (such report shall also include (1) a detailed summary of any audit adjustments; (2) a reconciliation of any audit adjustments or reclassifications to the previously provided monthly or quarterly financials; and (3) restated monthly or quarterly financials for any impacted periods);

(d) Compliance Certificate. Together with each delivery of financial statements of Holdings and its Subsidiaries pursuant to **Sections 5.1(b)** and **5.1(c)**, a duly executed and completed Compliance Certificate;

(e) Statements of Reconciliation after Change in Accounting Principles. If, as a result of any change in accounting principles and policies from those used in the preparation of the Historical Financial Statements, the consolidated financial statements of Holdings and its Subsidiaries delivered pursuant to **Section 5.1(b)** or **5.1(c)** will differ in any material respect from the consolidated financial statements that would have been delivered pursuant to such subdivisions had no such change in accounting principles and policies been made, then, together with the first delivery of such financial statements after such change, one or more statements of reconciliation for all such prior financial statements in form and substance satisfactory to Administrative Agent;

(f) Notice of Default. Promptly upon any officer of any Credit Party obtaining Knowledge (i) of any condition or event that constitutes a Default or an Event of Default or that notice has been given to any Credit Party with respect thereto; (ii) that any Person has given any notice to Holdings or any of its Subsidiaries or taken any other action with respect to any event or condition set forth in **Section 8.1(b)**; or (iii) of the occurrence of any event or change that has caused or evidences, either in any case or in the aggregate, a Material Adverse Effect, a certificate of its Authorized Officers specifying the nature and period of existence of such condition, event or change, or specifying the notice given and action taken by any such Person and the nature of such claimed Event of Default, Default, default, event or condition, and what action the Credit Parties have taken, are taking and propose to take with respect thereto;

(g) Notice of Litigation. Promptly upon any officer of any Credit Party obtaining Knowledge of (i) the institution of, or non-frivolous threat of, any Adverse Proceeding not previously disclosed in writing to Lenders, or (ii) any material development in any Adverse Proceeding that, in the case of either **clause (i)** or **(ii)** if adversely determined, could be reasonably expected to have a Material Adverse Effect, or seeks to enjoin or otherwise prevent the consummation of, or to recover any damages or obtain relief as a result of, the transactions contemplated hereby, written notice thereof together with such other information as may be reasonably available to the Credit Parties to enable Lenders and their counsel to evaluate such matters;

(h) ERISA. (i) Promptly upon becoming aware of the occurrence of or forthcoming occurrence of any ERISA Event, a written notice specifying the nature thereof, what action Holdings, any of its Subsidiaries or any of their respective ERISA Affiliates has taken, is taking or proposes to take with respect thereto and, when Known, any action taken or threatened by the Internal Revenue Service, the Department of Labor or the PBGC with respect thereto; and (ii) with reasonable promptness, copies of (A) each Schedule B (Actuarial Information) to the annual report (Form 5500 Series) filed by Holdings, any of its Subsidiaries or any of their respective ERISA Affiliates with the Internal Revenue Service with respect to each Pension Plan; (B) all notices received by Holdings, any of its Subsidiaries or any of their respective ERISA Affiliates from a Multiemployer Plan sponsor concerning an ERISA Event; and (C) copies of such other documents or governmental reports or filings relating to any Employee Benefit Plan as Administrative Agent or any Lender shall reasonably request;

(i) Financial Plan. As soon as practicable and in any event no later than thirty days prior to the beginning of each Fiscal Year, a consolidated plan and financial forecast for such Fiscal Year and each Fiscal Year (or portion thereof) through the final maturity date of the Loans (a "**Financial Plan**"), including (i) a forecasted consolidated balance sheet and forecasted consolidated statements of income and cash flows of Holdings and its Subsidiaries for each such Fiscal Year, (ii) forecasted consolidated statements of income and cash flows of Holdings and its Subsidiaries for each month of each such Fiscal Year, (iii) forecasts demonstrating projected compliance with the requirements of **Section 6.8** through the final maturity date of the Loans, and (iv) forecasts demonstrating adequate liquidity through the final maturity date of the Loans, together, in each case, with an explanation of the assumptions on which such forecasts are based, all in form and substance reasonably satisfactory to Agents;

(j) Insurance Report. As soon as practicable and in any event by the last day of each Fiscal Year, a report in form and substance satisfactory to Administrative Agent outlining all material insurance coverage maintained as of the date of such report by Holdings and its Subsidiaries and all material insurance coverage planned to be maintained by Holdings and its Subsidiaries in the immediately succeeding Fiscal Year;

(k) Notice of Change in Board of Managers. With reasonable promptness, written notice of any change in the board of managers (or similar governing body) of Holdings or any of its Subsidiaries;

(l) Notice Regarding Material Contracts. Promptly, and in any event within ten Business Days (i) after any Material Contract of Holdings or any of its Subsidiaries is terminated or cancelled, expires and is not renewed or is amended in a manner that is materially adverse to Holdings or such Subsidiary, as the case may be, or (ii) any new Material Contract is entered into, a written statement describing such event, with copies of such material amendments or new contracts, delivered to Administrative Agent (to the extent such delivery is permitted by the terms of any such Material Contract; provided, no such prohibition on delivery shall be effective if it were bargained for by Holdings or its applicable Subsidiary with the intent of avoiding compliance with this **Section 5.1(l)**), and an explanation of any actions being taken with respect thereto;

(m) Environmental Reports and Audits. As soon as practicable following receipt thereof, copies of all environmental audits and reports with respect to environmental matters at any Facility or which relate to any environmental liabilities of Holdings or its Subsidiaries which, in any such case, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect;

(n) Information Regarding Collateral. The Companies will furnish to Collateral Agent prior written notice of any change (i) in any Credit Party's legal name, (ii) in any Credit Party's identity or corporate structure, or (iii) in any Credit Party's Federal Taxpayer Identification Number. The Credit Parties shall not effect or permit any change referred to in the preceding sentence unless all filings have been made under the UCC or otherwise that are required in order for Collateral Agent to continue at all times following such change to have a valid, legal and perfected security interest in all the Collateral and for the Collateral at all times following such change to have a valid, legal and perfected security interest as contemplated in the Collateral Documents. The Credit Parties shall also promptly notify Collateral Agent if any material portion of the Collateral is damaged or destroyed;

(o) Annual Collateral Verification. Each year, at the time of delivery of annual financial statements with respect to the preceding Fiscal Year pursuant to **Section 5.1(c)**, the Credit Parties shall deliver to Collateral Agent an Officer's Certificate (i) either confirming that there has been no change in such information since the date of the Collateral Questionnaire delivered on the Closing Date or the date of the most recent certificate delivered pursuant to this Section and/or identifying such changes, or (ii) certifying that all UCC financing statements (including fixtures filings, as applicable) or other appropriate filings, recordings or registrations, have been filed of record in each governmental, municipal or other appropriate office in each jurisdiction identified in the Collateral Questionnaire or pursuant to **clause (i)** above to the extent necessary to protect and perfect the security interests under the Collateral Documents for a period of not less than 18 months after the date of such certificate (except as noted therein with respect to any continuation statements to be filed within such period);

(p) Aging Reports. Together with each delivery of financial statements of the Credit Parties pursuant to **Section 5.1(a)**, (i) a summary of the accounts receivable aging report of each Credit Party as of the end of such period, and (ii) a summary of accounts payable aging report of each Credit Party as of the end of such period;

(q) Boat Manufacturer Contracts. Together with each delivery of financial statements of the Credit Parties pursuant to **Section 5.1(a)**, an updated list of all boat manufacturer contracts then in effect.

(r) Tax Returns. As soon as practicable and in any event within fifteen days following the filing thereof, copies of each federal income tax return filed by or on behalf of any Credit Party; and

(s) Other Information. (i) Promptly upon their becoming available, copies of (A) all financial statements, reports, notices and proxy statements sent by Holdings to its security holders acting in such capacity or by any Subsidiary of Holdings to its security holders other than Holdings or another Subsidiary of Holdings, and (B) all press releases and other statements made available generally by Holdings or any of its Subsidiaries to the public concerning material developments in the business of Holdings or any of its Subsidiaries, and (ii) such other information and data with respect to Holdings or any of its Subsidiaries as from time to time may be reasonably requested in writing by Administrative Agent or any Lender (acting through Administrative Agent).

5.2. Existence. Except as otherwise permitted under **Section 6.9**, each Credit Party will, and will cause each of its Subsidiaries to, at all times preserve and keep in full force and effect its existence and all rights and franchises, licenses (including Intellectual Property licenses) and permits material to its business; provided, no Credit Party or any of its Subsidiaries shall be required to preserve any such existence, right or franchise, licenses and permits if such Person's board of managers (or similar governing body) shall determine that the preservation thereof is no longer desirable in the conduct of the business of such Person, and that the loss or licensing thereof is not disadvantageous in any material respect to such Person or to Lenders.

5.3. Payment of Taxes and Claims. Each Credit Party will, and will cause each of its Subsidiaries to, pay all Taxes imposed upon it or any of its properties or assets or in respect of any of its income, businesses or franchises before any penalty or fine accrues thereon, and all claims (including claims for labor, services, materials and supplies) for sums that have become due and payable and that by law have or may become a Lien upon any of its properties or assets, prior to the time when any penalty or fine shall be incurred with respect thereto; provided, no such Tax or claim need be paid if it is being contested in good faith by appropriate proceedings promptly instituted and diligently conducted, so long as (a) adequate reserve or other appropriate provision, as shall be required in conformity with GAAP shall have been made therefor, and (b) in the case of a Tax or claim which has or may become a Lien against any of the Collateral, such contest proceedings conclusively operate to stay the sale of any portion of the Collateral to satisfy such Tax or claim. No Credit Party will, nor will it permit any of its Subsidiaries to, file or consent to the filing of any consolidated income tax return with any Person (other than Holdings or any of its Subsidiaries).

5.4. Maintenance of Properties. Each Credit Party will, and will cause each of its Subsidiaries to, maintain or cause to be maintained in good repair, working order and condition, ordinary wear and tear excepted, all material properties used or useful in the business of Holdings and its Subsidiaries and from time to time will make or cause to be made all appropriate repairs, renewals and replacements thereof.

5.5. Insurance. The Credit Parties shall maintain or cause to be maintained, with financially sound and reputable insurers, (a) business interruption insurance reasonably satisfactory to Administrative Agent and Requisite Lenders, and (b) casualty insurance, such public liability insurance, third-party property damage insurance with respect to liabilities, losses or damage in respect of the assets, properties and businesses of Holdings and its Subsidiaries as may customarily be carried or maintained under similar circumstances by Persons of established reputation engaged in similar businesses, in each case in such amounts (giving effect to self-insurance), with such deductibles, covering such risks and otherwise on such terms and conditions as shall be customary for such Persons. Without limiting the generality of the foregoing, the Credit Parties shall maintain or cause to be maintained (i) flood insurance with respect to each Flood Hazard Property that is located in a community that participates in the National Flood Insurance Program, in each case in compliance with any applicable regulations of the Board of Governors of the Federal Reserve System, and (ii) replacement value casualty insurance on the Collateral under such policies of insurance, with such insurance companies, in such amounts, with such deductibles, and covering such risks as are at all times carried or maintained under similar circumstances by Persons of established reputation engaged in similar businesses. Each such policy of insurance shall (A) name Collateral Agent, on behalf of Lenders as an additional insured thereunder as its interests may appear, and (B) in the case of each casualty insurance policy, contain a lender loss payable clause or endorsement, satisfactory in form and substance to Collateral Agent, that names Collateral Agent, on behalf of Secured Parties as the lender loss payee thereunder and provides for at least thirty days' prior written notice to Collateral Agent of any modification or cancellation of such policy.

5.6. Inspections. Each Credit Party will, and will cause each of its Subsidiaries to, permit any authorized representatives designated by any Agent or any Lender to visit and inspect any of the properties of any Credit Party and any of its respective Subsidiaries, to inspect, copy and take extracts from its and their financial and accounting records, and to discuss its and their affairs, finances and accounts with its and their officers and independent public accountants, all upon reasonable notice and at such reasonable times during normal business hours and as often as may reasonably be requested.

5.7. Lenders Meetings. The Credit Parties will, upon the request of Administrative Agent or Requisite Lenders, participate in a meeting of Administrative Agent and Lenders once during each Fiscal Year to be held at the Credit Parties' corporate offices (or telephonically, via video conference, or at such other location as may be agreed to by the Credit Parties and Administrative Agent) at such time during normal business hours as may be agreed to by the Credit Parties and Administrative Agent; provided that so long as Beekman's consent or approval is required for any matter requiring the consent or approval of Requisite Lenders, the Credit Parties will hold such meeting at least once each year at a time reasonably acceptable to Beekman.

5.8. Compliance with Laws.

(a) Each Credit Party will comply, and shall cause each of its Subsidiaries and all other Persons, if any, on or occupying any Facilities to comply, with the requirements of all applicable laws, rules, regulations and orders of any Governmental Authority (including (i) all Environmental Laws and (ii) all Consumer Finance Laws), noncompliance with which could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. The Credit Parties and their Subsidiaries shall maintain in effect, policies and procedures designed to ensure compliance in all material respects by the Credit Parties, their Subsidiaries and their respective directors, officers, employees and agents with Sanctions, Anti-Corruption Laws, AML Laws and Consumer Finance Laws.

(b) Each Credit Party will comply, and shall cause each of its Subsidiaries, to comply with all applicable federal and state privacy and data protection laws concerning Customer Information. Credit Parties have implemented and shall maintain administrative, physical and technical safeguards to protect Customer Information that complies with (i) the Credit Parties' own respective rules, policies, and procedures, (ii) all applicable laws whose subject matter is the privacy or protection of Customer Information, (iii) the Payment Card Industry Data Security Standard (PCI DSS) and (iv) contracts into which any Credit Party has entered or by which it is otherwise bound.

5.9. Environmental.

(a) Environmental Disclosure. The Credit Parties will deliver to Administrative Agent and Lenders:

(i) as soon as practicable following receipt thereof, copies of all environmental audits, investigations, analyses and reports of any kind or character, whether prepared by personnel of Holdings or any of its Subsidiaries or by independent consultants, Governmental Authorities or any other Persons, with respect to significant environmental matters at any Facility or with respect to any Environmental Claims;

(ii) promptly upon the occurrence thereof, written notice describing in reasonable detail (A) any Release required to be reported to any federal, state or local governmental or regulatory agency under any applicable Environmental Laws, (B) any remedial action taken by the Credit Parties or any other Person in response to (1) any Hazardous Materials Activities the existence of which has a reasonable possibility of resulting in one or more Environmental Claims having, individually or in the aggregate, a Material Adverse Effect, or (2) any Environmental Claims that, individually or in the aggregate, have a reasonable possibility of resulting in a Material Adverse Effect, and (C) any Credit Party's discovery of any occurrence or condition on any real property adjoining or in the vicinity of any Facility that could reasonably be expected to cause such Facility or any part thereof to be subject to any material restrictions on the ownership, occupancy, transferability or use thereof under any Environmental Laws;

(iii) as soon as practicable following the sending or receipt thereof by Holdings or any of its Subsidiaries, a copy of any and all written communications with respect to (A) any Environmental Claims that, individually or in the aggregate, have a reasonable possibility of giving rise to a Material Adverse Effect, (B) any Release required to be reported to any Governmental Authority, and (C) any request for information from any Governmental Authority that suggests such agency is investigating whether Holdings or any of its Subsidiaries may be potentially responsible for any Hazardous Materials Activity;

(iv) prompt written notice describing in reasonable detail (A) any proposed acquisition of Capital Stock, assets, or property by Holdings or any of its Subsidiaries that could reasonably be expected to (1) expose Holdings or any of its Subsidiaries to, or result in, Environmental Claims that could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect or (2) affect the ability of Holdings or any of its Subsidiaries to maintain in full force and effect all material Governmental Authorizations required under any Environmental Laws for their respective operations and (B) any proposed action to be taken by Holdings or any of its Subsidiaries to modify current operations in a manner that could reasonably be expected to subject Holdings or any of its Subsidiaries to any additional material obligations or requirements under any Environmental Laws; and

(v) with reasonable promptness, such other documents and information as from time to time may be reasonably requested by Administrative Agent or any Lender (acting through Administrative Agent) in relation to any matters disclosed pursuant to this **Section 5.9(a)**.

(b) Hazardous Materials Activities, Etc. Each Credit Party shall promptly take, and shall cause each of its Subsidiaries promptly to take, any and all actions necessary to (i) cure any violation of applicable Environmental Laws by such Credit Party or its Subsidiaries that could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, and (ii) make an appropriate response to any Environmental Claim against such Credit Party or any of its Subsidiaries and discharge any obligations it may have to any Person thereunder where failure to do so could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

5.10. Subsidiaries. In the event that any Person becomes a Domestic Subsidiary of Holdings, Holdings shall (a) concurrently with such Person becoming a Domestic Subsidiary cause such Domestic Subsidiary to become a Guarantor hereunder and a Grantor under the Pledge and Security Agreement by executing and delivering to Administrative Agent and Collateral Agent a Counterpart Agreement, and (b) take all such actions and execute and deliver, or cause to be executed and delivered, all such documents, instruments, agreements, and certificates as are similar to those described in **Sections 3.1(d)**, **3.1(i)**, **3.1(j)**, **3.1(k)**, and **3.1(n)** and, with respect to any Material Real Estate Assets of such Domestic Subsidiary, **Section 5.11**. With respect to each such Subsidiary, the Credit Parties shall promptly send to Administrative Agent written notice setting forth with respect to such Person (i) the date on which such Person became a Subsidiary of Holdings, and (ii) all of the data required to be set forth in **Schedules 4.1** and **4.2** with respect to all Subsidiaries of Holdings; provided, such written notice shall be deemed to supplement **Schedule 4.1** and **4.2** for all purposes hereof.

5.11. Additional Material Real Estate Assets. In the event that any Credit Party acquires or leases a Material Real Estate Asset or a Real Estate Asset owned or leased on the Closing Date becomes a Material Real Estate Asset, and such interest has not otherwise been made subject to the Lien of the Collateral Documents in favor of Collateral Agent, for the benefit of Secured Parties, then such Credit Party, contemporaneously with acquiring such Material Real Estate Asset, or promptly after a Real Estate Asset owned or leased on the Closing Date becomes a Material Real Estate Asset (and in any event within 30 days or such longer period approved by Administrative Agent and Requisite Lenders in writing), shall take all such actions and execute and deliver, or cause to be executed and delivered, all such mortgages, documents, instruments, agreements, opinions and certificates with respect to each such Material Real Estate Asset as Collateral Agent shall reasonably request in writing to create in favor of Collateral Agent, for the benefit of Secured Parties, a valid and, subject to any filing and/or recording referred to herein, perfected First Priority security interest in such Material Real Estate Assets, including (a) documents, instruments, agreements, opinions and certificates similar to those described in **Sections 3.1(i)**, **3.1(j)**, and **3.1(k)**, (b) fully executed and notarized Mortgages, in proper form for recording in all appropriate places in all applicable jurisdictions, encumbering each such Material Real Estate Asset, (c) an opinion of counsel (which counsel shall be reasonably satisfactory to Collateral Agent) in each state in which any such Material Real Estate Asset is located with respect to the enforceability of the form(s) of the Mortgages to be recorded in such state and such other matters as Collateral Agent may reasonably request, in each case in form and substance reasonably satisfactory to Collateral Agent, (d) in the case of any Material Real Estate Asset that is a Leasehold Property, (i) a Landlord Consent and Estoppel and (ii) evidence that such Leasehold Property is a Recorded Leasehold Interest, (e) (i) Title Policies with respect to each such Material Real Estate Asset, in amounts not less than the fair market value of such Material Real Estate Asset, together with a title report issued by a title company with respect thereto, dated not more than thirty days prior to the acquisition or lease date and copies of all recorded documents listed as exceptions to title or otherwise referred to therein, each in form and substance reasonably satisfactory to Collateral Agent, and (ii) evidence satisfactory to Collateral Agent that such Credit Party has paid to the title company or to the appropriate Governmental Authorities all expenses and premiums of the title company and all other sums required in connection with the issuance of each Title Policy and all recording and stamp taxes (including mortgage recording and intangible taxes) payable in connection with recording the Mortgages for any such Material Real Estate Asset in the appropriate real estate records, (f) evidence of flood insurance if any such Material Real Estate Asset is a Flood Hazard Property that is located in a community that participates in the National Flood Insurance Program, in each case in compliance with any applicable regulations of the Board of Governors of the Federal Reserve System, in form and substance reasonably satisfactory to Collateral Agent, (g) an ALTA survey of any such Material Real Estate Asset, certified to Collateral Agent and dated not more than thirty days prior to the acquisition or lease date (unless otherwise approved by the applicable title company as being sufficient to deliver the related Title Policy without any general survey exception), and (h) reports and other information, in form, scope and substance satisfactory to Administrative Agent, regarding environmental matters relating to any Material Real Estate Asset, which reports shall include, if requested by Administrative Agent, a Phase I Report for any such Material Real Estate Asset consisting of a Facility. In addition to the foregoing, Company shall, at the request of Requisite Lenders, deliver, from time to time, to Administrative Agent such appraisals as are required by law or regulation of Real Estate Assets with respect to which Collateral Agent has been granted a Lien. In addition to the foregoing, the Credit Parties shall, at the request of Requisite Lenders, deliver, from time to time, to Administrative Agent such appraisals as are required by law or regulation of Real Estate Assets with respect to which Collateral Agent has been granted a Lien.

5.12. Intellectual Property. In the event that any Credit Party acquires or develops any Registered Intellectual Property following the Closing Date, then such Credit Party, promptly after acquiring such Registered Intellectual Property, shall take all such actions and execute and deliver, or cause to be executed and delivered, all such documents, instruments and agreements that Collateral Agent shall reasonably request in writing to create in favor of Collateral Agent, for the benefit of Secured Parties, a valid and, subject to any filing and/or recording requirements with any governmental or other equivalent institution, a perfected First Priority Lien in such Registered Intellectual Property.

5.13. Further Assurances. At any time or from time to time upon the request of Administrative Agent, each Credit Party will, at its expense, promptly execute, acknowledge and deliver such further documents and do such other acts and things as Administrative Agent or Collateral Agent may reasonably request in order to effect fully the purposes of the Credit Documents, including providing Lenders with any information reasonably requested pursuant to **Section 10.21**. In furtherance and not in limitation of the foregoing, each Credit Party shall take such actions as Administrative Agent or Collateral Agent may reasonably request from time to time to ensure that the Obligations are guaranteed by the Guarantors and are secured by the Collateral (and not the Floorplan Collateral), including all of the outstanding Capital Stock of the Companies and their Subsidiaries (other than the Preferred Stock).

5.14. Miscellaneous Business Covenants. Unless otherwise consented to by Agents and Requisite Lenders:

(a) Non-Consolidation. Holdings will and will cause each of its Subsidiaries to: (i) maintain entity records and books of account separate from those of any other entity which is an Affiliate of such entity; (ii) not commingle its funds or assets with those of any other entity which is an Affiliate of such entity (unless such Affiliate is a Credit Party); and (iii) provide that its board of managers or other analogous governing body will hold all appropriate meetings to authorize and approve such entity's actions, which meetings will be separate from those of other entities.

(b) Communication with Accountants. Each Credit Party executing this Agreement authorizes Administrative Agent and each Lender to communicate directly with such Credit Party's independent certified public accountants and authorizes and shall instruct those accountants to communicate (including the delivery of audit drafts and letters to management) with Administrative Agent and each Lender information relating to any Credit Party with respect to the business, results of operations and financial condition of any Credit Party; provided, however, that Administrative Agent or the applicable Lender, as the case may be, shall provide such Credit Party with notice at least two Business Days prior to first initiating any such communication.

(c) Activities of Management. Each member of the senior executive management team of each Credit Party shall devote all or substantially all of his or her professional working time, attention, and energies to the management of the businesses of the Credit Parties.

5.15. Certain Consumer Matters.

(a) Without limiting the representations, warranties, covenants and agreements set forth herein or in the other Credit Documents, Credit Parties covenant and agree on behalf of themselves and each of their Subsidiaries to use their best efforts to complete and comply with the items noted on **Schedule 5.15(a)** (the "**Consumer Compliance Action Items**").

(b) Promptly (and in any event within sixty days) following the Closing Date, Holdings and its Subsidiaries shall implement processes and internal controls sufficient (as determined by the Requisite Lenders) to fully and properly (i) log and track consumer complaints relating to any financing or loan referrals and (ii) ensure that any advertisements by Holdings or any of its Subsidiaries comply with all applicable laws and regulations relating to their businesses, including with respect to unfair or deceptive acts or practices (UDAP) laws in force in the applicable jurisdictions where Holdings or any of its Subsidiaries operate.

5.16. Environmental Matters. Without limiting the representations, covenants and agreements set forth herein or in any other Credit Document, promptly following the Closing Date and the Sixth Amendment Effective Date, Holdings, Companies, and their Subsidiaries shall use best efforts to complete all of the items related to compliance with Environmental Laws described on **Schedule 5.16** (the "**Environmental Obligations**") within the periods and by the times specified therein, as applicable, and thereafter shall take all actions necessary or proper under, or otherwise in connection with, such Environmental Obligations.

5.17. Other Post Closing Matters. The Companies shall, and shall cause each of the Credit Parties to, satisfy the requirements set forth on **Schedule 5.17** on or before the date specified for such requirement or such later date to be determined by the Agent.

SECTION 6. NEGATIVE COVENANTS

Each Credit Party covenants and agrees that, so long as any Commitment is in effect and until payment in full of all Obligations, such Credit Party shall perform, and shall cause each of its Subsidiaries to perform, all covenants in this **Section 6**.

6.1. Indebtedness. No Credit Party shall, nor shall it permit any of its Subsidiaries to, directly or indirectly, create, incur, assume or guaranty, or otherwise become or remain directly or indirectly liable with respect to any Indebtedness, except:

(a) the Obligations;

(b) Indebtedness of any Guarantor Subsidiary to any Company or to any other Guarantor Subsidiary, or of any Company to any Guarantor Subsidiary; provided, (i) all such Indebtedness shall be unsecured and subordinated in right of payment to the payment in full of the Obligations pursuant to the terms of the applicable promissory notes or an intercompany subordination agreement that in any such case, is reasonably satisfactory to Administrative Agent and Requisite Lenders, and (ii) any payment by any such Guarantor Subsidiary under any guaranty of the Obligations shall result in a pro rata reduction of the amount of any Indebtedness owed by such Subsidiary to the applicable Company or to any of its Subsidiaries for whose benefit such payment is made;

(c) Indebtedness incurred by Holdings or any of its Subsidiaries arising from agreements providing for indemnification, or from guaranties or letters of credit, surety bonds or performance bonds securing the performance of any Company or any Subsidiary pursuant to such agreements, in connection with Permitted Acquisitions or permitted dispositions of any business, assets or Subsidiary of Holdings or any of its Subsidiaries;

(d) Indebtedness which may be deemed to exist pursuant to any guaranties, performance, surety, statutory or appeal bonds or similar obligations incurred in the ordinary course of business;

(e) Indebtedness in respect of netting services, overdraft protections and otherwise in connection with Deposit Accounts;

(f) Indebtedness constituting accounts payable incurred in the ordinary course of business and not more than 60 days past due (excluding, for the avoidance of doubt, any inventory floorplan financing);

(g) guaranties in the ordinary course of business of the obligations of suppliers, customers, franchisees and licensees of Holdings and its Subsidiaries;

(h) guaranties by any Company of Indebtedness of a Guarantor Subsidiary or guaranties by a Subsidiary of any Company of Indebtedness of such Company or a Guarantor Subsidiary with respect, in each case, to Indebtedness otherwise permitted to be incurred pursuant to this **Section 6.1**; provided, that if the Indebtedness that is being guarantied is unsecured and/or subordinated to the Obligations, the guaranty shall also be unsecured and/or subordinated to the Obligations;

(i) Indebtedness described in **Schedule 6.1**, but not any extensions, renewals or replacements of such Indebtedness except (i) renewals and extensions expressly provided for in the agreements evidencing any such Indebtedness as the same are in effect on the date of this Agreement, and (ii) refinancings and extensions of any such Indebtedness if the terms and conditions thereof are not less favorable to the obligor thereon or to the Lenders than the Indebtedness being refinanced or extended, and the average life to maturity thereof is greater than or equal to that of the Indebtedness being refinanced or extended; provided, such Indebtedness permitted under the immediately preceding **clause (i)** or **(ii)** above shall not (A) include Indebtedness of an obligor that was not an obligor with respect to the Indebtedness being extended, renewed or refinanced, (B) exceed in a principal amount the Indebtedness being renewed, extended or refinanced, or (C) be incurred, created or assumed if any Default or Event of Default has occurred and is continuing or would result therefrom;

(j) Indebtedness in an aggregate amount not to exceed $1,200,000 at any time outstanding with respect to (A) Capital Leases and (B) purchase money Indebtedness (including any such Indebtedness acquired in connection with a Permitted Acquisition); provided, in the case of **clause (A)**, that any such Indebtedness shall be secured only by the asset subject to such Capital Lease, and, in the case of **clause (B)**, that any such Indebtedness shall (1) be secured only by the asset acquired in connection with the incurrence of such Indebtedness and (2) constitute not less than 50% of the aggregate consideration paid with respect to such asset;

(k) Indebtedness constituting Approved Subordinated Debt so long as (i) such Indebtedness is subject to subordination terms in form and substance satisfactory to Administrative Agent and Requisite Lenders and/or is structurally subordinated to the liabilities of the Companies in a manner satisfactory to Administrative Agent and Requisite Lenders and (ii) the aggregate outstanding principal amount of all such Indebtedness, at the time any such Indebtedness is incurred, does not exceed the Approved Subordinated Debt Cap after giving effect to such incurrence;

(l) Indebtedness constituting an Approved Floorplan Financing so long as (i) such Indebtedness is subject to the Intercreditor Agreement and (ii) the aggregate outstanding principal amount of all such Indebtedness does not exceed $350,000,000 at any time, unless otherwise consented to by Administrative Agent and Requisite Lenders;

(m) Indebtedness consisting of obligations under the TCF Agreement so long as the aggregate outstanding principal amount of all such Indebtedness does not exceed $500,000 at any time outstanding;

(n) solely during the period commencing on the Eighth Amendment Effective Date and ending upon the earlier of (x) the consummation of the Pompano Beach Acquisition and (y) the termination, waiver, or release of 651's obligations under the Pompano Beach Acquisition Agreement, Indebtedness consisting of 651's unpaid obligations to pay the purchase price for the Pompano Beach Acquisition pursuant to the Pompano Beach Acquisition Agreement as in effect on the Eighth Amendment Effective Date;

(o) solely during the period commencing on the Tenth Amendment Effective Date and ending upon the earlier of (x) the consummation of the Slalom Acquisition and (y) the termination, waiver, or release of SAO's obligations under the Slalom Acquisition Agreement, Indebtedness consisting of SAO's unpaid obligations to pay the purchase price for the Slalom Acquisition pursuant to the Slalom Acquisition Agreement as in effect on the Tenth Amendment Effective Date; and

(p) solely during the period commencing on the Thirteenth Amendment Effective Date and ending upon the earlier of (x) the consummation of the Caribee Acquisition and (y) the termination, waiver, or release of SFAO's obligations under the Caribee Acquisition Agreement, Indebtedness consisting of SFAO's unpaid obligations to pay the purchase price for the Caribee Acquisition pursuant to the Caribee Acquisition Agreement as in effect on the Thirteenth Amendment Effective Date.

6.2. Liens. No Credit Party shall, nor shall it permit any of its Subsidiaries to, directly or indirectly, create, incur, assume or permit to exist any Lien on or with respect to any property or asset of any kind (including any document or instrument in respect of goods or accounts receivable) of Holdings or any of its Subsidiaries, whether now owned or hereafter acquired, or any income or profits therefrom, or file or permit the filing of, or permit to remain in effect, any financing statement or other similar notice of any Lien with respect to any such property, asset, income or profits under the UCC of any State or under any similar recording or notice statute, except:

(a) Liens in favor of Collateral Agent for the benefit of Secured Parties granted pursuant to any Credit Document;

(b) Liens for Taxes if obligations with respect to such Taxes are being contested in good faith by appropriate proceedings promptly instituted and diligently conducted so long as the aggregate amount of such Taxes does not exceed $100,000;

(c) statutory Liens of landlords, banks (and rights of set-off), of carriers, warehousemen, mechanics, repairmen, workmen and materialmen, and other Liens imposed by law (other than any such Lien imposed pursuant to Section 401(a)(29) or 412(n) of the Internal Revenue Code or by ERISA), in each case incurred in the ordinary course of business (i) for amounts not yet overdue, or (ii) for amounts that are overdue and that (in the case of any such amounts overdue for a period in excess of five days) are being contested in good faith by appropriate proceedings, so long as such reserves or other appropriate provisions, if any, as shall be required by GAAP shall have been made for any such contested amounts;

(d) Liens incurred in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security, or to secure the performance of tenders, statutory obligations, surety and appeal bonds, bids, leases, government contracts, trade contracts, performance and return-of-money bonds and other similar obligations (exclusive of obligations for the payment of borrowed money or other Indebtedness), so long as no foreclosure, sale or similar proceedings have been commenced with respect to any portion of the Collateral on account thereof;

(e) easements, rights-of-way, restrictions, encroachments, and other minor defects or irregularities in title, in each case which do not and will not interfere in any material respect with the ordinary conduct of the business of Holdings or any of its Subsidiaries;

(f) any interest or title of a lessor or sublessor under any lease of real estate permitted hereunder;

(g) Liens solely on any cash earnest money deposits made by Holdings or any of its Subsidiaries in connection with any letter of intent or purchase agreement permitted hereunder;

(h) purported Liens evidenced by the filing of precautionary UCC financing statements relating solely to operating leases of personal property entered into in the ordinary course of business;

(i) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;

(j) any zoning or similar law or right reserved to or vested in any governmental office or agency to control or regulate the use of any real property;

(k) non-exclusive licenses of patents, trademarks and other intellectual property rights granted by Holdings or any of its Subsidiaries in the ordinary course of business and not interfering in any respect with the ordinary conduct of the business of any Company or Subsidiary;

(l) Liens described in **Schedule 6.2** or on a title report delivered pursuant to **Section 5.11** or **5.15**;

(m) Liens securing Capital Leases or purchase money Indebtedness permitted pursuant to **Section 6.1(j)**; provided, any such Lien shall encumber only the asset acquired with the proceeds of such Indebtedness or subject to such Capital Lease, as the case may be;

(n) Liens on the Floorplan Collateral securing the Approved Floorplan Financing so long as such Liens are subject to the Intercreditor Agreement and do not attach to any Collateral;

(o) second priority Liens consisting of (i) pledges to Warrant Holders of Capital Stock of Intermediate Holdings and related assets to secure obligations in respect of the Warrants, and (ii) pledges to Preferred Holders of Capital Stock of the Companies (other than Holdings) and related assets to secure obligations in respect of the Preferred Stock; and

(p) Liens securing Indebtedness permitted under **Section 6.1(m)**, so long as such Liens only encumber inventory manufactured by BRP Inc. or one of its Subsidiaries that is financed pursuant to the TCF Agreement and do not attach to any Collateral.

6.3. Equitable Lien. If any Credit Party or any of its Subsidiaries shall create or assume any Lien upon any of its properties or assets, whether now owned or hereafter acquired, other than Permitted Liens, it shall make or cause to be made effective provisions whereby the Obligations will be secured by such Lien equally and ratably with any and all other Indebtedness secured thereby as long as any such Indebtedness shall be so secured; provided, notwithstanding the foregoing, this covenant shall not be construed as a consent by Requisite Lenders to the creation or assumption of any such Lien not otherwise permitted hereby.

6.4. No Further Negative Pledges. Except with respect to (a) specific property encumbered to secure payment of particular permitted Indebtedness or to be sold pursuant to an executed agreement with respect to a permitted Asset Sale, (b) restrictions by reason of customary provisions restricting assignments, subletting or other transfers contained in leases, licenses and similar agreements entered into in the ordinary course of business (provided that such restrictions are limited to the property or assets secured by such Liens or the property or assets subject to such leases, licenses or similar agreements, as the case may be) and (c) restrictions on liens on the assets of Companies pursuant to the Approved Floorplan Financing Documents, no Credit Party nor any of its Subsidiaries shall enter into any agreement prohibiting the creation or assumption of any Lien upon any of its properties or assets, whether now owned or hereafter acquired.

6.5. Restricted Junior Payments. No Credit Party shall, nor shall it permit any of its Subsidiaries or Affiliates through any manner or means or through any other Person to, directly or indirectly, declare, order, pay, make or set apart, or agree to declare, order, pay, make or set apart, any sum for any Restricted Junior Payment except that so long as no Default or Event of Default shall have occurred and be continuing or shall be caused thereby (except that distributions made pursuant to **clause (b)(ii)** of this Section may be made regardless of whether a Default or Event of Default has occurred and is continuing), (a) Subsidiaries of the Companies may make dividends and distributions to the Companies, (b) Intermediate Holdings may make Restricted Junior Payments (i) to Holdings in an aggregate amount not to exceed $200,000 in any trailing twelve-month period, to the extent necessary to permit Holdings to pay general administrative costs and expenses, (ii) to Holdings (and by Holdings to its equity holders) to the extent necessary for Permitted Tax Payments and (iii) subject to any applicable subordination terms therefor, to Holdings in order to permit Holdings to make scheduled payments of accrued interest and principal (or similar payments or distributions) in respect of any Approved Subordinated Debt, provided, with respect to each such payment in respect of the Approved Subordinated Debt, the Chief Financial Officer of Holdings shall have delivered an officer's certificate representing and warranting and otherwise demonstrating and calculating to the satisfaction of Administrative Agent that, as of the date of such payment, (A) Consolidated Liquidity is at least $3,000,000 after giving effect to such payment, (B) on a pro forma basis before and after giving effect to such payment (as if such payment was made during the applicable test period), the Companies are in compliance as of such date with the financial covenants set forth in **Section 6.8** for the Fiscal Quarter most recently ended on a pro forma basis assuming that the applicable covenant levels set forth therein with respect to the maximum Senior Leverage Ratio and maximum Total Leverage Ratio permitted thereunder are 0.25 times more restrictive, and (C) no Default or Event of Default exists or would result therefrom, in each case for **clause (b)** above so long as the amount of any such Restricted Junior Payment is applied for such purpose, (c) Holdings may issue Capital Stock (other than Disqualified Stock) pursuant to incentive compensation plans in favor of employees, (d) Intermediate Holdings and Holdings may make the Closing Date Distribution, (e) cash distributions on the Capital Stock of SSAO may be made to other Companies or on a pro rata basis consistent with Section 6.1(b) of the SSAO Operating Agreement, (f) to the extent constituting Restricted Junior Payments, payments made pursuant to the exercise of the Put Option in accordance with, and as defined in, Section 3.4(c) of the SSAO Operating Agreement, so long as no Default or Event of Default is continuing at the time of any such payment, (g) cash distributions on the Capital Stock of BAO may be made to other Companies or on a pro rata basis consistent with Section 6.1(b) of the BAO Operating Agreement, and (h) to the extent constituting Restricted Junior Payments, payments made pursuant to the exercise of the Call Option in accordance with, and as defined in, Section 3.3(c) of the BAO Operating Agreement, so long as no Default or Event of Default is continuing at the time of any such payment. Notwithstanding anything herein to the contrary, no amount shall be permitted to be distributed by any Credit Party to pay, or otherwise in connection with, any Tax resulting from the cancellation or discharge of Indebtedness.

6.6. Restrictions on Subsidiary Distributions. Except as provided herein, no Credit Party shall, nor shall it permit any of its Subsidiaries to, create or otherwise cause or suffer to exist or become effective any consensual encumbrance or restriction of any kind on the ability of any Subsidiary of the Companies to (a) pay dividends or make any other distributions on any of such Subsidiary's Capital Stock owned by the Companies or any other Subsidiary of the Companies, (b) repay or prepay any Indebtedness owed by such Subsidiary to any Company or any other Subsidiary of any Company, (c) make loans or advances to any Company or any other Subsidiary of any Company, or (d) transfer any of its property or assets to any Company or any other Subsidiary of any Company other than restrictions (i) in agreements evidencing purchase money Indebtedness or Capital Leases permitted by **Section 6.1(j)** that impose restrictions on the property so acquired or subject to such Capital Lease, (ii) by reason of customary provisions restricting assignments, subletting or other transfers contained in leases, licenses, joint venture agreements and similar agreements entered into in the ordinary course of business, (iii) that are or were created by virtue of any transfer of, agreement to transfer or option or right with respect to any property, assets or Capital Stock not otherwise prohibited under this Agreement, and (iv) contained in the Approved Floorplan Financing Documents.

6.7. Investments. No Credit Party shall, nor shall it permit any of its Subsidiaries to, directly or indirectly, make or own any Investment in any Person, including without limitation any Joint Venture and any Foreign Subsidiary, except:

(a) Investments in Cash and Cash Equivalents;

(b) equity Investments owned as of the Closing Date in any Subsidiary and equity Investments made after the Closing Date (i) by Holdings in Intermediate Holdings, (ii) by any Company in any other Company and (iii) by any Company in any wholly-owned Guarantor Subsidiaries of such Company;

(c) Investments (i) in any Securities received in satisfaction or partial satisfaction thereof from financially troubled account debtors, and (ii) deposits, prepayments and other credits to suppliers made in the ordinary course of business consistent with the past practices of Holdings and its Subsidiaries;

(d) intercompany loans to the extent permitted under **Section 6.1(b)**;

(e) Investments made in connection with Permitted Acquisitions permitted pursuant to **Section 6.9**;

(f) Investments described in **Schedule 6.7**;

(g) other Investments in an aggregate amount not to exceed at any time $100,000; and

(h) to the extent constituting Investments, payments made pursuant to the exercise of the Put Option in accordance with, and as defined in, Section 3.4(c) of the SSAO Operating Agreement so long as no Default or Event of Default is continuing at the time of any such payment.

Notwithstanding the foregoing, in no event shall any Credit Party (x) make any Investment which results in or facilitates in any manner any Restricted Junior Payment not otherwise permitted under the terms of **Section 6.5** or (y) purchase all or any portion of the Mack Stock without the prior written consent of Administrative Agent and the Requisite Lenders (except in accordance with **Section 6.7(h))**.

6.8. Financial Covenants.

(a) Fixed Charge Coverage Ratio. Holdings shall not permit the Fixed Charge Coverage Ratio as of the last day of any Fiscal Quarter, beginning with the Fiscal Quarter ending September 30, 2016, to be less than the correlative ratio indicated:

Fiscal Quarter Ending	Fixed Charge Coverage Ratio
September 30, 2016	1.10:1.00
December 31, 2016	1.10:1.00
March 31, 2017	1.10:1.00
June 30, 2017	1.10:1.00
September 30, 2017	1.25:1.00
December 31, 2017	1.25:1.00
March 31, 2018	1.25:1.00
June 30, 2018	1.25:1.00
September 30, 2018	1.25:1.00
December 31, 2018	1.25:1.00
March 31, 2019	1.25:1.00
June 30, 2019	1.25:1.00
September 30, 2019	1.25:1.00
December 31, 2019	1.25:1.00
March 31, 2020	1.25:1.00
June 30, 2020	1.25:1.00
September 30, 2020	1.25:1.00
December 31, 2020	1.25:1.00
March 31, 2021	1.25:1.00
June 30, 2021	1.25:1.00
September 30, 2021 and thereafter	1.25:1.00

(b) Senior Leverage Ratio. Holdings shall not permit the Senior Leverage Ratio as of the last day of any Fiscal Quarter, beginning with the Fiscal Quarter ending September 30, 2016, to exceed the correlative ratio indicated:

Fiscal Quarter Ending	Senior Leverage Ratio
September 30, 2016	2.00:1.00
December 31, 2016	2.00:1.00
March 31, 2017	2.00:1.00
June 30, 2017	2.00:1.00
September 30, 2017	2.00:1.00
December 31, 2017	2.00:1.00
March 31, 2018	2.00:1.00

Fiscal Quarter Ending	Senior Leverage Ratio
June 30, 2018	2.00:1.00
September 30, 2018	2.00:1.00
December 31, 2018	1.75:1.00
March 31, 2019	1.75:1.00
June 30, 2019	1.75:1.00
September 30, 2019	1.75:1.00
December 31, 2019	1.50:1.00
March 31, 2020	1.50:1.00
June 30, 2020	1.50:1.00
September 30, 2020	1.50:1.00
December 31, 2020	1.25:1.00
March 31, 2021	1.25:1.00
June 30, 2021	1.25:1.00
September 30, 2021 and thereafter	1.25:1.00

(c) Total Leverage Ratio. Holdings shall not permit the Total Leverage Ratio as of the last day of any Fiscal Quarter, beginning with the Fiscal Quarter ending September 30, 2016, to exceed the correlative ratio indicated:

Fiscal Quarter Ending	Total Leverage Ratio
September 30, 2016	2.50:1.00
December 31, 2016	2.50:1.00
March 31, 2017	2.50:1.00
June 30, 2017	2.50:1.00
September 30, 2017	2.50:1.00
December 31, 2017	2.50:1.00
March 31, 2018	2.50:1.00
June 30, 2018	2.50:1.00
September 30, 2018	2.50:1.00
December 31, 2018	2.25:1.00
March 31, 2019	2.25:1.00
June 30, 2019	2.25:1.00
September 30, 2019	2.25:1.00
December 31, 2019	2.00:1.00
March 31, 2020	2.00:1.00
June 30, 2020	2.00:1.00
September 30, 2020	2.00:1.00
December 31, 2020	1.75:1.00
March 31, 2021	1.75:1.00

Fiscal Quarter Ending	Total Leverage Ratio
June 30, 2021	1.75:1.00
September 30, 2021 and thereafter	1.75:1.00

(d) Minimum Consolidated Liquidity. Holdings shall not permit Consolidated Liquidity to be less than $1,000,000 at any time.

(e) Certain Calculations. With respect to any period during which a Permitted Acquisition or an Asset Sale has occurred (each, a "**Subject Transaction**"), for purposes of determining compliance with the financial covenants set forth in this **Section 6.8**, Consolidated Adjusted EBITDA and the components of Consolidated Fixed Charges shall be calculated with respect to such period on a pro forma basis (including pro forma adjustments approved by Administrative Agent and Requisite Lenders in their respective sole discretion) using the historical audited financial statements of any business so acquired or to be acquired or sold or to be sold and the consolidated financial statements of Holdings and its Subsidiaries which shall be reformulated as if such Subject Transaction, and any Indebtedness incurred or repaid in connection therewith, had been consummated or incurred or repaid at the beginning of such period (and assuming that such Indebtedness bears interest during any portion of the applicable measurement period prior to the relevant acquisition at the weighted average of the interest rates applicable to outstanding Loans incurred during such period).

6.9. Fundamental Changes; Disposition of Assets; Acquisitions. No Credit Party shall, nor shall it permit any of its Subsidiaries to, enter into any transaction of merger or consolidation, or liquidate, wind-up or dissolve itself (or suffer any liquidation or dissolution), or convey, sell, lease or sub-lease (as lessor or sublessor), exchange, transfer, license or otherwise dispose of, in one transaction or a series of transactions, all or any part of its business, assets or property of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible, whether now owned or hereafter acquired, or acquire by purchase or otherwise (other than purchases or other acquisitions of inventory, materials and equipment and Capital Expenditures in the ordinary course of business) the business, property or fixed assets of, or Capital Stock or other evidence of beneficial ownership of, any Person or any division or line of business or other business unit of any Person, except:

(a) any Subsidiary of Holdings (other than the Companies) may be merged with or into any Company or any Guarantor Subsidiary, or be liquidated, wound up or dissolved, or all or any part of its business, property or assets may be conveyed, sold, leased, transferred or otherwise disposed of, in one transaction or a series of transactions, to any Company or any Guarantor Subsidiary; provided, in the case of such a merger, such Company or such Guarantor Subsidiary, as applicable, shall be the continuing or surviving Person;

(b) any Company (other than Intermediate Holdings) may be merged with or into any other Company;

(c) sales or other dispositions of assets that do not constitute Asset Sales;

(d) Asset Sales, the proceeds of which (i) are less than $250,000 with respect to any single Asset Sale or series of related Asset Sales, and (ii) when aggregated with the proceeds of all other Asset Sales made within the trailing twelve-month period, are less than $500,000; provided (A) the consideration received for such assets shall be in an amount at least equal to the fair market value thereof (determined in good faith by the board of managers of Holdings (or similar governing body)), (B) no less than 100% thereof shall be paid in Cash, and (C) the Net Asset Sale Proceeds thereof shall be applied as required by **Section 2.12(a)**;

(e) disposals of obsolete or worn out property;

(f) Permitted Acquisitions; and

(g) Investments made in accordance with **Section 6.7**.

6.10. Disposal of Subsidiary Interests. Except for any sale of all of its interests in the Capital Stock of any of its Subsidiaries in compliance with the provisions of **Section 6.9**, no Credit Party shall, nor shall it permit any of its Subsidiaries to, (a) directly or indirectly sell, assign, pledge or otherwise encumber or dispose of any Capital Stock of any of its Subsidiaries, except to qualify directors if required by applicable law; or (b) permit any of its Subsidiaries directly or indirectly to sell, assign, pledge or otherwise encumber or dispose of any Capital Stock of any of its Subsidiaries, except to another Credit Party (subject to the restrictions on such disposition otherwise imposed hereunder), or to qualify directors if required by applicable law. Notwithstanding the foregoing, this **Section 6.10** shall not prohibit the outstanding Mack Stock or the outstanding BMI Stock.

6.11. Sales and Lease-Backs. No Credit Party shall, nor shall it permit any of its Subsidiaries to, directly or indirectly, become or remain liable as lessee or as a guarantor or other surety with respect to any lease of any property (whether real, personal or mixed), whether now owned or hereafter acquired, which such Credit Party (a) has sold or transferred or is to sell or to transfer to any other Person (other than Holdings or any of its Subsidiaries), except pursuant to a sublease, or (b) intends to use for substantially the same purpose as any other property which has been or is to be sold or transferred by such Credit Party to any Person (other than Holdings or any of its Subsidiaries) in connection with such lease.

6.12. Transactions with Shareholders and Affiliates. No Credit Party shall, nor shall it permit any of its Subsidiaries to, directly or indirectly, enter into or permit to exist any transaction (including the purchase, sale, lease or exchange of any property or the rendering of any service) with any holder of 5% or more of any class of Capital Stock of Holdings or any of its Subsidiaries (or any Affiliate of such holder) or with any Affiliate of Holdings or of any such holder; provided, however, that the Credit Parties and their Subsidiaries may enter into or permit to exist any such transaction if both (a) Administrative Agent and Requisite Lenders have consented thereto in writing prior to the consummation thereof and (b) the terms of such transaction are not less favorable to Holdings or that Subsidiary, as the case may be, than those that might be obtained at the time from a Person who is not such a holder or Affiliate; further, provided, that the foregoing restrictions shall not apply to (i) any transaction between the Companies and any Guarantor Subsidiary; (ii) reasonable and customary fees paid to members of the board of managers (or similar governing body) of Holdings and its Subsidiaries; (iii) compensation arrangements for officers and other employees of Holdings and its Subsidiaries entered into in the ordinary course of business; (iv) the issuance of the Warrants and the issuance of the Preferred Stock and the exercise of any and all related rights by the Warrant Holders and Preferred Holders in connection therewith; (v) the Closing Date Distribution; and (vi) transactions described in **Schedule 6.12**. The Credit Parties shall disclose in writing each transaction with any holder of 5% or more of any class of Capital Stock of Holdings or any of its Subsidiaries or with any Affiliate of Holdings or of any such holder to Administrative Agent.

6.13. Conduct of Business; Foreign Subsidiaries. From and after the Closing Date, no Credit Party shall, nor shall it permit any of its Subsidiaries to, engage in any business other than (a) the businesses engaged in by such Credit Party on the Closing Date, (b) lines of business engaged in by other Credit Parties and (c) such other lines of business as may be consented to by Administrative Agent and Requisite Lenders. No Credit Party shall acquire, form, create, or incorporate any Foreign Subsidiary. For avoidance of doubt, a change in boat lines carried by a Credit Party shall not constitute a violation of this provision, nor shall adding or eliminating used boat sales or maintenance services by any Credit Party constitute a violation of this provision.

6.14. Permitted Activities of Holdings. Holdings shall not (a) incur, directly or indirectly, any Indebtedness or any other obligation or liability whatsoever other than the Indebtedness and obligations under the Approved Subordinated Debt Documents; (b) create or suffer to exist any Lien upon any property or assets now owned or hereafter acquired by it other than the Liens created under the Collateral Documents to which it is a party or permitted pursuant to **Section 6.2**; (c) engage in any business or activity or own any assets other than (i) holding Capital Stock of Intermediate Holdings; (ii) performing its obligations and activities incidental thereto under the Credit Documents, and to the extent not inconsistent therewith, the Approved Subordinated Debt Documents; and (iii) making Restricted Junior Payments (including Permitted Tax Payments) and Investments to the extent permitted by this Agreement; (d) consolidate with or merge with or into, or convey, transfer or lease all or substantially all its assets to, any Person; (e) sell or otherwise dispose of any Capital Stock of any of its Subsidiaries; (f) create or acquire any Subsidiary or make or own any Investment in any Person other than Intermediate Holdings; or (g) fail to hold itself out to the public as a legal entity separate and distinct from all other Persons.

6.15. Amendments or Waivers with Respect to Floorplan Financings. No Credit Party shall, nor shall it permit any of its Subsidiaries to, amend or otherwise change the terms of any Approved Floorplan Financing or the TCF Agreement in any manner that would: (a) increase the outstanding principal amount thereof if the aggregate outstanding principal for all Approved Floorplan Financings or for all Indebtedness under the TCF Agreement, after giving effect to such increase, would exceed the respective amounts permitted under **Section 6.1(l)** and **Section 6.1(m)**, (b) increase the amount or shorten the timing of curtailments thereunder, (c) increase the rate of interest thereunder (except for default interest following any default or event of default thereunder), (d) result in a Default or Event of Default under any Credit Document, or (e) modify any covenants, defaults or events of default thereunder to make them materially more restrictive on the Companies or any other Credit Party.

6.16. Amendments or Modifications with Respect to Approved Subordinated Debt. No Credit Party shall, nor shall it permit any of its Subsidiaries or other Persons party thereto to, amend or otherwise modify any Approved Subordinated Debt Document without, in each case, the prior written consent of Administrative Agent and Requisite Lenders to such amendment or other modification.

6.17. Fiscal Year. No Credit Party shall, nor shall it permit any of its Subsidiaries to change its Fiscal Year-end from September 30.

6.18. Amendments to Organizational Agreements and Material Contracts. No Credit Party shall (a) amend or permit any amendments to any Credit Party's Organizational Documents; or (b) amend or permit any amendments to, or terminate or waive any provision of, any Material Contract if such amendment, termination or waiver would be adverse to Administrative Agent or the Lenders; provided that any Material Contract described in **clause (iii)** of the definition thereof may be terminated if it is promptly replaced with a similar contract or arrangement reasonably determined by Companies to be as beneficial to Holdings and its Subsidiaries as such terminated Material Contract.

6.19. Prepayments of Certain Indebtedness. No Credit Party shall, nor shall it permit any of its Affiliates to, directly or indirectly, purchase, redeem, defease or prepay any principal of, premium, if any, interest or other amount payable in respect of any Indebtedness prior to its scheduled maturity, other than (a) the Obligations, (b) the Approved Floorplan Financing and Indebtedness under the TCF Agreement, and (c) Indebtedness secured by a Permitted Lien if the asset securing such Indebtedness has been sold or otherwise disposed of in accordance with **Section 6.9**.

6.20. Certain Consumer Matters. Without limiting the representations, warranties, covenants and agreements set forth herein or in the other Credit Documents, Holdings and Companies covenant and agree not to (and to cause their Subsidiaries not to):

(a) broker, solicit, arrange, or make any loans or other financing transactions for the purchaser of consumer goods and related products and services, including entering into installment sales agreements or other similar arrangements with such purchasers until such time that Credit Parties have obtained the consent of the Requisite Lenders in writing;

(b) solicit, arrange, broker, or underwrite insurance products for consumers or receive referral fees relating to insurance products until such time that Holdings and Intermediate have completed and implemented the Consumer Compliance Action Items relating to the foregoing (as reasonably determined by the Investors in writing);

(c) advertise, publish, solicit or otherwise engage potential consumers, except in a manner in compliance with all applicable laws and best industry practice (including, if applicable, any such advertising relating to assisting consumers with obtaining financing on the best or most favorable terms available); or

(d) engage in any other business practice that fails to comply with all applicable laws or best industry practices.

6.21. Certain Consignment Restrictions.

(a) Global Marine Finance, LLC, by consignment or otherwise, new or used boats or attachments, parts, accessories and accessions of any of the foregoing boats, other than pursuant to the (1) Consignment Agreement dated as of March 1, 2017, by and between Northpoint Commercial Finance, LLC, Global Marine Finance, LLC and Midwest Assets & Operations, LLC, as it exists as of April 28, 2017; (2) Consignment Agreement dated as of March 1, 2017, by and between Xenith Bank, Global Marine Finance, LLC and Midwest Assets & Operations, LLC, as it exists as of April 28, 2017; and (3) Consignment Agreement dated as of March 1, 2017, by and between Global Marine Finance, LLC and Midwest Assets & Operations, LLC, as it exists as of April 28, 2017;

(b) South Shore Marine Services, Inc., by consignment or otherwise, new or used boats or attachments, parts, accessories and accessions of any of the foregoing boats, other than pursuant to the Consignment Agreement dated August 1, 2017 by and between South Shore Marine Services, Inc., an Ohio corporation, and SSAO, as it exists as of February 6, 2018;

(c) Texas Marine & Brokerage, Inc., or any of its Affiliates, by consignment or otherwise, new or used boats or attachments, parts, accessories and accessions of any of the foregoing boats, other than pursuant to the Consignment Agreement dated February 6, 2018 by and between Texas Marine & Brokerage, Inc., a Texas corporation and Singleton, as it exists on February 6, 2018;

(d) Rebo, Inc., or any of its Affiliates, by consignment or otherwise, new or used boats or attachments, parts, accessories and accessions of any of the foregoing boats, other than pursuant to the Consignment Agreement dated April 1, 2018 by and between Rebo, Inc., an Ohio corporation d/b/a Spend A Day Marina and Midwest Assets & Operations, LLC, as it exists on April 1, 2018; and

(e) Bosun's Marine, Inc., or any of its Affiliates, by consignment or otherwise, new or used boats or attachments, parts, accessories and accessions of any of the foregoing boats, other than pursuant to the Consignment Agreement dated effective as of June 1, 2018 by and between Bosun's Marine, Inc., a Massachusetts corporation and Bosun's Assets & Operations, LLC, as it exists on the even date therewith.

6.22. Amendments to the SSAO Operating Agreement. No Credit Party shall, nor shall it permit any of its Subsidiaries to, amend or otherwise modify the terms of the SSAO Operating Agreement without the prior written consent of Administrative Agent and the Requisite Lenders.

6.23. Amendments to the BAO Operating Agreement. No Credit Party shall, nor shall it permit any of its Subsidiaries to, amend or otherwise modify the terms of the BAO Operating Agreement without the prior written consent of Agent and the Requisite Lenders.

SECTION 7. GUARANTY

7.1. Guaranty of the Obligations. Subject to the provisions of **Section 7.2**, Guarantors jointly and severally hereby irrevocably and unconditionally guaranty to Administrative Agent for the ratable benefit of the Beneficiaries the due and punctual payment in full of all Obligations when the same shall become due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise (including amounts that would become due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code, 11 U.S.C. § 362(a)) (collectively, the "**Guaranteed Obligations**").

7.2. Contribution by Guarantors. All Guarantors desire to allocate among themselves (collectively, the "**Contributing Guarantors**"), in a fair and equitable manner, their obligations arising under this Guaranty. Accordingly, in the event any payment or distribution is made on any date by a Guarantor (a "**Funding Guarantor**") under this Guaranty such that its Aggregate Payments exceeds its Fair Share as of such date, such Funding Guarantor shall be entitled to a contribution from each of the other Contributing Guarantors in an amount sufficient to cause each Contributing Guarantor's Aggregate Payments to equal its Fair Share as of such date. "**Fair Share**" means, with respect to a Contributing Guarantor as of any date of determination, an amount equal to (a) the ratio of (i) the Fair Share Contribution Amount with respect to such Contributing Guarantor, to (ii) the aggregate of the Fair Share Contribution Amounts with respect to all Contributing Guarantors multiplied by, (b) the aggregate amount paid or distributed on or before such date by all Funding Guarantors under this Guaranty in respect of the obligations Guaranteed. "**Fair Share Contribution Amount**" means, with respect to a Contributing Guarantor as of any date of determination, the maximum aggregate amount of the obligations of such Contributing Guarantor under this Guaranty that would not render its obligations hereunder subject to avoidance as a fraudulent transfer or conveyance under Section 548 of Title 11 of the United States Code or any comparable applicable provisions of state law; provided, solely for purposes of calculating the "Fair Share Contribution Amount" with respect to any Contributing Guarantor for purposes of this **Section 7.2**, any assets or liabilities of such Contributing Guarantor arising by virtue of any rights to subrogation, reimbursement or indemnification or any rights to or obligations of contribution hereunder shall not be considered as assets or liabilities of such Contributing Guarantor. "**Aggregate Payments**" means, with respect to a Contributing Guarantor as of any date of determination, an amount equal to (A) the aggregate amount of all payments and distributions made on or before such date by such Contributing Guarantor in respect of this Guaranty (including, without limitation, in respect of this **Section 7.2**), minus (B) the aggregate amount of all payments received on or before such date by such Contributing Guarantor from the other Contributing Guarantors as contributions under this **Section 7.2**. The amounts payable as contributions hereunder shall be determined as of the date on which the related payment or distribution is made by the applicable Funding Guarantor. The allocation among Contributing Guarantors of their obligations as set forth in this **Section 7.2** shall not be construed in any way to limit the liability of any Contributing Guarantor hereunder. Each Guarantor is a third party beneficiary to the contribution agreement set forth in this **Section 7.2**.

7.3. Payment by Guarantors. Subject to **Section 7.2**, Guarantors hereby jointly and severally agree, in furtherance of the foregoing and not in limitation of any other right which any Beneficiary may have at law or in equity against any Guarantor by virtue hereof, that upon the failure of any Company to pay any of the Guaranteed Obligations when and as the same shall become due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise (including amounts that would become due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code, 11 U.S.C. § 362(a)), Guarantors will upon demand pay, or cause to be paid, in Cash, to Administrative Agent for the ratable benefit of Beneficiaries, an amount equal to the sum of the unpaid principal amount of all Guaranteed Obligations then due as aforesaid, accrued and unpaid interest on such Guaranteed Obligations (including interest which, but for any Company's becoming the subject of a case under the Bankruptcy Code, would have accrued on such Guaranteed Obligations, whether or not a claim is allowed against such Company for such interest in the related bankruptcy case) and all other Guaranteed Obligations then owed to Beneficiaries as aforesaid.

7.4. Liability of Guarantors Absolute. Each Guarantor agrees that its obligations hereunder are irrevocable, absolute, independent and unconditional and shall not be affected by any circumstance which constitutes a legal or equitable discharge of a guarantor or surety other than payment in full of the Guaranteed Obligations. In furtherance of the foregoing and without limiting the generality thereof, each Guarantor agrees as follows:

(a) this Guaranty is a guaranty of payment when due and not of collectability. This Guaranty is a primary obligation of each Guarantor and not merely a contract of surety;

(b) Administrative Agent may enforce this Guaranty upon the occurrence of an Event of Default notwithstanding the existence of any dispute between any Company and any Beneficiary with respect to the existence of such Event of Default;

(c) the obligations of each Guarantor hereunder are independent of the obligations of the Companies and the obligations of any other guarantor (including any other Guarantor) of the obligations of the Companies, and a separate action or actions may be brought and prosecuted against such Guarantor whether or not any action is brought against any Company or any of such other guarantors and whether or not any Company is joined in any such action or actions;

(d) payment by any Guarantor of a portion, but not all, of the Guaranteed Obligations shall in no way limit, affect, modify or abridge any Guarantor's liability for any portion of the Guaranteed Obligations which has not been paid, and, without limiting the generality of the foregoing, if Administrative Agent is awarded a judgment in any suit brought to enforce any Guarantor's covenant to pay a portion of the Guaranteed Obligations, such judgment shall not be deemed to release such Guarantor from its covenant to pay the portion of the Guaranteed Obligations that is not the subject of such suit, and such judgment shall not, except to the extent satisfied by such Guarantor, limit, affect, modify or abridge any other Guarantor's liability hereunder in respect of the Guaranteed Obligations;

(e) any Beneficiary, upon such terms as it deems appropriate, without notice or demand and without affecting the validity or enforceability hereof or giving rise to any reduction, limitation, impairment, discharge or termination of any Guarantor's liability hereunder, from time to time may (i) renew, extend, accelerate, increase the rate of interest on, or otherwise change the time, place, manner or terms of payment of the Guaranteed Obligations; (ii) settle, compromise, release or discharge, or accept or refuse any offer of performance with respect to, or substitutions for, the Guaranteed Obligations or any agreement relating thereto and/or subordinate the payment of the same to the payment of any other obligations; (iii) request and accept other guaranties of the Guaranteed Obligations and take and hold security for the payment hereof or the Guaranteed Obligations; (iv) release, surrender, exchange, substitute, compromise, settle, rescind, waive, alter, subordinate or modify, with or without consideration, any security for payment of the Guaranteed Obligations, any other guaranties of the Guaranteed Obligations, or any other obligation of any Person (including any other Guarantor) with respect to the Guaranteed Obligations; (v) enforce and apply any security now or hereafter held by or for the benefit of such Beneficiary in respect hereof or the Guaranteed Obligations and direct the order or manner of sale thereof, or exercise any other right or remedy that such Beneficiary may have against any such security, in each case as such Beneficiary in its discretion may determine consistent herewith and any applicable security agreement, including foreclosure on any such security pursuant to one or more judicial or nonjudicial sales, whether or not every aspect of any such sale is commercially reasonable, and even though such action operates to impair or extinguish any right of reimbursement or subrogation or other right or remedy of any Guarantor against any Company or any security for the Guaranteed Obligations; and (vi) exercise any other rights available to it under the Credit Documents; and

(f) this Guaranty and the obligations of Guarantors hereunder shall be valid and enforceable and shall not be subject to any reduction, limitation, impairment, discharge or termination for any reason (other than payment in full of the Guaranteed Obligations), including the occurrence of any of the following, whether or not any Guarantor shall have had notice or knowledge of any of them: (i) any failure or omission to assert or enforce, or agreement or election not to assert or enforce, or the stay or enjoining, by order of court, by operation of law or otherwise, of the exercise or enforcement of, any claim or demand or any right, power or remedy (whether arising under the Credit Documents, at law, in equity or otherwise) with respect to the Guaranteed Obligations or any agreement relating thereto, or with respect to any other guaranty of or security for the payment of the Guaranteed Obligations; (ii) any rescission, waiver, amendment or modification of, or any consent to departure from, any of the terms or provisions (including provisions relating to events of default) hereof, any of the other Credit Documents or any agreement or instrument executed pursuant thereto, or of any other guaranty or security for the Guaranteed Obligations, in each case whether or not in accordance with the terms hereof or such Credit Document or any agreement relating to such other guaranty or security; (iii) the Guaranteed Obligations, or any agreement relating thereto, at any time being found to be illegal, invalid or unenforceable in any respect; (iv) the application of payments received from any source (other than payments received pursuant to the other Credit Documents or from the proceeds of any security for the Guaranteed Obligations, except to the extent such security also serves as collateral for indebtedness other than the Guaranteed Obligations) to the payment of indebtedness other than the Guaranteed Obligations, even though any Beneficiary might have elected to apply such payment to any part or all of the Guaranteed Obligations; (v) any Beneficiary's consent to the change, reorganization or termination of the corporate structure or existence of Holdings or any of its Subsidiaries and to any corresponding restructuring of the Guaranteed Obligations; (vi) any failure to perfect or continue perfection of a security interest in any collateral which secures any of the Guaranteed Obligations; (vii) any defenses, set-offs or counterclaims which any Company may allege or assert against any Beneficiary in respect of the Guaranteed Obligations, including failure of consideration, breach of warranty, payment, statute of frauds, statute of limitations, accord and satisfaction and usury; and (viii) any other act or thing or omission, or delay to do any other act or thing, which may or might in any manner or to any extent vary the risk of any Guarantor as an obligor in respect of the Guaranteed Obligations.

7.5. Waivers by Guarantors. Each Guarantor hereby waives, for the benefit of Beneficiaries: (a) any right to require any Beneficiary, as a condition of payment or performance by such Guarantor, to (i) proceed against any Company, any other guarantor (including any other Guarantor) of the Guaranteed Obligations or any other Person, (ii) proceed against or exhaust any security held from any Company, any such other guarantor or any other Person, (iii) proceed against or have resort to any balance of any Deposit Account or credit on the books of any Beneficiary in favor of any Company or any other Person, or (iv) pursue any other remedy in the power of any Beneficiary whatsoever; (b) any defense arising by reason of the incapacity, lack of authority or any disability or other defense of any Company or any other Guarantor including any defense based on or arising out of the lack of validity or the unenforceability of the Guaranteed Obligations or any agreement or instrument relating thereto or by reason of the cessation of the liability of any Company or any other Guarantor from any cause other than payment in full of the Guaranteed Obligations; (c) any defense based upon any statute or rule of law which provides that the obligation of a surety must be neither larger in amount nor in other respects more burdensome than that of the principal; (d) any defense based upon any Beneficiary's errors or omissions in the administration of the Guaranteed Obligations, except behavior which amounts to bad faith; (e) (i) any principles or provisions of law, statutory or otherwise, which are or might be in conflict with the terms hereof and any legal or equitable discharge of such Guarantor's obligations hereunder, (ii) the benefit of any statute of limitations affecting such Guarantor's liability hereunder or the enforcement hereof, (iii) any rights to set-offs, recoupments and counterclaims, and (iv) promptness, diligence and any requirement that any Beneficiary protect, secure, perfect or insure any security interest or lien or any property subject thereto; (f) notices, demands, presentments, protests, notices of protest, notices of dishonor and notices of any action or inaction, including acceptance hereof, notices of default hereunder, notices of any renewal, extension or modification of the Guaranteed Obligations or any agreement related thereto, notices of any extension of credit to any Company and notices of any of the matters referred to in **Section 7.4** and any right to consent to any thereof; and (g) any defenses or benefits that may be derived from or afforded by law which limit the liability of or exonerate guarantors or sureties, or which may conflict with the terms hereof.

7.6. Guarantors' Rights of Subrogation, Contribution, etc. Until the Guaranteed Obligations shall have been indefeasibly paid in full and the Commitments shall have terminated, each Guarantor hereby waives any claim, right or remedy, direct or indirect, that such Guarantor now has or may hereafter have against any Company or any other Guarantor or any of its assets in connection with this Guaranty or the performance by such Guarantor of its obligations hereunder, in each case whether such claim, right or remedy arises in equity, under contract, by statute, under common law or otherwise and including without limitation (a) any right of subrogation, reimbursement or indemnification that such Guarantor now has or may hereafter have against any Company with respect to the Guaranteed Obligations, (b) any right to enforce, or to participate in, any claim, right or remedy that any Beneficiary now has or may hereafter have against any Company, and (c) any benefit of, and any right to participate in, any collateral or security now or hereafter held by any Beneficiary. In addition, until the Guaranteed Obligations shall have been indefeasibly paid in full and the Commitments shall have terminated, each Guarantor shall withhold exercise of any right of contribution such Guarantor may have against any other guarantor (including any other Guarantor) of the Guaranteed Obligations, including, without limitation, any such right of contribution as contemplated by **Section 7.2**. Each Guarantor further agrees that, to the extent the waiver or agreement to withhold the exercise of its rights of subrogation, reimbursement, indemnification and contribution as set forth herein is found by a court of competent jurisdiction to be void or voidable for any reason, any rights of subrogation, reimbursement or indemnification such Guarantor may have against any Company or against any collateral or security, and any rights of contribution such Guarantor may have against any such other guarantor, shall be junior and subordinate to any rights any Beneficiary may have against the Companies, to all right, title and interest any Beneficiary may have in any such collateral or security, and to any right any Beneficiary may have against such other guarantor. If any amount shall be paid to any Guarantor on account of any such subrogation, reimbursement, indemnification or contribution rights at any time when all Guaranteed Obligations shall not have been finally and indefeasibly paid in full, such amount shall be held in trust for Administrative Agent on behalf of Beneficiaries and shall forthwith be paid over to Administrative Agent for the benefit of Beneficiaries to be credited and applied against the Guaranteed Obligations, whether matured or unmatured, in accordance with the terms hereof.

7.7. Subordination of Other Obligations. Any Indebtedness of the Companies or any Guarantor now or hereafter held by any Guarantor (the "**Obligee Guarantor**") is hereby subordinated in right of payment to the Guaranteed Obligations, and any such indebtedness collected or received by the Obligee Guarantor after an Event of Default has occurred and is continuing shall be held in trust for Administrative Agent on behalf of Beneficiaries and shall forthwith be paid over to Administrative Agent for the benefit of Beneficiaries to be credited and applied against the Guaranteed Obligations but without affecting, impairing or limiting in any manner the liability of the Obligee Guarantor under any other provision hereof.

7.8. Continuing Guaranty. This Guaranty is a continuing guaranty and shall remain in effect until all of the Guaranteed Obligations shall have been indefeasibly paid in full and the Commitments shall have terminated. Each Guarantor hereby irrevocably waives any right to revoke this Guaranty as to future transactions giving rise to any Guaranteed Obligations.

7.9. Authority of Guarantors or the Companies. It is not necessary for any Beneficiary to inquire into the capacity or powers of any Guarantor or any Company or the officers, directors or any agents acting or purporting to act on behalf of any of them.

7.10. Financial Condition of the Companies. Any Credit Extension may be made to the Companies or continued from time to time without notice to or authorization from any Guarantor regardless of the financial or other condition of any Company at the time of any such grant or continuation. No Beneficiary shall have any obligation to disclose or discuss with any Guarantor its assessment, or any Guarantor's assessment, of the financial condition of any Company. Each Guarantor has adequate means to obtain information from the Companies on a continuing basis concerning the financial condition of the Companies and their ability to perform their obligations under the Credit Documents, and each Guarantor assumes the responsibility for being and keeping informed of the financial condition of the Companies and of all circumstances bearing upon the risk of nonpayment of the Guaranteed Obligations. Each Guarantor hereby waives and relinquishes any duty on the part of any Beneficiary to disclose any matter, fact or thing relating to the business, operations or conditions of the Companies now Known or hereafter Known by any Beneficiary.

7.11. Bankruptcy, etc.

(a) So long as any Guaranteed Obligations remain outstanding, no Guarantor shall, without the prior written consent of Administrative Agent acting pursuant to the instructions of Requisite Lenders, commence or join with any other Person in commencing any bankruptcy, reorganization or insolvency case or proceeding of or against any Company or any other Guarantor. The obligations of Guarantors hereunder shall not be reduced, limited, impaired, discharged, deferred, suspended or terminated by any case or proceeding, voluntary or involuntary, involving the bankruptcy, insolvency, receivership, reorganization, liquidation or arrangement of any Company or any other Guarantor or by any defense which any Company or any other Guarantor may have by reason of the order, decree or decision of any court or administrative body resulting from any such proceeding.

(b) Each Guarantor acknowledges and agrees that any interest on any portion of the Guaranteed Obligations which accrues after the commencement of any case or proceeding referred to in **clause (a)** above (or, if interest on any portion of the Guaranteed Obligations ceases to accrue by operation of law by reason of the commencement of such case or proceeding, such interest as would have accrued on such portion of the Guaranteed Obligations if such case or proceeding had not been commenced) shall be included in the Guaranteed Obligations because it is the intention of Guarantors and Beneficiaries that the Guaranteed Obligations which are guaranteed by Guarantors pursuant hereto should be determined without regard to any rule of law or order which may relieve any Company of any portion of such Guaranteed Obligations. Guarantors will permit any trustee in bankruptcy, receiver, debtor in possession, assignee for the benefit of creditors or similar person to pay Administrative Agent, or allow the claim of Administrative Agent in respect of, any such interest accruing after the date on which such case or proceeding is commenced.

(c) In the event that all or any portion of the Guaranteed Obligations are paid by the Companies, the obligations of Guarantors hereunder shall continue and remain in full force and effect or be reinstated, as the case may be, in the event that all or any part of such payment(s) are rescinded or recovered directly or indirectly from any Beneficiary as a preference, fraudulent transfer or otherwise, and any such payments which are so rescinded or recovered shall constitute Guaranteed Obligations for all purposes hereunder.

7.12. Discharge of Guaranty Upon Sale of Guarantor. If all of the Capital Stock of any Guarantor or any of its successors in interest hereunder shall be sold or otherwise disposed of (including by merger or consolidation) in accordance with the terms and conditions hereof, the Guaranty of such Guarantor or such successor in interest, as the case may be, hereunder shall automatically be discharged and released without any further action by any Beneficiary or any other Person effective as of the time of such Asset Sale.

SECTION 8. EVENTS OF DEFAULT

8.1. Events of Default. If any one or more of the following conditions or events shall occur:

(a) Failure to Make Payments When Due. Failure by any Company to pay (i) the principal of and premium, if any, on any Loan whether at stated maturity, by acceleration or otherwise; (ii) when due any installment of principal of any Loan, by notice of voluntary prepayment, by mandatory prepayment or otherwise; or (iii) when due any interest on any Loan or any fee or any other amount due hereunder; or

(b) Default in Other Agreements. (i) Failure of any Credit Party to pay when due any principal of or interest on or any other amount payable in respect of one or more items of Indebtedness (other than Indebtedness referred to in **Section 8.1(a)** and accounts payable incurred in the ordinary course of business that are not more than 60 days past due) in an individual principal amount of $50,000 or more or with an aggregate principal amount of $100,000 or more, in each case beyond the grace period, if any, provided therefor; (ii) breach or default by any Credit Party with respect to any other material term of (A) one or more items of Indebtedness in the individual or aggregate principal amounts referred to in **clause (i)** above, or (B) any loan agreement, mortgage, indenture or other agreement relating to such item(s) of Indebtedness, in each case beyond the grace period, if any, provided therefor, if the effect of such breach or default is to cause, or to permit the holder or holders of that Indebtedness (or a trustee on behalf of such holder or holders), to cause, that Indebtedness to become or be declared due and payable (or subject to a compulsory repurchase or redeemable) prior to its stated maturity or the stated maturity of any underlying obligation, as the case may be; (iii) any event of default occurs and is continuing under the TCF Agreement or any Approved Floorplan Financing Documents; or (iv) breach or default by any Credit Party in the performance or observance of any material obligation or condition under any Material Contract beyond any applicable cure period; or

(c) Breach of Certain Covenants. Failure of any Credit Party to perform or comply with any term or condition contained in **Section 2.4**, **Section 5.1**, **Section 5.2**, **Section 5.3**, **Section 5.4**, **Section 5.5**, **Section 5.6**, **Section 5.7**, **Section 5.8**, **Section 5.9**, **Section 5.10**, **Section 5.11**, **Section 5.14**, **Section 5.15**, **Section 5.16**, **Section 5.17** or **Section 6**; or

(d) Breach of Representations, etc. Any representation, warranty, certification or other statement made by any Credit Party or any Individual Guarantor in any Credit Document or in any statement or certificate at any time given by any Credit Party or any of its Subsidiaries or any Individual Guarantor in writing pursuant hereto or thereto or in connection herewith or therewith shall be false in any material respect as of the date made or deemed made; or

(e) Other Defaults Under Credit Documents. Any Credit Party or Individual Guarantor shall default in the performance of or compliance with any term contained herein or any of the other Credit Documents, other than any such term referred to in any other Section of this **Section 8.1**, and such default shall not have been remedied or waived within thirty days after the earlier of (i) any Credit Party or the Individual Guarantor obtaining Knowledge of such default, or (ii) receipt by the Companies or Individual Guarantor of written notice from Administrative Agent or any Lender of such default; or

(f) Involuntary Bankruptcy; Appointment of Receiver, etc. (i) A court of competent jurisdiction shall enter a decree or order for relief in respect of Holdings or any of its Subsidiaries or any Individual Guarantor in an involuntary case under the Bankruptcy Code or under any other applicable bankruptcy, insolvency or similar law now or hereafter in effect, which decree or order is not stayed; or any other similar relief shall be granted under any applicable federal or state law; or (ii) an involuntary case shall be commenced against Holdings or any of its Subsidiaries or any Individual Guarantor under the Bankruptcy Code or under any other applicable bankruptcy, insolvency or similar law now or hereafter in effect; or a decree or order of a court having jurisdiction in the premises for the appointment of a receiver, liquidator, sequestrator, trustee, custodian or other officer having similar powers over Holdings or any of its Subsidiaries or any Individual Guarantor, or over all or a substantial part of its property, shall have been entered; or there shall have occurred the involuntary appointment of an interim receiver, trustee or other custodian of Holdings or any of its Subsidiaries or any Individual Guarantor for all or a substantial part of its property; or a warrant of attachment, execution or similar process shall have been issued against any substantial part of the property of Holdings or any of its Subsidiaries or any Individual Guarantor, and any such event described in this **clause (ii)** shall continue for sixty days without having been dismissed, bonded or discharged; or

(g) Voluntary Bankruptcy; Appointment of Receiver, etc. (i) Holdings or any of its Subsidiaries or any Individual Guarantor shall have an order for relief entered with respect to it or shall commence a voluntary case under the Bankruptcy Code or under any other applicable bankruptcy, insolvency or similar law now or hereafter in effect, or shall consent to the entry of an order for relief in an involuntary case, or to the conversion of an involuntary case to a voluntary case, under any such law, or shall consent to the appointment of or taking possession by a receiver, trustee or other custodian for all or a substantial part of its property; or Holdings or any of its Subsidiaries or any Individual Guarantor shall make any assignment for the benefit of creditors; or (ii) Holdings or any of its Subsidiaries or any Individual Guarantor shall be unable, or shall fail generally, or shall admit in writing its inability, to pay its debts as such debts become due; or the board of managers (or similar governing body) of Holdings or any of its Subsidiaries (or any committee thereof) shall adopt any resolution or otherwise authorize any action to approve any of the actions referred to herein or in **Section 8.1(f)**; or

(h) Judgments and Attachments. Any money judgment, writ or warrant of attachment or similar process involving (i) in any individual case an amount in excess of $50,000 or (ii) in the aggregate at any time an amount in excess of $100,000 (in either case to the extent not adequately covered by insurance as to which a solvent and unaffiliated insurance company has acknowledged coverage) shall be entered or filed against Holdings or any of its Subsidiaries, any Individual Guarantor or any of their respective assets and shall remain undischarged, unvacated, unbonded or unstayed for a period of sixty days (or in any event later than five days prior to the date of any proposed sale thereunder); or

(i) Dissolution. Any order, judgment or decree shall be entered against any Credit Party decreeing the dissolution or split up of such Credit Party and such order shall remain undischarged or unstayed for a period in excess of thirty days; or

(j) Employee Benefit Plans. (i) There shall occur one or more ERISA Events which individually or in the aggregate results in or might reasonably be expected to result in liability of Holdings, any of its Subsidiaries or any of their respective ERISA Affiliates in excess of $100,000 during the term hereof; or (ii) there exists any fact or circumstance that reasonably could be expected to result in the imposition of a Lien or security interest under Section 430(k) of the Internal Revenue Code or under Section 303(k) of ERISA; or

(k) Change of Control. A Change of Control shall occur; or

(l) Guaranties, Collateral Documents and other Credit Documents. At any time after the execution and delivery thereof, (i) the Guaranty or any Individual Guaranty for any reason, other than the satisfaction in full of all Obligations, shall cease to be in full force and effect (other than in accordance with its terms) or shall be declared to be null and void or any Guarantor or Individual Guarantor shall repudiate its obligations thereunder, (ii) this Agreement or any Collateral Document ceases to be in full force and effect (other than by reason of a release of Collateral in accordance with the terms hereof or thereof or the satisfaction in full of the Obligations in accordance with the terms hereof) or shall be declared null and void, or Collateral Agent shall not have or shall cease to have a valid and perfected Lien in any material part of the Collateral purported to be covered by the Collateral Documents with the priority required by the relevant Collateral Document, in each case for any reason other than the failure of Collateral Agent or any Secured Party to take any action within its control, (iii) any Credit Party or Individual Guarantor shall contest the validity or enforceability of any Credit Document in writing or deny in writing that it has any further liability, including with respect to future advances by Lenders, under any Credit Document to which it is a party, or (iv) the death or disability of any Individual Guarantor; or

(m) Sales of Material Brands. (i) Any Credit Party ceases to sell any Material Brand in any of the markets where such Material Brand is permitted to be sold by such Credit Party as of the Closing Date (whether due to a termination, cancellation, non-renewal, breach or default under the contract therefor or any other event); or (ii) any dealership of the Credit Parties ceasing to sell any boat brand that represents greater than 30% of such dealership's revenue as of the Closing Date (or as of the subsequent date on which such dealership is acquired by the Credit Parties).

THEN, (A) upon the occurrence of any Event of Default described in **Section 8.1(f)** or **8.1(g)**, automatically, and (B) upon the occurrence of any other Event of Default, at the request of (or with the consent of) Requisite Lenders, upon notice to the Companies by Administrative Agent, (1) the Commitments, if any, of each Lender having such Commitments shall immediately terminate; (2) each of the following shall immediately become due and payable, in each case without presentment, demand, protest or other requirements of any kind, all of which are hereby expressly waived by each Credit Party: (x) the unpaid principal amount of and accrued interest on the Loans, and (y) all other Obligations; and (3) Administrative Agent shall cause Collateral Agent to enforce any and all Liens and security interests created pursuant to Collateral Documents.

SECTION 9. AGENTS

9.1. Appointment of Agents. GSSLG is hereby appointed Administrative Agent and Collateral Agent hereunder and under the other Credit Documents and each Lender hereby authorizes GSSLG, in such capacity, to act as its agent in accordance with the terms hereof and the other Credit Documents. Each Agent hereby agrees to act upon the express conditions contained herein and the other Credit Documents, as applicable. The provisions of this **Section 9** are solely for the benefit of Agents and Lenders and no Credit Party shall have any rights as a third party beneficiary of any of the provisions thereof. In performing its functions and duties hereunder, each Agent shall act solely as an agent of Lenders and does not assume and shall not be deemed to have assumed any obligation towards or relationship of agency or trust with or for Holdings or any of its Subsidiaries.

9.2. Powers and Duties. Each Lender irrevocably authorizes each Agent to take such action on such Lender's behalf and to exercise such powers, rights and remedies hereunder and under the other Credit Documents as are specifically delegated or granted to such Agent by the terms hereof and thereof, together with such powers, rights and remedies as are reasonably incidental thereto. Each Agent shall have only those duties and responsibilities that are expressly specified herein and the other Credit Documents. Each Agent may exercise such powers, rights and remedies and perform such duties by or through its agents or employees. No Agent shall have, by reason hereof or any of the other Credit Documents, a fiduciary relationship in respect of any Lender; and nothing herein or any of the other Credit Documents, expressed or implied, is intended to or shall be so construed as to impose upon any Agent any obligations in respect hereof or any of the other Credit Documents except as expressly set forth herein or therein.

9.3. General Immunity.

(a) No Responsibility for Certain Matters. No Agent shall be responsible to any Lender for the execution, effectiveness, genuineness, validity, enforceability, collectability or sufficiency hereof or any other Credit Document or for any representations, warranties, recitals or statements made herein or therein or made in any written or oral statements or in any financial or other statements, instruments, reports or certificates or any other documents furnished or made by any Agent to Lenders or by or on behalf of any Credit Party to any Agent or any Lender in connection with the Credit Documents and the transactions contemplated thereby or for the financial condition or business affairs of any Credit Party or any other Person liable for the payment of any Obligations, nor shall any Agent be required to ascertain or inquire as to the performance or observance of any of the terms, conditions, provisions, covenants or agreements contained in any of the Credit Documents or as to the use of the proceeds of the Loans or as to the existence or possible existence of any Event of Default or Default or to make any disclosures with respect to the foregoing. Anything contained herein to the contrary notwithstanding, Administrative Agent shall not have any liability arising from confirmations of the amount of outstanding Loans or the component amounts thereof.

(b) Exculpatory Provisions. No Agent nor any of its officers, partners, directors, employees or agents shall be liable to Lenders for any action taken or omitted by any Agent under or in connection with any of the Credit Documents except to the extent caused by such Agent's gross negligence or willful misconduct, as determined by a court of competent jurisdiction in a final, non-appealable order. Each Agent shall be entitled to refrain from any act or the taking of any action (including the failure to take an action) in connection herewith or any of the other Credit Documents or from the exercise of any power, discretion or authority vested in it hereunder or thereunder unless and until such Agent shall have received instructions in respect thereof from Requisite Lenders (or such other Lenders as may be required to give such instructions under **Section 10.5**) and, upon receipt of such instructions from Requisite Lenders (or such other Lenders, as the case may be), such Agent shall be entitled to act or (where so instructed) refrain from acting, or to exercise such power, discretion or authority, in accordance with such instructions. Without prejudice to the generality of the foregoing, (i) each Agent shall be entitled to rely, and shall be fully protected in relying, upon any communication, instrument or document believed by it to be genuine and correct and to have been signed or sent by the proper Person or Persons, and shall be entitled to rely and shall be protected in relying on opinions and judgments of attorneys (who may be attorneys for Holdings and its Subsidiaries), accountants, experts and other professional advisors selected by it; and (ii) no Lender shall have any right of action whatsoever against any Agent as a result of such Agent acting or (where so instructed) refraining from acting hereunder or any of the other Credit Documents in accordance with the instructions of Requisite Lenders (or such other Lenders as may be required to give such instructions under **Section 10.5**).

9.4. Agents Entitled to Act as Lender. The agency hereby created shall in no way impair or affect any of the rights and powers of, or impose any duties or obligations upon, any Agent in its individual capacity as a Lender hereunder. With respect to its participation in the Loans, each Agent shall have the same rights and powers hereunder as any other Lender and may exercise the same as if it were not performing the duties and functions delegated to it hereunder, and the term "Lender" shall, unless the context clearly otherwise indicates, include each Agent in its individual capacity. Any Agent and its Affiliates may accept deposits from, lend money to, own securities of, and generally engage in any kind of banking, trust, financial advisory or other business with Holdings or any of its Affiliates as if it were not performing the duties specified herein, and may accept fees and other consideration from the Companies for services in connection herewith and otherwise without having to account for the same to Lenders.

9.5. Lenders' Representations, Warranties and Acknowledgment.

(a) Each Lender represents and warrants that it has made its own independent investigation of the financial condition and affairs of Holdings and its Subsidiaries in connection with Credit Extensions hereunder and that it has made and shall continue to make its own appraisal of the creditworthiness of Holdings and its Subsidiaries. No Agent shall have any duty or responsibility, either initially or on a continuing basis, to make any such investigation or any such appraisal on behalf of Lenders or to provide any Lender with any credit or other information with respect thereto, whether coming into its possession before the making of the Loans or at any time or times thereafter, and no Agent shall have any responsibility with respect to the accuracy of or the completeness of any information provided to Lenders.

(b) Each Lender, by delivering its signature page to this Agreement, shall be deemed to have acknowledged receipt of, and consented to and approved, each Credit Document and each other document required to be approved by any Agent, Requisite Lenders or Lenders, as applicable on the Closing Date.

(c) Each Lender (i) represents and warrants that as of the Closing Date neither such Lender nor its Affiliates or Related Funds owns or controls, or owns or controls any Person owning or controlling, any trade debt or Indebtedness of any Credit Party other than the Obligations or any Capital Stock of any Credit Party (other than the Warrants and the Preferred Stock) and (ii) covenants and agrees that from and after the Closing Date neither such Lender nor its Affiliates and Related Funds shall purchase any trade debt or Indebtedness of any Credit Party other than the Obligations or Capital Stock described in **clause (i)** above (other than as contemplated by the Warrants and the Preferred Stock) without the prior written consent of Administrative Agent and Requisite Lenders.

9.6. Right to Indemnity. Each Lender, in proportion to its Pro Rata Share, severally agrees to indemnify each Agent, their Affiliates and their respective officers, partners, directors, trustees, employees and agents of each Agent (each, an "**Indemnitee Agent Party**"), to the extent that such Indemnitee Agent Party shall not have been reimbursed by any Credit Party, for and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses (including counsel fees and disbursements) or disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against such Indemnitee Agent Party in exercising its powers, rights and remedies or performing its duties hereunder or under the other Credit Documents or otherwise in its capacity as such Indemnitee Agent Party in any way relating to or arising out of this Agreement or the other Credit Documents, **IN ALL CASES, WHETHER OR NOT CAUSED BY OR ARISING, IN WHOLE OR IN PART, OUT OF THE COMPARATIVE, CONTRIBUTORY, OR SOLE NEGLIGENCE OF SUCH INDEMNITEE AGENT PARTY**; provided, no Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from such Indemnitee Agent Party's gross negligence or willful misconduct, as determined by a court of competent jurisdiction in a final, non-appealable order. If any indemnity furnished to any Indemnitee Agent Party for any purpose shall, in the opinion of such Indemnitee Agent Party, be insufficient or become impaired, such Indemnitee Agent Party may call for additional indemnity and cease, or not commence, to do the acts indemnified against until such additional indemnity is furnished; provided, in no event shall this sentence require any Lender to indemnify any Indemnitee Agent Party against any liability, obligation, loss, damage, penalty, action, judgment, suit, cost, expense or disbursement in excess of such Lender's Pro Rata Share thereof; and provided, further, this sentence shall not be deemed to require any Lender to indemnify any Indemnitee Agent Party against any liability, obligation, loss, damage, penalty, action, judgment, suit, cost, expense or disbursement described in the proviso in the immediately preceding sentence.

9.7. Successor Administrative Agent and Collateral Agent.

(a) Administrative Agent and Collateral Agent may resign at any time by giving thirty days' prior written notice thereof to Lenders and the Companies. Upon any such notice of resignation, Requisite Lenders shall have the right, upon five Business Days' notice to the Companies, to appoint a successor Administrative Agent and Collateral Agent. Upon the acceptance of any appointment as Administrative Agent and Collateral Agent hereunder by a successor Administrative Agent and Collateral Agent, that successor Administrative Agent and Collateral Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent and Collateral Agent and the retiring Administrative Agent and Collateral Agent shall promptly (i) transfer to such successor Administrative Agent and Collateral Agent all sums, Securities and other items of Collateral held under the Collateral Documents, together with all records and other documents necessary or appropriate in connection with the performance of the duties of the successor Administrative Agent and Collateral Agent under the Credit Documents, and (ii) execute and deliver to such successor Administrative Agent and Collateral Agent such amendments to financing statements, and take such other actions, as may be necessary or appropriate in connection with the assignment to such successor Administrative Agent and Collateral Agent of the security interests created under the Collateral Documents, whereupon such retiring Administrative Agent and Collateral Agent shall be discharged from its duties and obligations hereunder. After any retiring Administrative Agent's and Collateral Agent's resignation hereunder as Administrative Agent and Collateral Agent, the provisions of this **Section 9** shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent and Collateral Agent hereunder.

(b) Notwithstanding anything herein to the contrary, Administrative Agent and Collateral Agent may assign their rights and duties as Administrative Agent and Collateral Agent hereunder to an Affiliate of GSSLG that is capable of performing Agents' obligations hereunder without the prior written consent of, or prior written notice to, the Companies or the Lenders; provided, that the Companies and the Lenders may deem and treat such assigning Administrative Agent and Collateral Agent as Administrative Agent and Collateral Agent for all purposes hereof, unless and until such assigning Administrative Agent or Collateral Agent, as the case may be, provides written notice to the Companies and the Lenders of such assignment. Upon such assignment such Affiliate shall succeed to and become vested with all rights, powers, privileges and duties as Administrative Agent and Collateral Agent hereunder and under the other Credit Documents.

9.8. Collateral Documents and Guaranty.

(a) Agents under Collateral Documents and Guaranty. Each Lender hereby further authorizes Administrative Agent or Collateral Agent, as applicable, on behalf of and for the benefit of Lenders, to be the agent for and representative of Lenders with respect to the Guaranty, the Individual Guarantees, the Collateral and the Collateral Documents. Subject to **Section 10.5**, without further written consent or authorization from Lenders, Administrative Agent or Collateral Agent, as applicable, may execute any documents or instruments necessary to (i) release any Lien encumbering any item of Collateral that is the subject of a sale or other disposition of assets permitted hereby or to which Requisite Lenders (or such other Lenders as may be required to give such consent under **Section 10.5**) have otherwise consented, or (ii) release any Guarantor from the Guaranty pursuant to **Section 7.12** or with respect to which Requisite Lenders (or such other Lenders as may be required to give such consent under **Section 10.5**) have otherwise consented.

(b) Right to Realize on Collateral and Enforce Guaranty. Anything contained in any of the Credit Documents to the contrary notwithstanding, the Companies, Administrative Agent, Collateral Agent and each Lender hereby agree that (i) no Lender shall have any right individually to realize upon any of the Collateral or to enforce the Guaranty or any Individual Guaranty, it being understood and agreed that all powers, rights and remedies hereunder with respect to such realization or enforcement may be exercised solely by Administrative Agent (acting only at the direction of or with the consent of Requisite Lenders), on behalf of Lenders in accordance with the terms hereof and all powers, rights and remedies under the Collateral Documents with respect to such realization or enforcement may be exercised solely by Collateral Agent (acting only upon the direction or with the consent of Requisite Lenders), and (ii) in the event of a foreclosure by Collateral Agent on any of the Collateral pursuant to a public or private sale, Collateral Agent or any Lender may be the purchaser of any or all of such Collateral at any such sale and Collateral Agent, as agent for and representative of Secured Parties (but not any Lender or Lenders in its or their respective individual capacities unless Requisite Lenders shall otherwise agree in writing) shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such public sale, to use and apply any of the Obligations as a credit on account of the purchase price for any collateral payable by Collateral Agent at such sale.

SECTION 10. MISCELLANEOUS

10.1. Notices. Unless otherwise specifically provided herein, any notice or other communication herein required or permitted to be given to a Credit Party, Collateral Agent or Administrative Agent, shall be sent to such Person's address as set forth on **Appendix B** or in the other relevant Credit Document, and in the case of any Lender, the address as indicated on **Appendix B** or otherwise indicated to Administrative Agent in writing. Each notice hereunder shall be in writing and may be personally served, telexed or sent by telefacsimile or United States mail or courier service and shall be deemed to have been given when delivered in person or by courier service and signed for against receipt thereof, upon receipt of telefacsimile, or three Business Days after depositing it in the United States mail with postage prepaid and properly addressed; provided, no notice to any Agent shall be effective until received by such Agent.

10.2. Expenses. Whether or not the transactions contemplated hereby shall be consummated, the Companies agree to pay promptly (a) all Administrative Agent's actual and reasonable costs and expenses of preparation of the Credit Documents and any consents, amendments, waivers or other modifications thereto; (b) all the Agents' costs of furnishing all opinions by counsel for the Companies and the other Credit Parties; (c) all the reasonable fees, expenses and disbursements of counsel to Agents in connection with the negotiation, preparation, execution and administration of the Credit Documents and any consents, amendments, waivers or other modifications thereto and any other documents or matters requested by the Companies; (d) all the actual costs and reasonable expenses of creating and perfecting Liens in favor of Collateral Agent, for the benefit of Secured Parties, including filing and recording fees, expenses and taxes, stamp or documentary taxes, search fees, title insurance premiums and reasonable fees, expenses and disbursements of counsel to each Agent and of counsel providing any opinions that any Agent or Requisite Lenders may request in respect of the Collateral or the Liens created pursuant to the Collateral Documents; (e) all of Administrative Agent's actual costs and reasonable fees, expenses for, and disbursements of any of Administrative Agent's, auditors, accountants, consultants or appraisers whether internal or external, and all reasonable attorneys' fees (including allocated costs of internal counsel and expenses and disbursements of outside counsel) incurred by Administrative Agent; (f) all the actual costs and reasonable expenses (including the reasonable fees, expenses and disbursements of any appraisers, consultants, advisors and agents employed or retained by Collateral Agent and its counsel) in connection with the custody or preservation of any of the Collateral; (g) all other actual and reasonable costs and expenses incurred by each Agent in connection with the syndication of the Loans and Commitments and the negotiation, preparation and execution of the Credit Documents and any consents, amendments, waivers or other modifications thereto and the transactions contemplated thereby; and (h) after the occurrence of a Default or an Event of Default, all costs and expenses, including reasonable attorneys' fees (including allocated costs of internal counsel) and costs of settlement, incurred by any Agent and Lenders in enforcing any Obligations of or in collecting any payments due from any Credit Party or Individual Guarantor hereunder or under the other Credit Documents by reason of such Default or Event of Default (including in connection with the sale of, collection from, or other realization upon any of the Collateral or the enforcement of the Guaranty or any Individual Guaranty) or in connection with any refinancing or restructuring of the credit arrangements provided hereunder in the nature of a "work-out" or pursuant to any insolvency or bankruptcy cases or proceedings.

10.3. Indemnity.

(a) In addition to the payment of expenses pursuant to **Section 10.2**, whether or not the transactions contemplated hereby shall be consummated, each Credit Party agrees to defend (subject to Indemnitees' selection of counsel), indemnify, pay and hold harmless, each Agent and Lender, their Affiliates and their respective officers, partners, directors, trustees, employees and agents of each Agent and each Lender (each, an "**Indemnitee**"), from and against any and all Indemnified Liabilities, **IN ALL CASES, WHETHER OR NOT CAUSED BY OR ARISING, IN WHOLE OR IN PART, OUT OF THE COMPARATIVE, CONTRIBUTORY, OR SOLE NEGLIGENCE OF SUCH INDEMNITEE**; provided, no Credit Party shall have any obligation to any Indemnitee hereunder with respect to any Indemnified Liabilities to the extent such Indemnified Liabilities arise from the gross negligence or willful misconduct, as determined by a court of competent jurisdiction in a final, non-appealable order, of that Indemnitee. To the extent that the undertakings to defend, indemnify, pay and hold harmless set forth in this **Section 10.3** may be unenforceable in whole or in part because they are in violation of any law or public policy, the applicable Credit Party shall contribute the maximum portion that it is permitted to pay and satisfy under applicable law to the payment and satisfaction of all Indemnified Liabilities incurred by Indemnitees or any of them. This **Section 10.3(a)** shall not apply with respect to Taxes other than any Taxes that represent liabilities, obligations, losses, damages, penalties, claims, costs, etc. arising from any non-Tax claim.

(b) To the extent permitted by applicable law, no Credit Party shall assert, and each Credit Party hereby waives, any claim against Lenders, Agents and their respective Affiliates, directors, employees, attorneys or agents, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) (whether or not the claim therefor is based on contract, tort or duty imposed by any applicable legal requirement) arising out of, in connection with, as a result of, or in any way related to, this Agreement or any Credit Document or any agreement or instrument contemplated hereby or thereby or referred to herein or therein, the transactions contemplated hereby or thereby, any Loan or the use of the proceeds thereof or any act or omission or event occurring in connection therewith, and each Credit Party hereby waives, releases and agrees not to sue upon any such claim or any such damages, whether or not accrued and whether or not known or suspected to exist in its favor.

10.4. Set-Off. In addition to any rights now or hereafter granted under applicable law and not by way of limitation of any such rights, upon the occurrence of any Event of Default each Lender and its respective Affiliates is hereby authorized by each Credit Party at any time or from time to time subject to the consent of Administrative Agent (such consent not to be unreasonably withheld or delayed and such consent not to be required upon an Event of Default under **Sections 8.1(f)** or **(g)**), without notice to any Credit Party or to any other Person (other than Administrative Agent), any such notice being hereby expressly waived, to set off and to appropriate and to apply any and all deposits (general or special, including Indebtedness evidenced by certificates of deposit, whether matured or unmatured, but not including trust accounts (in whatever currency)) and any other Indebtedness at any time held or owing by such Lender or Affiliate to or for the credit or the account of any Credit Party (in whatever currency) against and on account of the obligations and liabilities of any Credit Party to such Lender hereunder and under the other Credit Documents, including all claims of any nature or description arising out of or connected hereto, or with any other Credit Document, irrespective of whether or not (a) such Lender shall have made any demand hereunder, (b) the principal of or the interest on the Loans or any other amounts due hereunder shall have become due and payable pursuant to **Section 2** and although such obligations and liabilities, or any of them, may be contingent or unmatured, or (c) such obligation or liability is owed to a branch or office of such Lender different from the branch or office holding such deposit or obligation or such Indebtedness.

10.5. Amendments and Waivers.

(a) Requisite Lenders' Consent. Subject to **Sections 10.5(b)** and **10.5(d)**, no amendment, modification, termination or waiver of any provision of the Credit Documents, or consent to any departure by any Credit Party or Individual Guarantors therefrom, shall in any event be effective without the written concurrence of Administrative Agent and Requisite Lenders.

(b) Affected Lenders' Consent. Without the written consent of each Lender that would be affected thereby, no amendment, modification, termination, or consent shall be effective if the effect thereof would:

(i) extend the scheduled final maturity of any Loan or Note;

(ii) waive, reduce or postpone any scheduled repayment (but not prepayment);

(iii) reduce the rate of interest on any Loan (other than any waiver of any increase in the interest rate applicable to any Loan pursuant to **Section 2.7**) or any fee payable hereunder;

(iv) extend the time for payment of any such interest or fees;

(v) reduce the principal amount of any Loan;

(vi) amend, modify, terminate or waive any provision of this **Section 10.5(b)** or **Section 10.5(d)**;

(vii) amend the definition of "Requisite Lenders" or "Pro Rata Share"; provided, with the consent of Administrative Agent and Requisite Lenders, additional extensions of credit pursuant hereto may be included in the determination of "Requisite Lenders" or "Pro Rata Share" on substantially the same basis as the Commitments and the Loans are included on the Closing Date;

(viii) release all or substantially all of the Collateral, any Individual Guarantor from its Individual Guaranty or all or substantially all of the Guarantors from the Guaranty except as expressly provided in the Credit Documents; or

(ix) consent to the assignment or transfer by any Credit Party or Individual Guarantor of any of its rights and obligations under any Credit Document;

(c) provided that, notwithstanding anything to the contrary in this **clause (c)**, no Defaulting Lender shall have any right to approve or disapprove any amendment, modification, termination or consent hereunder, except any waiver, modification, termination or consent hereunder that (A) requires the consent of all Lenders or each affected Lender and affects a Defaulting Lender differently than all Lenders or other affected Lenders, as the case may be, (B) increases or extends the Commitment of a Defaulting Lender, (C) reduces the principal amount owed to a Defaulting Lender (other than by payment thereof), (D) extends the final maturity date of a Defaulting Lender's Loans or (E) amends or otherwise modifies this sentence, in each case, shall require the written consent of such Defaulting Lender.

(d) Other Consents. No amendment, modification, termination or waiver of any provision of the Credit Documents, or consent to any departure by any Credit Party therefrom, shall:

(i) increase any Commitment of any Lender over the amount thereof then in effect without the consent of such Lender; provided, no amendment, modification or waiver of any condition precedent, covenant, Default or Event of Default shall constitute an increase in any Commitment of any Lender;

(ii) amend the definition of "Requisite Class Lenders" without the consent of Requisite Class Lenders of each Class; provided, with the consent of Administrative Agent and Requisite Lenders, additional extensions of credit pursuant hereto may be included in the determination of such "Requisite Class Lenders" on substantially the same basis as the Commitments and the Loans are included on the Closing Date;

(iii) amend, modify, terminate or waive any provision of **Section 3.2(a)** with regard to any Credit Extension without the consent of Requisite Class Lenders of the affected Class;

(iv) alter the required application of any repayments or prepayments as between Classes pursuant to **Section 2.14** without the consent of Requisite Class Lenders of each Class which is being allocated a lesser repayment or prepayment as a result thereof; provided, Administrative Agent and Requisite Lenders may waive, in whole or in part, any prepayment so long as the application, as between Classes, of any portion of such prepayment which is still required to be made is not altered; or

(v) amend, modify, terminate or waive any provision of **Section 9** as the same applies to any Agent, or any other provision hereof as the same applies to the rights or obligations of any Agent, in each case without the consent of such Agent.

(e) Execution of Amendments, etc. Administrative Agent may, but shall have no obligation to, with the written concurrence of any Lender, execute amendments, modifications, waivers or consents on behalf of such Lender. Any waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given. No notice to or demand on any Credit Party in any case shall entitle any Credit Party to any other or further notice or demand in similar or other circumstances. Any amendment, modification, termination, waiver or consent effected in accordance with this **Section 10.5** shall be binding upon each Lender at the time outstanding, each future Lender and, if signed by a Credit Party, on such Credit Party.

(f) Lender Consent Not Required. Notwithstanding anything to the contrary in this **Section 10.5**, any amendment, modification, termination or waiver of any provision of the Fee Letter, the Warrants or the terms of the Preferred Stock, or any consent to any departure by any Credit Party therefrom, in each case, shall not require the consent of any Person that is not a party thereto.

(g) Deadlocks.

(i) With respect to any Specified Matter, in the event that (A) any consent, approval or waiver of the Requisite Lenders required under this Agreement or any other Credit Document is not obtained with respect to such Specified Matter (the "**Requisite Consent**"), as applicable, and (B) either of Beekman or GS desired to provide such Requisite Consent (such Lender(s), the "**Supporting Lender**" and the other Lender(s), the "**Non-Supporting Lender**"), then such Specified Matter shall be a "**Deadlock Matter**" and the Supporting Lender may require that the Deadlock Matter be subject to resolution in accordance with this **Section 10.5(g)** and each of the Lenders shall (and shall cause their Affiliates to) work in good faith in connection with the resolution of such Deadlock Matter.

(ii) The Supporting Lender may, after three Business Days' written notice to the Non-Supporting Lender, which notice shall include a draft of the requisite consent, waiver or amendment that would otherwise be delivered with respect to the Deadlock Matter if the Requisite Consent had been obtained, refer the Deadlock Matter to a Special Designee engaged by the Companies to resolve the Deadlock Matter (such Person, the "**Special Designee**"). The Special Designee shall be Alvarez & Marsal, or, if Alvarez & Marsal is unwilling or unable to serve as the Special Designee, FTI Consulting, or if Alvarez & Marsal and FTI Consulting are unwilling or unable to serve as the Special Designee, then Zolfo Cooper.

(iii) If each of Alvarez & Marsal, FTI Consulting and Zolfo Cooper are unwilling or unable to serve as Special Designee, then each of the Supporting Lender, on the one hand, and the Non-Supporting Lender, on the other hand, shall select one independent nationally recognized investment firm and such investment firms shall determine the Special Designee (which shall be an independent nationally recognized investment firm that agrees to such appointment); provided, that, if the Non-Supporting Lender fails to select an investment firm within five Business Days following written request from the Supporting Lender, then the investment firm selected by the Supporting Lender shall serve as the Special Designee.

(iv) Following appointment, the Special Designee will be directed to resolve the Deadlock Matter as follows:

(A) each of the Supporting Lender and the Non-Supporting Lender shall be entitled to a period of ten days following appointment of the Special Designee to prepare and provide to the others (and the Special Designee) summaries of their positions regarding the Deadlock Matter (and supporting documentation relating thereto), and Companies shall use commercially reasonable efforts to provide to the Supporting Member or Non-Supporting Member any information reasonably requested to prepare such summaries;

(B) the Special Designee will commence a hearing regarding the Deadlock Matter not later than twenty days following appointment;

(C) the format of the hearing shall be determined by the Special Designee; provided, that each of the Supporting Lender and the Non-Supporting Lender shall be entitled to permit one or more senior representatives to attend the hearing (whether in person or telephonically);

(D) the Special Designee shall, at or within five days following the hearing, determine whether to approve or reject the Deadlock Matter, which determination shall be based on whether the Special Designee would vote for or against the Deadlock Matter if such Special Designee were a Lender in scope and substance that the Special Designee determines is appropriate for the Deadlock Matter; and

(E) in making its determination, the Special Designee shall, to the extent the Special Designee determines necessary or prudent, consult with counsel and other advisors, and shall provide to each of the Supporting Lender, and the Non-Supporting Lender a reasonably detailed written explanation regarding its decision to either approve or reject the Deadlock Matter in scope and substance that the Special Designee determines is appropriate for the Deadlock Matter.

(v) If the Special Designee approves the Deadlock Matter, then (A) the Deadlock Matter shall be deemed approved for purposes of this Agreement and the other Credit Documents (including for purposes of any Requisite Consent), (B) the Non-Supporting Lender and Supporting Lender shall (and shall cause their Affiliates to) deliver consents and other relevant documentation reasonably requested by Administrative Agent (with the approval of the Supporting Lender) and necessary in connection therewith and (C) Administrative Agent (with the approval of the Supporting Lender) shall revise and deliver to the Lenders appropriate documentation reflecting the approval of the Deadlock Matter, which shall not require separate approval under this Agreement or any other Credit Document (such approval to be governed solely by this **Section 10.5(g)**). Notwithstanding the foregoing, the Non-Supporting Lender shall not be required to execute or deliver any agreements, certificates, instruments or other documents unless also executed and delivered by the Supporting Lender.

(vi) If the Special Designee rejects the Deadlock Matter, then (A) the Deadlock Matter shall be deemed rejected for purposes of this Agreement and the other Credit Documents (including failure to obtain the Requisite Consent) and (B) the particular Deadlock Matter shall not be subject to resolution pursuant to this **Section 10.5(g)** for a period of ninety days after the date such Deadlock Matter was rejected.

(vii) None of the Lenders (nor any of their Affiliates) shall be entitled to bring a claim against the Special Designee in connection with determination of the Deadlock Matter (including any claims for breach of fiduciary duty), other than as and to the extent provided under the engagement letter with the Special Designee.

(viii) Companies shall be responsible for, and shall pay on demand, all reasonable out-of-pocket costs and expenses relating to the resolution of the Deadlock Matter, including the costs and expenses of the Special Designee and the out-of-pocket costs and expenses of each of the Supporting Lender and the Non-Supporting Lender (including reasonable legal fees).

(ix) Notwithstanding the foregoing or anything else herein to the contrary, the approval of a Deadlock Matter by the Special Designee shall not (A) be an approval of any other or further matters not reasonably connected to accomplishing the Deadlock Matter approved, (B) change the definition of “Requisite Lenders” or (C) permit the amendment, waiver or modification of this Agreement or any other Credit Document in a manner that is prohibited by **Section 10.5** or the equivalent provision of any other Credit Document.

10.6. Successors and Assigns; Participations.

(a) Generally. This Agreement shall be binding upon the parties hereto and their respective successors and assigns and shall inure to the benefit of the parties hereto and the successors and assigns of Lenders. No Credit Party’s rights or obligations hereunder nor any interest therein may be assigned or delegated by any Credit Party without the prior written consent of all Lenders. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, Indemnitee Agent Parties under **Section 9.6**, Indemnitees under **Section 10.3**, their respective successors and assigns permitted hereby and, to the extent expressly contemplated hereby, Affiliates of each of the Agents and Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Register. The Companies, Administrative Agent and Lenders shall deem and treat the Persons listed as Lenders in the Register as the holders and owners of the corresponding Commitments and Loans listed therein for all purposes hereof, and no assignment or transfer of any such Commitment or Loan shall be effective, in each case, unless and until an Assignment Agreement effecting the assignment or transfer thereof shall have been delivered to and accepted by Administrative Agent and recorded in the Register as provided in **Section 10.6(e)**. Prior to such recordation, all amounts owed with respect to the applicable Commitment or Loan shall be owed to the Lender listed in the Register as the owner thereof, and any request, authority or consent of any Person who, at the time of making such request or giving such authority or consent, is listed in the Register as a Lender shall be conclusive and binding on any subsequent holder, assignee or transferee of the corresponding Commitments or Loans.

(c) Right to Assign. Each Lender shall have the right at any time to sell, assign or transfer all or a portion of its rights and obligations under this Agreement, including, without limitation, all or a portion of its Commitment or Loans owing to it or other Obligations (provided, however, that each such assignment shall be of a uniform, and not varying, percentage of all rights and obligations under and in respect of any Loan and any related Commitments):

(i) to any Person meeting the criteria of **clause (i)(a)** or **clause (ii)(a)** of the definition of "Eligible Assignee" upon the giving of notice to Administrative Agent; and

(ii) to any Person otherwise constituting an Eligible Assignee with the consent of Administrative Agent (not to be unreasonably withheld, conditioned, or delayed); provided, each such assignment pursuant to this **Section 10.6(c)(ii)** shall be in an aggregate amount of not less than $1,000,000 (or such lesser amount as may be agreed to by the Companies and Administrative Agent or as shall constitute the aggregate amount of the Loans of a particular Class of the assigning Lender) and shall be subject to the ROFO Right and the Tag-Along Right to the extent set forth in **Sections 10.6(j)** and **10.6(k)**, respectively.

(d) Mechanics. The assigning Lender and the assignee thereof shall execute and deliver to Administrative Agent an Assignment Agreement, together with such forms, certificates or other evidence, if any, with respect to United States federal income tax withholding matters as the assignee under such Assignment Agreement may be required to deliver to Administrative Agent pursuant to **Section 2.16(f)**.

(e) Notice of Assignment. Upon its receipt and acceptance of a duly executed and completed Assignment Agreement, any forms, certificates or other evidence required by this Agreement in connection therewith, Administrative Agent shall record the information contained in such Assignment Agreement in the Register, shall give prompt notice thereof to the Companies and shall maintain a copy of such Assignment Agreement.

(f) Representations and Warranties of Assignee. Each Lender, upon execution and delivery hereof or upon executing and delivering an Assignment Agreement, as the case may be, represents and warrants as of the Closing Date or as of the applicable Effective Date (as defined in the applicable Assignment Agreement) that (i) it is an Eligible Assignee; (ii) it has experience and expertise in the making of or investing in commitments or loans such as the applicable Commitments or Loans, as the case may be; (iii) it will make or invest in, as the case may be, its Commitments or Loans for its own account in the ordinary course of its business and without a view to distribution of such Commitments or Loans within the meaning of the Securities Act or the Exchange Act or other federal securities laws (it being understood that, subject to the provisions of this **Section 10.6**, the disposition of such Commitments or Loans or any interests therein shall at all times remain within its exclusive control); and (iv) such Lender does not own or control, or own or control any Person owning or controlling, any trade debt or Indebtedness of any Credit Party other than the Obligations or any Capital Stock of any Credit Party (other than the Preferred Stock, the Warrants or as contemplated thereby).

(g) Effect of Assignment. Subject to the terms and conditions of this **Section 10.6**, as of the "Effective Date" specified in the applicable Assignment Agreement: (i) the assignee thereunder shall have the rights and obligations of a "Lender" hereunder to the extent such rights and obligations hereunder have been assigned to it pursuant to such Assignment Agreement and shall thereafter be a party hereto and a "Lender" for all purposes hereof; (ii) the assigning Lender thereunder shall, to the extent that rights and obligations hereunder have been assigned thereby pursuant to such Assignment Agreement, relinquish its rights (other than any rights which survive the termination hereof under **Section 10.8**) and be released from its obligations hereunder (and, in the case of an Assignment Agreement covering all or the remaining portion of an assigning Lender's rights and obligations hereunder, such Lender shall cease to be a party hereto; provided, anything contained in any of the Credit Documents to the contrary notwithstanding, such assigning Lender shall continue to be entitled to the benefit of all indemnities hereunder as specified herein with respect to matters arising out of the prior involvement of such assigning Lender as a Lender hereunder); (iii) the Commitments shall be modified to reflect the Commitment of such assignee and any Commitment of such assigning Lender, if any; and (iv) if any such assignment occurs after the issuance of any Note hereunder, the assigning Lender shall, upon the effectiveness of such assignment or as promptly thereafter as practicable, surrender its applicable Notes to Administrative Agent for cancellation, and thereupon the Companies shall issue and deliver new Notes, if so requested by the assignee and/or assigning Lender, to such assignee and/or to such assigning Lender, with appropriate insertions, to reflect the new Commitments and/or outstanding Loans of the assignee and/or the assigning Lender.

(h) Participations. Each Lender shall have the right at any time to sell one or more participations to any Person (other than Holdings, any of its Subsidiaries or any of its Affiliates) in all or any part of its Commitments, Loans or in any other Obligation. The holder of any such participation, other than an Affiliate of the Lender granting such participation, shall not be entitled to require such Lender to take or omit to take any action hereunder except with respect to any amendment, modification or waiver that would (i) extend the final scheduled maturity of any Loan or Note in which such participant is participating, or reduce the rate or extend the time of payment of interest or fees thereon (except in connection with a waiver of applicability of any post-default increase in interest rates) or reduce the principal amount thereof, or increase the amount of the participant's participation over the amount thereof then in effect (it being understood that a waiver of any Default or Event of Default or of a mandatory reduction in the Commitment shall not constitute a change in the terms of such participation, and that an increase in any Commitment or Loan shall be permitted without the consent of any participant if the participant's participation is not increased as a result thereof), (ii) consent to the assignment or transfer by any Credit Party of any of its rights and obligations under this Agreement, or (iii) release all or substantially all of the Collateral under the Collateral Documents, any Individual Guarantor from its Individual Guaranty, or all or substantially all of the Guarantors from the Guaranty (in each case, except as expressly provided in the Credit Documents) supporting the Loans hereunder in which such participant is participating. The Companies agree that each participant shall be entitled to the benefits of **Sections 2.14**, **2.15** and **2.16** (subject to the requirements and limitations therein, including the requirements under **Section 2.16(f)**), to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to **clause (c)** of this Section; provided, that such participant (A) agrees to be subject to the provisions of **Sections 2.17** and **2.19** as if it were an assignee under paragraph (c) of this Section; and (B) shall not be entitled to receive any greater payment under **Sections 2.15** or **2.16**, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a change in law that occurs after the participant acquired the applicable participation. Each Lender that sells a participation agrees, at the Companies' request and expense, to use reasonable efforts to cooperate with the Companies to effectuate the provisions of **Section 2.19** with respect to any participant. To the extent permitted by law, each participant also shall be entitled to the benefits of **Section 10.4** as though it were a Lender; provided that such participant agrees to be subject to **Section 2.14** as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Companies, maintain a register on which it enters the name and address of each participant and the principal amounts (and stated interest) of each participant's interest in the Loans or other obligations under the Credit Documents (the "**Participant Register**"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any participant or any information relating to a participant's interest in any commitments or loans or its other obligations under any Credit Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(i) Certain Other Assignments. In addition to any other assignment permitted pursuant to this **Section 10.6**, any Lender may assign, pledge and/or grant a security interest in, all or any portion of its Loans, the other Obligations owed by or to such Lender, and its Notes, if any, to secure obligations of such Lender including, without limitation, any Federal Reserve Bank as collateral security pursuant to Regulation A of the Board of Governors of the Federal Reserve System and any operating circular issued by such Federal Reserve Bank; provided, no Lender, as between the Companies and such Lender, shall be relieved of any of its obligations hereunder as a result of any such assignment and pledge, and provided, further, in no event shall the applicable Federal Reserve Bank, pledgee or trustee be considered to be a "Lender" or be entitled to require the assigning Lender to take or omit to take any action hereunder.

(j) Right of First Offer. If any Lender desires to Transfer all or a portion of such Lender's Loans or unfunded Commitments (such Lender, the "**ROFO Offeror**") in a Transfer other than an Excluded ROFO Transfer, then each other Lender (excluding Affiliates of the ROFO Offeror) (each a "**ROFO Eligible Lender**") shall have a right of first offer (a "**ROFO Right**") with respect to such Transfer (a "**ROFO Disposition**") in accordance with the following provisions:

(i) The ROFO Offeror shall deliver written notice of its desire to effect such ROFO Transfer (the "**ROFO Notice**") to each ROFO Eligible Lender. The last date that the ROFO Notice is received by any ROFO Eligible Lender shall constitute the "**ROFO Notice Date**". The ROFO Notice shall include the amount of Loans and unfunded Commitments that the ROFO Offeror desires to Transfer, which shall include Loans and unfunded Commitments that are in amounts proportionate in relation to the aggregate amounts of Loans and unfunded Commitments, respectively, held by such ROFO Offeror prior to giving effect to such Transfer (the "**ROFO Transfer Interest**").

(ii) Following receipt of the ROFO Notice, each ROFO Eligible Lender shall have the right (but not the obligation) for a period of thirty days (such period, the "**ROFO Offering Period**") to propose a cash purchase price for all of the ROFO Transfer Interest, along with all other terms and conditions applicable to the Transfer. Such proposed (if any) price and any such terms and conditions shall be delivered by a ROFO Eligible Lender to the ROFO Offeror in a written notice (the "**ROFO Offer Notice**") within the ROFO Offering Period. The delivery of a ROFO Offer Notice shall constitute an irrevocable commitment (subject to the terms and conditions set forth in the ROFO Offer Notice) for a period of thirty days following delivery of such ROFO Offer Notice (the "**ROFO Commitment Period**") to purchase all of the ROFO Transfer Interest. If the ROFO Offeror desires in its sole discretion to accept the most favorable offer (taken as a whole), as determined by the ROFO Offeror in good faith based on purchase price and terms and conditions offered by any ROFO Eligible Lender set forth in any ROFO Offer Notice (the "**ROFO Transfer Offer**"), the ROFO Offeror shall so notify such ROFO Eligible Lender (the "**ROFO Buyer**") of its acceptance of the ROFO Transfer Offer (the "**ROFO Acceptance Notice**"). The delivery of a ROFO Acceptance Notice prior to the expiration of the ROFO Commitment Period shall constitute an irrevocable commitment to sell all the ROFO Transfer Interest to the ROFO Buyer and an irrevocable commitment by the ROFO Buyer to buy all the ROFO Transfer Interest from the ROFO Offeror, in each case in accordance with the terms and conditions set forth in the ROFO Offer Notice. The ROFO Acceptance Notice shall include a reasonable place and time for the closing of the purchase and sale of the ROFO Transfer Interest, which shall be not less than ten Business Days nor more than twenty Business Days after the delivery of the ROFO Acceptance Notice (subject to extension to the extent necessary to pursue any required regulatory approvals) unless otherwise agreed in writing by all of the parties to such transaction. If a ROFO Buyer breaches its obligation to purchase the ROFO Transfer Interest, such ROFO Buyer and its Affiliates who are Lenders shall (without limiting the remedies of the ROFO Offeror against the ROFO Buyer for its breach) lose all further rights to deliver a ROFO Offer Notice with respect to any future Transfer under this **Section 10.6(j)(ii)**.

(iii) During the period beginning on the expiration of the ROFO Offering Period (if no ROFO Acceptance Notice has been provided in accordance with this **Section 10.6(j)(iii)**) and ending one hundred twenty days following the end of the ROFO Offering Period (the "**ROFO Solicitation Period**"), the ROFO Offeror may solicit offers from any Third Party for the ROFO Transfer Interest. Upon receipt of an offer from a Third Party that includes a cash purchase price that is greater than the highest purchase price proposed in any ROFO Offer Notice received by the ROFO Offeror pursuant to this **Section 10.6(j)(iii)** (a "ROFO Qualifying Third Party Offer"), the ROFO Offeror may Transfer all (but not less than all) of the ROFO Transfer Interest to such Third Party (the "**ROFO Third Party Transferee**") within sixty days following expiration of the ROFO Solicitation Period (the "**ROFO Sale Period**") at such purchase price (but not equal to or less than the highest purchase price proposed in any ROFO Offer Notice received by the ROFO Offeror pursuant to this **Section 10.6(j)(iii)**) and under such terms and conditions as may be agreed between the ROFO Offeror and the ROFO Third Party Transferee. Notwithstanding the foregoing, the ROFO Offeror may not accept an offer, and such offer will not be considered a ROFO Qualifying Third Party Offer, if such offer contains provisions related to any property of the ROFO Offeror other than the ROFO Transfer Interest held by the ROFO Offeror.

(iv) If no Transfer of the ROFO Transfer Interest occurs within the ROFO Sale Period pursuant to a ROFO Qualifying Third Party Offer or to a ROFO Eligible Lender pursuant to a ROFO Acceptance Notice, then the ROFO Offeror may not Transfer any of the ROFO Transfer Interest without again complying in full with the provisions of this **Section 10.6(j)**.

(v) The ROFO Right shall not apply with respect to any of the following Transfers (each an "**Excluded ROFO Transfer**"):

(A) a Transfer made by a Lender to its Affiliate;

(B) a Transfer made in connection with a determination by GS in good faith that the continued ownership of the Loans and unfunded Commitments (for the avoidance of doubt, either at the relevant date of determination or at a future date) is unlawful or creates, or could reasonably be expected to create, significant and adverse legal, regulatory or reputational consequences to GS; or

(C) a Transfer whereby the fair market value of the Loans and unfunded Commitments to be Transferred by GS (as such fair market value is determined by GS in good faith) constitutes less than forty percent of the fair market value of all assets being directly or indirectly sold or otherwise transferred in connection with such Transfer.

(vi) For purposes of determining compliance with the requirements of this **Section 10.6(j)** as they relate to comparing purchase prices permitted or offered in connection with any Transfer, (A) any purchase price increases resulting from additional accrued interest (including accrued interest at the Applicable PIK Rate that is capitalized to principal) or additional Loans funded during any interim period between and including the applicable offer dates of such purchase prices and (B) any purchase price decreases resulting from payments or prepayments of interest and principal during the interim period between and including such dates, in each case shall be disregarded.

(k) Tag-Along Right. If any Lender desires to effect a Transfer of all or a portion of such Lender's Loans and unfunded Commitments (such Lender, the "**Tag Transferor**") in a Transfer other than an Excluded Tag Transfer, then, subject to compliance with **Section 10.6(j)** relating to the ROFO Right, each Lender (other than Affiliates of the Tag Transferor) (each a "**Tag Eligible Lender**") shall have a tag along right (a "**Tag-Along Right**") with respect to such Transfer (a "**Tag-Along Sale**") in accordance with the following provisions:

(i) The Tag Transferor shall give notice (a "**Tag-Along Notice**") to each Tag Eligible Lender of any Tag-Along Sale, setting forth the respective amounts of Loans and unfunded Commitments that the Tag Transferor desires to Transfer, which shall include Loans and unfunded Commitments that are in amounts proportionate to the aggregate amounts of Loans and unfunded Commitments, respectively, held by such Tag Transferor prior to giving effect to such Transfer (the "**Tag Transfer Interest**"), the name and address of the proposed Third Party transferee in connection with the Tag-Along Sale (the "**Tag Third Party Transferee**"), the proposed cash consideration for the Tag Transfer Interest and any other material terms and conditions of the Tag-Along Sale, including a copy of the proposed Assignment Agreement, purchase and sale agreement or other similar agreement relating to such sale (the "**Tag-Along Offer**").

(ii) Each Tag Eligible Lender shall have a period of ten Business Days (the "**Tag Election Period**") from the date of its receipt of the Tag-Along Notice within which to elect to exercise its Tag-Along Right (each exercising Tag Eligible Lender, a "**Tag Offeree**") by delivery of an irrevocable written notice to the Tag Transferor (a "**Tag Election Notice**") specifying the respective amounts of Loans and unfunded Commitments that such Tag Offeree desires to include in the Tag-Along Sale, which shall include Loans and unfunded Commitments that are in amounts proportionate to the aggregate amounts of Loans and unfunded Commitments, respectively, held by such Tag Offeree prior to giving effect to such Transfer up to the product of (x) the aggregate amount of Loans and unfunded Commitments held by such Tag Offeree, multiplied by (y) a percentage determined by dividing (A) the aggregate amount of Loans and unfunded Commitments included in the Tag Transfer Interest by (B) the aggregate amount of outstanding Loans and unfunded Commitments held by the Tag Transferor prior to giving effect to the proposed Transfer.

(iii) Promptly following the expiration of the Tag Election Period, the following procedures shall apply:

(A) first, the Tag Transferor shall notify the Tag Third Party Transferee of the total of (1) the aggregate amount of Loans and unfunded Commitments requested to be included in a Tag-Along Sale by all Tag Offerees exercising their Tag-Along Rights plus (2) the aggregate amount of Loans and unfunded Commitments that the Tag Transferor proposes to sell in such Tag-Along Sale (the "**Tag Requested Interest**");

(B) next, the Tag Transferor shall determine whether the Tag Third Party Transferee is willing to purchase all of the Tag Requested Interest. If the Tag Third Party Transferee is unwilling to purchase all of the Tag Requested Interest, then the Tag Transferor shall determine what percentage of the Tag Requested Interest such Tag Third Party Transferee is willing to purchase in the aggregate (the "**Tag Purchased Percentage**") and the respective amounts of the Tag Requested Interest that the Tag Transferor and each of the exercising Tag Offerees otherwise would have sold shall be reduced on a pro rata basis (based on the respective total amounts of Loans and unfunded Commitments that such Lenders desired to sell as compared to the respective total amounts of Loans and unfunded Commitments to be purchased by the Tag Third Party Transferee) so as to permit the Tag Transferor and the Tag Offerees to each sell in the aggregate an amount of Loans and unfunded Commitments equal to the product of (x) the respective total amounts of Loans and unfunded Commitments included in the Tag Requested Interest multiplied by (y) the Tag Purchased Percentage (the "**Tag Purchased Interest**").

(iv) At the time (subject to extension to the extent necessary to pursue any required regulatory approvals) and place provided for the closing in the Tag-Along Offer, or at such other time and place as the Tag Offerees, the Tag Transferor and the Tag Third Party Transferee shall agree, the Tag Offerees and the Tag Transferor shall sell to the Tag Third Party Transferee all of the Tag Purchased Interest.

(v) Each Tag-Along Sale shall be upon terms and conditions, if any, not more favorable individually and in the aggregate to the purchaser than those in the Tag-Along Offer and the Tag-Along Notice and upon the consummation of such Tag-Along Sale, each Lender holding any portion of the Tag Purchased Interest (as determined immediately prior to the consummation of such Tag-Along Sale) shall receive the consideration specified in **Section 10.6(k)(vi)**. Each Tag Offeree shall agree (A) to make the same representations, warranties, covenants, indemnities and agreements to the Tag Third Party Transferee as made by the Tag Transferor in connection with the Tag-Along Sale and (B) to the same terms and conditions to the Tag-Along Sale as the Tag Transferor agrees. Notwithstanding the foregoing, however, all such representations, warranties, covenants, indemnities and agreements shall be made by the Tag Transferor and each Tag Offeree severally and not jointly, and any liability for breach of any such representations and warranties related to the Credit Parties and their respective Subsidiaries shall be allocated among the Tag Transferor and each Tag Offeree pro rata based on the relative amount of consideration received by each of them in such Tag-Along Sale, and the aggregate amount of liability for the Tag Transferor and each Tag Offeree shall not exceed the value of the total consideration to be paid by the Tag Third Party Transferee to the Tag Transferor and such Tag Offeree.

(vi) Upon the consummation of a Tag-Along Sale, each Lender holding any portion of the Tag Purchased Interest shall receive a portion of the aggregate consideration for the Tag Purchased Interest sold pursuant to a Tag-Along Sale on a pro rata basis (based on the respective total amount of the Tag Purchased Interest that such Lender sold as compared to the total amount of the Tag Purchased Interest purchased by the Tag Third Party Transferee and the aggregate consideration paid in respect of such portions of the Tag Purchased Interest).

(vii) The Tag-Along Right shall not apply with respect to any of the following Transfers (each an "**Excluded Tag Transfer**"):

(A) a Transfer made to an Affiliate of the Tag Transferor;

(B) a Transfer made in connection with a determination by GS in good faith that the continued ownership of the Loans and unfunded Commitments (for the avoidance of doubt, either at the relevant date of determination or at a future date) is unlawful or creates, or could reasonably be expected to create, significant and adverse legal, regulatory or reputational consequences to GS; or

(C) a Transfer whereby the fair market value of the Loans and unfunded Commitments to be Transferred by GS (as such fair market value is determined by GS in good faith) constitutes less than forty percent of the fair market value of all assets being directly or indirectly sold or otherwise transferred in connection with such Transfer.

10.7. Independence of Covenants. All covenants hereunder shall be given independent effect so that if a particular action or condition is not permitted by any of such covenants, the fact that it would be permitted by an exception to, or would otherwise be within the limitations of, another covenant shall not avoid the occurrence of a Default or an Event of Default if such action is taken or condition exists.

10.8. Survival of Representations, Warranties and Agreements. All representations, warranties and agreements made herein shall survive the execution and delivery hereof and the making of any Credit Extension. Notwithstanding anything herein or implied by law to the contrary, the agreements of each Credit Party set forth in **Sections 2.14**, **2.15**, **2.16**, **10.2**, **10.3**, **10.4** and **10.10** and the agreements of Lenders set forth in **Sections 2.14**, **9.3(b)** and **9.6** shall survive the payment of the Loans and the termination hereof.

10.9. No Waiver; Remedies Cumulative. No failure or delay on the part of any Agent or any Lender in the exercise of any power, right or privilege hereunder or under any other Credit Document shall impair such power, right or privilege or be construed to be a waiver of any default or acquiescence therein, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other power, right or privilege. The rights, powers and remedies given to each Agent and each Lender hereby are cumulative and shall be in addition to and independent of all rights, powers and remedies existing by virtue of any statute or rule of law or in any of the other Credit Documents. Any forbearance or failure to exercise, and any delay in exercising, any right, power or remedy hereunder shall not impair any such right, power or remedy or be construed to be a waiver thereof, nor shall it preclude the further exercise of any such right, power or remedy.

10.10. Marshalling; Payments Set Aside. Neither any Agent nor any Lender shall be under any obligation to marshal any assets in favor of any Credit Party or any other Person or against or in payment of any or all of the Obligations. To the extent that any Credit Party makes a payment or payments to Administrative Agent, or Lenders (or to Administrative Agent, on behalf of Lenders), or Administrative Agent, Collateral Agent, or Lenders enforce any security interests or exercise their rights of setoff, and such payment or payments or the proceeds of such enforcement or setoff or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside and/or required to be repaid to a trustee, receiver or any other party under any bankruptcy law, any other state or federal law, common law or any equitable cause, then, to the extent of such recovery, the obligation or part thereof originally intended to be satisfied, and all Liens, rights and remedies therefor or related thereto, shall be revived and continued in full force and effect as if such payment or payments had not been made or such enforcement or setoff had not occurred.

10.11. Severability. In case any provision in or obligation hereunder or any Note or other Credit Document shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

10.12. Obligations Several; Actions in Concert. The obligations of Lenders hereunder are several, and no Lender shall be responsible for the obligations or Commitment of any other Lender hereunder. Nothing contained herein or in any other Credit Document, and no action taken by Lenders pursuant hereto or thereto, shall be deemed to constitute Lenders as a partnership, an association, a joint venture or any other kind of entity. Anything in this Agreement or any other Credit Document to the contrary notwithstanding, each Lender hereby agrees with each other Lender that no Lender shall take any action to protect or enforce its rights arising out of this Agreement or any Note or otherwise with respect to the Obligations without first obtaining the prior written consent of the applicable Agent or Requisite Lenders (as applicable), it being the intent of Lenders that any such action to protect or enforce rights under this Agreement and any Note or otherwise with respect to the Obligations shall be taken in concert and at the direction or with the consent of the applicable Agent or Requisite Lenders (as applicable).

10.13. Headings. Section headings herein are included herein for convenience of reference only and shall not constitute a part hereof for any other purpose or be given any substantive effect.

10.14. APPLICABLE LAW. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW) THEREOF.

10.15. CONSENT TO JURISDICTION.

(a) ALL JUDICIAL PROCEEDINGS BROUGHT AGAINST ANY CREDIT PARTY ARISING OUT OF OR RELATING HERETO OR ANY OTHER CREDIT DOCUMENT, OR ANY OF THE OBLIGATIONS, MAY BE BROUGHT IN ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION IN THE STATE, COUNTY AND CITY OF NEW YORK. BY EXECUTING AND DELIVERING THIS AGREEMENT, EACH CREDIT PARTY, FOR ITSELF AND IN CONNECTION WITH ITS PROPERTIES, IRREVOCABLY (i) ACCEPTS GENERALLY AND UNCONDITIONALLY THE NONEXCLUSIVE JURISDICTION AND VENUE OF SUCH COURTS; (ii) WAIVES ANY DEFENSE OF FORUM NON CONVENIENS; (iii) AGREES THAT SERVICE OF ALL PROCESS IN ANY SUCH PROCEEDING IN ANY SUCH COURT MAY BE MADE BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO THE APPLICABLE CREDIT PARTY AT ITS ADDRESS PROVIDED IN ACCORDANCE WITH **SECTION 10.1** AND TO ANY PROCESS AGENT SELECTED IN ACCORDANCE WITH **SECTION 3.1(aa)** IS SUFFICIENT TO CONFER PERSONAL JURISDICTION OVER THE APPLICABLE CREDIT PARTY IN ANY SUCH PROCEEDING IN ANY SUCH COURT, AND OTHERWISE CONSTITUTES EFFECTIVE AND BINDING SERVICE IN EVERY RESPECT; AND (iv) AGREES THAT AGENTS AND LENDERS RETAIN THE RIGHT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO BRING PROCEEDINGS AGAINST ANY CREDIT PARTY IN THE COURTS OF ANY OTHER JURISDICTION.

(b) EACH CREDIT PARTY HEREBY AGREES THAT PROCESS MAY BE SERVED ON IT BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO THE ADDRESSES PERTAINING TO IT AS SPECIFIED IN **SECTION 10.1** OR ON NATIONAL CORPORATE RESEARCH, LTD., LOCATED AT 10 E. 40th STREET, 10th FLOOR, NEW YORK, NEW YORK 10016, AND HEREBY APPOINTS NATIONAL CORPORATE RESEARCH, LTD. AS ITS AGENT TO RECEIVE SUCH SERVICE OF PROCESS. ANY AND ALL SERVICE OF PROCESS AND ANY OTHER NOTICE IN ANY SUCH ACTION, SUIT OR PROCEEDING SHALL BE EFFECTIVE AGAINST ANY CREDIT PARTY IF GIVEN BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED, OR BY ANY OTHER MEANS OR MAIL WHICH REQUIRES A SIGNED RECEIPT, POSTAGE PREPAID, MAILED AS PROVIDED ABOVE. IN THE EVENT NATIONAL CORPORATE RESEARCH, LTD. SHALL NOT BE ABLE TO ACCEPT SERVICE OF PROCESS AS AFORESAID AND IF ANY CREDIT PARTY SHALL NOT MAINTAIN AN OFFICE IN NEW YORK CITY, SUCH CREDIT PARTY SHALL PROMPTLY APPOINT AND MAINTAIN AN AGENT QUALIFIED TO ACT AS AN AGENT FOR SERVICE OF PROCESS WITH RESPECT TO THE COURTS SPECIFIED IN THIS **SECTION 10.15** ABOVE, AND ACCEPTABLE TO ADMINISTRATIVE AGENT, AS EACH CREDIT PARTY'S AUTHORIZED AGENT TO ACCEPT AND ACKNOWLEDGE ON EACH CREDIT PARTY'S BEHALF SERVICE OF ANY AND ALL PROCESS WHICH MAY BE SERVED IN ANY SUCH ACTION, SUIT OR PROCEEDING.

10.16. WAIVER OF JURY TRIAL. EACH OF THE PARTIES HERETO HEREBY AGREES TO WAIVE ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING HEREUNDER OR UNDER ANY OF THE OTHER CREDIT DOCUMENTS OR ANY DEALINGS BETWEEN THEM RELATING TO THE SUBJECT MATTER OF THIS LOAN TRANSACTION OR THE LENDER/BORROWER RELATIONSHIP THAT IS BEING ESTABLISHED. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. EACH PARTY HERETO ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH HAS ALREADY RELIED ON THIS WAIVER IN ENTERING INTO THIS AGREEMENT, AND THAT EACH WILL CONTINUE TO RELY ON THIS WAIVER IN ITS RELATED FUTURE DEALINGS. EACH PARTY HERETO FURTHER WARRANTS AND REPRESENTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING (OTHER THAN BY A MUTUAL WRITTEN WAIVER SPECIFICALLY REFERRING TO THIS **SECTION 10.16** AND EXECUTED BY EACH OF THE PARTIES HERETO), AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS HERETO OR ANY OF THE OTHER CREDIT DOCUMENTS OR TO ANY OTHER DOCUMENTS OR AGREEMENTS RELATING TO THE LOANS MADE HEREUNDER. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

10.17. Confidentiality. Each Lender shall hold all non-public information regarding the Companies and their Subsidiaries and their businesses identified as such by the Companies and obtained by such Lender pursuant to the requirements hereof in accordance with such Lender's customary procedures for handling confidential information of such nature, it being understood and agreed by the Companies that, in any event, a Lender may make (a) disclosures of such information to Affiliates of such Lender and to their agents and advisors (and to other persons authorized by a Lender or Agent to organize, present or disseminate such information in connection with disclosures otherwise made in accordance with this **Section 10.17**), (b) disclosures of such information reasonably required by any bona fide or potential assignee, transferee or participant in connection with the contemplated assignment, transfer or participation by such Lender of any Loans or any participations therein (provided, such counterparties and advisors are advised of and agree to be bound by the provisions of this **Section 10.17**), (c) disclosure to any rating agency when required by it, provided that, prior to any disclosure, such rating agency shall undertake in writing to preserve the confidentiality of any confidential information relating to the Credit Parties received by it from any of the Agents or any Lender, (d) disclosure to any Lender's financing sources, provided, that prior to any disclosure, such financing source is informed of the confidential nature of the information, and (e) disclosures required or requested by any Governmental Authority or representative thereof or by the NAIC or pursuant to legal or judicial process or other legal proceeding; provided, unless specifically prohibited by applicable law or court order, each Lender shall make reasonable efforts to notify the Companies of any request by any Governmental Authority or representative thereof (other than any such request in connection with any examination of the financial condition or other routine examination of such Lender by such Governmental Authority) for disclosure of any such non-public information prior to disclosure of such information. Notwithstanding the foregoing, on or after the Closing Date, Administrative Agent and Beekman may, at their own respective expense issue news releases and publish "tombstone" advertisements and other announcements relating to this transaction in newspapers, trade journals and other appropriate media (which may include use of logos of one or more of the Credit Parties) (collectively, "**Trade Announcements**"). No Credit Party shall issue any Trade Announcement except (i) disclosures required by applicable law, regulation, legal process or the rules of the Securities and Exchange Commission or (ii) with the prior approval of Administrative Agent and Requisite Lenders.

10.18. Usury Savings Clause. Notwithstanding any other provision herein, the aggregate interest rate charged or agreed to be paid with respect to any of the Obligations, including all charges or fees in connection therewith deemed in the nature of interest under applicable law shall not exceed the Highest Lawful Rate. If the rate of interest (determined without regard to the preceding sentence) under this Agreement at any time exceeds the Highest Lawful Rate, the outstanding amount of the Loans made hereunder shall bear interest at the Highest Lawful Rate until the total amount of interest due hereunder equals the amount of interest which would have been due hereunder if the stated rates of interest set forth in this Agreement had at all times been in effect. In addition, if when the Loans made hereunder are repaid in full the total interest due hereunder (taking into account the increase provided for above) is less than the total amount of interest which would have been due hereunder if the stated rates of interest set forth in this Agreement had at all times been in effect, then to the extent permitted by law, the Companies shall pay to Administrative Agent an amount equal to the difference between the amount of interest paid and the amount of interest which would have been paid if the Highest Lawful Rate had at all times been in effect. Notwithstanding the foregoing, it is the intention of Lenders and the Companies to conform strictly to any applicable usury laws. Accordingly, if any Lender contracts for, charges, or receives any consideration which constitutes interest in excess of the Highest Lawful Rate, then any such excess shall be cancelled automatically and, if previously paid, shall at such Lender's option be applied to the outstanding amount of the Loans made hereunder or be refunded to the Companies. In determining whether the interest contracted for, charged, or received by Administrative Agent or a Lender exceeds the Highest Lawful Rate, such Person may, to the extent permitted by applicable law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest, throughout the contemplated term of the Obligations hereunder.

10.19. Counterparts. This Agreement may be executed in any number of counterparts, each of which may be executed by electronic transmission of copies of executed counterpart signature pages (including by exchange of ".pdf" images) and, when so executed and delivered, shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument.

10.20. Effectiveness. This Agreement shall become effective upon the execution of one or more counterparts hereof by each of the parties hereto and receipt by the Companies and Administrative Agent of such executed counterparts by hand-delivery or electronic transmission.

10.21. Patriot Act. Each Lender and Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Companies that pursuant to the requirements of the PATRIOT Act, it is required to obtain, verify and record information that identifies the Companies, which information includes the name and address of the Companies and other information that will allow such Lender or Administrative Agent, as applicable, to identify the Companies in accordance with the PATRIOT Act.

10.22. Intercreditor Agreement. The Liens granted to Collateral Agent on behalf of the Secured Parties pursuant to any Credit Document and the exercise of any right or remedy by Collateral Agent or the Secured Parties thereunder are subject to the provisions of the Intercreditor Agreement. In the event of any conflict between the terms of the Intercreditor Agreement and this Agreement with respect to such Liens, the terms of the Intercreditor Agreement shall govern.

[*Remainder of Page Intentionally Blank*]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

COMPANIES

ONE WATER ASSETS & OPERATIONS, LLC, a Delaware limited liability company

By: /s/ Philip Austin Singleton, Jr.
Name: Philip Austin Singleton, Jr.
Title: Manager

SINGLETON ASSETS & OPERATIONS, LLC, a Georgia limited liability company

By: /s/ Philip Austin Singleton, Jr.
Name: Philip Austin Singleton, Jr.
Title: Manager

LEGENDARY ASSETS & OPERATIONS, LLC, a Florida limited liability company

By: /s/ Philip Austin Singleton, Jr.
Name: Philip Austin Singleton, Jr.
Title: Manager

SOUTH FLORIDA ASSETS & OPERATIONS, LLC, a Florida limited liability company

By: /s/ Philip Austin Singleton, Jr.
Name: Philip Austin Singleton, Jr.
Title: Manager

SUNDANCE LAUDERDALE REALTY, INC., a Florida corporation

By: /s/ Philip Austin Singleton, Jr.
Name: Philip Austin Singleton, Jr.
Title: Manager

GUARANTOR:

ONE WATER MARINE HOLDINGS, LLC, a Delaware limited liability company

By: /s/ Philip Austin Singleton, Jr.
Name: Philip Austin Singleton, Jr.
Title: Manager

GOLDMAN SACHS SPECIALTY LENDING GROUP, L.P., as Administrative Agent, Lead Arranger and Collateral Agent

By: /s/ Greg Watts
Name: Greg Watts
Title: Senior Vice President

GOLDMAN SACHS SPECIALTY LENDING HOLDINGS, INC., as a Lender

By: /s/ Greg Watts
Name: Greg Watts
Title: Senior Vice President

[Signature Page]
[Credit and Guaranty Agreement]

OWM BIP INVESTOR, LLC, as a Lender

By: /s/ John Troiano
Name: John Troiano
Title: Manager

[Signature Page]
[Credit and Guaranty Agreement]

APPENDIX A

[See Following Pages]

APPENDIX A-1

TO CREDIT AND GUARANTY AGREEMENT

Revolving Commitments

Lender	Revolving Commitment	Pro Rata Share
Goldman Sachs Specialty Lending Holdings, Inc.	$3,308,823.53	66.1764706%
OWM BIP Investor, LLC	$1,691,176.47	33.8235294%
Total	**$5,000,000.00**	**100%**

APPENDIX A-2

TO CREDIT AND GUARANTY AGREEMENT

Multi-Draw Term Loan Commitments as of the Closing Date:

Lender	Multi-Draw Term Loan Commitment	Pro Rata Share
Goldman Sachs Specialty Lending Group, L.P., as successor in interest to Goldman Sachs Specialty Lending Holdings, Inc.	$13,235,294.12	66.1764706%
OWM BIP Investor, LLC	$6,764,705.88	33.8235294%
Total	**$20,000,000.00**	**100%**

Multi-Draw Term Loan Commitments as of the Sixth Amendment Effective Date:

Lender	Multi-Draw Term Loan Commitment as of the Sixth Amendment Effective Date	Pro Rata Share
Goldman Sachs Specialty Lending Group, L.P., as successor in interest to Goldman Sachs Specialty Lending Holdings, Inc.	$19,852,941.18	66.1764706%
OWM BIP Investor, LLC	$10,147,058.82	33.8235294%
Total	**$30,000,000.00**	**100%**

Multi-Draw Term Loan Commitments as of the Fifteenth Amendment Effective Date:

Lender	Multi-Draw Term Loan Commitment as of the Fifteenth Amendment Effective Date	Pro Rata Share
Goldman Sachs Specialty Lending Group, L.P., as successor in interest to Goldman Sachs Specialty Lending Holdings, Inc.	$10,000,000.00	100.0000000%
OWM BIP Investor, LLC	$0	0.0000000%
Total	**$10,000,000.00**	**100%**

APPENDIX B

TO CREDIT AND GUARANTY AGREEMENT

Notice Addresses

ONE WATER ASSETS & OPERATIONS, LLC

SINGLETON ASSETS & OPERATIONS, LLC

LEGENDARY ASSETS & OPERATIONS, LLC

SOUTH FLORIDA ASSETS & OPERATIONS, LLC

SUNDANCE LAUDERDALE REALTY, INC.

ONE WATER MARINE HOLDINGS, LLC

MIDWEST ASSETS & OPERATIONS, LLC

SOUTH SHORE LAKE ERIE ASSETS & OPERATIONS, LLC

6275 Lanier Islands Parkway
Buford, Georgia 30518
Attention: Philip Austin Singleton, Jr., CEO
Telecopier: (678) 541-6301

GOLDMAN SACHS SPECIALTY LENDING GROUP, L.P.,
as Agent, Collateral Agent, and Lead Arranger

GOLDMAN SACHS SPECIALTY LENDING HOLDINGS, INC.,
as a Lender

Goldman Sachs Specialty Lending Group, L.P.
2001 Ross Avenue
Suite 2800
Dallas, Texas 75201
Attention: One Water Marine Holdings, Account Manager
Email:

OWM BIP Investor, LLC,
as a Lender

c/o The Beekman Group
489 Fifth Avenue, 19th Floor
New York, New York 10017
Attention: John Troiano and James Clippard
Facsimile: (646) 502-3333

with a copy (which shall not constitute notice) to:

Akerman LLP
350 East Las Olas Boulevard
Fort Lauderdale, Florida 33301
Attention: David Birke, Esq.
Telecopier: (305) 982-5606

SCHEDULE 1.1(a)

Certain Material Real Estate Assets

The following is a list of all fee-owned Real Estate Asset having a fair market value in excess of $200,000 as of the date of the acquisition thereof:

Complete Address (including county)	Whether Improved or Unimproved	If Improved, Type of Improvements	Use of Property	Approximate Value
651 S. Federal Hwy Pompano Bch, FL 33060 *(Broward County)*	Improved	Sales offices, service and parts warehouse	Grande Yacht's retail sales location in Pompano Beach, FL *(former Top Notch location)*	$3,450,000
19300 S. Tamiami Trail Fort Myers, FL 33908 *(Lee County)*	Improved	Sales offices, service and parts warehouse	Marina Mike's retail sale of new and used boats in Fort Myers, FL	$1,200,000
81500 Overseas Hwy Islamorada, FL 33036 *(Monroe County)*	Improved	Sales offices, service and parts warehouse	Caribee Boat Sales & Marina retail sales, storage and marina in Islamorada, FL	$4,188,000
101 Mastic Street Islamorada, FL 33036 *(Monroe County)*	Unimproved	Parking lot	Caribee Boat Sales & Marina parking and storage	$915,000
102 Mastic Street Islamorada, FL 33036 *(Monroe County)*	Improved	Marina apartments and other storage	Caribee Boat Sales & Marina storage and additional marina property	$1,897,000
1460 Hwy 98 West *or* 1450 Hwy 98 West Mary Esther, FL 32569 *(Okaloosa County)* & 1 Rush Road Mary Esther, FL 32569 *(Okaloosa County)*	Improved	Sales offices, service and parts warehouse	Destin Sunrise Marine's retail sale of new and used boats in Destin, FL	$2,650,000
100 Ridge Road Canton, GA 30114 *(Cherokee County)*	Improved	Sales offices, service and parts warehouse	Singleton Marine Lake Allatoona retail sales, service & parts location	$1,500,000

The following is a list of all Leasehold Properties other than those with respect to which the aggregate payments under the term of the lease are less than $35,000 per annum, and any other Real Estate Asset that Requisite Lenders have determined is material to the business, operations, properties, assets, condition (financial or otherwise) or prospects of Holdings or any Subsidiary.

Complete Address (including county)	**Owner/Landlord's Name and Complete Address**	**Whether Improved or Un-improved**	**If Improved, Type**	**Use of Property**
3977 Highway 59 South Gulf Shores. AL 36542 *(Baldwin County)*	Legendary Marine Alabama, LLC 4100 Legendary Dr. Suite 200 Destin, FL 32541	Improved	Showroom & sales offices	Legendary Marine (Gulf Shores) – Retail sale of new boats in Gulf Shores, Alabama pursuant to that Lease Agreement, dated August 1, 2014, subject to its Assignment to LAO, dated October 1, 2014, and subject to Addendum No. 1, dated July 1, 2015
28791 US Highway 98 Daphne, AL 36526 *(Baldwin County)*	A Proper Wash, LLC 145 Highpoint Dr. Gulf Breeze, FL 32561	Improved	Showroom & sales offices	Sunrise Marine of Alabama – Retail sale of new boats in Gulf Shores, Alabama pursuant to that Lease Agreement, dated November 1, 2016
486 Parker Creek Marina Road Equality, AL 36026 *(Coosa County)*	WillAnn, LLC 7280 Hwy 49 South Dadeville, AL 36853	Improved	Storage space, service garage, marine store	SMG Parker Creek – Service department, merchandise store & boat storage on Lake Martin in Alabama (no boat sales) pursuant to that Commercial Lease Agreement, dated July 24, 2014
15904 Hwy 231-431 N. Hazel Green, AL 35750 *(Madison County)*	Rambo HG Properties, LLC 17 Lake Forest Blvd SE Huntsville, AL 35824	Improved	Showroom & sales offices	Rambo (Huntsville) – Retail sale of new boats near Huntsville, Alabama pursuant to that Lease Agreement, dated July 1, 2015

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10396 Highway 280 East Westover, AL 35185 *(Shelby County)*	Rambo BHM Properties, LLC 17 Lake Forest Blvd SE Huntsville, AL 35824	Improved	Showroom & sales offices	Rambo (Birmingham) – Retail sale of new boats near Birmingham, Alabama pursuant to that Lease Agreement, dated July 1, 2015
1-acre parcel adjacent to: 10396 Highway 280 East Westover, AL 35185 *(Shelby County)*	Rambo BHM Properties, L.L.C. 17 Lake Forest Blvd SE Huntsville, AL 35824	Un-improved	N/A	Rambo (Birmingham) – storage of boat inventory for retail sale at the adjacent lot near Birmingham, Alabama pursuant to that Lease Agreement, dated July 1, 2015
7280 Highway 49 South Dadeville, AL 36853 *(Tallapoosa County)*	WillAnn, LLC 7280 Hwy 49 South Dadeville, AL 36853	Improved	Showroom, sales offices & storage	SMG Blue Creek Marina – Retail sale of new boats on Lake Martin in Alabama pursuant to that Commercial Lease Agreement, dated July 24, 2014
5792 Highway 49 South Dadeville, AL 36853 *(Tallapoosa County)*	Lord Genesh, Inc. 1402 Hwy 31 Bay Minette, AL 36507	Un-improved	N/A - (trailer office used)	SMG Used Boat Supercenter (Lake Martin) – Retail sale of pre-owned boats near Lake Martin in Alabama pursuant to that Lease Agreement, dated March 16, 2017
3829 Thomas Drive Panama City, FL 32408 *(Bay County)*	3829 Thomas Drive, LLC 4471 Legendary Dr. Destin, FL 32541	Improved	Showroom & sales offices	Legendary Marine (Panama City) – Old retail sale of new boats in Panama City, Florida pursuant to that Lease Agreement, dated April 1, 2017

Complete Address (including county)	Owner/Landlord's Name and Complete Address	Whether Improved or Un-improved	If Improved, Type	Use of Property
4009 Thomas Drive Panama City, FL 32408 *(Bay County)*	4009 Thomas Drive, LLC 4471 Legendary Dr. Destin, FL 32541	Improved	Showroom & sales offices	Legendary Marine (Panama City) – New retail sale of new boats in Panama City, Florida pursuant to that Lease Agreement, dated April 1, 2016
491 South Federal Hwy Pompano Bch, FL 33062 *(Broward County)*	LAC Marine Corp. 1719 SE 13th St. Ft. Lauderdale, FL 33316 & 1325 East Lake Dr. Ft. Lauderdale, FL 33316	Improved	Showroom & sales offices	SunDance Marine (Pompano Beach) – Retail sale of new and pre-owned boats in Pompano Beach, Florida pursuant to that Lease Agreement, dated February 1, 2016
2660 Northeast 16th St. Pompano Bch, FL 33062 *(Broward County)*	MMJC Realty, LLC 1719 SE 13th St. Ft. Lauderdale, FL 33316 & 1325 East Lake Dr. Ft. Lauderdale, FL 33316	Improved	Docks and slips	SunDance Marine (Pompano Beach) – In-water new, pre-owned and brokered boat access in Pompano Beach, Florida pursuant to that Lease Agreement, dated February 1, 2016
2051 Griffin Road Ft Lauderdale, FL 33312 *(Broward County)*	2051 Griffin Road, LLC 2200 N 30 Rd Hollywood, FL 33021	Improved	Service building and storage	SunDance Marine (Ft. Lauderdale) – Full service department and storage on water in Ft. Lauderdale, Florida pursuant to that Lease Agreement, dated November 14, 2014, subject to addendum, dated February 10, 2016
801 NE Third St. or 821 NE Third St. Dania Beach, FL 33004 *(Broward County)*	Harbour Towne Marina, LLC c/o Westrec Marina Mgmt., Inc. 16633 Ventura Blvd. 6th Floor Encino, CA 91436	Improved	Retail office suite and marina slips	Grande Yachts (Dania Beach / Ft. Lauderdale) – new boat sales location in Ft. Lauderdale, Florida pursuant to that Lease, dated March 1, 2017

Complete Address (including county)	Owner/Landlord's Name and Complete Address	Whether Improved or Un-improved	If Improved, Type	Use of Property
2600 N. Federal Hwy. Lighthouse Pt, FL 33064 *(Broward County)*	OBYS Holdings, LLC 821 SW Pine Tree Ln. Palm City, FL 34990	Improved	Showroom & sales offices	Ocean Blue Yacht Sales Retail sale of new boats in Broward Co., Florida pursuant to that Lease Agreement, dated February 1, 2019.
84 W Airport Blvd. Pensacola, FL 32503 *(Escambia County)*	84 W. Airport, LLC 2629 Del Mar Dr. Gulf Breeze, FL 32563	Improved	Showroom & sales offices	Legendary Marine (Pensacola) – Retail sale of new boats in Pensacola, Florida pursuant to that Lease Agreement, dated October 13, 2016.
16171 Pine Ridge Rd. Unit B3-1 Ft. Myers, FL 33908 *(Lee County)*	Ozinus Pine Ridge, LLC 12481 Brantley Common Ft. Myers, FL 33907	Improved	Storage	Marina Mike's - Ft. Myers (storage warehouse) – pursuant to that Lease Agreement, dated June 15, 2017
3301 NE Indian River Dr. Jensen Beach, FL 34957 *(Martin County)*	Sundance Marine Dixie, Inc. 1719 SE 13th St. Ft. Lauderdale, FL 33316 & 1325 East Lake Dr. Ft. Lauderdale, FL 33316	Un-improved	Parking lot	SunDance Marine (Jensen Beach) – Retail sale of new boats and service department on water in Jensen Beach, Florida pursuant to that Lease Agreement, dated February 1, 2016, which covers both: 3301 NE Indian River Dr. Jensen Beach, FL 34957 & 3321 NE Indian River Dr. Jensen Beach, FL 34957

Complete Address (including county)	Owner/Landlord's Name and Complete Address	Whether Improved or Un-improved	If Improved, Type	Use of Property
3321 NE Indian River Dr. Jensen Beach, FL 34957 *(Martin County)*	Indian River Drive, Inc. 1719 SE 13th St. Ft. Lauderdale, FL 33316 & 1325 East Lake Dr. Ft. Lauderdale, FL 33316	Improved	Showroom, sales offices and marina	SunDance Marine (Jensen Beach) – Retail sale of new boats and service department on water in Jensen Beach, Florida pursuant to that Lease Agreement, dated February 1, 2016, which covers both: 3301 NE Indian River Dr. Jensen Beach, FL 34957 & 3321 NE Indian River Dr. Jensen Beach, FL 34957
420 S.W. Federal Hwy. Stuart, FL 34994 *(Martin County)*	DB South Florida Properties, LLC 821 SW Pine Tree Ln. Palm City, FL 34990	Improved	Showroom and sales offices	Ocean Blue Yacht Sales Retail sale of new boats in Martin Co., Florida pursuant to that Lease Agreement, dated February 1, 2019.
9595 NW 7th Avenue Miami, FL 33150 *(Miami-Dade County)*	Ibanez Investment Group, Inc. P.O. Box 614417 North Miami, FL 33261	Improved	Showroom & sales offices	SunDance Marine (Miami) – Retail sale of new boats in Miami, Florida pursuant to that Lease Agreement, dated June 10, 2016
2550 S. Bayshore Dr. Coconut Grove, FL 33133 *(Miami-Dade County)*	Aligned Bayshore Marina, LLC 2550 S. Bayshore Dr. Coconut Grove, FL 33133	Improved	Retail office space	Grande Yachts (Miami)- new boat sales location in Miami, Florida pursuant to that Lease Agreement, dated September 3, 2017
4601 Legendary Marina Drive Destin, FL 32541 *(Okaloosa County)*	LYC Destin, LLC 4100 Legendary Dr. Suite 200 Destin, FL 32541	Improved	Showroom, sales offices & storage	Legendary Marine (Destin) – Retail sale of new boats, full service & boat storage on water in Destin, Florida pursuant to that Lease Agreement, dated October 1, 2014

Complete Address (including county)	Owner/Landlord's Name and Complete Address	Whether Improved or Un-improved	If Improved, Type	Use of Property
2620 Lakeshore Dr. Riviera Beach, FL 33404 *(Palm Beach County)*	Riviera Beach SMI, LLC 17330 Preston Rd. Suite 220A Dallas, TX 75252	Improved	Showroom, sales offices	Ocean Blue Yacht Sales Retail sale of new boats in Palm Beach County, Florida pursuant to that Lease Agreement, dated September 7, 2017, which Ocean Blue Yacht Sales assigned, with Landlord's consent, on February 25, 2019
1095 N. Hwy A1A Jupiter, FL 33477 *(Palm Beach County)*	Jupiter Inlet Marina, LLC 1095 N. Hwy A1A Jupiter, FL 33477	Improved	Slip & sales office	Grande Yachts (Jupiter Inlet) – pursuant to that Lease Agreement, dated May 17, 2017
9300 Emerald Coast Parkway Miramar Bch, FL 32550 *(Walton County)*	Sandestin Investments, LLC c/o Sandestin Real Estate 9300 Emerald Coast Pkwy Miramar Beach, FL 32550	Improved	bait & tackle shop	Legendary Marine (Miramar Beach) – 350 sq. ft. shack selling bait and tackle in Sandestin's Baytown Marina in Miramar, Florida (no boats sales; intended to cross-market sales at other locations) pursuant to that Lease Agreement, dated March 1, 2016
5820 Lake Oconee Pkwy Greensboro, GA 30642 *(Greene County)*	Boats with Gusto, LLC 5820 Lake Oconee Pkwy Greensboro, GA 30642	Improved	Showroom	SMG at Lake Oconee – Retail sale of new boats near Lake Oconee in Georgia pursuant to that Lease Agreement, dated October 13, 2014
5529 Lanier Islands Pkwy Buford, GA 30518 *(Hall County)*	AnnWill, LLC 7280 Hwy 49 South Dadeville, AL 36853	Improved	Showroom & sales offices	Cobalt Boats of Atlanta (Lake Lanier) – Retail sale of new boats near Lake Lanier in Georgia pursuant to that Commercial Lease Agreement, dated July 24, 2014

Complete Address (including county)	Owner/Landlord's Name and Complete Address	Whether Improved or Un-improved	If Improved, Type	Use of Property
adjacent to preceding prop. McEver Road Buford, GA 30518 *(Hall County)*	CBD Investments, LLC Two Ravinia Dr. Ste. 850 Atlanta, GA 30346	Un-improved	N/A	Cobalt Boats of Atlanta (Lake Lanier) – Inventory storage for Cobalt Boats of Atlanta above (no boat sales) pursuant to that Lease Agreement, dated August 8, 2014
6900 Lanier Islands Pkwy Buford, GA 30518 *(Hall County)*	PS Marinas I, LP c/o Westrec Marina Management, Inc. 16633 Ventura Blvd. 6th Floor Encino, CA 91436	Improved	Showroom, sales offices & marina	Yacht Center of Lake Lanier Islands – Yacht sales on Lake Lanier in Georgia pursuant to that Lease Agreement, dated March 1, 2010, as amended May 31, 2012, as amended April 15, 2013, as amended July 24, 2015, subject to assignment, dated October 1, 2016
6900 Lanier Islands Pkwy Buford, GA 30518 *(Hall County)*	PS Marinas I, LP c/o Westrec Marina Management, Inc. 16633 Ventura Blvd. 6th Floor Encino, CA 91436	Improved	Corporate offices	Yacht Center of Lake Lanier Islands – Yacht sales on Lake Lanier in Georgia pursuant to that Lease Agreement, dated April 1, 2017
6700 Lanier Islands Pkwy Buford, GA 30518 *(Hall County)*	Holiday Marina, LLC c/o Westrec Marina Management., Inc. 16633 Ventura Blvd. 6th Floor Encino, CA 91436	Improved	Service garage & parts storage	Lazy Days at Holiday Marina – on-water boat service on Lake Lanier, in Georgia pursuant to that Lease Agreement, dated July 1, 2016
6275 Lanier Islands Pkwy Buford, GA 30518 *(Hall County)*	Linda C. Singleton, LLC 2876 Hamilton Rd Auburn, AL 36830	Improved	Corporate office & service garage	OWMH Corp. Headquarters (Lake Lanier) – corporate offices and used-boat reconditioning near Lake Lanier in Georgia (no boat sales) pursuant to that Commercial Lease Agreement, dated July 24, 2014

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3149 Shoreland Dr. Buford, GA 30518 *(Hall County)*	Blue Creek Marina, LLC 2876 Hamilton Rd Auburn, AL 36830	Improved	Showroom & sales offices	SMG Used Boat Supercenter (Lake Lanier) – Retail sale of pre-owned boats near Lake Lanier in Georgia pursuant to that Commercial Lease Agreement, dated July 24, 2014
6516 Lanier Islands Pkwy Buford, GA 30518 *(Hall County)*	Lawrence Sosnow & Sharon Sosnow 5563 Brendlynn Dr. Suwannee, GA 30024	Improved	Sales office	American Boat Brokers (Lake Lanier) – Retail sale of pre-owned boats near Lake Lanier in Georgia pursuant to that Lease Agreement, dated March 31, 2015
45 Bartlett Ferry Road Fortson, GA 31808 *(Harris County)*	Sing Properties, LLC 2876 Hamilton Rd Auburn, AL 36830	Improved	Showroom & sales offices	SMG Lake Harding – Retail sale of pre-owned boats near Lake Harding in Georgia pursuant to that Commercial Lease Agreement, dated May 1, 2015
2540 E. Highway 90 Bronston, KY 42518 *(Pulaski County)*	Jimmy and Ruth Troxtell 228 Club House Dr. Monticello, KY 42633	Improved	Service building and storage	Lookout Marine – Full service department and storage near Lake Cumberland in Kentucky pursuant to that Lease Agreement, dated June 1, 2016
6590 S. Highway 27 Somerset, KY 42501 *(Pulaski County)*	Jimmy and Ruth Troxtell 228 Club House Dr. Monticello, KY 42633	Improved	Showroom & sales offices	Lookout Marine – Retail sale of new boats near Lake Cumberland in Kentucky pursuant to that Lease Agreement, dated June 1, 2016

Complete Address (including county)	Owner/Landlord's Name and Complete Address	Whether Improved or Un-improved	If Improved, Type	Use of Property
100 Falmouth Road Mashpee, MA 02649 *(Barnstable County)* & 0 Falmouth Road Mashpee, MA 02649 *(Barnstable County)* & 17 Bowdoin Road Mashpee, MA 02649 *(Barnstable County)*	T & C NOMINEE TRUST u/d/t dated Sept. 22, 2010 61 Amy Brown Road Mashpee, MA 02649	Improved	Showroom, sales office, and service	Bosun's Marine (Cape Cod Showroom) – Retail sale of new and used boats, showroom and full service department in Mashpee, Massachusetts pursuant to that Lease Agreement, dated June 1, 2018
205 Newbury Street Peabody, MA 01960 *(Essex County)* & 207 Newbury Street Peabody, MA 01960 *(Essex County)*	BOSUN'S NEWBURY NOMINEE TRUST u/d/t dated Aug. 2, 2006 61 Amy Brown Road Mashpee, MA 02649	Improved	Showroom, sales office, and service	Bosun's Marine (Boston/North Shore) – Retail sale of new and used boats, showroom and full service department in Peabody, Massachusetts pursuant to that Lease Agreement, dated June 1, 2018
1209 E. Falmouth Hwy. East Falmouth, MA 02536 *(Barnstable County)*	R & G REALTY TRUST u/d/t dated Dec. 6, 2011 61 Amy Brown Road Mashpee, MA 02649	Improved	Sales office, service, and marina	Bosun's Marine (East Falmouth Marina)- Retail sale of new and used boats, and full service & boat storage on water in East Falmouth, Massachusetts pursuant to that Lease Agreement, dated June 1, 2018
21 Frog Pond Close Mashpee, MA 02649 *(Barnstable County)*	SHOESTRING BAY NOMINEE TRUST u/d/t dated Dec. 12, 2001 61 Amy Brown Rd. Mashpee, MA 02649	Improved	Slip rental	Bosun's Marine (Mashpee Neck Marina) – Retail slips and on water boat storage in Mashpee, Massachusetts pursuant to that Lease Agreement, dated June 1, 2018

Complete Address (including county)	Owner/Landlord's Name and Complete Address	Whether Improved or Un-improved	If Improved, Type	Use of Property
411 Winchester Crk Rd. Grasonville, MD 21638 *(Queen Anne's County)*	GYI, LLC 183 Prince George St. Annapolis, MD 21401	Improved	Showroom, sales offices, service garage, and marina	Grande Yachts (HQ / Grasonville) – Retail sale of new and used boats, full service & boat storage on water in Grasonville, Maryland pursuant to that Lease Agreement, dated March 1, 2017
301 Pier One Road Stevensville, MD 21666 *(Queen Anne's County)*	Great American Life Insurance Co. c/o Property Brothers Management Corp. 357 Pier One Road Stevensville, MD 21666	Improved	Retail sales office and marina slips	Grande Yachts (Stevensville / Annapolis) – Retail sale of new and used boats on water near Annapolis, Maryland pursuant to that Lease for Commercial Office Space at Bay Bridge Marina, dated May 1, 2015, as amended by the First Amendment to Lease for Commercial Office Space at Bay Bridge Marina, dated February 1, 2016, and the Second Amendment to Lease for Commercial Office Space at Bay Bridge Marina, dated March 1, 2017
1 Icard Lane New Rochelle, NY 10805 *(Westchester County)*	Giacobbe Enterprises, Inc. 583 Davenport Ave. New Rochelle, NY 10805	Improved	Retail sales office	Grande Yachts (New York) – Retail sale of new and used boats on water near New York City pursuant to that Lease Agreement, dated April 25, 2017
1322 & 1324 Airlie Rd. Wilmington, NC 28403 *(New Hanover County)*	Crocker's Landing Association, Inc. P.O. Box 1304 Wrightsville, NC 28480	Improved	Retail sales office and marina slips	Grande Yachts (Wilmington) – Retail sale of new and used boats on water near Wrightsville Beach, North Carolina pursuant to that Commercial Lease Agreement, dated April 1, 2017

Complete Address (including county)	Owner/Landlord's Name and Complete Address	Whether Improved or Un-improved	If Improved, Type	Use of Property
1611 Sawmill Parkway Huron, OH 44839 *(Erie County)*	Three SeaSons Partners, LLC 26600 Jefferson Ct. Bay Village, OH 44140	Improved	Showroom, sales offices, service, and storage facilities	South Shore Marine – Retail sale of new and used boats near the water in Huron, Ohio pursuant to that Commercial Lease Agreement, dated August 1, 2017

Complete Address (including county)	Owner/Landlord's Name and Complete Address	Whether Improved or Un-improved	If Improved, Type	Use of Property
9481 State Route 708 N. Lakeview, OH 43331 *(Logan County)* & 9488 State Route 708 Lakeview, OH 43331 *(Logan County)* & 9494 State Route 708 Lakeview, OH 43331 *(Logan County)* & 9506 State Route 708 Lakeview, OH 43331 *(Logan County)* & 9637 State Route 235 N. Lakeview, OH 43348 *(Logan County)* & 8967 Court St. Lakeview, OH 43331 *(Logan County)* & Chestnut St. Lakeview, OH 43331 *(Logan County)* & 8852 Chautauqua Blvd. Lakeview, OH 43331 *(Logan County)* & 8866 Chautauqua Blvd. Lakeview, OH 43331 *(Logan County)* & 8875 Chautauqua Blvd. Lakeview, OH 43331 *(Logan County)* & 525 Washington Ave. Russells Point, OH 43348 *(Logan County)* & 539 Washington Ave. Russells Point, OH 43348 *(Logan County)*	REBO, Inc. 9481 State Route 708 N. Lakeview, OH 43331	Improved	Showroom, sales offices, service department and garage, dry storage, wet slips, other storage facilities, and multiple RV trailer or mobile home lots	Spend A Day Marina – Retail sale of new and used boats, rental boats, rental RV lots, full service garage, and boat storage on and off water on Indian Lake in Ohio pursuant to that Commercial Lease Agreement, dated April 1, 2018

Complete Address (including county)	Owner/Landlord's Name and Complete Address	Whether Improved or Un-improved	If Improved, Type	Use of Property
33 Lockwood Dr. Charleston, SC 29401 *(Charleston County)*	AMH–Ashley Marina, LLC 33 Lockwood Dr. Charleston, SC 29401	Improved	Retail sales office	Grande Yachts (Charleston) - *FORMER retail sale of new and used boats on water in Charleston, South Carolina pursuant to that Office Lease Agreement, dated April 22, 2017*
24 Patriots Point Rd. Mt. Pleasant, SC 29464 *(Charleston County)*	Patriots Point Development Authority *c/o Brothers Property Management Corp. d/b/a* Charleston Harbor Resort and Marina 20 Patriots Point Rd. Mt. Pleasant, SC 29464	Improved	Retail sales office	Grande Yachts (Charleston) - Retail sale of new and used boats on water in Charleston, SC pursuant to that Lease Agreement, dated March 1, 2019
3216 Highway 378 Leesville, SC 29070 *(Lexington County)*	A & M Properties, LLC 210 Tom Drafts Cir. Gilbert, SC 29054	Improved	Showroom & sales offices	Captain's Choice - Retail sale of new boats on Lake Murray in South Carolina pursuant to that Lease Agreement, dated June 1, 2015
3214 Highway 378 Leesville, SC 29070 *(Lexington County)*	Edith D. Giddens Rev. Trust, dated 11/27/13 William H. Giddens Trust, dated 11/27/13	Improved	Storage adjacent to 3216 Hwy 378 Leesville, SC 29070	Captain's Choice - Boat storage on Lake Murray in South Carolina pursuant to that Lease Agreement, dated January 1, 2018
15597 North Hwy 11 Salem, SC 29676 *(Oconee County)*	North Keowee Land, LLC 2876 Hamilton Rd Auburn, AL 36830	Improved	Showroom & sales office	SMG Keowee North Marine - Retail sale of new boats near Lake Keowee in South Carolina pursuant to that Commercial Lease Agreement, dated July 24, 2014

Complete Address (including county)	Owner/Landlord's Name and Complete Address	Whether Improved or Un-improved	If Improved, Type	Use of Property
152 Mariner Circle Sunset, SC 29685 *(Pickens County)* & 135 Mariner Circle Sunset, SC 29685 *(Pickens County)*	The Cliffs Club at Keowee Vineyards, LLC 341 Keowee Baptist Church Rd. Six Mile, SC 29682	Improved	Storage space, and fuel dock	SMG Keowee Vineyards - Storage, fuel sales, boat rentals on Lake Keowee in South Carolina (no boat sales) pursuant to that Lease Agreement, dated June 13, 2013
10439 Broad River Rd. Irmo, SC 29063 *(Richland County)*	Clepper Brothers, LLC 208 Rucker Rd. Chapin, SC 29036 & 1016 Gates Rd. Irmo, SC 29063	Improved	Showroom & sales offices	Ray Clepper Boat Ctr – Retail sale of new boats near Irmo, South Carolina pursuant to that Lease Agreement, dated February 1, 2019
1520 N. Stemmons Fwy Lewisville, TX 75067 *(Denton County)*	Phil Dill Boats, Inc. 2016 Justin Rd Suite 300 Lewisville, TX 75077 *Payment via Sublandlord:* North Keowee Land, LLC 2876 Hamilton Rd Auburn, AL 36830 *Leasehold rights secured through Sub-Sublandlord:* Cobalt Boats of Atlanta, LLC 2876 Hamilton Rd Auburn, AL 36830	Improved	Showroom & sales offices	Phil Dill Boats - Retail sale of new boats near Dallas, Texas pursuant to that Lease Agreement, dated October 30, 2011, subject to sublease, dated October 31, 2011, subject to sub-sublease, dated September 26, 2014
2908 N. Stemmons Fwy Lewisville, TX 75077 *(Denton County)*	Trett Enterprises, LLC *(Concessionaire to Army Corps of Engineers)* 1 Eagle Point Road Lewisville, TX 75077	Improved	Showroom & sales offices	The Slalom Shop – Retail sale of new boats near Dallas/Fort Worth, Texas pursuant to that Consent to the Assignment of the Sales, Lease, and Operating Agreement, Pursuant to the Extension and Modification Agreement, dated December 1, 2018

Complete Address (including county)	Owner/Landlord's Name and Complete Address	Whether Improved or Un-improved	If Improved, Type	Use of Property
2700 NASA Rd. Seabrook, TX 77586 *(Harris County)* & 1921 Larrabee St. Seabrook, TX 77586 *(Harris County)*	2700 NASA Parkway, LP P.O. Box 627 Seabrook, TX 77586	Improved	Showroom & sales offices	Texas Marine (Seabrook/Clear Lake) – pursuant to that Commercial Lease Agreement, dated December 10, 2007 as amended by the First Amendment to Lease dated November 30, 2015 as amended by the Second Amendment to Lease dated April 28,2017
1140 Interstate 10 N. Beaumont, TX 77702 *(Jefferson County)*	JHMH REALTY, LLC - BEAUMONT SERIES 1140 Interstate 10 N. Beaumont, TX 77702	Improved	Showroom, sales offices, and service	Texas Marine (Beaumont) – pursuant to that Commercial Lease Agreement, dated February 1, 2018
1107 Interstate 45 S. Conroe, TX 77301 *(Montgomery County)* & 300 Austin Road Conroe, TX 77301 *(Montgomery County)*	JHMH REALTY, LLC - CONROE SERIES 1140 Interstate 10 N. Beaumont, TX 77702	Improved	Showroom, sales offices, and service	Texas Marine (Conroe/Houston) – pursuant to that Commercial Lease Agreement, dated February 1, 2018
1219 Interstate 45 S. Conroe, TX 77301 *(Montgomery County)*	Ben Perdue 5055 Dunfries Houston, TX 77096	Un-improved	N/A	Texas Marine (Conroe/Houston) – pursuant to that Commercial Lease Agreement, dated February 2, 2015
319 Post Oak Dr. Conroe, TX 77301 *(Montgomery County)*	Pine Ridge Apartments, LLC 407 Gladstell Conroe, TX 77301	Un-improved	N/A	Texas Marine (Conroe/Houston) – pursuant to that Commercial Lease Agreement, dated February 1, 2018
15096 Interstate 45 S. Conroe, TX 77384 *(Montgomery County)*	Sing Properties, LLC 2876 Hamilton Rd Auburn, AL 36830	Improved	Showroom & sales offices	SMG Wake Houston – Retail sale of new boats near Houston, Texas pursuant to that Commercial Lease Agreement, dated July 24, 2014

Complete Address (including county)	Owner/Landlord's Name and Complete Address	Whether Improved or Un-improved	If Improved, Type	Use of Property
801 S. Interstate 45 Conroe, TX 77301 *(Montgomery County)*	Gene & Betty Wolf PO Box 2908 Conroe, TX 77305	Improved	Showroom & sales offices	SMG Texas Sport Boats – Retail sale of new boats near Houston, Texas pursuant to that Commercial Lease Agreement, dated October 13, 2016
118 Lavilla Road Graford, TX 76449 *(Palo Pinto County)*	Martin Properties, LLC 804 N. Shore Drive Lewisville, TX 75077	Improved	Showroom & sales offices	The Slalom Shop – Retail sale of new boats near Dallas/Fort Worth, Texas on Possum Kingdom Lake

SCHEDULE 1.1(b)

Closing Date EBITDA Adjustment

[See attached]

SCHEDULE 1.1(b)

Closing Date EBITDA Adjustment
(continued)

[***]

SCHEDULE 4.1

Jurisdictions of Organization and Qualification

Legal Name	**Jurisdiction of Organization**	**Organizational ID Number**	**Foreign Qualifications** *(IF ANY)*	**Foreign Qual. ID Number** *(IF ANY)*
One Water Marine Holdings, LLC	Delaware	5510958	NONE	N/A
One Water Assets & Operations, LLC	Delaware	6139790	NONE	N/A
Legendary Assets & Operations, LLC	Florida	L14000101990	Alabama	315-072
Singleton Assets & Operations, LLC	Georgia	14062274	Alabama Kentucky S. Carolina Texas	314-805 0956645 N/A (no # provided by SC) 802037941
South Florida Assets & Operations, LLC	Florida	L15000205403	NONE	NONE
Sundance Lauderdale Realty, Inc.	Florida	P03000096971	NONE	NONE
Midwest Assets & Operations, LLC	Delaware	6279930	Florida Maryland New York N. Carolina S. Carolina Ohio	M17000003367 W17862681 81-4940892 601098345 N/A (no # provided by SC) *4156837*
South Shore Lake Erie Assets & Operations, LLC	Delaware	6279930	Ohio	*4048824*
Bosun's Assets & Operations, LLC	Delaware	6865567	Massachusetts	201812995700
651 S Federal Highway, LLC	Delaware	6938646	NA	NA

SCHEDULE 4.2

Capital Stock and Ownership

The following correctly sets forth the organizational and capital structure of Holdings and its Subsidiaries and the ownership interest of Holdings and each of its Subsidiaries in their respective Subsidiaries as of the Fifteen Amendment Effective Date:

Issuer	Owner	Certificated	Class	Registration	Ownership
Sundance Lauderdale Realty, Inc.	South Florida Assets & Operations, LLC	Yes	Common	NONE / PRIVATE	100%
South Florida Assets & Operations, LLC	One Water Assets & Operations, LLC	N/A	Common	NONE / PRIVATE	100%
Singleton Assets & Operations, LLC	One Water Assets & Operations, LLC	N/A	Common	NONE / PRIVATE	100%
Legendary Assets & Operations, LLC	One Water Assets & Operations, LLC	N/A	Common	NONE / PRIVATE	100%
Global Marine Finance, LLC	Midwest Assets & Operations, LLC	N/A	Warrant Interest	NONE / PRIVATE	99.9%
Midwest Assets & Operations, LLC	One Water Assets & Operations, LLC	N/A	Common	NONE / PRIVATE	100%
South Shore Lake Erie Assets & Operations, LLC	One Water Assets & Operations, LLC	N/A	Common	NONE / PRIVATE	75%
South Shore Lake Erie Assets & Operations, LLC	Thomas W. Mack	N/A	Common / non-voting units	NONE / PRIVATE	25%
One Water Assets & Operations, LLC	One Water Marine Holdings, LLC	N/A	Common	NONE / PRIVATE	100%
One Water Assets & Operations, LLC	Goldman, Sachs & Co.	N/A	Preferred	NONE / PRIVATE	66.2%
One Water Assets & Operations, LLC	OWM BIP Investor, LLC	N/A	Preferred	NONE / PRIVATE	33.8%
One Water Marine Holdings, LLC	One Water Ventures, LLC *See the diagram attached with this schedule for additional detail regarding the ownership of One Water Ventures, LLC*	N/A	Common / voting units	NONE / PRIVATE	*Current:* 37% *After Class B $100 MM participation threshold satisfied:* 36.12%

Issuer	Owner	Certificated	Class	Registration	Ownership
One Water Marine Holdings, LLC	LMI Holding, LLC *See the diagram attached with this schedule for additional detail regarding the ownership of LMI Holding, LLC*	N/A	Common / voting units	NONE / PRIVATE	*Current:* 27.54% *After Class B $100 MM participation threshold satisfied:* 26.88%
One Water Marine Holdings, LLC	Landis Marine Holdings, LLC *See the diagram attached with this schedule for additional detail regarding the ownership of Landis Marine Holdings, LLC*	N/A	Common / voting units	NONE / PRIVATE	*Current:* 2.15% *After Class B $100 MM participation threshold satisfied:* 2.10%
One Water Marine Holdings, LLC	L13, LLLP *See the diagram attached with this schedule for additional detail regarding the ownership of L13, LLLP*	N/A	Common / voting units	NONE / PRIVATE	*Current:* 3.23% *After Class B $100 MM participation threshold satisfied:* 3.15%
One Water Marine Holdings, LLC	JBL Investment Holdings, LLLP *See the diagram attached with this schedule for additional detail regarding the ownership of JBL Investment Holdings, LLC*	N/A	Common / voting units	NONE / PRIVATE	*Current:* 3.23% *After Class B $100 MM participation threshold satisfied:* 3.15%
One Water Marine Holdings, LLC	Scott Cunningham	N/A	Common / non-voting units	NONE / PRIVATE	*Current:* 0.75% post-exercise of Investor Warrants: 0.73%
One Water Marine Holdings, LLC	Scott Cunningham	N/A	Additional unvested Class B incentive units subject to $100MM participation threshold	NONE / PRIVATE	*Current:* 0.00% *After Class B $100 MM participation threshold satisfied:* 0.41%
One Water Marine Holdings, LLC	Cindy Thompson	N/A	Common / non-voting units	NONE / PRIVATE	*Current:* 0.75% *After Class B $100 MM participation threshold satisfied:* 0.73%
One Water Marine Holdings, LLC	Keith Style	N/A	Common / non-voting units	NONE / PRIVATE	*Current:* 0.18% *After Class B $100 MM participation threshold satisfied:* 0.18%

Issuer	Owner	Certificated	Class	Registration	Ownership
One Water Marine Holdings, LLC	Keith Style	N/A	Additional unvested restricted incentive units	NONE / PRIVATE	unvested: 0.26%
One Water Marine Holdings, LLC	Keith Style	N/A	Additional vested Class B incentive units subject to $100MM participation threshold	NONE / PRIVATE	*Current:* 0.00% *After Class B $100 MM participation threshold satisfied:* 0.31%
One Water Marine Holdings, LLC	Michael Gold	N/A	Common / non-voting units	NONE / PRIVATE	*Current:* 0.18% *After Class B $100 MM participation threshold satisfied:* 0.18%
One Water Marine Holdings, LLC	Michael Gold	N/A	Additional unvested restricted incentive units	NONE / PRIVATE	unvested: 0.26%
One Water Marine Holdings, LLC	Goldman, Sachs & Co.	N/A	Investor Warrants post-exercise: Common / voting units	NONE / PRIVATE	*Current:* 16.54% *After Class B $100 MM participation threshold satisfied:* 16.54%
One Water Marine Holdings, LLC	OWM BIP Investor, LLC	N/A	Investor Warrants post-exercise: Common / voting units	NONE / PRIVATE	*Current:* 8.46% *After Class B $100 MM participation threshold satisfied:* 8.46%
One Water Marine Holdings, LLC	Alan Giddens	N/A	Additional unvested Class B incentive units subject to $100MM participation threshold	NONE / PRIVATE	*Current:* 0.00% *After Class B $100 MM participation threshold satisfied:* 0.26%
One Water Marine Holdings, LLC	Dave Witty	N/A	Additional unvested Class B incentive units subject to $100MM participation threshold	NONE / PRIVATE	*Current:* 0.00% *After Class B $100 MM participation threshold satisfied:* 0.41%

Issuer	Owner	Certificated	Class	Registration	Ownership
One Water Marine Holdings, LLC	Donald Drummonds	N/A	Additional unvested Class B incentive units subject to $100MM participation threshold	NONE / PRIVATE	*Current:* 0.00% *After Class B $100 MM participation threshold satisfied:* 0.41%
One Water Marine Holdings, LLC	Jack Ezzell	N/A	Additional unvested Class B incentive units subject to $100MM participation threshold	NONE / PRIVATE	*Current:* 0.00% *After Class B $100 MM participation threshold satisfied:* 0.97%
Bosun's Assets & Operations, LLC	One Water Assets & Operations, LLC	N/A	Common	NONE / PRIVATE	75%
Bosun's Assets & Operations, LLC	Bosun's Marine, Inc.	N/A	Common / non-voting units	NONE / PRIVATE	25%
651 S Federal Highway, LLC	Midwest Assets & Operations, LLC	N/A	Common	NONE/ PRIVATE	100%

SCHEDULE 4.13(b)

Real Estate Assets

The following is a list of all Real Estate Assets owned by Holdings and its Subsidiaries in fee-simple:

Complete Address (including county)	Whether Improved or Unimproved	If Improved, Type of Improvements	Use of Property	Approximate Value
19300 S. Tamiami Trail Fort Myers, FL 33908 *(Lee County)*	Improved	Sales offices, service and parts warehouse	Marina Mike's retail sale of new boats in Fort Myers, FL	$1,200,000
1460 Hwy 98 West *or* 1450 Hwy 98 West Mary Esther, FL 32569 *(Okaloosa County)* & 1 Rush Road Mary Esther, FL 32569 *(Okaloosa County)*	Improved	Sales offices, service and parts warehouse	Destin Sunrise Marine's service and retail sales of new and used boats in Destin, FL	$2,650,000
651 S. Federal Hwy Pompano Bch, FL 33060 *(Broward County)*	Improved	Sales offices, service and parts warehouse	Grande Yacht's retail sales location in Pompano Beach, FL	$3,450,000
81500 Overseas Hwy, Islamorada, FL 33036 *(Monroe County)*	Improved	Sales offices, service and parts warehouse	Caribee Boat Sales & Marina retail sales, storage and marina in Islamorada, FL	$4,188,000
101 Mastic Street Islamorada, FL 33036 *(Monroe County)*	Unimproved	Parking lot	Caribee Boat Sales & Marina parking and storage	$915,000
102 Mastic Street Islamorada, FL 33036 *(Monroe County)*	Improved	Marina apartments and other storage	Caribee Boat Sales & Marina storage and additional marina property	$1,897,000
100 Ridge Road Canton, GA 30114 *(Cherokee County)*	Improved	Sales offices, service and parts warehouse	Singleton Marine Lake Allatoona retail sales, service & parts location	$1,500,000

The following is a list of all leases, subleases or assignments of leases (together with all amendments, modifications, supplements, renewals or extensions of any thereof) affecting each Real Estate Asset of any Credit Party, regardless of whether such Credit Party is the landlord or tenant (whether directly or as an assignee or successor in interest) under such lease, sublease or assignment:

Description of Instrument	**Address of the Subject Real Estate (including county)**	**Lessor's Name and Authority**	**Lessee's Name**	**effective date**	**Termination date**	**any renewal term or extension available**
Lease Agreement, dated Aug. 1, 2014 *(subject to its Addendum No. 1, dated July 1, 2015)*	3977 Hwy 59 S. Gulf Shores, AL 36542 (Baldwin County)	Legendary Marine Alabama, LLC *(Owner & Landlord)*	One Water Marine Holdings, LLC (*Tenant & Assignor)*	10/01/2014	9/30/2029	NONE
Assignment and Assumption of Lease, dated October 1, 2014	SAME AS ABOVE	One Water Marine Holdings, LLC *(Assignor)*	Legendary Assets & Operations, LLC *(Assignee)*	SAME AS ABOVE	SAME AS ABOVE	SAME AS ABOVE
Lease Agreement, dated Nov. 1, 2016	28791 US Hwy 98 Daphne, AL 36526 (Baldwin County)	A Proper Wash, LLC *(Owner & Landlord)*	Legendary Assets & Operations, LLC *(Tenant)*	11/01/2016	11/01/2021	two 5-year extensions
Lease Agreement, dated March 13, 2016	27844 Canal Road Orange Beach, AL 36561 (Baldwin County)	Sportsman Marina, LP *(Owner and Landlord)*	Legendary Assets & Operations, LLC (Tenant)	03/13/2016	Month-to-month	NONE
Commercial Lease Agreement, dated July 24, 2014	486 Parker Creek Marina Rd. Equality, AL 36026 (Coosa County)	WillAnn, LLC *(Owner and Lessor)*	Singleton Assets & Operations, LLC *(Lessee)*	08/01/2014	07/31/2029	NONE
Land and Building Lease Agreement, dated July 1, 2015	15904 Hwy 231-431 N. Hazel Green, AL 35750 (Madison County)	Rambo HG Properties, LLC *(Owner and Landlord)*	Singleton Assets & Operations, LLC *(Tenant)*	07/01/2015	06/30/2030	two 5-year extensions
Land and Building Lease Agreement, dated July 1, 2015	10396 Highway 280 E. Westover, AL 35185 (Shelby County)	Rambo BHM Properties, LLC *(Owner and Landlord)*	Singleton Assets & Operations, LLC *(Tenant)*	07/01/2015	06/30/2030	two 5-year extensions
Land and Building Lease Agreement, dated August 1, 2015	One Acre adjacent to: 10396 Highway 280 E. Westover, AL 35185 (Shelby County)	Rambo BHM Properties, LLC *(Owner and Landlord)*	Singleton Assets & Operations, LLC *(Tenant)*	07/01/2015	06/30/2030	two 5-year extensions
Commercial Lease Agreement, dated July 24, 2014	7280 Highway 49 S. Dadeville, AL 36853 (Tallapoosa County)	WillAnn, LLC *(Owner and Lessor)*	Singleton Assets & Operations, LLC *(Lessee)*	08/01/2014	07/31/2029	NONE
Real Property Lease Agreement, dated March 16, 2017	5792 Highway 49 S. Dadeville, AL 36853 (Tallapoosa County)	Lord Genesh, Inc. *(Owner and Landlord)*	Singleton Assets & Operations, LLC *(Tenant)*	03/16/2017	03/16/2019	one 2-year extension

Description of Instrument	Address of the Subject Real Estate (including county)	Lessor's Name and Authority	Lessee's Name	effective date	Termination date	any renewal term or extension available
Lease Agreement and Option to Purchase, dated April 1, 2017	3829 Thomas Dr. Panama City, FL 32408 (Bay County)	3829 Thomas Drive, LLC *(Owner and Landlord)*	Legendary Assets & Operations, LLC *(Tenant)*	04/01/2017	3/31/2032	two 5-year extensions
Lease Agreement and Option to Purchase, dated April 1, 2017	4009 Thomas Dr. Panama City, FL 32408 (Bay County)	4009 Thomas Drive, LLC *(Owner and Landlord)*	Legendary Assets & Operations, LLC *(Tenant)*	04/01/2017	04/01/2032	two 5-year extensions
Amendment to April 1, 2017 Lease, dated July 1, 2017	SAME AS ABOVE	SAME AS ABOVE	SAME AS ABOVE	07/01/2017	04/01/2032	SAME AS ABOVE
Triple Net Lease Agreement, dated February 1, 2016	491 S. Federal Hwy Pompano Beach, FL 33062 (Broward County)	LAC Marine Corp. *(Owner and Landlord)*	One Water Marine Holdings, LLC *(Tenant)*	02/01/2016	01/31/2026	one 5-year renewal option
Triple Net Lease Agreement, dated February 1, 2016	2660 Northeast 16th St. Pompano Beach, FL 33062 (Broward County)	MMJC Realty, LLC *(Owner and Landlord)*	One Water Marine Holdings, LLC *(Tenant)*	02/01/2016	01/31/2026	one 5-year renewal option
Commercial Lease Agreement, dated November 14, 2014	2051 Griffin Road Fort Lauderdale, FL 33312 (Broward County)	2051 Griffin Road, LLC *(Owner and Landlord)*	Sundance Lauderdale Realty, Inc. *(Tenant)*	01/01/2015	12/31/2017	no extension
Addendum to 11/14/2014 Lease, dated February 1, 2016	SAME AS ABOVE	SAME AS ABOVE	SAME AS ABOVE	Term extension	12/01/2019	no additional extensions
Amendment to November 14, 2014 Lease, dated January 1, 2018	SAME AS ABOVE	SAME AS ABOVE	SAME AS ABOVE	01/01/2018	12/01/2019	no additional extensions
Lease, dated March 1, 2017	801 & 821 NE Third St. Dania Beach, FL 33004 (Broward County)	Harbour Towne Marina, LLC *(Owner)* & Westrec Investors, Inc. *(Landlord)*	Midwest Assets & Operations, LLC *(Tenant)*	03/01/2017	02/29/2020	one 3-year extension
Lease Agreement, dated February 1, 2019	2600 N. Federal Hwy. Lighthouse Pt, FL 33064 (Broward County)	OBYS Holdings, LLC *(Owner and Landlord)*	South Florida Assets & Operations, LLC *(Tenant)*	02/01/2019	01/31/2034	two 5-year renewal options
Lease Agreement, dated October 13, 2016	84 W Airport Blvd. Pensacola, FL 32503 (Escambia County)	Eugene Killinger, Trustee of the Douglas Eugene Killinger Rev. Mgmt. Trust *(Owner)* 84 W. Airport, LLC *(Prime Landlord)*	LMIP Holding, LLC *(Lessee/Assignor)*	10/01/2016	09/30/2021	one 5-year renewal option

Description of Instrument	Address of the Subject Real Estate (including county)	Lessor's Name and Authority	Lessee's Name	effective date	Termination date	any renewal term or extension available
Assignment, Assumption & Landlord Consent, dated October 1, 2016	*SAME AS ABOVE*	LMIP Holding, LLC *(Assignor)* 84 W. Airport, LLC *(Prime Landlord)*	Legendary Assets & Operations, LLC *(Assignee)*	10/01/2016	09/30/2021	one 5-year renewal option
Lease Agreement, dated August 1, 2017	997 S. Palafox St. Pensacola, FL 32502 (Escambia County)	Day Break Marina, Inc.	Legendary Assets & Operations, LLC	08/01/2018	08/31/2019	Annual
Lease Agreement, dated June 15, 2017	16171 Pine Ridge Rd. Unit B3-1 Ft. Myers, FL 33908 (Lee County)	Ozinus Pine Ridge, LLC	Legendary Assets & Operations, LLC	07/15/2017	06/30/2019	NONE
Triple Net Lease Agreement, dated February 1, 2016	3301 NE Indian River Dr. Jensen Beach, FL 34957 & 3321 NE Indian River Dr. Jensen Beach, FL 34957 (Martin County)	Sundance Marine Dixie, Inc. *(Owner and Landlord of 3301 Indian River)* & Indian River Drive, Inc. (*Owner and Landlord of 3321 Indian River)*	One Water Marine Holdings, LLC (*Tenant)*	02/01/2016	01/31/2026	one 5-year renewal option
Lease Agreement, dated February 1, 2019	420 S.W. Federal Hwy. Stuart, FL 34994 (Martin County)	DB South Florida Properties, LLC *(Owner & Landlord)*	South Florida Assets & Operations, LLC *(Tenant)*	02/01/2019	01/31/2034	two 5-year renewal options
Lease Agreement, dated June 10, 2016	9595 NW 7th Avenue Miami, FL 33150 (Miami-Dade County)	Ibanez Investment Group, Inc. *(Owner & Landlord)*	South Florida Assets & Operations, LLC	08/1/2016	07/1/2021	NONE
Slip Rental Agreement (4 slips)	2890 NE 187th Street Aventura, FL 33180 (Miami-Dade County)	AMP IV - Hidden Harbour, LLC *(Landlord)*	South Florida Assets & Operations, LLC *(Tenant)*	04/01/2019	03/31/2020	NONE
Lease Agreement, dated September 9, 2017	2550 S. Bayshore Dr. Suite 207 Coconut Grove, FL 33133 (Miami-Dade County)	Aligned Bayshore Marina, LLC *(Owner)* & Prime Marina Group, LLC *(Landlord)*	Lab Marine, Inc. d/b/a Grande Yachts International *(Tenant)*	09/01/2017	07/31/2022	NONE
Assignment of Tenant Lease, dated September 9, 2017	*SAME AS ABOVE*	Lab Marine, Inc. d/b/a Grande Yachts International *(Assignor)*	Midwest Assets & Operations, LLC *(Assignee)*	SAME AS ABOVE	SAME AS ABOVE	SAME AS ABOVE

Description of Instrument	Address of the Subject Real Estate (including county)	Lessor's Name and Authority	Lessee's Name	effective date	Termination date	any renewal term or extension available
Lease Agreement, dated November 1, 2016	15600 Collins Avenue Miami Beach, FL 33154 (Miami-Dade County)	Haulover Marine Center, LLC	South Florida Assets & Operations, LLC	11/01/2016	Month-to-month	NONE
Lease Agreement, dated October 1, 2014	4601 Legendary Marina Dr. Destin, FL 32541 (Okaloosa County)	LYC Destin, LLC *(Owner and Landlord)*	One Water Marine Holdings, LLC *(Tenant)*	10/01/2014	10/31/2029	NONE
Assignment and Assumption of Lease, dated October 1, 2014	*SAME AS ABOVE*	One Water Marine Holdings, LLC *(Assignor)*	Legendary Assets & Operations, LLC *(Assignee)*	SAME AS ABOVE	SAME AS ABOVE	SAME AS ABOVE
Lease Agreement, dated September 7, 2017	2620 Lakeshore Dr. Riviera Beach, FL 33404 (Palm Beach County)	Riviera Beach SMI, LLC *(Owner and Landlord)*	South Florida Assets & Operations, LLC *(Tenant)*	02/01/2019	08/31/2019	one 3-year renewal options
Slip Rental Agreement (2 slips and 1 parking space)	105 Lake Shore Drive, Lake Park, FL 33403 (Palm Beach County)	Town of Lake Park *(Owner and Landlord)*	South Florida Assets & Operations, LLC *(Tenant)*	04/01/2019	03/31/2020	NONE
Lease Agreement, dated May 17, 2017	1095 N. Hwy A1A Jupiter, FL 33477 (Palm Beach County)	Jupiter Inlet Marina, LLC *(Owner and Landlord)*	Midwest Assets & Operations, LLC *(Tenant)*	04/01/2017	30-day notice	NONE
Lease Agreement, dated March 3, 2016	9300 Emerald Coast Pkwy Miramar Beach, FL 32550 (Walton County)	Sandestin Investments, LLC *(Owner)* c/o Sandestin Real Estate *(Landlord)*	Legendary Assets & Operations, LLC *(Tenant)*	03/14/2016	03/13/2021	one 5-year renewal
Lease Agreement, dated October 13, 2014	5820 Lake Oconee Pkwy Greensboro, GA 30642 (Greene County)	Boats with Gusto, LLC *(Owner & Landlord)*	Singleton Assets & Operations, LLC *(Tenant)*	10/13/2014	01/30/2022	No extension
Commercial Lease Agreement, dated July 24, 2014	5529 Lanier Islands Pkwy Buford, GA 30518 (Hall County)	AnnWill, LLC *(Owner & Lessor)*	Singleton Assets & Operations, LLC *(Lessee)*	08/01/2014	07/31/2029	NONE
Lease Agreement, dated August 8, 2014	*adjacent to preceding prop.* 0 McEver Road Buford, GA 30518 (Hall County)	CBD Investments, LLC *(Owner & Landlord)*	Cobalt Boats of Atlanta, LLC *(Tenant)*	08/11/2014	8/11/2017	NONE
Assignment, Assumption & Landlord Consent, dated October 1, 2014	*SAME AS ABOVE*	Cobalt Boats of Atlanta, LLC *(Assignor)*	Singleton Assets & Operations, LLC *Assignee*	SAME	SAME	NONE

Description of Instrument	Address of the Subject Real Estate (including county)	Lessor's Name and Authority	Lessee's Name	effective date	Termination date	any renewal term or extension available
Lease Agreement, dated January 25, 2010	6900 Lanier Islands Pkwy Buford, GA 30518 (Hall County)	PS Marinas I, LP c/o Westrec Marina Management, Inc. *(Master Landlord) - the property is owned by the U.S. Army Corp of Engineers*	Blue Creek Marina, LLC *(Assignee & Tenant)*	04/01/2017	12/31/2020	NONE
First Amendment to Lease dated February 1, 2016	*SAME AS ABOVE*	*SAME AS ABOVE*	*SAME AS ABOVE*	05/31/2012	10/01/2016	NONE
Second Amendment to Lease dated January 25, 2010	*SAME AS ABOVE*	*SAME AS ABOVE*	*SAME AS ABOVE*	07/24/2015	10/01/2026	NONE
3rd Amendment to 01/25/2010 Lease, dated April 15, 2013	*SAME AS ABOVE*	*SAME AS ABOVE*	*SAME AS ABOVE*	No change to dates. Permits SMG to install and operate a cable system at the marina.		
4th Amendment to 01/25/2010 Lease, dated July 24, 2015	*SAME AS ABOVE*	*SAME AS ABOVE*	*SAME AS ABOVE*	Extension of Term	10/01/2026	NONE
Assignment, Assumption & Landlord Consent, dated January 25, 2010	*SAME AS ABOVE*	Blue Creek Marina, LLC *Assignor*	Singleton Assets & Operations, LLC *Assignee*	SAME	SAME	NONE
Lease Agreement, dated January 25, 2010	6900 Lanier Islands Pkwy Buford, GA 30518 (Hall County) Corporate office space	PS Marinas I, LP c/o Westrec Marina Management, Inc. *(Master Landlord) - the property is owned by the U.S. Army Corp of Engineers*	Singleton Assets & Operations, LLC *(Assignee & Tenant)*	04/01/2017	12/31/2020	NONE
Lease Agreement, dated July 1, 2016	6700 Lanier Islands Pkwy Buford, GA 30518 (Hall County) Lazy Dayz	Holiday Marina, LLC c/o Westrec Marina Management, Inc. *(Master Landlord) - the property is owned by the U.S. Army Corp of Engineers*	Singleton Assets & Operations, LLC *(Tenant)*	07/01/2016	10/01/2026	NONE
Commercial Lease Agreement, dated July 24, 2014	6275 Lanier Islands Pkwy Buford, GA 30518 (Hall County)	Linda C. Singleton, LLC *(Owner & Lessor)*	Singleton Assets & Operations, LLC *(Lessee)*	08/01/2014	07/31/2029	NONE

Description of Instrument	Address of the Subject Real Estate (including county)	Lessor's Name and Authority	Lessee's Name	effective date	Termination date	any renewal term or extension available
Commercial Lease Agreement, dated July 24, 2014	3149 Shoreland Dr. Buford, GA 30518 (Hall County)	Blue Creek Marina, LLC *(Owner & Lessor)*	Singleton Assets & Operations, LLC *(Lessee)*	08/01/2014	07/31/2029	NONE
Lease Agreement, dated March 31, 2015	6516 Lanier Islands Pkwy Buford, GA 30518 (Hall County)	Lawrence & Sharon Sosnow *(Owner & Landlord)*	Singleton Assets & Operations, LLC *(Tenant)*	03/31/2015	03/31/2020	one 5-year renewal
Commercial Lease Agreement, dated May 1, 2015	45 Bartlett Ferry Rd. Fortson, GA 31808 (Harris County)	Sing Properties, LLC *(Owner & Lessor)*	Singleton Assets & Operations, LLC *(Lessee)*	05/01/2015	05/01/2025	NONE
Lease Agreement, dated June 1, 2016	2540 E. Highway 90 Bronston, KY 42633 (Pulaski County)	Jimmy H. Troxtell, Ruth F. Troxtell, and Jimmy H. Troxtell, Jr. *(Owner & Landlord)*	Singleton Assets & Operations, LLC *(Tenant)*	06/01/2016	06/01/2031	two 5-year extensions
Lease Agreement, dated June 1, 2016	6590 S. Highway 27 Somerset, KY 42501 (Pulaski County)	Jimmy H. Troxtell, Ruth F. Troxtell *(Owner & Landlord)*	Singleton Assets & Operations, LLC (*Tenant)*	06/01/2016	06/01/2031	two 5-year extensions
Lease Agreement, dated March 1, 2017	411 Winchester Creek Rd. Grasonville, MD 21638 (Queen Anne's)	GYI, LLC *(Owner & Landlord)*	Midwest Assets & Operations, LLC *(Tenant)*	03/01/2017	03/31/2032	two 5-year extensions
Lease for Commercial Office Space at Bay Bridge Marina, dated May 1, 2015	301 Pier One Rd. Stevensville, MD 21666 (Queen Anne's)	Great American Life Ins. Co. *(Owner)* & Brothers Prop. Mgmt. *(Landlord)*	Midwest Assets & Operations, LLC *(Tenant)*	05/01/2015	4/30/2016	NONE
First Amendment to Lease for Commercial Office Space at Bay Bridge Marina, dated February 1, 2016	*SAME AS ABOVE*	*SAME AS ABOVE*	Midwest Assets & Operations, LLC.	05/01/2016	4/30/2017	NONE
Second Amendment to Lease for Commercial Office Space at Bay Bridge Marina, dated March 1, 2017	*SAME AS ABOVE*	*SAME AS ABOVE*	Midwest Assets & Operations, LLC *(Tenant)*	05/01/2017	04/30/2022	NONE

Description of Instrument	Address of the Subject Real Estate (including county)	Lessor's Name and Authority	Lessee's Name	effective date	Termination date	any renewal term or extension available
Lease Agreement, dated June 1, 2018	100 Falmouth Rd. Mashpee, MA 02649 *(Barnstable County)* 0 Falmouth Rd. Mashpee, MA 02649 *(Barnstable County)* 17 Bowdoin Rd. Mashpee, MA 02649 *(Barnstable County)*	T & C NOMINEE TRUST u/d/t dated September 22, 2010 *(Owner & Landlord)*	Bosun's Assets & Operations, LLC *(Tenant)*	06/01/2018	05/31/2028	two 5-year extensions
Lease Agreement, dated June 1, 2018	205 Newbury St. Peabody, MA 01960 *(Essex County)* & 207 Newbury St. Peabody, MA 01960 *(Essex County)*	BOSUN'S NEWBURY NOMINEE TRUST u/d/t dated August 2, 2006 *(Owner & Landlord)*	Bosun's Assets & Operations, LLC *(Tenant)*	06/01/2018	05/31/2028	two 5-year extensions
Lease Agreement, dated June 1, 2018	1209 E. Falmouth Hwy. East Falmouth, MA 02536 (Barnstable County)	R & G REALTY TRUST u/d/t dated December 6, 2011 *(Owner & Landlord)*	Bosun's Assets & Operations, LLC *(Tenant)*	06/01/2018	05/31/2028	two 5-year extensions
Slip Rental Agreement, dated June 1, 2018	21 Frog Pond Close Mashpee, MA 02649 (Barnstable County)	SHOESTRING BAY NOMINEE TRUST u/d/t dated December 12, 2001 *(Owner & Landlord)*	Bosun's Assets & Operations, LLC *(Tenant)*	06/01/2018	10/31/2018	NONE
Dockage Application and License Agreement	1 Pier 8 13th St. Boston, MA 02129 (Suffolk County)	Charlestown Marina, LLC *(Owner & Landlord)*	Bosun's Marine, Inc. *(Tenant)*	05/01/2018	10/31/2018	NONE
Assignment, dated June 1, 2018	SAME	Bosun's Marine, Inc. *(Assignor)*	Bosun's Assets & Operations, LLC *(Assignee)*	06/01/2018	SAME	SAME
2018 Summer Inquiry/Reservation dated Oct. 24, 2007	10 White St. Salem, MA 01970 (Essex County)	SHM Hawthorne Cove, LLC *(Owner & Landlord)*	Bosun's Marine, Inc. *(Tenant)*	05/01/2018	11/15/2018	NONE
Assignment, dated June 1, 2018	SAME	Bosun's Marine, Inc. *(Assignor)*	Bosun's Assets & Operations, LLC *(Assignee)*	06/01/2018	SAME	SAME
2018 Slip Agreement dated January 15, 2018	70 Green Harbor Rd. East Falmouth, MA 02536 (Barnstable County)	Green Pond Marina Associates, Inc. *(Landlord)* Hoboken, LLC *(Owner)*	Bosun's Marine, Inc. *(Tenant)*	05/01/2018	10/31/2018	NONE

Description of Instrument	Address of the Subject Real Estate (including county)	Lessor's Name and Authority	Lessee's Name	effective date	Termination date	any renewal term or extension available
Assignment, dated June 1, 2018	SAME	Bosun's Marine, Inc. *(Assignor)*	Bosun's Assets & Operations, LLC *(Assignee)*	06/01/2018	SAME	SAME
Lease of Land, dated Jan. 1, 2012	614 East Falmouth Hwy. East Falmouth, MA 02536 (Barnstable County)	The Cinroc, LLC *(Landlord)* Paulino P. Rodriques, Trustee of the Cinroc Realty Trust *(Owner)*	Bosun's Marine, Inc. *(Tenant)*	01/01/2012	12/31/2015	two 3-year extensions
Assignment, dated June 1, 2018	*SAME*	Bosun's Marine, Inc. *(Assignor)*	Bosun's Assets & Operations, LLC *(Assignee)*	06/01/2018	SAME	SAME
Lease Agreement, dated March 1, 2018	1 Icard Ln. New Rochelle, NY 10805 (Westchester)	Giacobbe Enterprises, Inc. *(Owner & Landlord)*	Midwest Assets & Operations, LLC *(Tenant)*	03/01/2018	02/28/2019	NONE
Commercial Lease Agreement, dated April 1, 2017	1322 & 1324 Airlie Rd. Wilmington, NC 28403 (New Hanover)	Crocker's Landing Association, Inc. *(Owner)* & Crocker's Landing, LLC *(Landlord)*	Midwest Assets & Operations, LLC *(Tenant)*	04/01/2017	03/31/2022	NONE
Lease Agreement dated August 1, 2017	1611 Sawmill Parkway Huron, OH 44839 (Erie County)	Three SeaSons Partners, LLC (Owner and Landlord)	South Shore Lake Erie Assets & Operations, LLC *(Tenant)*	08/01/2017	07/31/2032	two 5-year extensions
Lease Agreement, dated June 1, 2017	1535 Sawmill Pkwy Huron, OH 44839 (Erie County)	Al Sentzel (Owner and Landlord)	South Shore Lake Erie Assets & Operations, LLC *(Tenant)*	06/01/2017	06/01/2018	NONE
Business Property Lease, dated October 1, 2017	3994 E. Harbor Road Port Clinton, OH 43452 (Ottawa County)	Knoll Crest Investors, LTD (*Owner and Landlord*)	South Shore Lake Erie Assets & Operations, LLC *(Tenant)*	10/01/2017	9/30/2018	one 12-month extension
Summer Dock Agreement dated August 1,2017	350 Huron Street P.O. Box 176 Huron, OH 44839 (Erie County)	Huron Yacht Club, Inc. (Owner and Landlord)	South Shore Lake Erie Assets & Operations, LLC *(Tenant)*	08/01/2017	08/01/2018	NONE
SonRise Summer Dockage Agreement dated October 15, 2016	1535 First Street Sandusky, OH 44870 (Erie County)	Hoty Marine Group, LLC *d/b/a SonRise Marina (Owner and Landlord)*	South Shore Lake Erie Assets & Operations, LLC *(Tenant)*	10/01/2016	08/01/2018	NONE

Description of Instrument	Address of the Subject Real Estate (including county)	Lessor's Name and Authority	Lessee's Name	effective date	Termination date	any renewal term or extension available
Lease Agreement, dated April 1, 2018	9481 State Route 708 N. Lakeview, OH 43331 (Logan County) & 9488 State Route 708 Lakeview, OH 43331 (Logan County) & 9494 State Route 708 Lakeview, OH 43331 (Logan County) & 9506 State Route 708 Lakeview, OH 43331 (Logan County) & 9637 State Route 235 N. Lakeview, OH 43348 (Logan County) & 8967 Court St. Lakeview, OH 43331 (Logan County) & Chestnut St. Lakeview, OH 43331 (Logan County) & 8852 Chautauqua Blvd. Lakeview, OH 43331 (Logan County) & 8866 Chautauqua Blvd. Lakeview, OH 43331 (Logan County) & 8875 Chautauqua Blvd. Lakeview, OH 43331 (Logan County) & 525 Washington Ave. Russells Point, OH 43348 (Logan County) & 539 Washington Ave. Russells Point, OH 43348 (Logan County)	REBO, Inc. *(Owner and Landlord)*	Midwest Assets & Operations, LLC *(Tenant)*	04/01/2018	03/31/2033	two 5-year extensions

Description of Instrument	Address of the Subject Real Estate (including county)	Lessor's Name and Authority	Lessee's Name	effective date	Termination date	any renewal term or extension available
Lease Agreement, dated May 18, 2017	405 Main St. Russells Point, OH 43348 (Logan County)	Bruce A. Roby *(Owner & Landlord)*	Rebo, Inc. *(Tenant)*	05/01/2017	04/30/2022	one 5-year extensions
Assignment, Assumption & Landlord Consent, dated April 1, 2018	*SAME AS ABOVE*	Rebo, Inc. *(Assignor)*	Midwest Assets & Operations, LLC *(Assignee)*	SAME	SAME	SAME
Lease Agreement, dated July 22, 2017	11520 Township Rd. 87 Buildings 1, 2, 6 & 7 Lakeview, OH 43331 *(Logan County)*	TRD Leasing, LLC *(Landlord)* 87-93 W 9th Avenue, LLC *(Owner of Bldg. 1&2)* Township Road 87 Development II, LLC *(Owner of Bldg. 6&7)*	Rebo, Inc. *(Tenant)*	09/10/2017	09/1/2018	four 1-year extensions
Assignment, Assumption & Landlord Consent, dated April 1, 2018	*SAME AS ABOVE*	Rebo, Inc. *(Assignor)*	Midwest Assets & Operations, LLC *(Assignee)*	SAME	SAME	SAME
Office Lease Agreement, dated April 1, 2017	33 Lockwood Dr. Charleston, SC 29401 (Charleston County)	AMH-Ashley Marina, LLC *(Owner & Landlord)*	Midwest Assets & Operations, LLC *(Tenant)*	04/01/2017	03/30/2018	two 24-month extensions
Lease Agreement, dated February 27, 2019	24 Patriots Point Rd. Mt. Pleasant, SC 29464 (Charleston County)	Patriots Point Development Authority *(Owner)* *Brothers Property Management Corp. d/b/a* Charleston Harbor Resort & Marina at Patriot's Point *(Landlord)*	Midwest Assets & Operations, LLC *(Tenant)*	03/01/2019	02/28/2020	NONE
2019 Charleston Harbor Resort & Marina License Agreement for Dockage, dated February 26, 2019 (50' Dock Slip)	24 Patriots Point Rd. Mt. Pleasant, SC 29464 (Charleston County)	Patriots Point Development Authority *(Owner)* *Brothers Property Management Corp. d/b/a* Charleston Harbor Resort & Marina at Patriot's Point *(Landlord)*	Midwest Assets & Operations, LLC *(Tenant)*	03/01/2019	02/28/2020	NONE

Description of Instrument	Address of the Subject Real Estate (including county)	Lessor's Name and Authority	Lessee's Name	effective date	Termination date	any renewal term or extension available
2019 Charleston Harbor Resort & Marina License Agreement for Dockage, dated March 19, 2019 (50' Dock Slip)	24 Patriots Point Rd. Mt. Pleasant, SC 29464 (Charleston County)	Patriots Point Development Authority *(Owner)* *Brothers Property Management Corp. d/b/a* Charleston Harbor Resort & Marina at Patriot's Point *(Landlord)*	Midwest Assets & Operations, LLC *(Tenant)*	04/01/2019	03/31/2020	NONE
2019 Charleston Harbor Resort & Marina License Agreement for Dockage, dated March 19, 2019 (40' Dock Slip)	24 Patriots Point Rd. Mt. Pleasant, SC 29464 (Charleston County)	Patriots Point Development Authority *(Owner)* *Brothers Property Management Corp. d/b/a* Charleston Harbor Resort & Marina at Patriot's Point *(Landlord)*	Midwest Assets & Operations, LLC *(Tenant)*	04/01/2019	03/31/2020	NONE
Lease Agreement, dated June 1, 2015	3216 Highway 378 Leesville, SC 29070 (Lexington County)	A & M Properties, LLC *(Owner & Landlord)*	Singleton Assets & Operations, LLC *(Tenant)*	06/01/2015	06/01/2030	two 5-year extensions
Lease Agreement, dated January 1, 2018	3214 Highway 378 Leesville, SC 29070 (Lexington County)	"Edith D. Giddens Rev. Trust, dated 11/27/13 William H. Giddens Trust, dated 11/27/13" *(Owner & Landlord)*	Singleton Assets & Operations, LLC *(Tenant)*	01/01/2018	12/31/2020	NONE
Commercial Lease Agreement, dated July 24, 2014	15597 North Highway 11 Salem, SC 29676 (Oconee County)	North Keowee Land, LLC *(Owner & Lessor)*	Singleton Assets & Operations, LLC *(Lessee)*	08/01/2014	07/31/2029	NONE
Lease Agreement, June 13, 2013	152 & 135 Mariner Circle Sunset, SC 29685 (Pickens County)	The Cliffs Club at Keowee Vineyards, LLC *(Owner & Landlord)*	Singleton Assets & Operations, LLC *(Tenant)*	04/01/2013	10/31/2015	one 1-year extension
Lease Agreement, dated February 1, 2019	10439 Broad River Road Irmo, SC 29063 (Richland County)	Clepper Brothers, LLC *(Owner & Landlord)*	Singleton Assets & Operations, LLC *(Tenant)*	02/01/2019	01/31/2029	two 5-year extensions
Lease Agreement, dated October 30, 2011	1520 N. Stemmons Fwy Lewisville, TX 75067 (Denton County)	Phil Dill Boats, Inc. *(Owner & Landlord)*	North Keowee Land, LLC *(Tenant)*	10/30/2011	11/30/2021	two 5-year extensions

Description of Instrument	Address of the Subject Real Estate (including county)	Lessor's Name and Authority	Lessee's Name	effective date	Termination date	any renewal term or extension available
Sublease Agreement, dated October 31, 2011	*SAME AS ABOVE*	North Keowee Land, LLC *(Leaseholder & Sublandlord)*	Cobalt Boats of Atlanta, LLC *(Subtenant)*	10/31/2011	11/30/2021	two 5-year extensions
Lease, dated April 27, 2000	2908 N. Stemmons Fwy Lewisville, TX 75077 (Denton County)	U.S. Army Corps of Engineers *(Owner)*	City of Lewisville *(Prime Landlord)*	04/15/2000	04/14/2025	NONE
Concession Agreement, dated December 11, 2000	*SAME AS ABOVE*	City of Lewisville *(Prime Landlord)*	L.J.H. Corporation *(Concessionaire)*	12/11/2000	SAME	NONE
Lease Agreement, dated October 2, 2000	*SAME AS ABOVE*	L.J.H. Corporation *(Concessionaire)*	Trett Enterprises, Inc. *(Sublandlord)*	04/15/2000	SAME	NONE
Extension and Modification Agreement, dated November 14, 2000 *(original - Sales, Lease and Operating Agreement, dated December 14, 1994)*	*SAME AS ABOVE*	Trett Enterprises, Inc. *(Sublandlord)*	The Slalom Shop, Inc. *(Sub-Sublandlord)*	04/15/2000	SAME	NONE
Commercial Real Property Sublease, dated December 14, 2018	*SAME AS ABOVE*	The Slalom Shop, Inc. *(Sub-Sublandlord)*	Singleton Assets & Operations, LLC *(Tenant)*	12/01/2018	SAME	NONE
Commercial Lease Agreement, dated December 10, 2007	2700 NASA Rd. Seabrook, TX 77586 1921 Larrabee St. Seabrook, TX 77586 (Harris County)	2700 NASA Parkway, LP *(Owner & Landlord)*	Texas Marine & Brokerage, Inc. *(Tenant)*	02/01/2008	01/31/2013	two 2-year extensions
First Amendment to Lease Agreement, dated December 10, 2007	*SAME AS ABOVE*	*SAME AS ABOVE*	*SAME AS ABOVE.*	11/30/2015	01/31/2018	two 2-year extensions
Second Amendment to Lease Agreement, dated December 10, 2007	*SAME AS ABOVE*	*SAME AS ABOVE*	*SAME AS ABOVE*	05/28/2017	01/31/2020	two 2-year extensions
Assignment, Assumption & Landlord Consent, dated December 10, 2007	*SAME AS ABOVE*	Texas Marine & Brokerage, Inc (*Assignor)*	Singleton Assets & Operations, LLC *(Assignee)*	SAME	SAME	two 2-year extensions

Description of Instrument	Address of the Subject Real Estate (including county)	Lessor's Name and Authority	Lessee's Name	effective date	Termination date	any renewal term or extension available
Lease Agreement, dated February 01, 2018	1140 Interstate 10 N. Beaumont, TX 77702 (Jefferson County)	JHMH REALTY, LLC - BEAUMONT SERIES *(Owner & Landlord)*	Singleton Assets & Operations, LLC *(Tenant)*	02/01/2018	01/31/2033	two 5-year extensions
Commercial Lease Agreement, dated July 24, 2014	15096 Interstate 45 S. Conroe, TX 77384 (Montgomery County)	Sing Properties, LLC *(Owner & Landlord)*	Singleton Assets & Operations, LLC *(Tenant)*	08/01/2014	07/31/2029	NONE
Commercial Lease Agreement, dated October 13, 2016	801 S. Interstate 45 Conroe, TX 77301 (Montgomery County)	Gene & Betty Wolf *(Owner & Landlord)*	Singleton Assets & Operations, LLC *(Tenant)*	11/01/2016	11/30/2022	one 5-year extensions
Commercial Lease Agreement, dated February 1, 2018	1107 Interstate 45 S. Conroe, TX 77301 & 300 Austin Road Conroe, TX 77301 (Montgomery County)	JHMH REALTY, LLC - CONROE SERIES *(Owner & Landlord)*	Singleton Assets & Operations, LLC *(Tenant)*	02/01/2018	01/31/2033	two 5-year extensions
Commercial Lease Agreement, dated February 2, 2015	1219 Interstate 45 S. Conroe, TX 77301 (Montgomery County)	Ben Perdue *(Owner & Landlord)*	Texas Marine of Houston, Inc. *(Tenant)*	04/01/2015	03/31/2020	NONE
Assignment, Assumption & Landlord Consent, dated February 2, 2015	*SAME AS ABOVE*	Texas Marine of Houston, Inc *(Assignor)*	Singleton Assets & Operations, LLC *(Assignee)*	SAME	SAME	NONE
Commercial Lease Agreement, dated February 1, 2018	319 Post Oak Dr. Conroe, TX 77301 (Montgomery County)	Pine Ridge Apartments, LLC *(Owner & Landlord)*	Singleton Assets & Operations, LLC *(Tenant)*	02/01/2018	10/01/2022	NONE
Commercial Real Property Lease, dated December 14, 2018	118 Lavilla Road Graford, TX 76449 (Palo Pinto County)	Martin Properties, LLC *(Owner & Landlord)*	Singleton Assets & Operations, LLC *(Tenant)*	12/01/2018	12/01/2033	two 5-year extensions

Each agreement listed herein above is in full force and effect and the Credit Parties do not have Knowledge of any default that has occurred and is continuing thereunder, and each such agreement constitutes the legally valid and binding obligation of each applicable Credit Party, enforceable against such Credit Party in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or limiting creditors' rights generally or by equitable principles.

SCHEDULE 4.13(c)

Intellectual Property

The following is a complete and accurate list of all the Credit Parties' Registered Intellectual Property:

Copyrights.
NONE

Copyright Licenses.
NONE

Patents.
NONE

Patent Licenses.
NONE

Trademarks.
United States Trademark Registration
Mark: LEGENDARY MARINE
Reg. No.: 4,695, 167 (Classes 35, 37 and 39)
Registrant: Legendary Marine, LLC

Trademark Licenses.
NONE

Trade Secret Licenses.
NONE

Intellectual Property Exceptions.
NONE

SCHEDULE 4.16

Material Contracts

High Value Agreements. The following are all the contracts or arrangements with any counterparty or its Affiliates from which Holdings and its Subsidiaries, on an aggregate basis for all contracts with such counterparty or any of its Affiliates, have received or are anticipated to receive earnings in excess of 2.5% of Consolidated Adjusted EBITDA on an annual basis:

None.

Material Brands. The following are all the contracts with a boat manufacturer constituting a Material Brand:

1. Axis Wake Research 2019 My Dealer Agreement, dated July 16, 2018, by and among Singleton Assets & Operations, LLC (d/b/a Singleton Marine Group) and Malibu Boats, LLC related to locations in Georgia

2. Axis Wake Research 2019 My Dealer Agreement, dated July 16, 2018, by and among Singleton Assets & Operations, LLC (d/b/a Blue Creek Marina) and Malibu Boats, LLC related to locations in Alabama and Georgia

3. Axis Wake Research 2019 My Dealer Agreement, dated July 16, 2018, by and among Singleton Assets & Operations, LLC (d/b/a SMG Wake of Houston) and Malibu Boats, LLC related to locations in Texas

4. Dealer Agreement, dated July 16, 2017, by and between Chris-Craft Corporation and Midwest Assets and Operations, LLC (d/b/a Grande Yachts)

5. Dealer Agreement, dated July 18, 2017, by and between Chris-Craft Corporation and Legendary Assets and Operations, LLC (d/b/a Legendary Marine)

6. Dealer Agreement, dated July 18, 2017, by and between Chris-Craft Corporation and Singleton Assets and Operations, LLC (d/b/a Singleton Marine)

7. Dealer Agreement, dated March 15, 2018, by and between Chris-Craft Corporation and South Shore Assets and Operations, LLC (d/b/a South Shore Marine)

8. Sales and Service Agreement, dated July 1, 2017, by and between Cobalt Boats, LLC and Legendary Assets & Operations, LLC

9. Sales and Service Agreement, dated July 1, 2017, by and between Cobalt Boats, LLC and Singleton Assets & Operations, LLC

10. Sales and Service Agreement, dated July 1, 2017, by and between Cobalt Boats, LLC and South Florida Assets & Operations, LLC (d/b/a Sundance Marina)

11. Dealer Agreement, dated 2017, by and between South Florida Assets and Operations, LLC and R.J. Dougherty Associates, Inc. (Everglades)

12. Dealer Agreement, dated 2017, by and between Legendary Assets and Operations, LLC and R.J. Dougherty Associates, Inc. (Everglades) related to locations in Alabama

13. Dealer Agreement, dated 2017, by and between Legendary Assets and Operations, LLC and R.J. Dougherty Associates, Inc. (Everglades) related to locations in Florida

14. Sales and Service Agreement, dated September 1, 2017, by and between Brunswick Leisure Boat Company, LLC and Singleton Assets & Operations, LLC

15. Malibu Boats 2019 My Dealer Agreement, dated July 16, 2018, by and among Singleton Assets & Operations, LLC (d/b/a Singleton Marine Group) and Malibu Boats, LLC related to locations in Georgia

16. Malibu Boats 2019 My Dealer Agreement, dated July 16, 2018, by and among Singleton Assets & Operations, LLC (d/b/a Blue Creek Marina) and Malibu Boats, LLC related to locations in Alabama and Georgia

17. Malibu Boats 2019 My Dealer Agreement, dated July 16, 2018, by and among Singleton Assets & Operations, LLC (d/b/a SMG Wake of Houston) and Malibu Boats, LLC related to locations in Texas

Schedule 4.16

SCHEDULE 4.20

Employee Benefit Plans

[Attached]

Schedule 4.20

SCHEDULE 5.15(a)

Consumer Compliance Action Items

[Attached]

SCHEDULE 5.16

Environmental Obligations

To be updated on or before the Proposed Acquisition Date.

SCHEDULE 5.17

Post-Closing Matters

1. **Allatoona Real Estate Matters**. On or prior to May 31, 2019 (or such later date as agreed upon by Agent in its sole discretion), with respect to the Property (as defined in the Limited Consent and Fourteenth Amendment to Credit and Guaranty Agreement dated as of April 8, 2019 (the "**Allatoona Consent**")), the Credit Parties shall deliver any and all real estate items previously requested or required to be delivered pursuant to Section 1(d) of the Allatoona Consent, Section 5.11 of the Credit Agreement and Section 5.16 of the Credit Agreement, in each case, that were not delivered at or prior to the Proposed Acquisition Effective Date (as defined in the Allatoona Consent) including, without limitation, (i) recorded copies of the limited warranty deed and the deed to secure debt, together with all other documents and fees required by Chicago Title Insurance Company to issue owner's and loan polices of title insurance and (ii) a new or updated survey sufficient to cause Chicago Title Insurance Company to issue new policies, or endorsements to existing policies providing for extended coverage and removal of the survey exception, in the case of each clause (i) and clause (ii), satisfactory to the Agent.

2. **Other Outstanding Real Estate Matters**. On or prior to May 31, 2019 (or such later date as agreed upon by Agent in its sole discretion), the Credit Parties shall delivery any and all real estate items previously requested or required to be delivered pursuant to Section 5.11, Section 5.16 and Section 5.17 of the Credit Agreement or under any other relevant provision of any other Credit Document, in each case, that were not delivered at or prior to the date hereof.

SCHEDULE 6.1

Certain Indebtedness

[Attached]

Schedule 6.1

SCHEDULE 6.2

Certain Liens

[Attached]

SCHEDULE 6.7

Certain Investments

[Attached]

SCHEDULE 6.12

Certain Affiliate Transactions

1. LMI Priority Distribution (as defined in the Holdings LLC Agreement) due to LMI Holding, LLC ("LMI Preference")

2. Holdings and its Subsidiaries do not have employment or similar agreements with any of its Affiliates or Insiders, with all such relevant Persons employed on an at-will basis. The aggregate annual employment compensation for the top 3 officers is set forth below:

Austin Singleton - $220,000.04 *(plus the other benefits identified below)*
Anthony Aisquith - $523,972.28 *(plus the other benefits identified below)*
Scott Cunningham - $250,000.00 + 4% LAO pretax bottom line net income *(plus the other benefits below)*

3. Holdings and/or its Subsidiaries provide the following executives with leased automobiles for their business use, at the corresponding aggregate cost per annum:

Austin Singleton - approx. $20,000
Anthony Aisquith - approx. $17,500
Scott Cunningham - approx. $12,000

4. Executive officers are afforded discounts with respect to purchase, service and/or storage such that the executive officers can purchase at cost.

5. Payment to Managers for service on the Board of Holdings, as set forth on Schedule II of the Holdings LLC Agreement.

6. Monthly payments of $40,000 to Austin Singleton are consideration of his personal guaranty required by Wells Fargo in connection with the inventory finance agreements (i.e., the floorplan facilities) managed by Wells Fargo Commercial Distribution Finance, LLC and Brunswick Acceptance Company, LLC.

7. Holdings and/or its Subsidiaries have made loans to certain Members in an aggregate amount equal to $1,568,000, with $1,500,000 of such loans being repaid at Closing.

8. Members or Managers are allowed to buy boats for their personal recreational use at cost.

9. Executive officers, Members and/or Managers are allowed to use demo boats for personal recreational purposes so long as such use does not interfere with the operation of the business of Holdings and its Subsidiaries.

10. The LYC Marina Management Agreement, dated August 1, 2014 (the "Marina Management Agreement"), was revoked and replaced by the Service Cost Share Agreement, dated October 1, 2014 (the "Service Cost Share Agreement"). No payments were ever made pursuant to the Marina Management Agreement before such was revoked and replaced by the Service Cost Share Agreement.

11. The monthly payments made to Cobalt Boats of Atlanta, LLC pursuant to the Master Fleet Lease Agreement, dated as of July 24, 2014, are in the following amounts and can be sourced to the corresponding vehicles and equipment:

	Year & Make	Model	VIN or Serial No.	Payment
1	2013 Dodge	Ram 1500	1CRR6KT5DS595078	543.55
2	2014 Dodge	Ram 1500	1C6RR6FT7ES278611	361.63
3	2013 Dodge	Ram 1500	1C6RR6KT2DS573278	487.95
4	2014 Dodge	Ram 1500	1C6RR6FT5ES129422	500.28
5	2014 Dodge	Ram 1500	1C6RR6FT3ES129421	509.14
6	2012 Dodge	Ram	1C6RD6FTXCS193998	515.41
7	2012 Dodge	Ram	1C6RDKTXCS259407	529.22
8	2012 Dodge	Ram	1C6RD7LT3CS258037	599.03
9	2014 Dodge	Ram	3C6UR4CL2EG160010	627.62
10	2014 Dodge	Ram 2500	3CUR4CL5G262319	634.53
11	2014 Dodge	Ram 2500	3C6UR5CL7EG190013	799.40
12	2012 Dodge	Ram 2500	3C6TD4CL5CG163491	831.41
13	*Unit originally included in the Fleet Lease but now removed*			*-0.00*
14	*Unit originally included in the Fleet Lease but now removed*			*-0.00*
15	2014 Audi	Q7 *(CUNNINGHAM)*	WA1WMAFE4ED007728	1,100.01
16	*Unit originally included in the Fleet Lease but now removed*			*-0.00*
17	2014 Land Rover	Range Rover (*AISQUITH*)	SALG2EF2EA135931	1,454.00
18	*Unit originally included in the Fleet Lease but now removed*			*-0.00*
19	*Unit originally included in the Fleet Lease but now removed*			*-0.00*
20	2014 Dodge		1C6RR6FTXES441591	485.40
21	2007 Chevy	C3500	1GCHC24K37E536097	1.00
22	2008 Ford	F150	1FTPW14V29FB51987	1.00
23	2007 Chevy	C2500	1GCHC23D27F159744	1.00
24	2007 Chevy	C2500	1GCHC29U47E166210	1.00
25	Int'l Truck			1.00
26	Int'l Truck		1HSZDGFR1HH501025	1.00
27	1985 Int'l		1HSLRUXN5FHA46469	1.00
28	2005 Ford	F550	1FDAW56P55EB32861	1.00
29	2003 Chevy	Express Van	1GCFG15X431200119	1.00
30	Various	Trucks/Trailers	PBD purchase	1.00
31	Trailer	PDB Trailer	1HU1NA135D1000417	1.00
32	Trailer	Houston Trailer	1L01A5322K1087135	1.00
33	2003 Ford	LGT	1FTRF17W13NB23836	1.00
34	Golf Cart	Buford GA	none	1.00
35	wakeshop trailer	7x14 enclosed trailer		1.00
36	CBOA Service Trailer		1ZEAEVG33A011149	1.00
37	CBOA Service Trailer		404PT242871004112	1.00
38	CBOA Service Trailer		1N9BB31317B171540	1.00
39	CBOA Service Trailer		4J2BDTU2981096762	1.00
40	CBOA Service Trailer		404TB252161001485	1.00
41	CBOA Service Trailer		4J2BDPY1X91098188	1.00
42	Hoosier Pontoon Boat Trailer w/ Jack		1HU1NA439E1000711	1.00
43	YC Golf Cart		AG0646-705208	1.00
44	EZ Go Gas Power Golf Cart w/Dump Bed		1600565	1.00
	TOTAL MONTHLY LEASE PAYMENTS			10,002.58
	TOTAL MONTHLY TAXES PAID TO TEXAS			157.34
	TOTAL MONTHLY TAXES PAID TO GEORGIA			477.94
	GRAND TOTAL MONTHLY PAYMENT			10,637.86

12. Lease payments to Legendary Marine Alabama, LLC, as the o*wner and landlord* of 3977 Highway 59 S. Gulf Shores, AL 36542, pursuant to that Lease, dated August 1, 2014, subject to its Addendum No. 1 dated July 1, 2015, between said owner/landlord and One Water Marine Holdings, LLC (f/k/a Gale Force Marine Holdings, LLC). That lease was later validly assigned to and assumed by Legendary Assets & Operations, LLC, pursuant to that Assignment and Assumption of Lease, dated October 1, 2014.

13. Lease payments to 3829 Thomas Drive, LLC, as *landlord of* 3829 Thomas Drive Panama City, FL 32408, pursuant to that Lease, dated April 1, 2017, between said landlord and Legendary Assets & Operations, LLC.

14. Lease payments to 4009 Thomas Drive, LLC, as *landlord of* 4009 Thomas Drive Panama City, FL 32408, pursuant to that Lease, dated April 1, 2017, between said landlord and Legendary Assets & Operations, LLC.

15. Lease payments to LYC Destin, LLC, as the o*wner and landlord of* 4601 Legendary Marina Drive Destin, FL 32541, pursuant to that Lease, dated August 1, 2014, between said owner/landlord and One Water Marine Holdings, LLC (f/k/a Gale Force Marine Holdings, LLC). That lease was later validly assigned to and assumed by Legendary Assets & Operations, LLC, pursuant to that Assignment and Assumption of Lease, dated October 1, 2014.

16. No sublease payments are made to LMI FWB, LLC, as sublandlord of 14 Miracle Strip Pkwy Ft. Walton Beach, FL 32541, because the Uplands Lease, dated February 21, 2014, was validly assigned to Legendary Assets & Operations, LLC, pursuant to the assignment thereof dated October 1, 2014.

17. Lease payments to WillAnn, LLC, as the o*wner and landlord of* 486 Parker Creek Marina Rd. Equality, AL 36026, pursuant to that Commercial Lease Agreement, dated July 24, 2014, between said owner/landlord and Singleton Assets & Operations, LLC.

18. Lease payments to WillAnn, LLC, as the o*wner and landlord of* 7280 Highway 49 S. Dadeville, AL 36853, pursuant to that Commercial Lease Agreement, dated July 24, 2014, between said owner/landlord and Singleton Assets & Operations, LLC.

19. *Lease payments to* AnnWill, LLC, as the *owner and landlord of* 5529 Lanier Islands Pkwy. Buford, GA 30518, pursuant to that Commercial Lease Agreement, dated July 24, 2014, between said owner/landlord and Singleton Assets & Operations, LLC.

20. *Lease payments to* Linda C. Singleton, LLC, as the o*wner and landlord of* 6275 Lanier Islands Pkwy Buford, GA 30518, pursuant to that Commercial Lease Agreement, dated July 24, 2014, between said owner/landlord and Singleton Assets & Operations, LLC.

21. Lease payment to Blue Creek Marina, LLC, as o*wner and landlord* of 3149 Shoreland Dr. Buford, GA 30518, pursuant to that Commercial Lease Agreement, dated July 24, 2014, between said owner/landlord and Singleton Assets & Operations, LLC.

22. No sublease payments are made to Blue Creek Marina, LLC, as sublandlord of 6900 Lanier Islands Pkwy Buford, GA 30518, because the Lease Agreement, dated January 25, 2010, was validly assigned to Singleton Assets & Operations, LLC, pursuant to the assignment thereof dated October 1, 2014.

23. Lease payments to Sing Properties, LLC, as o*wner and landlord* of 45 Bartlett Ferry Road Fortson, GA 31808, and 45 Bonnie Drive Fortson, GA 31808, pursuant to that Commercial Lease Agreement, dated May 1, 2014, between said owner/landlord and Singleton Assets & Operations, LLC.

24. Lease payments to North Keowee Land, LLC, as o*wner and landlord* of 15597 North Highway 11 Salem, SC 29676, pursuant to that Commercial Lease Agreement, dated July 24, 2014, between said owner/landlord and Singleton Assets & Operations, LLC.

25. Sublease payments to North Keowee Land, LLC, as s*ublandlord* of 1520 N. Stemmons Fwy Lewisville, TX 75067, pursuant to that Sublease Agreement, dated October 31, 2011, between said sublandlord and Cobalt Boats of Atlanta, LLC.

26. Sublease payments to Cobalt Boats of Atlanta, LLC, as sub-sublandlord of 1520 N. Stemmons Fwy Lewisville, TX 75067, pursuant to that Sub-Sublease Agreement, dated September 26, 2014, between said sub-sublandlord and Singleton Assets & Operations, LLC.

27. Lease payments to Sing Properties, LLC, as *owner and landlord* of 15096 Interstate 45 S. Conroe, TX 77384, pursuant to that Commercial Lease Agreement, dated July 24, 2014, between said owner/landlord and Singleton Assets & Operations, LLC.

28. Restricted Unit Agreement with Keith Style, dated July 4, 2015, pursuant to which Style received Non-Voting Common Units (and not any other Equity Interests of Holdings or any of its Subsidiaries)

29. Restricted Unit Agreement with Mike Gold, dated January 1, 2016, pursuant to which Gold received Non-Voting Common Units (and not any other Equity Interests of Holdings or any of its Subsidiaries)

30. The Company permits third parties to manage restaurants at the Lake Harding and Parker Creek Marina in the ordinary course of business on arm's length terms.

31. Holdings and its Subsidiaries are permitted to use the domain boatsforsale.com, which is owned by Phillip Austin Singleton, Jr., Michael Smith, Cindy Thompson and Anthony Aisquith.

32. Incentive Unit Agreement with Keith Style, dated March 1, 2017, pursuant to which Holdings granted 2,500 unvested Inventive Units to Keith Style.

33. The First Amended and Restated Limited Liability Company Agreement of South Shore Lake Erie Assets & Operations, LLC grants to Thomas W. Mack a 25% non-voting interest in such, pursuant to the terms of the Assets Purchase Agreement, dated August 1, 2017.

34. Lease payment to Three Seasons Partners, LLC, as o*wner and landlord* of 1611 Sawmill Parkway Huron, OH 44839, pursuant to that Lease Agreement, dated August 1, 2017, between said owner/landlord and South Shore Lake Erie Assets & Operations, LLC.

35. Incentive Unit Agreement with Scott Cunningham, dated October 1, 2017, pursuant to which Holdings granted 419 unvested Class B Inventive Units to Scott Cunningham.

36. Incentive Unit Agreement with David Witty, dated October 1, 2017, pursuant to which Holdings granted 419 unvested Class B Inventive Units to David Witty.

37. Incentive Unit Agreement with Donald Drummonds, dated October 1, 2017, pursuant to which Holdings granted 419 unvested Class B Inventive Units to Donald Drummonds

38. Incentive Unit Agreement with Alan Giddens, dated October 1, 2017, pursuant to which Holdings granted 262 unvested Class B Inventive Units to Alan Giddens.

39. Incentive Unit Agreement with Jack Ezzell, dated February 19, 2018, pursuant to which Holdings granted 1,010 unvested Class B Inventive Units to Jack Ezzell.

40. The First Amended and Restated Limited Liability Company Agreement of Bosun's Assets & Operations, LLC grants to Timothy W. Leedham a 25% non-voting interest in such, pursuant to the terms of the Assets Purchase Agreement, dated June 1, 2018.

41. Lease payment to T & C NOMINEE TRUST u/d/t dated September 22, 2010, as o*wner and landlord* of 0 Falmouth Rd. Mashpee, MA 02649, 100 Falmouth Rd. Mashpee, MA 02649 and 17 Bowdoin Rd. Mashpee, MA 02649, pursuant to that Lease Agreement, dated June 1, 2018, between said owner/landlord and Bosun's Assets & Operations, LLC.

42. Lease payment to BOSUN'S NEWBURY NOMINEE TRUST u/d/t dated August 2, 2006, as o*wner and landlord* of 205 Newbury St. Peabody, MA 01960 and 207 Newbury St. Peabody, MA 01960, pursuant to that Lease Agreement, dated June 1, 2018, between said owner/landlord and Bosun's Assets & Operations, LLC.

43. Lease payment to R & G REALTY TRUST u/d/t dated December 6, 2011, as o*wner and landlord* of 1209 E. Falmouth Hwy. East Falmouth, MA 02536, pursuant to that Lease Agreement, dated June 1, 2018, between said owner/landlord and Bosun's Assets & Operations, LLC.

44. Slip rental payment to SHOESTRING BAY NOMINEE TRUST u/d/t dated December 12, 2001, as o*wner and landlord* of 21 Frog Pond Close Mashpee, MA 02649, pursuant to that Lease Agreement, dated June 1, 2018, between said owner/landlord and Bosun's Assets & Operations, LLC.

EXHIBIT C

FORM OF COMPLIANCE CERTIFICATE

_____, 20___

THE UNDERSIGNED HEREBY CERTIFIES AS FOLLOWS:

1. I am the Chief Financial Officer of each of **ONE WATER ASSETS & OPERATIONS, LLC**, a Delaware limited liability company, **SINGLETON ASSETS & OPERATIONS, LLC**, a Georgia limited liability company, **LEGENDARY ASSETS & OPERATIONS, LLC**, a Florida limited liability company, **SOUTH FLORIDA ASSETS & OPERATIONS, LLC**, a Florida limited liability company, **SUNDANCE LAUDERDALE REALTY, INC.**, a Florida corporation, **MIDWEST ASSETS & OPERATIONS, LLC**, a Delaware limited liability company, and **SOUTH SHORE LAKE ERIE ASSETS & OPERATIONS, LLC**, a Delaware limited liability company (each a "Company", and collectively, the "Companies") and **ONE WATER MARINE HOLDINGS, LLC**, a Delaware limited liability company ("Holdings").

2. I have reviewed the terms of that certain Credit and Guaranty Agreement, dated as of October 28, 2016 (as amended, restated, replaced, supplemented or otherwise modified from time to time, the "Credit Agreement"; the terms defined therein and not otherwise defined herein being used herein as therein defined), by and among the Companies, Holdings, as Guarantor, the Lenders party thereto from time to time, and **GOLDMAN SACHS SPECIALTY LENDING GROUP, L.P.**, as Administrative Agent (together with its successors and assigns in such capacity, "Administrative Agent") and Collateral Agent (together with its successors and assigns in such capacity, "Collateral Agent"), and I have made, or have caused to be made under my supervision, a review in reasonable detail of the transactions and condition of Holdings and its Subsidiaries during the accounting period covered by the attached financial statements. This Compliance Certificate (this "Certificate"), together with the computations set forth in the Annex A hereto and the financial statements delivered with this Certificate in support hereof, are being executed and delivered on the date hereof pursuant to Section 5.1(d) of the Credit Agreement.

3. The examination described in paragraph 2 above did not disclose, and I have no Knowledge of, the existence of any condition or event which constitutes an Event of Default or Default during or at the end of the accounting period covered by the attached financial statements or as of the date of this Certificate, except as set forth in a separate attachment, if any, to this Certificate, describing in detail, the nature of the condition or event, the period during which it has existed and the action which Holdings and its Subsidiaries have taken, are taking, or propose to take with respect to each such condition or event.

4. The financial statements attached hereto fairly present, in all material respects, the financial condition of Holdings and its Subsidiaries as at the dates indicated and the results of their operations and their cash flows for the periods indicated, subject to changes resulting from audit and normal year-end adjustments.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

This Certificate is made and delivered as of the date first written above.

ONE WATER ASSETS & OPERATIONS, LLC
SINGLETON ASSETS & OPERATIONS, LLC
LEGENDARY ASSETS & OPERATIONS, LLC
SOUTH FLORIDA ASSETS & OPERATIONS, LLC
SUNDANCE LAUDERDALE REALTY, INC.
MIDWEST ASSETS & OPERATIONS, LLC
SOUTH SHORE LAKE ERIE ASSETS & OPERATIONS, LLC
ONE WATER MARINE HOLDINGS, LLC

By: _____
Name:
Title: Chief Financial Officer

[Signature Page to Compliance Certificate]

ANNEX A

[See attached.]

EXHIBIT C

CONFORMED
THROUGH FOURTH AMENDMENT TO FOURTH AMENDED AND RESTATED INVENTORY FINANCING AGREEMENT DATED AS OF APRIL 5, 2019

Disclaimer: This Conformed Execution Copy was prepared only for the convenience of the parties and is not itself a legally binding agreement. In the event of any inconsistencies between (a) the executed Credit Agreement and the subsequently executed amendments thereto, and (b) this Conformed Execution Copy, the executed Credit Agreement and amendments shall control.

FOURTH AMENDED AND RESTATED INVENTORY FINANCING AGREEMENT

[CDF]

This Fourth Amended and Restated Inventory Financing Agreement (as from time to time amended and together with any Transaction Statements, as hereinafter defined, this "***Agreement***"), dated as of June 14, 2018, is among the persons listed in the section of this Agreement entitled "List of Dealers" (each, individually, a "***Dealer***" and collectively, the "***Dealers***"), Wells Fargo Commercial Distribution Finance, LLC (in its individual capacity, "***CDF***") as Agent (CDF, in such capacity as agent, is herein referred to as "***Agent***") for the several financial institutions that may from time to time become party to this Agreement (collectively, the "***Lenders***" and individually each a "***Lender***") and for itself as a Lender, and such Lenders.

RECITALS

(a) Certain of Dealers and CDF entered into that certain Third Amended and Restated Inventory Financing Agreement, dated as of August 2, 2017, as modified and amended from time to time, along with all addendums thereto, all Transaction Statements, as defined therein, and all program letters, and all other documents, instruments and agreements of every type or nature issued under, in connection with, or pursuant to such Third Amended and Restated Inventory Financing Agreement (collectively the "***Existing IFA***").

(b) Dealers and CDF desire to enter into this Agreement to amend and restate the Existing IFA and to set forth the terms and conditions of CDF's financing of certain inventory.

NOW, THEREFORE, the parties agree to amend and restate the Existing IFA as follows:

1. Definitions.

"***AAA***" shall have the meaning set forth in Section 27(b) hereof.

"***Advance Date***" shall have the meaning set forth in Section 2(b) hereof.

"***Affiliate***" means any Person that: (a) directly or indirectly controls, is controlled by or is under common control any other Person, (b) directly or indirectly owns 5% or more of any other Person, (c) is a director, partner, manager, or officer of any other Person or an affiliate of any other Person, or (d) any natural person related to any such Person or an affiliate of such Person.

"***Agent Companies***" shall have the meaning set forth in Section 27(a) hereof

"***Agent Report***" shall have the meaning assigned to it in Section 21(e)(iii).

"***Aggregate Allocations***" means the aggregate amount of all Lenders' Allocations from time to time.

"***Aggregate Excess Funding Amount***" of a Non-Funding Lender shall be the aggregate amount of all unpaid obligations owing by such Lender to Agent and other Lenders under the Loan Documents, including such Lender's Ratable Share of Loans.

"***Allocation***" means, with respect to each Lender, the amount set forth opposite such Lender's name on Schedule 1, under the heading "Allocation", as such amount by be reduced or increased from time to time in accordance with this Agreement.

"***Approval***" means Agent's indication to a Vendor that the Lenders will provide financing to Dealers with respect to a particular Invoice or Invoices

"***Approval Date***" shall have the meaning set forth in Section 2(b) hereof.

"***Assignment***" means an assignment agreement entered into by a Lender, as assignor, and any Person, as assignee, pursuant to the terms and provisions of Section 20 (with the consent of any party whose consent is required by Section 20), accepted by Agent.

"***Automatic Default***" shall have the meaning set forth in Section 13 hereof.

"***BAO***" means Bosun's Assets & Operations, LLC, a Delaware limited liability company.

"***BAO Operating Agreement***" means that certain First Amended and Restated Limited Liability Company Agreement of BAO dated effective as of June 1, 2018, as it exists on the date hereof.

"***Beekman***" means OWM BIP Investor, LLC and its successors and assigns.

"***BMI***" means Bosun's Marine, Inc., a Massachusetts corporation.

"***BMI Stock***" means the 25% of the Capital Securities of BAO owned by BMI as of the date hereof, as such percentage interest may be reduced in accordance with the BAO Operating Agreement.

"***BMI Subordination Agreement***" means that certain Subordination Agreement between Agent, Subordinated Creditors (as defined therein) and acknowledged and accepted by BAO and Parent, dated as of the date hereof (as it may be amended, restated, supplemented or otherwise modified from time to time).

"***Business Day***" shall have the meaning set forth in Section 10(a) hereof.

"***Capital Expenditures***" means all expenditures which, in accordance with GAAP, would be required to be capitalized and shown on the consolidated balance sheet of Holdings including expenditures in respect of capital leases and capitalized software, but excluding expenditures made in connection with the replacement, substitution or restoration of assets to the extent financed (a) from insurance proceeds (or other similar recoveries) paid on account of the loss of or damage to the assets being replaced or restored or (b) with awards of compensation arising from the taking by eminent domain or condemnation of the assets being replaced.

"***Capital Lease***" means, as applied to any Person, any lease of any property (whether real, personal or mixed) by that Person (a) as lessee that, in conformity with GAAP, is or should be accounted for as a capital lease on the balance sheet of that Person or (b) as lessee which is a transaction of a type commonly known as a "synthetic lease" (i.e., a transaction that is treated as an operating lease for accounting purposes but with respect to which payments of rent are intended as payments of principal and interest on a loan for Federal income tax purposes).

"Capital Securities" means, with respect to any Person, all shares, interests, participations or other equivalents (however designated, whether voting or non-voting) of such Person's capital, whether now outstanding or issued or acquired after the date of this Agreement, including common shares, preferred shares, membership interests in a limited liability company, limited or general partnership interests in a partnership, interests in a trust, interests in other unincorporated organizations or any other equivalent of such ownership interest.

"***Change in Control***" means shall mean each occurrence of any of the following:

(a) One Water Ventures, LLC and LMI Holding, LLC, collectively, shall cease beneficially and of record to own and control, directly or indirectly, at least 51% of the aggregate outstanding voting or economic power of the Holdings' Capital Securities after giving effect to any dilution in connection with an exercise of the Purchase Warrant;

(b) during any period of two consecutive years, individuals who at the beginning of such period constituted the Board of Managers of Holdings (or its direct or indirect ultimate parent holding company) (together with any new Managers whose election by such Board of Managers or whose nomination for election by the holders of the Capital Securities interests of Holdings (or its direct or indirect ultimate parent holding company) was approved by a vote of at least a majority of the Board of Managers of Holdings (or its direct or indirect ultimate parent holding company) then still in office who were either directors at the beginning of such period, or whose election or nomination for election was previously approved) cease for any reason to constitute a majority of the Board of Managers of Holdings (or its direct or indirect ultimate parent holding company);

(c) Holdings shall cease to have beneficial ownership (as defined in Rule 13d-3 under the Exchange Act of 1934, as amended) of: (i) 100% of the aggregate voting or economic power of the Capital Securities of each Dealer, other than SSAO, and each of such Dealer's Subsidiaries; or (ii) 75% on a fully diluted basis of the economic interest or 100% on a fully diluted basis of the voting interest of the Capital Securities of SSAO and each of its Subsidiaries, provided that foregoing clauses (i) and (ii) are subject to the rights of GS and Beekman with respect to the Preferred Stock;

(d) Philip A. Singleton shall cease to be involved in the day to day operations and management of the business of the Dealers, and successors reasonably acceptable to Agent are not appointed on terms reasonably acceptable to Agent within 60 days of such cessation of involvement;

(e) Thomas Mack shall cease to beneficially own and control all of the Mack Stock, unless acquired by Parent; or

(f) BMI shall cease to beneficially own and control all of the BMI Stock, unless acquired by Parent.

"***Charges***" shall have the meaning set forth in Section 11(a) hereof.

"***Collateral***" shall have the meaning set forth in Section 5(c) hereof.

"***Collections***" mean all monies that Agent receives from a Dealer or other sources (other than Lenders) on account of the Obligations.

"***Computation Period***" means any Quarterly Computation Period or Monthly Computation Period, as applicable.

"***Consolidated Net Income***" means, with respect to the Dealers for any period, the consolidated net income (or loss) of Holdings for such period, excluding (i) any gains or losses from dispositions of assets, (ii) any extraordinary gains or losses, (iii) any gains or losses from discontinued operations, (iv) the income of any Person (other than a direct or indirect Subsidiary of Holdings) in which Holdings or any of its Subsidiaries has an ownership interest, except to the extent that any such income is actually received by Holdings or such Subsidiary in the form of dividends or similar distributions, (v) the undistributed earnings of any direct or indirect Subsidiary of Holdings to the extent that the declaration of payment of dividends or similar distributions by such Subsidiary is not at the time permitted by the terms of any contractual obligation, governing document or law applicable to such Subsidiary, and (vi) the income or loss of any direct or indirect Subsidiary of Holdings which is not a Dealer or Guarantor.

"***Credit Facility Agent***" means GSSLG in its capacity as "Administrative Agent" and "Collateral Agent" under the Credit Facility Agreement, together with its successors and assigns in such capacity.

"***Credit Facility Agreement***" means that certain Credit and Guaranty Agreement dated as of October 28, 2016, between Credit Facility Agent, Holdings, Dealers, and the lenders party thereto, as amended, restated, supplemented, or otherwise modified from time to time in accordance with the Intercreditor Agreement.

"***Credit Facility Collateral***" shall have the meaning set forth in Section 5(d) hereof.

"***Daily Interest***" means, with respect to a Lender, for each calendar day of each calendar month, the product of: (A) the outstanding principal amount of Outstandings that are actually funded by Lender pursuant to this Agreement, multiplied by (B) the applicable interest rate set forth in Section 2(a)(iii) of this Agreement.

"***Daily Rate***" shall have the meaning set forth in Section 11(a) hereof.

"***Dealer Affiliate***" means any Affiliate of a Dealer.

"***Dealer Representative***" shall have the meaning set forth in Section 28(b) hereof.

"*Default*" shall have the meaning set forth in Section 13 hereof.

"*Default Rate*" shall have the meaning set forth in Section 11(a) hereof.

"***Disputes***" shall have the meaning set forth in Section 27(a) hereof.

"***EBITDA***" means, for any period, Consolidated Net Income for such period plus:

(a) to the extent added or deducted in determining such Consolidated Net Income, Interest Expense, Income Tax Expense, depreciation and amortization, in each case for such period less any non-recurring income or expenses, including, without limitation, any non-cash income or expenses related to the valuation of the Purchase Warrants, and

(b) (i) for the Quarterly Computation Period ending December 31, 2018, an amount equal to $2,732,000;

(ii) for the Quarterly Computation Period ending on March 31, 2019, an amount equal to $4,227,000;

(iii) for the Quarterly Computation Period ending on June 30, 2019, an amount equal to $1,567,000; and

(iv) for the Quarterly Computation Period ending on September 30, 2019, an amount equal to $803,000;

(v) for the Quarterly Computation Period ending on December 31, 2019, an amount equal to $229,000; and

(vi) for all Quarterly Computation Periods thereafter, an amount equal to $0.

(c) For all purposes, EBITDA attributable to (i) SSAO shall be reduced by a percentage equal to the percentage interest the Mack Stock represents in SSAO, and (ii) BAO shall be reduced by a percentage equal to the percentage interest the BMI Stock represents in BAO.

"***Eligible Collateral***" shall have the meaning set forth in Section 3(a) hereof.

"***FAA***" shall have the meaning set forth in Section 27(a) hereof.

"***Fees and Terms***" shall have the meaning set forth in Section 12(b) hereof.

"***Fixed Charge Coverage Ratio***" means, for any Computation Period, the ratio of (a) the total for such period of EBITDA minus the sum of (i) Income Tax Expense and distributions made to allow holders of equity (including holders of any warrants) to pay income taxes based on the earnings of the Person making such distributions plus (ii) all unfinanced Capital Expenditures to (b) the sum for such period of (i) cash Interest Expense plus, (ii) required payments of principal with respect to Indebtedness consisting of borrowed money or pursuant to a writing evidencing a monetary obligation, plus (iii) preferred dividends paid in cash, plus (iv) management fees paid in cash, plus (v) payments made in respect of any subordinated debt not otherwise included in (b)(i), (b)(ii), b(iii), or b(iv) above but specifically excluding payments made in connection with any redemption of the Preferred Stock.

"***Free Floor Period***" shall have the meaning set forth in Section 11(a) hereof.

"***Funded Debt to EBITDA Ratio***" means, for any Computation Period, a ratio of:

(a) the total for such period of

(i) Total Funded Debt as of the last day of such Computation Period, minus

(ii) the lesser of (1) Subordinated Acquisition Indebtedness existing as of the last day of such Computation Period, or (2) $9,000,000.00, to

(b) EBITDA for such Computation Period.

"***GAAP***" means generally accepted accounting principles.

"***GS***" means Goldman Sachs & Co. LLC and its successors and assigns.

"***GSSLG***" means Goldman Sachs Specialty Lending Group, L.P., a Delaware limited partnership.

"***Guarantor***" shall have the meaning set forth in Section 13 hereof.

"***Holdings***" means One Water Marine Holdings, LLC, a Delaware limited liability company.

"***Holdings Company Agreement***" means that certain Second Amended & Restated Limited Liability Company Agreement of Holdings dated as of October 28, 2016.

"***Income Tax Expense***" means income taxes paid or payable in cash by Holdings and any of its Subsidiaries.

"***Indebtedness***" of any Person means, without duplication, (a) all indebtedness of such Person for borrowed money, (b) all indebtedness evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person as lessee under capital leases which have been or should be recorded as liabilities on a balance sheet of such Person in accordance with GAAP, (d) all obligations of such Person to pay the deferred purchase price of property or services (excluding (i) trade accounts payable in the ordinary course of business and compensation or bonus arrangements with persons who are employees or independent contractors of a person, (ii) any obligation under this Agreement or any other inventory financing agreement among Dealers and CDF, and (iii) any obligation under the TCF Agreement), (e) all indebtedness secured by a Lien on the property of such Person, whether or not such indebtedness shall have been assumed by such Person; provided that if such Person has not assumed or otherwise become liable for such indebtedness, such indebtedness shall be measured at the fair market value of such property securing such indebtedness at the time of determination, (f) all obligations, contingent or otherwise, with respect to the face amount of all letters of credit (whether or not drawn), bankers' acceptances and similar obligations issued for the account of such Person, (g) all hedging obligations of such Person, (h) all contingent liabilities of such Person, (i) all debt of any partnership of which such Person is a general partner, (j) all non-compete payment obligations, earn-outs and similar obligations and (k) any Capital Securities or other equity instrument, whether or not mandatorily redeemable, that under GAAP is characterized as debt, whether pursuant to financial accounting standards board issuance No. 150 or otherwise.

"***Intellectual Property***" shall mean any intellectual property (including, without limitation, all copyrights, copyright licenses, patents, patent licenses, trademarks, trademark licenses, trade secrets and trade secret licenses).

"***Intercreditor Agreement***" shall mean that certain Intercreditor Agreement and among CDF and Credit Facility Agent dated as of October 28, 2016, as amended, restated, supplemented, or otherwise modified from time to time.

"***Interest Expense***" means for any period the consolidated interest expense of Holdings for such period (including all imputed interest on capital leases).

"***Intervening Default***" shall have the meaning set forth in Section 2(b) hereof.

"***Inventory***" means all of Dealers' presently owned and hereafter acquired goods which are held for sale or lease.

"***Invoice***" means any invoice issued by a Vendor related to an Approval.

"***Law***" means, with respect to any Person, the common law and any federal, state, local, foreign, multinational or international laws, statutes, codes, treaties, standards, rules and regulations, guidelines, ordinances, orders, judgments, writs, injunctions, decrees (including administrative or judicial precedents or authorities) and the interpretation or administration thereof by, and other determinations, directives, requirements or requests of, any governmental authority, in each case whether or not having the force of law and that are applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"***Lender Affiliate***" means the Affiliate of a Lender.

"***Lender Credit***" shall have the meaning set forth in Section 4(a) hereof.

"***Lender Rate***" means the "Dealer Rate" as set forth in that certain Fourth Amended and Restated Wholesale Marine Products Finance Program dated as of the date hereof.

"***Liens***" shall have the meaning set forth in Section 7(a) hereof.

"***Loan***" means an extension of credit to or on behalf of one or more Dealers by Agent and Lenders under and pursuant to this Agreement.

"***Loan Document***" means this Agreement, any Program Terms Letter or Transaction Statement entered into pursuant to this Agreement, and all documents delivered to Agent and/or any Lender in connection with any of the foregoing.

"***Mack Stock***" means the 25% of the Capital Securities of SSAO owned by Thomas W. Mack as of the date hereof, as such percentage interest may be reduced in accordance with the SSAO Operating Agreement.

"***Mack Subordination Agreement***" means that certain Subordination Agreement between Agent, Subordinated Creditors (as defined therein) and acknowledged and accepted by SSAO and Parent, dated as of August 2, 2017 (as it may be amended, restated, supplemented or otherwise modified from time to time).

"***Monthly Computation Period***" means each period of twelve consecutive months ending on the last day of a month.

"***Monthly Interest***" means, with respect to each Lender, for each calendar month, the sum of the Daily Interest for each calendar day of such calendar month.

"***Net Cash Flow After Taxes***" means EBITDA minus Income Tax Expense and distributions made to allow holders of equity (including holders of any warrants) to pay income taxes based on the earnings of the Person making such distributions.

"***Non-Funding Lender***" means any Lender that has (a) failed to fund any payments required to be made by it under the Loan Documents within two (2) Business Days after any such payment is due (excluding expense and similar reimbursements that are subject to good faith disputes), (b) given written notice (and Agent has not received a revocation in writing), to Agent, any Lender, or Dealer, or has otherwise publicly announced (and Agent has not received notice of a public retraction) that such Lender believes it will fail to fund payments required to be funded by it under the Loan Documents or (c) (or any Person that directly or indirectly controls such Lender has), (i) become subject to a voluntary or involuntary case under the Federal Bankruptcy Reform Act of 1978, or any similar bankruptcy laws, (ii) a custodian, conservator, receiver or similar official appointed for it or any substantial part of such Person's assets, or (iii) made a general assignment for the benefit of creditors, been liquidated, or otherwise been adjudicated as, or determined by any governmental authority having regulatory authority over such Person or its assets to be, insolvent or bankrupt, and for this clause (iii), Agent has determined that such Lender is reasonably likely to fail to fund any payments required to be made by it under the Loan Documents.

"***Obligations***" shall have the meaning set forth in Section 5(e) hereof.

"***Open Approval***" means any Approval for which CDF has not financed an Invoice for the inventory subject thereto.

"***Other Lenders***" shall have the meaning set forth in Section 2(d) hereof.

"***Outstandings***" means, at any time, an amount equal to the aggregate unpaid amount of all Invoices which have been financed by Agent on behalf of Dealers.

"***PAS***" shall have the meaning set forth in Section 10(a) hereof.

"***Parent***" mean One Water Assets & Operations, LLC, a Delaware limited liability company, which owns 100% of the Capital Securities of each other Dealer and each of its Subsidiaries.

"***Parent Company Agreement***" means that certain First Amended & Restated Limited Liability Company Agreement of Parent dated as of October 28, 2016, as amended by that certain Amendment to First Amended and Restated Limited Liability Company Agreement dated as of September 30, 2017.

"***Permitted Acquisition***" means an acquisition by Holdings or any of its Subsidiaries of the assets or ownership interest of any other Person which is presented to Agent prior to execution and approved by Agent in its sole discretion.

"***Permitted Indebtedness***" means:

(a) any Indebtedness owing under the Credit Facility Agreement in an aggregate principal amount at any time outstanding not to exceed $55,000,000.00; provided, however, this limit shall not include Indebtedness that is payable in-kind;

(b) Indebtedness incurred in the ordinary course of business under statutory and appeal bonds; and

(c) Indebtedness owed to any Person providing property, casualty, liability, or other insurance to the Dealers, so long as the amount of such Indebtedness is not in excess of the amount of the unpaid cost of, and shall be incurred only to defer the cost of, such insurance for the year in which such Indebtedness is incurred and such Indebtedness is outstanding only during such year.

"***Permitted Locations***" shall have the meaning set forth in Section 6 hereof.

"***Permitted Restricted Payment***" means a Restricted Payment made by Holdings and any of its Subsidiaries:

(a) (i) in the form of a dividend or distribution to holders of Holdings's Capital Securities;

(ii) during the period beginning on the date in which Dealers' audited financial statements are delivered to Agent under and pursuant to Section 9(a) of this Agreement and ending on the date which is thirty (30) days following such date;

(iii) which is in an aggregate amount not exceeding 50% of the consolidated Net Cash Flow After Taxes for the Dealers' preceding fiscal year, and

(iv) provided that no Default has occurred or would occur as a result of such payment;

(b) in connection with any exercise of the Purchase Warrant; provided, however, such exercise shall be limited to an issuance of Holdings's Capital Securities and shall not include the payment of any cash by Holdings under or pursuant to the Purchase Warrant unless Holdings delivers to Agent:

(i) a certificate (in form and content acceptable to Agent) certifying that no Default exists before or, on a pro-forma basis, immediately after giving effect to such exercise and for the 12 months immediately following such exercise (based on the projections in clause (ii) below); and

(ii) financial projections for Holdings and all of its Subsidiaries for the 12 months immediately following such exercise;

(c) in the form of tax distributions made to allow holders of equity (including holders of any warrants) to pay income taxes based on the earnings of the Person making such distributions so long as:

(i) such distributions are made in accordance with Holdings Company Agreement as the same exists as of October 28, 2016;

(ii) no Dealer has failed to pay any Obligations when due and no remittance for any Obligations has been dishonored when first presented for payment, in each case that has not been cured or waived;

(iii) no payment default exists or is continuing under the Credit Facility Agreement that has not been cured or waived;

(iv) as of the end of the immediately preceding Quarterly Computation Period, Holdings and its Subsidiaries shall have a Funded Debt to EBITDA Ratio of equal to or less than 2.00 : 1.00; and

(v) as of the end of the immediately preceding Quarterly Computation Period, Holdings and its Subsidiaries shall have a Fixed Charge Coverage Ratio of 1.35 : 1.00 or higher;

(d) in the form of distributions and/or redemptions by Parent with respect to Preferred Stock subject to the limitations set forth in the Subordination Agreement;

(e) in the form of cash payments by Holdings to the holders of the Purchase Warrants so long as:

(i) such cash is derived by Holdings solely from the proceeds from the issuance of Holdings's Capital Securities; and

(ii) such cash payments do not exceed the amount of the proceeds of such issuance;

(f) in the form of fees payable to GS and Beekman under the Credit Facility Agreement and the other "Credit Documents" referred to therein and closing fees under the documents relating to the Preferred Stock and the Purchase Warrant, including $465,000 of deferred closing fees payable in quarterly instalments during 2017;

(g) in the form of legal and financial services fees and other out-of-pocket costs payable to third parties in connection with the Purchase Warrant and the Preferred Stock so long as such fees and costs do not exceed $100,000 per fiscal year;

(h) in the form of distributions, redemptions or other payments that are made among Holdings and any of its Subsidiaries;

(i) in the form of scheduled principal and interest payments with respect to any subordinated debt as expressly permitted under a subordination agreement in favor of, and in form and content acceptable to, Agent; and

(j) in the form of distributions or any other payments made to Thomas Mack pursuant to the SSAO Operating Agreement, provided, however, that no Default has occurred or would occur as a result of such distribution or payment.

"***Person***" means any individual, partnership, corporation (including a business trust and a public benefit corporation), joint stock company, estate, association, firm, enterprise, trust, limited liability company, unincorporated association, joint venture and any other entity or governmental authority.

"***Preferred Stock***" means those certain preferred units of Parent issued to GS and Beekman on or about October 28, 2016.

"***Principal***" shall have the meaning set forth in Section 28(b) hereof.

"***Program Terms Letters***" shall have the meaning set forth in Section 4(a) hereof.

"***Purchase Warrant***" means those certain Purchase Warrants for Common Units dated as of October 28, 2016, by Holdings for the benefit of the Holders (as defined therein).

"***Quarterly Computation Period***" means each period of four consecutive fiscal quarters ending on the last day of a fiscal quarter.

"***Ratable Share***" means, with respect to each Lender, the percentage equal, from time to time, to such Lender's Allocation divided by the Aggregate Allocations, as such percentage is set forth opposite such Lender's name on Schedule 1, under the heading "Ratable Share".

"***Related Persons***" means, with respect to any Person, each Affiliate of such Person and each director, officer, employee, agent, trustee, representative, attorney, accountant and each insurance, environmental, legal, financial and other advisor (including those retained in connection with the satisfaction or attempted satisfaction of any condition precedent to the execution this Agreement) and other consultants and agents of or to such Person or any of its Affiliates.

"***Rental Contracts***" shall have the meaning set forth in Section 3(a) hereof.

"***Rental Units***" shall have the meaning set forth in Section 3(a) hereof.

"***Replacement Lender***" shall have the meaning set forth in Section 2(d) hereto.

"***Required Lenders***" shall mean Lender's whose combined Ratable Share exceeds 50%.

"***Restricted Payment***" means (a) any distribution including, without limitation, dividends, to any holders of any Dealer's or any Guarantor's Capital Securities, (b) any purchase or redemption of any Dealer's or any Guarantor's Capital Securities, (c) any payment of management fees, transaction-based fees or similar fees to any of its Capital Securities holders or any Dealer Affiliate (including, without limitation, any fees under any management agreement), (d) make any redemption, prepayment (whether mandatory or optional), defeasance, repurchase or any other payment in respect of any subordinated debt except as expressly permitted under a subordination agreement in favor of, and in form and content acceptable to, Agent, or (e) set aside funds for any of the foregoing.

"***Sale***" shall have the meaning set forth in Section 20(b) hereof.

"***sale out of trust***" or "***SOT***" shall have the meaning set forth in Section 10(b) hereof.

"***Settlement Date***" means (a) August 9, 2017, and each Wednesday thereafter that this Agreement is in effect or, if such Wednesday is not a Business Day, the next succeeding Business Day, or (b) any other Business Day selected by Agent in its reasonable discretion.

"***SPP***" shall have the meaning set forth in Section 10(a) hereof.

"***SPV***" means any special purpose funding vehicle identified as such in a writing by any Lender to Agent.

"**SSAO**" means South Shore Lake Erie Assets & Operations, LLC.

"SSAO Operating Agreement" means that certain First Amended and Restated Limited Liability Company Agreement for South Shore Lake Erie Assets & Operations, LLC, in existence as of the date hereof.

"***Subordinated Acquisition Indebtedness***" means Indebtedness incurred, created, assumed, or guaranteed by Holdings or any of its Subsidiaries that is junior and subordinate in all respects to the Obligations under this Agreement under and pursuant to an agreement which is satisfactory to Agent in its sole and absolute discretion.

"***Subordination Agreement***" means that certain Subordination Agreement dated as of October 28, 2016, by and between the CDF and Subordinated Creditors thereto, as amended, restated, supplemented, or otherwise modified from time to time.

"***Subsidiary***" means, with respect to any Person, a corporation, partnership, limited liability company or other entity of which such Person owns, directly or indirectly, such number of outstanding Capital Securities as have more than 50% of the ordinary voting power for the election of directors or other managers of such corporation, partnership, limited liability company or other entity. Unless the context otherwise requires, each reference to Subsidiaries herein shall be a reference to all direct and indirect Subsidiaries of Holdings.

"***TCF Agreement***" means that certain Inventory Security Agreement dated as of June 19, 2015, by and between Singleton Assets & Operations, Holdings, and TCF Inventory Finance, Inc.

"***Total Funded Debt***" means all Indebtedness of Holdings and its Subsidiaries, determined on a consolidated basis, excluding (a) contingent obligations in respect of contingent liabilities (except to the extent constituting (i) contingent liabilities in respect of Indebtedness of a Person other than any Dealer, or (ii) contingent liabilities in respect of undrawn letters of credit), (b) hedging obligations, (c) Indebtedness of Holdings to Subsidiaries and Indebtedness of Subsidiaries to Holdings or to other Subsidiaries, and (d) Preferred Stock; provided, that Total Funded Debt specifically includes any "Unpaid Amount" following a "Redemption Failure" as such terms are defined in the Parent Company Agreement (provided that at no time shall "Redemption Failure" be modified to occur sooner than as set forth in the Parent Company Agreement as in effect as of October 28, 2016).

"***Transaction Statement***" shall have the meaning set forth in Section 4(a) hereof.

"***UCC***" shall have the meaning set forth in Section 13 hereof.

"***USA&M***" shall have the meaning set forth in Section 27(b) hereof.

"***Vendor Contracts***" shall mean contracts with an original equipment manufacturer that supplies any Dealer; provided that Vendor Contracts specifically excludes Vendor Credits.

"***Vendor Credits***" shall have the meaning set forth in Section 5(f) hereof.

"***Vendors***" shall have the meaning set forth in Section 2 hereof.

2. Extensions of Credit.

(a) Advances. Subject to the terms of this Agreement, the Lenders severally and not jointly may provide Loans in an amount equal to each such Lender's Ratable Share of such Loan to any one or more Dealers from time to time to enable such Dealer or Dealers to purchase inventory from Agent approved vendors ("***Vendors***") and for other purposes. No Loan will be made to the extent such Loan would cause any Lender to have outstanding Loans in a principal amount in excess of such Lender's Allocation nor will any Loan be made which would cause the principal amount of all Loans outstanding to exceed the Aggregate Allocations. (For the avoidance of doubt, neither the Aggregate Allocation nor each Lender's Allocation shall constitute a commitment by the Agent or any Lender to advance the amount of the Aggregate Allocation or such Allocation to the Dealers.) If the aggregate principal amount of Loans outstanding at any time exceeds the Aggregate Allocations, Dealers shall immediately pay such excess to the Agent for the benefit of the Lenders. The decision to advance funds is at the discretion of the Agent. Without limiting the discretionary nature of this credit facility, Agent may, without notice to Dealer, elect not to finance any inventory sold by particular Vendors. All advances and other transactions hereunder are for business purposes and not for personal, family, household or any other consumer purposes.

(b) Payments by the Lenders to Agent; Settlement.

(i) Each Lender shall have the obligation to fund its Ratable Share of a Loan upon issuance by CDF of an Approval. Lenders acknowledge and agree that: (A) CDF typically issues Approvals on a date (each, an "***Approval Date***") prior to the date CDF is required actually to fund the Loan (each, an "***Advance Date***") that is based on such Approval, (B) once an Approval has been issued, and the Vendor receiving such Approval shall have shipped its product based thereon, CDF may deem itself obligated to fund the related Loan on the Advance Date, notwithstanding any Automatic Default or other Default that may arise on or prior to an Approval Date (each, an "***Intervening Default***"), and (C) each Lender shall be obligated to fully fund in cash such Lender's Ratable Share in any Loans which derive from all Approvals issued by CDF in good faith, as well as any Open Approvals based thereon, notwithstanding any Intervening Default.

(ii) On each Settlement Date on or before 2:00 p.m. central time, Agent shall deliver notice to each Lender of the amount of Loans Lender has funded and such Lender's Ratable Share multiplied by Outstandings, and: (A) if the amount of Loans Lender has funded is less than Lender's Ratable Share multiplied by the Outstandings calculated as of such Settlement Date, then Lender shall remit such deficiency to Agent (on behalf of CDF) by 5:00 p.m. central time on the Business Day immediately following such Settlement Date, and (B) if the amount of Loans Lender has funded is more than Lender's Ratable Share multiplied by the Outstandings calculated as of such Settlement Date, then Agent (on behalf of CDF) will remit such excess to such Lender by 5:00 p.m. central time on the Business Day immediately following such Settlement Date. Each payment due to Agent or Lenders will be paid in immediately available funds according to the electronic transfer instructions set forth on Schedule 2 attached hereto, and, if not timely paid in accordance with this Agreement, will bear interest until paid at a rate per annum equal to the Lender Rate. If CDF is acting as Agent, it shall be deemed to have paid its deficiency or received its excess as set forth above on each Settlement Date. Each Lender hereby waives any right it may now or in the future have to set-off its obligation to make any payment to CDF or Agent under this Agreement against any obligation of CDF or Agent to such Lender, whether under this Agreement or any other agreement between CDF and such Lender or Agent and such Lender.

(iii) The amount of Loans each Lender has funded shall bear interest at the Lender Rate, as such rate may change pursuant to the terms of the applicable Program Terms Letter. Interest will be computed on the basis of a 360-day year and assess for the actual number of days elapsed. Provided Lender is not a Non-Funding Lender, then the amount of Monthly Interest, if any, payable to Lender, less any administration fees due to Agent pursuant to any fee letter between Agent and Lender, shall be distributed by Agent to Lender monthly in arrears on the latter of: (A) the fifteenth (15th) day of the applicable month, or if the fifteenth (15th) is not a Business Day, the next succeeding Business Day, or (B) within five (5) Business Days after Agent's receipt thereof from Dealers. To the extent that Lender is entitled to receive interest income in excess of the Monthly Interest, if such additional interest has not previously been distributed to Lender, then Lender shall be entitled to receive an additional payment from Agent equivalent to Lender's Ratable Share of such interest income. Any amounts due to Lender for income in excess of the Monthly Interest shall be reflected and paid with Monthly Interest as set forth above. Lenders acknowledge and agree that the rate of return paid on any Loan is dependent on numerous factors, including discounts and subsidies offered by Vendors. Application of any Collections received by Agent as interest in cash or good collected funds representing payment of interest on the Loans may result in the payment of interest to Lender in excess of the rate set forth in this subsection.

(c) Return of Payments.

(i) If Agent pays an amount to a Lender under this Agreement in the belief or expectation that a related payment has been or will be received by Agent from the Dealers and such related payment is not received by Agent, then Agent will be entitled to recover such amount from such Lender on demand without setoff, counterclaim or deduction of any kind.

(ii) If Agent determines at any time that any amount received by Agent under this Agreement or any other Loan Document must be returned to Dealers or paid to any Vendor or any to other Person pursuant to any insolvency law or otherwise, then, notwithstanding any other term or condition of this Agreement or any other Loan Document, Agent will not be required to distribute any portion thereof to any Lender. In addition, each Lender will repay to Agent on demand any portion of such amount that Agent has distributed to such Lender, together with interest at such rate, if any, as Agent is required to pay to any Dealer or such other Person, without setoff, counterclaim or deduction of any kind, and Agent will be entitled to set-off against future distributions to such Lender any such amounts (with interest) that are not repaid on demand.

(d) Non-Funding Lenders; Replacement of Lenders.

(i) Non-Funding Lenders.

(1) Responsibility. The failure of any Non-Funding Lender to make any Loan or any payment required by it under any Loan Document on the date specified therefor shall not relieve any other Lender (each such other Lender, an "***Other Lender***") of its obligations to make such Loan or make any other such required payment on such date, and neither Agent nor, other than as expressly set forth herein, any Other Lender shall be responsible for the failure of any Non-Funding Lender to make a Loan or make any other required payment under any Loan Document.

(2) Voting Rights. Notwithstanding anything set forth herein to the contrary, a Non-Funding Lender shall not have any voting or consent rights under or with respect to any Loan Document or constitute a "Lender" (or be, or have its Loans included in the determination of "Required Lenders") for any voting or consent rights under or with respect to any Loan Document, provided that (A) the Allocation of a Non-Funding Lender may not be increased, extended or reinstated, (B) the principal of a Non-Funding Lender's Loans may not be reduced or forgiven, and (C) the interest rate applicable to Obligations owing to a Non-Funding Lender may not be reduced in such a manner that by its terms affects such Non-Funding Lender more adversely than other Lenders, in each case without the consent of such Non-Funding Lender.

(3) Payments to a Non-Funding Lender. Agent shall be authorized to use all payments received by Agent for the benefit of any Non-Funding Lender pursuant to this Agreement to pay in full the Aggregate Excess Funding Amount to the appropriate Lenders. Following such payment in full of the Aggregate Excess Funding Amount, Agent shall be entitled to hold such funds as cash collateral in a non-interest bearing account up to an amount equal to such Non-Funding Lender's unfunded Allocation and to use such amount to pay such Non-Funding Lender's funding obligations hereunder until the Obligations are paid in full in cash and this Agreement terminated. Upon any such unfunded obligations owing by a Non-Funding Lender becoming due and payable, Agent shall be authorized to use such cash collateral to make such payment on behalf of such Non-Funding Lender. With respect to such Non-Funding Lender's failure to fund Loans, any amounts applied by Agent to satisfy such funding shortfalls shall be deemed to constitute a Loan and, if necessary to effectuate the foregoing, the proceeds of such Loans shall be applied to pay the unpaid principal of the Loans owing to the other Lenders until such time as the aggregate amount of the Loans are held by the Lenders in accordance with their Ratable Shares. Any amounts owing by a Non-Funding Lender to Agent which are not paid when due shall accrue interest at the interest rate applicable during such period to the Loans. In the event that Agent is holding cash collateral of a Non-Funding Lender that cures pursuant to

clause (iv) below or ceases to be a Non-Funding Lender pursuant to the definition of Non-Funding Lender, Agent shall return the unused portion of such cash collateral to such Lender.

(4) Cure. A Lender may cure its status as a Non-Funding Lender under clause (a) of the definition of Non-Funding Lender if such Lender (A) fully pays to Agent the Aggregate Excess Funding Amount, plus all interest due thereon and (B) timely funds the next Loan required to be funded by such Lender or makes the next reimbursement required to be made by such Lender. Any such cure shall not relieve any Lender from liability for breaching its contractual obligations hereunder.

(ii) Replacement of Lenders. Within forty-five (45) days after any failure by any Lender other than Agent or an Affiliate of Agent to consent to a requested amendment, waiver or modification to any Loan Document in which Required Lenders have already consented to such amendment, waiver or modification but the consent of each Lender (or each Lender directly affected thereby, as applicable) is required with respect thereto, Dealers may, at their option, notify Agent and such non-consenting Lender of Dealers' intention to obtain, at Dealers' expense, a replacement Lender ("***Replacement Lender***") for such non-consenting Lender, which Replacement Lender shall be reasonably satisfactory to Agent. In the event the Dealers obtain a Replacement Lender within sixty (60) days following notice of its intention to do so, such non-consenting Lender shall sell and assign its Loans and remaining Allocation to such Replacement Lender, at par, provided that the Dealers have reimbursed such non-consenting Lender for its costs for which it is entitled to reimbursement under this Agreement through the date of such sale and assignment. In the event that a replaced Lender does not execute an Assignment pursuant to Section 20(c) of this Agreement within five (5) Business Days after receipt by such replaced Lender of notice of replacement pursuant to this Section and presentation to such replaced Lender of an Assignment evidencing an assignment pursuant to this Section, the Dealers shall be entitled (but not obligated) to execute such an Assignment on behalf of such replaced Lender, and any such Assignment so executed by the Dealers, the Replacement Lender and Agent, shall be effective for purposes of this Section 2(d) and Section 20(c). Upon any such Assignment and payment and compliance with the other provisions of Section 20(c), such replaced Lender shall no longer constitute a "Lender" for purposes hereof; provided, any rights of such replaced Lender to indemnification hereunder shall survive."

3. Rental Financing.

(a) From time to time, Agent and Lenders may provide Dealers with financing for Collateral consisting of new marine units (including boats, motors or trailers) (the "***Eligible Collateral***"), which Dealer may rent or lease to Dealer's customers in the ordinary course of its business ("***Rental Units***"). Agent may decide (i) the amount of funds, if any, which Lenders will advance on Rental Units which Dealers may seek to acquire, and (ii) the length of and payments required under any rental contract and/or lease agreement pertaining to such Rental Units that Agent would permit to exist with respect to Rental Units which Agent, on behalf of the Lenders, agrees to provide financing for (all such rental contracts and lease agreements are hereinafter collectively referred to as "***Rental Contracts***"). In addition, Dealers may not undertake to rent or lease any Eligible Collateral without the prior written consent of Agent. Rental Units may only consist of Eligible Collateral which either: (a) was ordered specifically for the purpose of being a Rental Unit, or (b) was converted from stock inventory to rental inventory upon Agent's prior written consent.

(b) Rental Contracts. All Rental Contracts will: (i) be in a form satisfactory to Agent, and (ii) be transferable to Agent on behalf of the Lenders. Each Dealer warrants and represents to Agent and Lenders that all of the Rental Contracts and rental and lease activities will comply with all applicable laws. Dealers agree to indemnify Agent and Lenders against any loss or damage Agent or Lenders suffer, whether direct or indirect, resulting from or in any way arising out of Rental Contracts, or rental and lease activities, which fail to comply with all applicable laws. Dealers will reimburse Agent for any attorneys' fees which Agent incurs in having the Rental Contracts reviewed for compliance with applicable laws. Immediately upon execution of the same, all Rental Contracts will be effectively collaterally assigned to Agent for the benefit of Lenders, and, immediately upon Agent's request, delivered to Agent together with any and all related documents. All Rental Contracts will contain, by way of a stamp or as a part of the preprinted rental contract or lease agreement form, the following legend directly below the customer's signature:

> "FOR VALUE RECEIVED, THIS AGREEMENT AND THE RELATED UNDERLYING RENTAL PROPERTY HAVE BEEN COLLATERALLY ASSIGNED TO WELLS FARGO COMMERCIAL DISTRIBUTION FINANCE, LLC, AS AGENT, AND THERE ARE NO DEFENSES AGAINST THE ASSIGNEE."

Immediately upon Agent's request, each Dealer will report to Agent all of the terms of any Rental Contract executed, the location of the Rental Unit, the date on which such Rental Unit is rented or leased, and the date on which such Rental Unit is to be returned to such Dealer. Each Dealer will also notify Agent, immediately upon Agent's request, of the termination of any Rental Contracts or any changes to such Rental Contracts. Dealers will not assign, sell, pledge, convey or by any other means transfer to any person, other than Agent for the benefit of Lenders, any Rental Contracts or chattel paper, without Agent's prior written consent. Dealers will instruct any person renting or leasing any Rental Unit regarding the proper use and care of such Rental Unit. Dealers will use such forms and agreements as may be reviewed and approved by Agent, if requested. Dealers will not, without Agent's prior written consent, enter into or execute any Rental Contract pursuant to which any Dealer rents or leases any Rental Unit for a period that exceeds seven (7) consecutive days, and will not enter into or execute any Rental Contract which contains an option to purchase or "rent-to-own," such Rental Unit; the purchase of any Collateral must be memorialized in a writing separate and apart from any Rental Contract and must not be subject to or dependent on the terms of any Rental Contract. If any Dealer breaches the terms of the immediately preceding sentence, such Dealer will immediately assign, transfer, and set-over to Agent for the benefit of Lenders, all of Dealer's right, title and interest in and to such Rental Contract, and will also give possession of such Rental Contract to Agent. In addition, in such event, in Agent's sole discretion, Agent may demand immediate payment in full of all indebtedness owed by any Dealer to Agent with respect to the Rental Unit.

4. Financing Terms.

(a) Agent, Lenders and Dealers agree to set forth in this Agreement only the general terms of the financing arrangement among Dealers, Agent and Lenders and certain contractual obligations related to this Agreement, shall be set forth in Program Terms Letters entered into by Dealers, Agent and any one or more Lenders from time to time (the "***Program Terms Letters***"), Transaction Statements (as defined below) or other Loan Documents or other agreements described herein. References to an "inventory financing agreement" in any Loan Document shall be deemed to refer to this Agreement. Agent, Lenders and Dealer hereby acknowledge that 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, Agent's and Lenders' floorplanning volume with Dealers and Vendor and other economic factors. Upon agreeing to finance an item of inventory for any Dealer, Agent, on behalf of the Lenders, will transmit, send or otherwise make available to such Dealer and Lenders 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. Dealers agree that a Dealer's failure to notify Agent 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 such Dealer shall constitute Dealers' (i) acceptance of all terms thereof, (ii) agreement that the Lenders are financing such inventory at Dealers' request, and (iii) agreement that such Transaction Statement will be incorporated herein by reference. If any Dealer objects to the terms of any Transaction Statement, Dealers will pay Agent for the benefit of Lenders for such inventory in accordance with the most recent terms for similar inventory to which Dealers have 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 Agent, or, if applicable, Lenders, and its rights under the termination provision contained herein. To the extent Vendor program subsidies are applicable to Dealers' financing program (each a "***Lender Credit***"), with respect to any Loan which Lenders make to a Vendor on behalf of a Dealer, Agent may apply against any such amount owed to Vendor any amount Agent (or CDF) for the benefit of Lenders are owed from such Vendor for any such Lender Credit; provided, however, in the event Vendor does not remit any such Lender Credit, Dealers agree to pay the full amount of such Lender Credit.

(b) Upon receipt by Agent of a request for a Loan under and pursuant to CDF's standard advance request procedures and the issuance of a Transaction Statement by Agent as set forth in Section 4(a) above, each Lender shall follow the funding procedures established by Agent, from time to time, and shall, as and when requested by Agent, advance funds to Agent to fund such Loan in amounts equal to such Lender's Ratable Share of such Loan.

(c) Applicable financial terms, curtailment schedule and maturity for each Rental Unit will be set forth on the applicable Transaction Statement. Unless otherwise provided on such Transaction Statement, if and when permitted under such Dealer's Rental Unit finance program, the principal balance, accrued interest and other charges will be due and payable when such Rental Unit is: (i) sold; (ii) transferred; (iii) rented or leased in a manner contrary to the provisions of this Agreement; (iv) otherwise disposed of; and (v) matured and the principal payment is due to Agent for the benefit of Lenders. Furthermore, if any Rental Unit is sold, stolen, destroyed, damaged, otherwise disposed of, or if payment is required under the terms of Agent's and Lenders' financing program, whichever occurs first, such Dealer will immediately pay Agent, for the benefit of Lenders, the full amount of Dealer's outstanding indebtedness owed to Lenders with respect to such Rental Unit.

5. Security Interest.

(a) Each Dealer hereby grants to Agent, as collateral agent for the Lenders, a security interest in all of the Collateral other than (i) equipment subject to purchase money security interests and (ii) Credit Facility Collateral as security for all Obligations.

(b) All Rental Units will be titled in accordance with all applicable laws and regulations. Each such certificate of title or other evidence of title shall show the first lien holder as "Wells Fargo Commercial Distribution Finance, LLC, as agent."

(c) "***Collateral***" means all of the following personal property of each Dealer, whether such property or Dealer's right, title or interest therein or thereto is now owned or existing or hereafter acquired or arising, and wherever located: all Accounts, Inventory, Equipment, other Goods (excluding Fixtures), General Intangibles (including without limitation, Payment Intangibles but excluding Intellectual Property and Vendor Contracts), Chattel Paper (whether tangible or electronic), Instruments (including without limitation, Promissory Notes), Commercial Tort Claims (excluding Commercial Tort Claims arising solely out of the Credit Facility Collateral), Securities Accounts, Deposit Accounts, Investment Property (other than the equity interests issued by Holdings and its Subsidiaries) and Documents and all Products and Proceeds of the foregoing; provided, however, that notwithstanding anything to the contrary in this definition or in any other Loan Document, the Collateral shall not include any of the following: (i) equipment subject to purchase money security interests and (ii) the Credit Facility Collateral. Without limiting the foregoing, the Collateral includes each Dealer's right to all Vendor Credits. Similarly, the Collateral includes, without limitation, all books and records, electronic or otherwise, which evidence or otherwise relate to any of the foregoing Collateral, and all computers, disks, tapes, media and other devices in which such records are stored. For purposes of this Section 5 only, capitalized terms used in this Section 5, which are not otherwise defined, shall have the meanings given to them in Article 9 of the New York Uniform Commercial Code.

(d) "***Credit Facility Collateral***" means (i) all equity interests issued by Holdings and its Subsidiaries, (ii) all of Holdings' and any of its Subsidiaries' real estate interests, whether fee or leasehold, and including all Fixtures, (iii) all of Holdings' and any of its Subsidiaries' Vendor Contracts, (iv) all of Holdings' and any of its Subsidiaries' Intellectual Property, (v) any and all products and Proceeds of the property described in this definition, including Cash Proceeds and insurance proceeds, and (vi) all books and records, electronic or otherwise, which evidence or otherwise relate to any of the foregoing Credit Facility Collateral, and all computers, disks, tapes, media and other devices in which such records are stored; provided, however, that notwithstanding anything to the contrary in this definition or in the Credit Facility Agreement (or any other document relating thereto or securing the obligations referenced therein) the Credit Facility Collateral shall not include any of the Collateral.

(e) "***Obligations***" means all indebtedness and other obligations of any nature whatsoever of each Dealer to Agent, Lenders and/or a Lender Affiliate, whether such indebtedness or other obligations arise under this Agreement or any other existing or future agreement between or among Agent and any one or more Dealers and/or any one or more Lenders and/or Lender Affiliates 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**.**

(f) "***Vendor Credits***" means all of each Dealer's rights to any price protection payments, rebates, discounts, credits, factory holdbacks, incentive payments and other amounts which at any time are due a Dealer from a Vendor.

6. Representations and Warranties. Each Dealer represents and warrants that at the time of execution of this Agreement and at the time of each approval and each advance hereunder: (a) such Dealer does not conduct business under any trade styles or trade names except as disclosed by such Dealer to Agent in writing and has all the necessary authority to enter into and perform this Agreement and such Dealer 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; (b) such Dealer will only keep Collateral at locations within the U.S. which have been disclosed to Agent 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 Agent ("***Permitted Locations***") (c) this Agreement correctly sets forth such Dealers' true legal name, the type of its organization (if not an individual), the state in which such Dealer is incorporated or otherwise organized, and such Dealers' organizational identification number, if any; (d) all information supplied by such Dealer to Agent and Lenders, including any financial, credit or accounting statements or application for credit, in connection with this Agreement is true, correct and complete; (e) such Dealer has good title to all Collateral; and (f) there are no actions or proceedings pending or threatened against such Dealer which might result in any material adverse change in such Dealers' financial or business condition.

7. Covenants.

(a) Until sold as permitted by this Agreement, each Dealer shall own all of its Collateral 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 Agent and Liens in favor of Credit Facility Agent; provided, however, that all Liens, from time to time, in favor of Credit Facility Agent shall be subject to the Intercreditor Agreement.

(b) Each Dealer will:

(i) keep all Collateral at Permitted Locations and keep all tangible Collateral safe and secure, in good order, repair and operating condition and insured as required herein;

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

(iii) permit Agent and its designees without notice, to inspect the Collateral during normal business hours and at any other time Agent deems desirable (and such Dealer hereby grants Agent and its designees an irrevocable license to enter such Dealer's business locations during normal business hours without notice to such Dealer to account for and inspect all Collateral and to examine and copy such Dealer's books and records related to the Collateral), and in connection with any inspection, provide Agent and its designees safe and secure access to the Collateral and comply with any request made by Agent or its designees to move the Collateral in order to provide such safe and secure access;

(iv) keep complete and accurate records of its business, including inventory, accounts and sales, and permit Agent and its designees to inspect and copy such records upon request;

(v) furnish Agent and Lenders with such additional information regarding the Collateral and such Dealer's business and financial condition as Agent or any Lender may from time to time reasonably request (including without limitation financial statements and projections more frequently than set forth below);

(vi) immediately notify Agent of any material adverse change in such Dealer's prospects, business, operations or condition (financial or otherwise) or in any Collateral;

(vii) execute (or cause any third party in possession of Collateral to execute) all documents Agent requests to perfect and maintain the security interest in the Collateral granted to Agent, pursuant to Section 21(a)(ii);

(viii) deliver to Agent immediately upon each request by Agent (and Agent may retain) each certificate of title or statement of origin issued for Collateral financed by any one or more Lenders;

(ix) 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 Agent with documentation evidencing the same;

(x) notify Agent of the commencement of any material legal proceedings against such Dealer or any Guarantor (as defined below);

(xi) comply with all laws, rules and regulations applicable to such Dealer, including without limitation, the USA PATRIOT ACT and all laws, rules and regulations relating to import or export controls or anti-money laundering;

(xii) maintain a system of accounting in accordance with generally accepted accounting principles and account records which contain such information in a format as may be requested by Agent; and

(xiii) take all steps reasonably requested by Agent to ensure that Agent's security interest in inventory at all times constitutes a perfected, first priority security interest in inventory and does not become subordinate to the security interests or claims of any Person.

(c) No Dealer will, without Agent's prior written consent:

(i) use (except for demonstration for sale), rent, lease, sell, transfer, consign, license or otherwise dispose of any Collateral except for sales of inventory at retail in the ordinary course of such Dealer's business;

(ii) sell or otherwise transfer Inventory to a Dealer Affiliate;

(iii) engage in any other material transaction not in the ordinary course of such Dealer's business;

(iv) 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, including without limitation any merger, consolidation, or restructure among or involving any Dealers and/or any Guarantors;

(v) change its name or conduct business under a trade style or trade name other than those disclosed by such Dealer to Agent in writing, without giving Agent at least thirty (30) days' prior written notice thereof;

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

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

(viii) finance on a secured basis with any Vendor or any third party the acquisition of Inventory, obtain inventory from third parties by consignment, or otherwise create, incur, assume or suffer to exist any Lien on any of such Dealer's assets other than Liens in favor of Credit Facility Agent which are subject to the Intercreditor Agreement; provided, however, Dealers may:

a. create, incur, assume or suffer to exist any Lien in the form of Capital Leases or securing purchase money Indebtedness solely for equipment, so long as any such Liens shall encumber only the equipment acquired with the proceeds of such Indebtedness or subject to such Capital Lease, as the case may be; and

b. create, incur, assume or suffer to exist any Lien in connection with the TCF Agreement, so long as:

i. any such Liens shall only encumber Inventory manufactured by BRP Inc. or one of its Subsidiaries which is financed pursuant to the TCF Agreement; and

ii. the outstanding balance under the TCF Agreement does not exceed $500,000; and

c. obtain inventory from third parties by consignment or otherwise create, incur, assume or suffer to exist any Lien pursuant to consignment agreements approved in writing by Agent in its sole discretion.

(ix) store inventory financed by Agent with any third party;

(x) merge or consolidate with another Person;

(xi) acquire the assets or ownership interest of any other Person other than in connection with a Permitted Acquisition;

(xii) enter into any transaction not in the ordinary course of business;

(xiii) guarantee or indemnify or otherwise become in any way liable with respect to the obligations of any Person (other than Permitted Indebtedness of Holdings or any of its Subsidiaries), except by endorsement of instruments or items of payment for deposit to the general account of such Dealer or which are transmitted or turned over to Agent for the benefit of Lenders, on account of the Obligations;

(xiv) redeem, retire, purchase or otherwise acquire, directly or indirectly, any of such Dealer's capital stock;

(xv) make any change in such Dealer's capital structure or in any of its business objectives or operations which might in any way adversely affect the ability of such Dealer to repay the Obligations;

(xvi) incur, create, assume, guarantee or suffer to exist, or otherwise become or remain liable with respect to, or permit any of its Subsidiaries to create, incur, guarantee or suffer to exist or otherwise become or remain liable with respect to, any Indebtedness other than Permitted Indebtedness;

(xvii) make any Restricted Payment which is not a Permitted Restricted Payment;

(xviii) enter into any transaction that results in a Change in Control;

(xix) move Collateral from stock inventory to rental inventory, other than as permitted under this Agreement;

(xx) move Collateral from rental inventory to stock inventory;

(xxi) rent or lease any Rental Unit contrary to the terms of this Agreement; or

(xxii) do business as a lessor of Rental Units without also doing business as a seller or reseller of new or used marine units under the same legal entity.

(d) Notwithstanding the provisions of Section 7(c)(ii) above, a Dealer may sell or otherwise transfer inventory to another Dealer who is a signatory to this Agreement. The parties agree that any such inventory that is sold or otherwise transferred at any time by one Dealer to another shall be and remain Collateral and shall continue to secure the Obligations.

(e) Financial Covenants. Dealer covenants and agrees that so long as any of the Indebtedness to Lenders remains outstanding or the Agreement remains in effect, even if no Indebtedness to Lenders is outstanding:

(i) Funded Debt to EBITDA Ratio. The Dealers shall not permit the Funded Debt to EBITDA Ratio of Holdings on a consolidated basis for any Quarterly Computation Period to exceed a ratio of 2.00 to 1.00.

(ii) Fixed Charge Coverage Ratio. The Dealers shall not permit the Fixed Charge Coverage Ratio of Holdings on a consolidated basis for any Quarterly Computation Period for which the last fiscal quarter ends in a period set forth below to be less than the ratio set forth opposite such period:

Period	Fixed Charge Coverage Ratio
All fiscal quarters occurring between The date hereof and September 30, 2018	2.00 : 1.00
All fiscal quarters occurring between October 1, 2018 and September 30, 2019	1.50 : 1.00
All fiscal quarters occurring after September 30, 2019	1.35 : 1.00

8. Insurance.

(a) All risk of loss, damage to or destruction of Collateral shall at all times be on Dealers. Each Dealer shall keep all of its tangible Collateral insured for full value against all insurable risks under policies delivered to Agent and issued by insurers satisfactory to Agent with loss payable to Agent on behalf of Lenders. Agent is to be provided with any written notice of cancellation or change in such policies within two (2) business days of the issuance of such notice. Agent is authorized, but not required, to act as attorney-in-fact for each Dealer in adjusting and settling any insurance claims under any such policy and in endorsing any checks or drafts drawn by insurers. Each Dealer shall promptly remit to Agent in the form received, with all necessary endorsements, all proceeds of such insurance which such Dealer may receive. Agent, at its election, shall either apply any proceeds of insurance it may receive toward payment of the Obligations or pay such proceeds to such Dealer or any other Dealer.

(b) [Reserved].

(c) In addition to Dealers' obligation to insure the Rental Units, Dealers will keep the Rental Units insured for their full insurable value under an "all risk" property insurance policy which includes rental insurance coverage in the minimum amount of $1,000,000.00, with a company acceptable to Agent, naming Agent as a lender loss-payee and containing standard lender's loss payable and termination provisions. Dealers will maintain liability insurance with an insurance carrier and in an amount satisfactory to Agent. Dealers will provide Agent with written evidence of such insurance coverage and Agent's loss-payee endorsement within thirty (30) days of delivery of any such Rental Unit to Dealers by a manufacturer.

9. Reporting.

(a) Financial Statements. Unless waived by Agent, each Dealer will deliver to Agent and, if such Lender requests, each requesting Lender, in a form satisfactory to Agent and any requesting Lenders: (i) within 20 days after the same are prepared, but in no event later than 120 days after the end of each fiscal year, an audited consolidated balance sheet of Holdings and consolidating balance sheets of Dealers as at the end of such year and the related consolidated and consolidating statements of income or operations, shareholders' equity and cash flows for such fiscal year, setting forth in comparative form the figures for the previous fiscal year, and accompanied by the report of a nationally recognized independent certified public accounting firm reasonably acceptable to Agent, and beginning in the fiscal year ending on September 30, 2017, approved by Agent in its sole and absolute discretion, which report shall (A) contain an unqualified opinion, stating that such consolidated financial statements present fairly in all material respects the financial position for the periods indicated in conformity with GAAP applied on a basis consistent with prior years and (B) not include any explanatory paragraph expressing substantial doubt as to going concern status of Dealers; (ii) beginning with the fiscal quarter ending on June 30, 2017, within 45 days after the end of each of Dealer's fiscal quarters, including each fourth fiscal quarter, a copy of the unaudited consolidated balance sheet of Holdings and consolidating balance sheets of Dealers, and the related consolidated and consolidating statements of income, shareholders' equity and cash flows for such quarter and for the period beginning with the first day of such fiscal year and ending on the last day of such quarter, together with a comparison with the corresponding period of the previous fiscal year and a comparison with the budget for such period of the current fiscal year, all certified on behalf of the Dealers by an appropriate officer of the Dealers as being complete and correct and fairly presenting, in all material respects, in accordance with GAAP, the financial position and the results of operations of Dealers, subject to normal year-end adjustments and absence of footnote disclosures; (iv) beginning after the fiscal month ending on May 31, 2017, within 30 days after the end of each Dealer's fiscal months, other than fiscal quarter-end, a copy of the unaudited balance sheets and profits and loss statements of Holdings and Dealers; and (v) as of the day of Dealers' fiscal year-end, Dealers' financial projections for the next fiscal year and income statement and balance sheet for such next fiscal year broken out by fiscal quarter on a consolidated basis. Dealers represent that all financial statements and information which have been or may hereafter be delivered by a Dealer are and will be correct and prepared in accordance with accepted accounting principles consistently applied, and there has been no material adverse change in the financial or business condition of any Dealer since the submission to Agent and each Lender of such financial statements, and Dealers acknowledge Agent's reliance thereon.

(b) Upon Agent's or any Lender's request, Dealers will immediately notify Agent and, if applicable, such Lender, orally and in writing of any and all Rental Contracts, sales, damage or other disposition regarding the Rental Units and all terms and details thereof. Monthly, or at such other intervals as Agent may determine, Dealers will provide Agent with a report, in a form and containing such detailed information as Agent may require, regarding Dealers' outstanding Rental Contracts. In addition, Dealers will report such other information relating to the Rental Contracts and Rental Units as Agent may require.

(c) Each Dealer, within 10 days of the end of each fiscal year, will provide a list of all locations where Collateral is or may be kept, including information as to whether the property is owned or leased, any Liens or other encumbrances on such property, and if leased, the name of the lessor, the lease term, and any other information Agent shall request. Notwithstanding the foregoing, for the fiscal year ending September 30, 2017, each Dealer shall provide the list required by the foregoing sentence, with all such information thereby required, on or before November 9, 2017. If any Collateral location is subject to a mortgage, deed of trust, or other Lien in favor of any Person other than Agent, except any Lien permitted by Section 7(a) of this Agreement, Dealers agree to promptly obtain an agreement from such Person, waiving such Person's Lien on the Collateral and providing Agent reasonable access thereto, in form and substance acceptable to Agent and duly executed and delivered by such Person.

(d) Dealers shall deliver to Agent annually on the same date the financial reports required by Section 9(a)(i) are delivered to Agent, organizational charts showing the ownership structure of Dealers and any Guarantor (other than Guarantors who are natural persons), in form and content satisfactory to Agent in its sole discretion. Dealers shall be deemed to represent and warrant that such organizational charts are true and correct in all respects, and such organization shall include all information so that such organizational charts are not misleading.

10. Payment Terms.

(a) Each Dealer will immediately pay to Agent for the benefit of Lenders, the principal amount of the Obligations owed by such Dealer on each item of Collateral financed by Lenders on the earliest occurrence of any of the following events: (i) when such Collateral is lost, stolen or damaged; (ii) for Collateral financed under any pay-as-sold ("***PAS***") terms, when such Collateral is sold, transferred, rented, leased, otherwise disposed of, unaccounted for, or its payment term has matured; (iii) for Collateral financed under any scheduled payment program ("***SPP***") terms, in strict accordance with the installment payment schedule; (iv) in strict accordance with any curtailment schedule for such Collateral; and (v) when otherwise required under the terms of this Agreement. The PAS, SPP and curtailment terms are or may be set forth in a Transaction Statement. Agent may apply: (1) payments to reduce finance charges first and then principal, regardless of a Dealer's instructions; and (2) principal payments to the oldest (earliest) invoice for Collateral financed by Lenders, but, in any event, all principal payments, may, in Agent'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.

(b) If Dealers (i) fail to immediately remit funds to Agent upon the maturity of Dealers' applicable payment terms with respect to such advance or upon the sale, transfer, rental, lease, loss, theft, damage, or other disposition of or inability to account for any inventory financed by Lenders for Debtor (a "***sale out of trust***" or "***SOT***") or (ii) are required to make immediate payment to Agent of any past due obligation discovered during any Collateral review, or at any other time, then Agent'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. Dealers will send all such payments to Agent as directed. The acceptance of payment by Agent described herein shall not constitute a waiver of any rights or remedies available to Agent for any Default of Dealers.

(c) Any Vendor Credit granted to a Dealer for any Collateral will not reduce the Obligations Dealers owe Lenders until Agent has received payment therefor as set as set forth below. Each Dealer will: (i) pay Agent even if any Collateral is defective or fails to conform to any warranties extended by any third party; and (ii) indemnify and hold Agent and each Lender harmless against all claims and defenses asserted by any buyer of any Collateral. Each Dealer waives all rights of setoff such Dealer may have against Agent or any Lender. No Dealer will assert against Agent or any Lender any claim or defense such Dealer may have against any Vendor and any such claims or defenses shall not affect Dealers' liabilities or obligations to Agent and Lenders.

(d) Any Loans which are not used to acquire 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 Dealers' Obligations to Agent, Dealers shall, at Agent's request, immediately pay Agent the amount necessary to reduce the sum of any outstanding advances with respect to inventory received by Dealers to an amount which does not exceed the aggregate invoice price to Dealers of the inventory in Dealers' possession which (i) is financed by any one or more Lenders, and (ii) in which Agent, for the benefit of Lenders has a perfected first priority lien.

(e) All payments due by any Dealer 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 such Dealer. Payment in any other form may delay processing or be returned to such Dealer, and may cause such Dealer to incur a late payment fee. Agent policy bars payment by cash or cash equivalents and any such payments will be declined; Agent 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, such Dealer's debt will remain outstanding and interest/fees permitted under such Dealer's agreement may accrue until acceptable payment is received. Agent will recognize and credit payments according to its payment recognition policies from time to time in effect, or as otherwise agreed. Information regarding Agent's payment recognition policy is available from Dealers' Agent representative, the Agent website, or will be communicated pursuant to Section 12(b) below.

11. Calculation of Charges.

(a) Dealers shall pay fees, charges and interest (collectively, "***Charges***") with respect to each advance in accordance with the Agreement. Dealer shall pay Agent its customary Charge for any check or other item which is returned unpaid to Agent. Unless otherwise provided in the Agreement, the following additional provisions shall be applicable to Charges: (i) any reference to "Prime Rate," "One month Libor," and/or "Three Month Libor" shall mean, for any calendar month, an interest rate (calculated on a 360-day year basis as set forth herein) equal to the highest "prime rate," "One month Libor," and/or "Three month Libor" rate, respectively, as published in the "Money Rates" column of The Wall Street Journal on the first Business Day of such month; if for any reason such rate is no longer published in The Wall Street Journal, Agent shall select such replacement index as Agent in its sole discretion determines most closely approximates such rate; (ii) all Charges shall be paid by Dealer monthly pursuant to the terms of the billing statement in which such Charges appear; (iii) interest on each advance and principal amount of the Obligations related thereto shall be computed for any period by dividing the interest rate provided in each applicable Transaction Statement by 360 (the quotient of which is herein referred to as the "***Daily Rate***"), and then multiplying the Daily Rate by either (A) the average principal balance outstanding during such period, or (B) the actual principal balance outstanding on each day during such period; (iv) interest on an advance shall begin to accrue on the Start Date, which shall be defined as the earlier of: (A) the invoice date referred to in the Vendor's invoice; or (B) the ship date referred to in the Vendor's invoice; or (C) the date any one or more Lenders make 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 inventory during the period between the Start Date and the end of the Free Floor Period (as defined below), then Dealers shall pay such interest to Agent on behalf of Lenders, on demand as if there were no Free Floor Period with respect to such inventory; (v) for the purpose of computing Charges, any payment will be credited pursuant to Agent's payment recognition policies, as in effect from time to time; (vi) advances or any part thereof not paid when due (and Charges not paid when due, at the option of Agent, shall become part of the principal amount of the Obligations and) shall bear interest at the Default Rate (as defined below); and (vii) all interest rates provided or referenced in Transaction Statements, including all references to base rate, prime rate and additions to base rate or prime rate, are provided and referenced on the basis of a 360-day year. The method of calculating interest provided in this Section 11(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. For purposes of this Agreement, the following definitions shall apply: "***Default Rate***" shall mean the default rate specified in a Dealer's financing program with any one or more Lenders, 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; "***Free Floor Period***" shall mean a period equal to the number of days during which a Vendor agrees to assume the cost of financing Collateral purchased by a Dealer by granting Agent a Lender Credit.

(b) Agent and Lenders intend 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, neither Agent nor any Lender shall ever 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 Agent or any Lender ever receives any amount which, if considered to be interest, would exceed the maximum amount permitted by law, Agent or such Lender will apply such excess amount to the reduction of the unpaid principal balance which any Dealer owes, and then will pay any remaining excess to such Dealer. In determining whether the interest paid or payable exceeds the highest lawful rate, Dealers, Agent and each 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. Each Dealer 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 any Dealer or Dealers pursuant to this Agreement and that are determined to be interest or in the nature of interest.

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

(a) Agent will transmit, send or otherwise make available to each Dealer a monthly billing statement identifying all charges due on such Dealer's account with pursuant to this Agreement. The charges specified on each billing statement will be (i) 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 Agent, and (ii) an account stated, unless Agent receives a Dealer's written objection thereto within fifteen (15) days after it is transmitted, sent or otherwise made available to such Dealer. If Agent does not receive, by the 25th day of any given month, payment of all charges accrued to a Dealer's account with any one or more Lenders during the immediately preceding month, Dealers will (to the extent allowed by law) pay Agent 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). Agent may adjust the billing statement at any time to conform to applicable law and this Agreement.

(b) Agent may charge one or more fees in connection with the servicing and administration of a Dealer's account for its own account (and for the avoidance of doubt, Lenders other than CDF shall have no interest in any such fees). From time to time, Agent may provide written notice to Dealer of new or changed fees charged by Agent for its own account, 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, one or more Dealers or relating to one or more Dealer's accounts generally, or in connection with specific services or events, to be effective as of the notice date, or such other future effective date as Agent shall advise, with respect to existing Obligations owing by one or more Dealers to Agent and/or any one or more Lenders and/or to Obligations incurred or arising after such notice or future effective date, as the case may be, all as Agent 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. Dealer shall be deemed to have accepted such Fees and Terms by either (i) making any request for financing after the effective date of such notice, or (ii) failing to notify Agent in writing of any objection to a Transaction Statement, billing statement or written notice advising of such Fees and Terms within fifteen (15) days after such notice has been sent to a Dealer. If a Dealer objects to the Fees and Terms, such Fees and Terms shall not be imposed, but Agent may charge or implement the last Fees and Terms to which such Dealer has not objected, and may elect to terminate Dealers' financing program.

13. Default. The occurrence of one or more of the following events shall constitute a default by Dealers (a "***Default***"):

(a) a Dealer shall fail to pay any Obligations when due or any remittance for any Obligations is dishonored when first presented for payment;

(b) any representation made to Agent or any Lender by a Dealer or by any guarantor, surety, issuer of a letter of credit or any person other than a Dealer primarily or secondarily liable with respect to any Obligations (a "***Guarantor***") shall not be true when made or if a Dealer or any Guarantor shall breach any covenant, warranty or agreement in this Agreement to or with Agent and/or any Lender;

(c) a Dealer (including, if a Dealer is a partnership or limited liability company, any partner or member of a Dealer) 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 a Dealer or a Guarantor to Agent 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) a Dealer 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) a Dealer or any Guarantor shall make an assignment for the benefit of creditors, or commence a proceeding with respect to itself under any bankruptcy, reorganization, arrangement, insolvency, receivership, dissolution or liquidation statute or similar law of any jurisdiction, or any such proceeding shall be commenced against it or any of its property (an "***Automatic Default***");

(h) an attachment, sale or seizure shall be issued or shall be executed against any assets of a Dealer or of any Guarantor;

(i) a Dealer shall lose, or shall be in default of, any franchise, license or right to deal in any Collateral which a Lender finances;

(j) a Dealer, Guarantor or any third party shall file any correction or termination statement with respect to any Uniform Commercial Code (the "***UCC***") filing made by Agent in connection herewith;

(k) a material adverse change shall occur in the business, operations or condition (financial or otherwise) of a Dealer (including, if a Dealer is a partnership or limited liability company, any partner or member of a Dealer) or any Guarantor or with respect to the Collateral;

(l) a Dealer or any Guarantor fails to pay any debt or perform any other obligation owed to any third party (excluding under the Preferred Stock or the Purchase Warrant);

(m) a Dealer or any Guarantor defaults under the terms of any agreement with any Lender Affiliate;

(n) if Agent in good faith believes, or receives notice that a Lender in good faith believes, the prospect of payment of any Obligations is impaired or Agent deems itself or Lenders insecure;

(o) a Dealer defaults under the terms of any Program Terms Letter;

(p) a Dealer defaults under the terms of the Credit Facility Agreement or a default or event of default (or similar event) shall occur under the Credit Facility Agreement;

(q) a Dealer or Credit Facility Agent defaults under the Intercreditor Agreement or any material provision thereof terminates or ceases to be effective; or

(r) a Dealer makes, causes or allows to be made, or Parent makes, causes or allows to be made, a distribution or other payment to (i) Thomas Mack in relation to the Mack Stock not otherwise permitted pursuant to either this Agreement or the Mack Subordination Agreement, or (ii) BMI in relation to the BMI Stock not otherwise permitted pursuant to either this Agreement or the BMI Subordination Agreement.

14. Rights and Remedies upon Default.

(a) Upon the occurrence of a Default, Agent, acting on behalf of Lenders pursuant to Section 21(a)(ii), 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. Agent may terminate any obligations it or any Lender 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. Each Dealer waives notice of intent to accelerate, and of acceleration of any Obligations. Agent may enter any premises of any one or more of the Dealers, with or without process of law, without force, to search for, take possession of, and remove the Collateral, or any part thereof. If Agent requests each Dealer shall cease disposition of and shall assemble the Collateral and make it available to Agent, at Dealers' expense, at a convenient place or places designated by Agent. Agent may take possession of the Collateral or any part thereof on any one or more of Dealer's premises and cause it to remain there at Dealers' expense, pending sale or other disposition. Each Dealer agrees that the sale of inventory by Agent to a person who is liable to Agent 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 each Dealer waives any provision of such laws to that effect. Each Dealer agrees that the repurchase of inventory by a Vendor pursuant to a repurchase agreement with Agent shall be a commercially reasonable method of disposition. Dealers shall be jointly and severally liable to Agent for any deficiency resulting from Agent's disposition of any Collateral, including without limitation a repurchase by a Vendor, regardless of any subsequent disposition thereof. No Dealer is a beneficiary of, and has no right to require Agent to enforce, any repurchase agreement. If a Dealer fails to perform any of its obligations under this Agreement, Agent may perform the same in any form or manner Agent in its discretion deems necessary or desirable, and all monies paid by Agent 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 Agent's rights and remedies shall be cumulative. At Agent's request, or without request in the event of an Automatic Default, each Dealer shall pay all Vendor Credits to Agent as soon as the same are received for application to the Obligations. Each Dealer authorizes Agent to collect such amounts directly from Vendors and, upon request of Agent, shall instruct Vendors to pay Agent directly. Each Dealer irrevocably waives any requirement that Agent retain possession and not dispose of any Collateral until after trial or final judgment or appeal thereof. Agent's election to extend or not make a Loan to a Dealer is solely at Agent'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 Agent has accelerated any Obligations, Agent may, without notice, apply the Default Rate.

(b) All Collections received by Agent after acceleration, a Default (including, without limitation, a Specified Default) or demand for payment of all of the Obligations, in connection with any workout of the Obligations including any forbearance arrangement, or after the initiation by or against any Dealer of a bankruptcy or other insolvency proceeding or other proceedings for collection of the Obligations, whether received pursuant to such demand or as a result of legal proceedings against any Dealer or through payment by or action against any other Person in any way liable for the Obligations, shall be applied, so far as the same will reach, in the following order:

(i) First, to the costs and expenses, including attorneys' fees, incurred solely by Agent in effecting such recovery, in enforcing any right or remedy under the Loan Documents, or in any way related to the Loans, the Outstandings, the Loan Documents, this Agreement, Open Approvals or Collections;

(ii) Second, to accrued interest, ratably in accordance with each Lender's respective Ratable Share of such interest being calculated at the interests rates set forth in Section 2(a)(iii) hereof; and

(iii) Third, to unpaid principal, ratably in accordance with each Lender's Ratable Share, subject to such Lender's obligation to fund Loans made by Agent based upon financed Invoices related to Open Approvals.

15. Power of Attorney. Each Dealer authorizes Agent to: (a) file financing statements and amendments thereto describing Agent as "Secured Party," such Dealer as "Debtor" and indicating the Collateral (including, without limitation, the indication of the Collateral as "all assets"); (b) authenticate, execute or endorse on behalf of such Dealer any instruments, chattel paper, certificates of title, manufacturer statements of origin, builder's certificate, or other notices or records comprising or related to Collateral or evidencing financing under the Agreement or evidencing or maintaining the perfection of the security interest granted hereby, as attorney-in-fact for such Dealer; and (c) supply any omitted information and correct errors in any documents between Agent, such Dealer, and, if applicable Lenders. This power of attorney and the other powers of attorney granted herein are irrevocable and coupled with an interest.

16. Collection and Other Costs. In the event of a Default, Dealers shall pay to Agent, on behalf of itself and the other Lenders, on demand all reasonable attorneys' fees and legal expenses and other costs and expenses incurred by Agent and Lenders in connection with establishing, perfecting, maintaining perfection of, protecting and enforcing its Lien on the Collateral 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 of relief or monitoring such proceeding under any such laws to the full extent permitted under such law), involving a Dealer, any Guarantor or any Collateral. All fees, expenses, costs and other amounts described in this Section shall constitute Obligations, shall be secured by the Collateral and interest shall accrue thereon at the Default Rate.

17. Information.

(a) To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. When any Dealer opens an account, Agent will ask for the name(s), address(es), date(s) of birth, and other information that will allow Agent to identify each Dealer, and its owner(s) and Guarantor(s) as applicable. Agent may also ask to see driver's licenses or other identifying documents related to each Dealer, and its owner(s) and Guarantors as applicable. Failure to comply with such requests will constitute a Default under the Agreement.

(b) Each Dealer irrevocably authorizes Agent to investigate and make inquiries of former, current, or future creditors or other persons and credit bureaus regarding or relating to such Dealer (including, to the extent permitted by law, any holders of such Dealer's Capital Securities). Agent and each Lender may provide to any Lender Affiliate or any third parties any financial, credit or other information regarding each Dealer (including, to the extent permitted by law, any holders of such Dealer's Capital Securities) that Agent or such Lender may at any time possess, whether such information was supplied by any Dealer or otherwise obtained by such Agent or Lender. Further, each Dealer irrevocably authorizes and instructs any third parties (including without limitation, any Vendors or customers of Dealers) to provide to Agent any credit, financial or other information regarding a Dealer that such third parties may at any time possess.

18. Amendments and Waivers.

(a) No amendment or waiver of any provision of this Agreement or any Transaction Statement, and no consent with respect to any departure by any Dealer therefrom, shall be effective unless the same shall be in writing and signed by Agent, Required Lenders (or by Agent with the consent of Required Lenders), and the Dealers, and then such waiver shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no such waiver, amendment, or consent shall, unless in writing and signed by all the Lenders directly affected thereby (or by Agent with the consent of all the Lenders directly affected thereby), in addition to Agent and Required Lenders (or by Agent with the consent of Required Lenders) and the Dealers, do any of the following:

(b)

(i) increase or extend the Allocation of any Lender to make a Loan or otherwise finance any Collateral;

(ii) postpone or delay any date fixed for, or reduce or waive, any scheduled installment of principal or any payment of interest, fees or other amounts (other than principal) due to any one or more Lenders hereunder or under any Transaction Statement;

(iii) reduce the principal of, or the rate of interest specified herein or the amount of interest payable in cash specified herein or in any Transaction Statement, or of any fees or other amounts payable hereunder or under any Transaction Statement;

(iv) change the definition of Required Lenders;

(v) amend any provision providing for consent or other action by all Lenders; or

(vi) discharge any Dealer from its respective payment Obligations, or release all or substantially all of the Collateral, except as otherwise may be provided in this Agreement;

it being agreed that all Lenders shall be deemed to be directly affected by an amendment or waiver of the type described in the preceding clauses (iv), (v) and (vi).

(c) No amendment, waiver or consent shall, unless in writing and signed by Agent, affect the rights or duties of Agent under this Agreement or any Transaction Statement.

(d) Notwithstanding anything set forth herein to the contrary, a Non-Funding Lender shall not have any voting or consent rights under or with respect to any Loan Document or constitute a "Lender" (or be, or have its Ratable Share or Allocation included in the determination of "Required Lenders", pursuant to this Section 18) for any voting or consent rights under or with respect to any Loan Document, except that a Non-Funding Lender shall be treated as an "affected Lender" for purposes of Section 18(a) solely with respect to an increase in such Non-Funding Lender's Allocation, a reduction of the principal amount owed to such Non-Funding Lender or, unless such Non-Funding Lender is treated the same as the other Lenders, a reduction in the interest rates applicable to the Loans funded by such Non-Funding Lender. Moreover, for the purposes of determining Required Lenders, the Allocation of any Non-Funding Lenders shall be excluded from the Aggregate Allocations.

19. Termination. Unless sooner terminated as provided in this Agreement or by at least thirty (30) days prior written notice from any Dealer to Agent or from Agent, acting by itself or on behalf of the Required Lenders, to Dealers, the term of this Agreement shall be for one (1) year from the date hereof and from year to year thereafter; provided, however, that Agent, acting by itself or at the request of Required Lenders, may terminate the Agreement immediately by notice to any Dealer if any Dealer objects to any terms of any Transaction Statement, 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, Dealers shall remain fully and jointly and severally liable to each Lender for all Obligations owed to such Lender arising prior to or after termination, and each Lender's rights and remedies and security interest, if any, shall continue until all Obligations to such Lender are paid and all obligations of Dealers are performed in full. Except as specifically set forth in this Agreement, no provision of the Agreement shall be construed to obligate any Lender to make any advances. All waivers and indemnifications in Agent and each Lender's favor set forth in this Agreement will survive any termination of this Agreement.

20. Assignments and Participations; Binding Effect.

(a) Binding Effect. This Agreement shall become effective when it shall have been executed by the Dealers, Agent and the Lenders and when Agent shall have been notified by each Lender that such Lender has executed it. Thereafter, it shall be binding upon and inure to the benefit of, but only to the benefit of Dealers, Agent and each Lender and, in each case, their respective successors and permitted assigns. Except as expressly provided herein, no Dealer shall have the right to assign any rights or obligations hereunder or any interest herein.

(b) Right to Assign. Each Lender may sell, transfer, negotiate or assign (a "***Sale***") all or a portion of its rights and obligations hereunder (including all or a portion of its Allocation and its rights and obligations with respect to any Loan pursuant to any Loan Document) to (i) any existing Lender, (ii) any Affiliate of any existing Lender or (iii) any other person approved in writing by Agent; provided, however, that (A) for each Loan pursuant to this Agreement or any Loan Document, the aggregate outstanding principal amount (determined as of the effective date of the applicable assignment) of the Allocation subject to any such Sale shall be in a minimum amount of $1,000,000, unless such Sale is made to an existing Lender or an Affiliate of any existing Lender, is of the assignor's (together with its Affiliates) entire interest in such facility or is made with the prior consent of Agent, (B) such Sales shall be effective only upon the acknowledgement in writing of such Sale by Agent, (C) interest accrued prior to and through the date of any such Sale may not be assigned.

(c) Procedure. The parties to each Sale made in reliance on clause (b) above (other than those described in clause (e) below) shall execute and deliver to Agent an Assignment via an electronic settlement system designated by Agent (or, if previously agreed with Agent, via a manual execution and delivery of the Assignment) evidencing such Sale, together with any existing Loan Document subject to such Sale, any tax forms required by the assignee to be delivered and payment of an assignment fee in the amount of $3,500 to Agent, unless waived or reduced by Agent; provided, that (i) if a Sale by a Lender is made to an Affiliate of such assigning Lender, then no assignment fee shall be due in connection with such Sale, and (ii) if a Sale by a Lender is made to an assignee that is not an Affiliate of such assignor Lender, and concurrently to one or more Affiliates of such assignee, then only one assignment fee of $3,500 shall be due in connection with such Sale (unless waived or reduced by Agent). Upon receipt of all the foregoing, and conditioned upon such receipt and, if such Assignment is made in accordance with Section 20(b)(iii), upon Agent (and Dealers, if applicable) consenting to such Assignment, from and after the effective date specified in such Assignment, Agent shall record or cause the information contained in such Assignment to be recorded in a record of ownership kept by Agent.

(d) Effectiveness. Subject to the recording of an Assignment by Agent in a record of ownership, (i) the assignee thereunder shall become a party hereto and, to the extent that rights and obligations under this Agreement and the applicable Transactions Statement have been assigned to such assignee pursuant to such Assignment, shall have the rights and obligations of a Lender and (ii) the assignor thereunder shall, to the extent that rights and obligations under this Agreement have been assigned by it pursuant to such Assignment, relinquish its rights (except for the payment in full of the Obligations) and be released from its obligations under this Agreement and the Transaction Statements, other than those relating to events or circumstances occurring prior to such assignment (and, in the case of an Assignment covering all or the remaining portion of an assigning Lender's rights and obligations under the Loan Documents, such Lender shall cease to be a party hereto).

(e) Participants and SPVs. In addition to the other rights provided in this Section 20, each Lender may, without notice to or consent from Agent or the Dealers, sell participations to one or more Persons in or to all or a portion of its rights and obligations under this Agreement or any Loan Document; provided, however, that, whether as a result of any term of any Loan Document or of such participation, (i) no such participant shall have a commitment, or be deemed to have made an offer to commit, to make Loans hereunder, and, except as provided in the applicable option agreement, none shall be liable for any obligation of such Lender hereunder, (ii) such Lender's rights and obligations, and the rights and obligations of the Lenders towards such Lender, under any Loan Document shall remain unchanged and each other party hereto shall continue to deal solely with such Lender, which shall remain the holder of the Obligations in Agent's record of ownership, and in no case shall a participant have the right to enforce any of the terms of any Loan Document, and (iii) the consent of such participant shall not be required (either directly, as a restraint on such Lender's ability to consent hereunder or otherwise) for any amendments, waivers or consents with respect to any Loan Document or to exercise or refrain from exercising any powers or rights such Lender may have under or in respect of the Loan Documents (including the right to enforce or direct enforcement of the Obligations), except for those described in Section 18(a)(ii) and (iii) with respect to amounts, or dates fixed for payment of amounts, to which such participant or SPV would otherwise be entitled and, in the case of participants, except for those described in Section 18(a)(v).

21. Agent

(a) Appointment and Duties.

(i) Each Lender hereby appoints CDF as Agent (together with any successor Agent pursuant to Section 21(i)) as Agent hereunder and authorizes Agent to (A) execute and deliver this Agreement and the any other Loan Documents and accept delivery thereof on its behalf from any Dealer, (B) take such action on its behalf and to exercise all rights, powers and remedies and perform the duties as are expressly delegated to Agent under such Loan Documents and (C) exercise such powers as are incidental thereto.

(ii) Without limiting the generality of clause (i) above, Agent shall have the sole and exclusive right and authority (to the exclusion of the Lenders), and is hereby authorized, to (A) act as the disbursing and collecting agent for the Lenders with respect to all payments and collections arising in connection with any Loan Documents (including in bankruptcy, insolvency or similar proceeding), and each Person making any payment in connection with this Agreement or any other Loan Document is hereby authorized to make such payment to Agent, (B) file and prove claims and file other documents necessary or desirable to allow the claims of the Lenders with respect to any Obligation in any bankruptcy, insolvency or similar proceeding (but not to vote, consent or otherwise act on behalf of such Person), (C) act as collateral agent for each Lender for purposes of the perfection of all Liens created by such agreements and all other purposes stated therein, (D) manage, supervise and otherwise deal with the Collateral, (E) take such other action as is necessary or desirable to maintain the perfection and priority of the Liens created or purported to be created by this Agreement or the other Loan Documents, (F) except as may be otherwise specified in any Loan Document, exercise all remedies given to Agent and the other Lenders with respect to the Collateral, whether under the Loan Documents, applicable Law or otherwise and (G) execute any amendment, consent or waiver under the Loan Documents on behalf of any Lender that has consented in writing to such amendment, consent or waiver; provided, however, that Agent hereby appoints, authorizes and directs each Lender to act as collateral sub-agent for Agent, the Lenders for purposes of the perfection of Liens with respect to any deposit account maintained by a Dealer with, and cash and cash equivalents held by, such Lender, and may further authorize and direct the Lenders to take further actions as collateral sub-agents for purposes of enforcing such Liens or otherwise to transfer the Collateral subject thereto to Agent, and each Lender hereby agrees to take such further actions to the extent, and only to the extent, so authorized and directed.

(iii) Under this Agreement and the other Loan Documents, Agent (A) is acting solely on behalf of the Lenders , with duties that are entirely administrative in nature, notwithstanding the use of the defined term "Agent", the terms "agent", "Agent" and "collateral agent" and similar terms in any Loan Document to refer to Agent, which terms are used for title purposes only, (B) is not assuming any obligation under any Loan Document other than as expressly set forth therein or any role as agent, fiduciary or trustee of or for any Lender or any other Person and (C) shall have no implied functions, responsibilities, duties, obligations or other liabilities under any Loan Document, and each Lender, by accepting the benefits of the Loan Documents, hereby waives and agrees not to assert any claim against Agent based on the roles, duties and legal relationships expressly disclaimed in clauses (A) through (C) above.

(b) Binding Effect. Each Lender, by accepting the benefits of this Agreement and the other Loan Documents, agrees that (i) any action taken by Agent in accordance with the provisions of the Loan Documents, (ii) any action taken by Agent in reliance upon the instructions of Lenders and (iii) the exercise by Agent or of the powers set forth herein or therein, together with such other powers as are incidental thereto, shall be authorized and binding upon all of the Lenders.

(c) Use of Discretion.

(i) Agent shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that Agent is required to exercise as directed in writing by the Lenders; provided, that Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose Agent to liability or that is contrary to any Loan Document or applicable Law.

(ii) Agent shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to any Dealer or Dealer Affiliate that is communicated to or obtained by Agent or any of its Affiliates in any capacity.

(iii) Notwithstanding anything to the contrary contained herein or in any other Loan Document, the authority to enforce rights and remedies hereunder and under the other Loan Documents against the Lenders or any of them shall be vested exclusively in, and all actions and proceedings at law in connection with such enforcement shall be instituted and maintained exclusively by, Agent in accordance with the Loan Documents for the benefit of all the Lenders; provided, that the foregoing shall not prohibit (A) Agent from exercising on its own behalf the rights and remedies that inure to its benefit (solely in its capacity as Agent) hereunder and under the other Loan Documents or (B) any Lender from filing proofs of claim or appearing and filing pleadings on its own behalf during the pendency of a proceeding relative to any Dealer under any bankruptcy or other debtor relief law; and provided further that if at any time there is no Person acting as Agent hereunder and under the other Loan Documents, then the Lenders shall have the rights otherwise ascribed to Agent under Section 14.

(d) Delegation of Rights and Duties. Agent may, upon any term or condition it specifies, delegate or exercise any of its rights, powers and remedies under, and delegate or perform any of its duties or any other action with respect to, any Loan Document by or through any trustee, co-agent, employee, attorney-in-fact and any other Person (including any Lender). Any such Person shall benefit from this Section 21 to the extent provided by Agent.

(e) Reliance and Liability.

(i) Agent may, without incurring any liability hereunder, (A) consult with any of its Related Persons (including advisors to, and accountants and experts engaged by, any Dealer) and (B) rely and act upon any document and information (including those transmitted by electronic transmission) and any telephone message or conversation, in each case believed by it to be genuine and transmitted, signed or otherwise authenticated by the appropriate parties.

(ii) None of Agent and its Affiliates shall be liable for any action taken or omitted to be taken by any of them under or in connection with any Loan Document, and each Lender and each Dealer hereby waive and shall not assert (and each Dealer shall cause each other Dealer to waive and agree not to assert) any right, claim or cause of action based thereon, except to the extent of liabilities resulting primarily from the gross negligence or willful misconduct of Agent or, as the case may be, such Related Person (each as determined in a final, non-appealable judgment by a court of competent jurisdiction) in connection with the duties expressly set forth herein. Without limiting the foregoing, Agent:

(A) shall not be responsible or otherwise incur liability for any action or omission taken in reliance upon the instructions of the Lenders or for the actions or omissions of any of its Related Persons selected with reasonable care (other than employees, officers and directors of Agent, when acting on behalf of Agent);

(B) shall not be responsible to any Lender or other Person for the due execution, legality, validity, enforceability, effectiveness, genuineness, sufficiency or value of, or the attachment, perfection or priority of any Lien created or purported to be created under or in connection with, any Loan Document;

(C) makes no warranty or representation, and shall not be responsible, to any Lender or other Person for any statement, document, information, representation or warranty made or furnished by or on behalf of any Dealer or any Related Person of any Dealer in connection with any Loan Document or any transaction contemplated therein or any other document or information with respect to any Dealer, whether or not transmitted or (except for documents expressly required under any Loan Document to be transmitted to the Lenders) omitted to be transmitted by Agent, including as to completeness, accuracy, scope or adequacy thereof, or for the scope, nature or results of any due diligence performed by Agent in connection with the Loan Documents;

(D) shall not have any duty to ascertain or to inquire as to the performance or observance of any provision of any Loan Document, whether any condition set forth in any Loan Document is satisfied or waived, as to the financial condition of any Dealer or as to the existence or continuation or possible occurrence or continuation of any Default and shall not be deemed to have notice or knowledge of such occurrence or continuation unless it has received a notice from any Dealer, any Lender describing such Default clearly labeled "notice of default" (in which case Agent shall promptly give notice of such receipt to all Lenders);

For each of the items set forth in clauses (A) through (D) above, each Lender and each Dealer hereby waives and agrees not to assert (and each Dealer shall cause each other Dealer to waive and agree not to assert) any right, claim or cause of action it might have against Agent based thereon.

(iii) Each Lender (A) acknowledges that it has performed and will continue to perform its own diligence and has made and will continue to make its own independent investigation of the operations, financial conditions and affairs of the Lenders and (B) agrees that is shall not rely on any audit or other report provided by Agent or its Related Persons (an "***Agent Report***"). Each Lender further acknowledges that any Agent Report (1) is provided to the Lenders solely as a courtesy, without consideration, and based upon the understanding that such Lender will not rely on such Agent Report, (2) was prepared by Agent or its Related Persons based upon information provided by the Lenders solely for Agent's own internal use, and (3) may not be complete and may not reflect all information and findings obtained by Agent or its Related Persons regarding the operations and condition of the Lenders. Neither Agent nor any of its Related Persons makes any representations or warranties of any kind with respect to (w) any existing or proposed financing, (x) the accuracy or completeness of the information contained in any Agent Report or in any related documentation, (y) the scope or adequacy of Agent's and its Related Persons' due diligence, or the presence or absence of any errors or omissions contained in any Agent Report or in any related documentation, and (z) any work performed by Agent or Agent's Related Persons in connection with or using any Agent Report or any related documentation.

(iv) Neither Agent nor any of its Related Persons shall have any duties or obligations in connection with or as a result of any Lender receiving a copy of any Agent Report. Without limiting the generality of the forgoing, neither Agent nor any of its Related Persons shall have any responsibility for the accuracy or completeness of any Agent Report, or the appropriateness of any Agent Report for any Lender's purposes, and shall have no duty or responsibility to correct or update any Agent Report or disclose to any Lender any other information not embodied in any Agent Report, including any supplemental information obtained after the date of any Agent Report. Each Lender releases, and agrees that it will not assert, any claim against Agent or its Related Persons that in any way relates to any Agent Report or arises out of any Lender having access to any Agent Report or any discussion of its contents, and agrees to indemnify and hold harmless Agent and its Related Persons from all claims, liabilities and expenses relating to a breach by any Lender arising out of such Lender's access to any Agent Report or any discussion of its contents.

(f) Agent Individually. Agent and its Affiliates may make loans and other extensions of credit to, acquire stock and stock equivalents of, engage in any kind of business with, any Dealer or Affiliate thereof as though it were not acting as Agent and may receive separate fees and other payments therefor. To the extent Agent or any of its Affiliates makes any Loan or otherwise becomes a Lender hereunder, it shall have and may exercise the same rights and powers hereunder and shall be subject to the same obligations and liabilities as any other Lender and the term "Lender" and any similar terms shall, except where otherwise expressly provided in any Loan Document, include, without limitation, Agent or such Affiliate, as the case may be, in its individual capacity as Lender.

(g) Lender Credit Decision. Each Lender acknowledges that it shall, independently and without reliance upon Agent, any Lender or any of their Related Persons or upon any document (including any offering and disclosure materials in connection with the syndication of the Loans) solely or in part because such document was transmitted by Agent or any of its Related Persons, conduct its own independent investigation of the financial condition and affairs of each Dealer and make and continue to make its own credit decisions in connection with entering into, and taking or not taking any action under, any Loan Document or with respect to any transaction contemplated in any Loan Document, in each case based on such documents and information as it shall deem appropriate. Except for documents expressly required by any Loan Document to be transmitted by Agent to the Lenders, Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of any Dealer or any Affiliate of any Dealer that may come in to the possession of Agent or any of its Related Persons.

(h) Expenses; Indemnities; Withholding.

(i) Each Lender agrees to reimburse Agent and each of its Related Persons (to the extent not reimbursed by any Dealer) promptly upon demand, severally and ratably, for any costs and expenses (including fees, charges and disbursements of financial, legal and other advisors and other expenses paid in the name of, or on behalf of, any Dealer) that may be incurred by Agent or any of its Related Persons in connection with the preparation, syndication, execution, delivery, administration, modification, consent, waiver or enforcement of, or the taking of any other action (whether through negotiations, through any work-out, bankruptcy, restructuring or other legal or other proceeding (including, without limitation, preparation for and/or response to any subpoena or request for document production relating thereto) or otherwise) in respect of, or legal advice with respect to its rights or responsibilities under, any Loan Document.

(ii) Each Lender further agrees to indemnify Agent and each of its Related Persons (to the extent not reimbursed by any Dealer), severally and ratably, from and against Liabilities (including, to the extent not indemnified by Dealer pursuant to this Agreement or any other Loan Document, taxes, interests and penalties imposed for not properly withholding or backup withholding on payments made to or for the account of any Lender) that may be imposed on, incurred by or asserted against Agent or any of its Related Persons in any matter relating to or arising out of, in connection with or as a result of any Loan Document or any other act, event or transaction related, contemplated in or attendant to any such document, or, in each case, any action taken or omitted to be taken by Agent or any of its Related Persons under or with respect to any of the foregoing; provided, however, that no Lender shall be liable to Agent or any of its Related Persons to the extent such liability has resulted primarily from the gross negligence or willful misconduct of Agent or, as the case may be, such Related Person, as determined by a court of competent jurisdiction in a final non-appealable judgment or order.

(iii) To the extent required by any applicable Law, Agent may withhold from any payment to any Lender under a Loan Document an amount equal to any applicable withholding tax. If the IRS or any other governmental authority asserts a claim that Agent did not properly withhold tax from amounts paid to or for the account of any Lender (because the appropriate certification form was not delivered, was not properly executed, or fails to establish an exemption from, or reduction of, withholding tax with respect to a particular type of payment, or because such Lender failed to notify Agent or any other Person of a change in circumstances which rendered the exemption from, or reduction of, withholding tax ineffective, or for any other reason), or Agent reasonably determines that it was required to withhold taxes from a prior payment but failed to do so, such Lender shall promptly indemnify Agent fully for all amounts paid, directly or indirectly, by such Agent as tax or otherwise, including penalties and interest, and together with all expenses incurred by Agent, including legal expenses, allocated internal costs and out-of-pocket expenses. Agent may offset against any payment to any Lender under a Loan Document, any applicable withholding tax that was required to be withheld from any prior payment to such Lender but which was not so withheld, as well as any other amounts for which Agent is entitled to indemnification from such Lender pursuant to this Agreement or any other Loan Document.

(i) Release of Collateral or Guarantors. Each Lender hereby consents to the release and hereby directs Agent to release (or, in the case of clause (B) below, release or subordinate) the any Lien held by Agent for the benefit of the Lenders against (A) any Collateral that is sold, transferred, conveyed or otherwise disposed of by a Dealer in a transaction permitted by the Loan Documents (including pursuant to a waiver or consent), (B) any property subject to a Lien permitted as a "purchase money security interest" hereunder or under any other Loan Document, and (C) all of the Collateral and all Lenders, upon (1) termination of this Agreement, (2) payment and satisfaction in full of all Loans and all other Obligations under the Loan Documents that Agent has theretofore been notified in writing by the holder of such Obligation are then due and payable, (3) deposit of cash collateral with respect to all contingent Obligations, in amounts and on terms and conditions and with parties satisfactory to Agent and each Lender that is, or may be, owed such Obligations (excluding contingent Obligations as to which no claim has been asserted) and (4) to the extent requested by Agent, receipt by Agent and the Lenders of liability releases from the Lenders each in form and substance acceptable to Agent.

22. 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, as applicable, to (a) Dealers at their chief executive office at 6275 Lanier Islands Parkway, Buford, Georgia 30518, to the attention of Austin Singleton, or to any office to which Agent sends billing statements, (b) to Agent at 10 S. Wacker Drive, 20th Floor, Chicago, Illinois 60606, to the attention of its Credit Department, (c) to any Lender at the address such Lender shall designate in the Loan Documents, or (d) 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.

23. Severability. Except as set forth in Sections 27(e) and 27(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.

24. Miscellaneous. Time is of the essence regarding Dealers' performance of its obligations to Agent and Lenders. If Agent is the sole Lender, Agent may accept this Agreement by issuance of an approval to a Vendor for the purchase of inventory by Dealer or by making an advance hereunder. Each Dealer's liability to Agent and Lenders is direct and unconditional and will not be affected by the release or nonperfection of any security interest granted hereunder. Subject to the consent of each Lender, Agent may refrain from or postpone enforcement of this Agreement or any other agreements between Agent and a Dealer 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 Agent of a Default shall only be effective if approved by Lenders pursuant to Section 18(a) and transmitted to a Dealer in a writing signed by Agent. 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 a Dealer fails to pay any taxes, fees or other obligations which may impair Agent's or any Lender's interest in the Collateral, or fails to keep any Collateral insured, Agent, on behalf of itself and the other Lenders, may, but shall not be required to, pay such amounts. Such paid amounts, other than amounts with regard to insuring the Collateral, will be: (a) additional Obligations which Dealers owe under this Agreement, 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, Agent and Lenders 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 Agent or Lenders unless in a writing signed by Agent and each Lender (or by Agent with the consent of each Lender) and transmitted to Dealer. Among other symbols, Agent hereby adopts "Wells Fargo Commercial Distribution Finance, LLC," "Wells Fargo Commercial Distribution Finance," "WFCDF," "CDF" or " Agent" as evidence of its intent to authenticate a record in its capacity as Agent.

25. List of Dealers. The following persons are parties to this Agreement as Dealers:

DEALER NAME	TYPE OF ENTITY	JURISDICTION
Legendary Assets & Operations, LLC	**Limited liability company**	**FL**
Singleton Assets & Operations, LLC	**Limited liability company**	**GA**
South Florida Assets & Operations, LLC	**Limited liability company**	**FL**
Midwest Assets & Operations, LLC	**Limited liability company**	**DE**
South Shore Lake Erie Assets & Operations, LLC	**Limited liability company**	**DE**
Bosun's Assets & Operations, LLC	**Limited Liability Company**	**DE**

26. 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 Agent may seek equitable relief in connection with any judicial repossession of, or temporary restraining order with respect to, the Collateral.

27. 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 relating to: (i) this Agreement and/or any amendments and addenda hereto, or the breach, invalidity or termination hereof; (ii) any previous or subsequent agreement between Agent and any one or more Lenders and/or any one or more Dealers; (iii) any act committed by Agent or by any parent company, subsidiary or affiliated company of Agent (the "***Agent Companies***"), or by any employee, agent, officer or director of an Agent Company, whether or not arising within the scope and course of employment or other contractual representation of the Agent Companies, provided that such act arises under a relationship, transaction or dealing between Agent and any one or more Lenders and/or any one or more Dealers; and/or (iv) any other relationship, transaction or dealing between or among Agent and any one or more Lenders and/or and any one or more Dealers (collectively the "***Disputes***"), will be subject to and resolved by binding arbitration. The arbitrator(s) shall decide whether the parties have agreed to arbitrate, 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 Agent and any one or more Lenders and/or any one or more Dealers **(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 $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) Body. All arbitration hereunder will be conducted with either: (i) The American Arbitration Association ("***AAA***") pursuant to its Commercial Arbitration Rules; (ii) United States Arbitration & Mediation ("***USA&M***") pursuant to its Consolidated Arbitration Rules; or (iii) 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 $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 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 Dealer 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: (i) 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; (ii) upon request, a party shall provide a summary of the proposed testimony of any witness within fourteen (14) days of the request; (iii) in cases of extraordinary circumstances and for good cause shown, the arbitrator(s) may allow a party to make a limited request for production of documents; (iv) no later than twenty-one (21) days prior to 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; (v) in the event a party designates any expert witness(es), the following will apply: (A) all information and documents relied upon by the expert witness(es) will be delivered to the opposing party; (B) the opposing party will be permitted to depose the expert witness(es); (C) the opposing party will be permitted to designate rebuttal expert witness(es); and (D) the arbitration hearing will be continued to the earliest possible date that enables the foregoing limited discovery to be accomplished; (vi) in cases where the amount of the individual Dispute or any individual counterclaim is in excess of $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: (A) up to three depositions per side with each lasting no more than seven hours; and (B) 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. THE PARTIES HERETO AGREE THAT BY ENTERING INTO THIS AGREEMENT, EACH PARTY WAIVES 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: (i) any 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; (ii) any 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 (iii) any party sues the other party or institutes any arbitration claim or counterclaim against the other party, the arbitrator(s) shall have 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: (i) 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 (ii) 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 (A) bankruptcy, (B) receivership, (C) any proceeding regarding an assignment for the benefit of creditors, or (D) 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. THE PARTIES HERETO AGREE THAT BY ENTERING INTO THIS AGREEMENT, EACH PARTY WAIVES ITS RIGHT TO PARTICIPATE IN A CLASS ACTION, PRIVATE ATTORNEY GENERAL ACTION OR OTHER REPRESENTATIVE ACTION AGAINST THE OTHER IN A COURT OR IN ARBITRATION. THE PARTIES 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 Dealers and Agent 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 Dealers and/or Agent 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.**

28. Multiple Dealers; Joint and Several Liability.

(a) All Loans and advances by Lenders to any Dealer and all other Obligations of any Dealer shall constitute one general obligation of all of the Dealers. Notwithstanding anything herein to the contrary, the Dealers shall be primarily and jointly and severally liable for all Obligations of any Dealer under this Agreement and any other Loan Document. Notwithstanding the foregoing, if and to the extent a Dealer is deemed to be a guarantor of another Dealer hereunder, such Dealer's liability for any credit extended to or for the benefit of such other Dealer shall be deemed to be a guaranty of payment and performance, and not merely a guaranty of collection. To the fullest extent permitted by law, each Dealer hereby waives promptness, diligence, notice of acceptance, and any other notices of any nature whatsoever with respect to any of the Obligations, and any requirement that Agent protect, secure, perfect or insure any security interest or lien or any property subject thereto or exhaust any right or take any action against any other Dealer, any Guarantor, any other person or any Collateral. Each Dealer agrees that any rights of subrogation, indemnification, reimbursement or any similar rights it may have against any other Dealer with respect to its liability hereunder or otherwise, whether such rights arise under an express or implied contract or by operation of law, shall be subject, junior and subordinate in all respect to all Obligations of such Dealer under this Agreement and any other Loan Document and that the enforcement of such rights shall be stayed until such time as the Dealers shall have indefeasibly paid in full all of the Obligations and neither Agent nor any Lender shall be under any duty to make a Loan to or for the benefit of any Dealer. The liability of each Dealer shall be absolute and unconditional irrespective of (i) any change in the time, manner or place of payment of, or in any other term of, any of the Obligations, or any other amendment or waiver of or any consent to departure from this Agreement or any other agreement between or among Agent, Dealers and, if applicable, Lenders (ii) any exchange, release or non-perfection of any Collateral or any release or amendment or waiver of or consent to departure from any other guaranty or any release of any Guarantor or any other person liable in whole or in part for all or any of the Obligations, (iii) the disallowance or avoidance of all or any portion the claim(s) of Agent or any Lender for repayment of the Obligations of any Guarantor to Agent or any interest of Agent or any Lender in any security for such Obligations, or (iv) any other circumstance which might otherwise constitute a defense available to, or discharge of, a Dealer or a Guarantor or any other surety.

(b) Each Dealer (each, a "***Principal***") hereby appoints each other Dealer (each, a "***Dealer Representative***") as the Principal's agent and attorney-in-fact (i) to take any action, (ii) to execute any document or instrument, (iii) to consent or agree to any amendment or other modification of this Agreement and/or any other agreements between or among any one or more of the Dealers and Lender and/or any waiver of or departure from any of the terms hereof or thereof, (iv) to perform any Obligation of the Principal, and (v) to give or receive any notice by or to any Dealer hereunder or thereunder; and in each case without regard to whether any such action is done in the name of an Dealer Representative or a Principal and, if done in the name of an Dealer Representative, without regard to whether such Dealer Representative's capacity as agent or attorney-in-fact is so designated. Without limiting the generality of the foregoing, an Dealer Representative may request extensions of credit to or on behalf of any one or more of the Dealers and/or incur any other Obligations for the account of any one or more of the Dealers, and in any such event all of the Dealers shall be fully and jointly and severally bound by and liable for the actions of such Dealer Representative. Lender shall be entitled to rely absolutely and without duty of inquiry or investigation upon any agreement, request, communication or other notice given by an Dealer Representative under this Agreement and/or any other agreements between or among any one or more of the Dealers and Lender (including without limitation, any request by an Dealer Representative to make credit extensions to or on behalf of itself and/or any one or more other Dealers) until three (3) Business Days after Lender shall have received written notice from each Principal of the revocation of this agency and power of attorney, which revocation shall constitute a Default.

29. 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.

30. 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. THE PARTIES HERETO WAIVE ANY RIGHT TO A JURY TRIAL IN ANY SUCH PROCEEDING.

31. JURISDICTION AND VENUE. Each party submits to, consents to, and accepts the following courts' personal jurisdiction over the party and the selection of such courts as the exclusive forum for all litigation:

(a) Confirming, Vacating, Modifying or Correcting Awards. All litigation regarding confirming, vacating, modifying or correcting an arbitration award shall be brought exclusively in (i) any state or federal court of competent jurisdiction within the federal judicial district which includes the residence of the party against whom such award or order was entered, or (ii) in the United States District Court for the Northern District of Illinois, or (iii) in the Circuit Court of Cook County, Illinois.

(b) Prejudgment and Provisional Remedies. All litigation regarding Prejudgment and Provisional remedies shall be brought exclusively in any court (i) where any Dealer is located, (ii) where the Collateral is located, (iii) the United States District Court for the Northern District of Illinois, or (iv) the Circuit Court of Cook County, Illinois.

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

32. INTERCREDITOR AGREEMENT. The Liens granted to Agent on behalf of Lenders pursuant to this Agreement and any other Loan Document and the exercise of any right or remedy by Agent or Lenders hereunder are subject to the provisions of the Intercreditor Agreement. In the event of any conflict between the terms of the Intercreditor Agreement and this Agreement with respect to such Liens, the terms of the Intercreditor Agreement shall govern.

33. RESTATEMENT. This Agreement amends and restates the Existing IFA in its entirety and all obligations, of every type or nature, of Dealers or any Dealer under the Existing IFA are ratified and confirmed by Dealers as though all of such obligations arose under this Agreement.

[*Remainder of this page left intentionally blank*]

THIS CONTRACT CONTAINS BINDING ARBITRATION, CLASS ACTION WAIVER, JURY WAIVER, PUNITIVE DAMAGE WAIVER AND OTHER PROVISIONS THAT LIMIT DEALERS' RIGHTS. EACH DEALER HAS READ THE TERMS AND CONDITIONS OF THIS CONTRACT AND KNOWINGLY AND VOLUNTARILY AGREES THERETO.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date first above written.

ONE WATER MARINE HOLDINGS, LLC

By: /s/ Philip Austin Singleton, Jr
Name: Philip Austin Singleton, Jr.
Title: Chief Executive Officer

LEGENDARY ASSETS & OPERATIONS, LLC,
SINGLETON ASSETS & OPERATIONS, LLC,
SOUTH FLORIDA ASSETS & OPERATIONS, LLC, and
651 S FEDERAL HIGHWAY, LLC

By: /s/ Philip Austin Singleton, Jr
Name: Philip Austin Singleton, Jr.
Title: Manager

ONE WATER ASSETS & OPERATIONS, LLC,
SOUTH SHORE LAKE ERIE ASSETS & OPERATIONS, LLC, and
BOSUN'S ASSETS & OPERATIONS, LLC

By: /s/ Philip Austin Singleton, Jr
Name: Philip Austin Singleton, Jr.
Title: Chief Executive Officer

MIDWEST ASSETS & OPERATIONS, LLC

By: **One Water Assets & Operations, LLC, its Manager**

By: /s/ Philip Austin Singleton, Jr
Name: Philip Austin Singleton, Jr.
Title: Chief Executive Officer

SUNDANCE LAUDERDALE REALTY, INC.

By: /s/ Philip Austin Singleton, Jr
Name: Philip Austin Singleton, Jr.
Title: President

WELLS FARGO COMMERCIAL DISTRIBUTION FINANCE, LLC
as Agent and Lender

By: /s/ Thomas M. Adamski
Name: Thomas M. Adamski
Title: VP Credit Lender

UNITED COMMUNITY BANK
as Lender

By:	/s/ David L. Shelnutt
Print Name:	David L. Shelnutt
Title:	SVP

[SIGNATURE PAGE TO 4TH A&R IFA]

STERLING NATIONAL BANK
as Lender

By:	/s/ Jeffrey E. Peck
Name:	Jeffrey E. Peck
Title:	Vice President

[SIGNATURE PAGE TO 4TH A&R IFA]

HANCOCK BANK
as Lender

By: /s/ Jennifer Henry
Name: Jennifer Henry
Title: Senior Vice President

[SIGNATURE PAGE TO 4TH A&R IFA]

RENASANT BANK
as Lender

By:	/s/ Paul K. Walker
Name:	Paul K. Walker
Title:	SVP

[Signature Page to 4th A&R IFA]

COMPASS BANK
as Lender

By: /s/ John Whittenburg
Name: John Whittenburg
Title: SVP

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IBERIA BANK
as Lender

By:	/s/ Donald W. Dobbins, Jr.
Name:	Donald W. Dobbins, Jr.
Title:	SVP

[Signature Page to 4th A&R IFA]

ROCKLAND TRUST COMPANY
as Lender

By: /s/ Thomas Meehan
Name: Thomas Meehan
Title: Vice President

[SIGNATURE PAGE TO 4TH A&R IFA]

CENTENNIAL BANK
as Lender

By:	/s/ Stephen Tipton
Name:	Stephen Tipton
Title:	Chief Operating Officer

[SIGNATURE PAGE TO 4TH A&R IFA]

SCHEDULE 1

Lender’s Allocations and Ratable Share

Lender	Ratable Share	Allocation
CDF	34.188034188%	$100,000,000
Sterling National Bank	6.837606838%	$20,000,000
United Community Bank	8.547008547%	$25,000,000
Hancock Bank	10.256410256%	$30,000,000
Renasant Bank	5.982905983%	$17,500,000
Compass Bank	15.384615385%	$45,000,000
Iberia Bank	5.128205128%	$15,000,000
Rockland Trust Company	6.837606838%	$20,000,000
Centennial Bank	6.837606838%	$20,000,000
Aggregate Allocations		$292,500,000.00

SCHEDULE 2

Wire Instructions

CDF for immediate use at close and thereafter:

For use by United Community Bank
Bank Address: Wells Fargo Bank, N.A., 420 Montgomery Street San Francisco, CA 94104
Account Name:
Wire/ACH ABA #:
Account No.:
Reference:

For use by Sterling National Bank
Bank Address: Wells Fargo Bank, N.A., 420 Montgomery Street San Francisco, CA 94104
Account Name:
Wire/ACH ABA #:
Account No.:
Reference:

For use by Hancock Bank
Bank Address: Wells Fargo Bank, N.A., 420 Montgomery Street San Francisco, CA 94104
Account Name:
Wire/ACH ABA #:
Account No.:
Reference:

For use by Renasant Bank
Bank Address: Wells Fargo Bank, N.A., 420 Montgomery Street San Francisco, CA 94104
Account Name:
Wire/ACH ABA #:
Account No.:
Reference:

For use by Compass Bank
Bank Address: Wells Fargo Bank, N.A., 420 Montgomery Street San Francisco, CA 94104
Account Name:
Wire/ACH ABA #:
Account No.:
Reference:

For use by Iberia Bank
Bank Address: Wells Fargo Bank, N.A., 420 Montgomery Street San Francisco, CA 94104
Account Name:
Wire/ACH ABA #:
Account No.:
Reference:

For use by Rockland Trust Company
Bank Address: Wells Fargo Bank, N.A., 420 Montgomery Street San Francisco, CA 94104
Account Name:
Wire/ACH ABA #:
Account No.:
Reference:

For use by Centennial Bank
Bank Address: Wells Fargo Bank, N.A., 420 Montgomery Street San Francisco, CA 94104
Account Name:
Wire/ACH ABA #:
Account No.:
Reference:

For use by Renasant Bank
Bank Address: Wells Fargo Bank, N.A., 420 Montgomery Street San Francisco, CA 94104
Account Name:
Wire/ACH ABA #:
Account No.:
Reference:

For use by Compass Bank
Bank Address: Wells Fargo Bank, N.A., 420 Montgomery Street San Francisco, CA 94104
Account Name:
Wire/ACH ABA #:
Account No.:
Reference:

ACKNOWLEDGMENT AND AGREEMENT OF GUARANTORS

The undersigned Guarantors (collectively, the "***Guarantors***", and each a "***Guarantor***") of Dealers' Liabilities (as defined in each Guaranty), pursuant to (i) that certain Fifth Amended and Restated Collateralized Guaranty dated June 14, 2018 (as amended, restated, supplemented or otherwise modified from time to time, the "***Holdings Guaranty***"), by One Water Marine Holdings, LLC for the benefit of Wells Fargo Commercial Distribution Finance, LLC ("***Agent***"), (ii) that certain Third Amended and Restated Collateralized Guaranty dated June 14, 2018 (as amended, restated, supplemented or otherwise modified from time to time, the "***Parent Guaranty***"), by One Water Assets & Operations, LLC for the benefit of Agent, and (iii) that certain Third Amended and Restated Collateralized Guaranty dated June 14, 2018 (as amended, restated, supplemented or otherwise modified from time to time, the "***Sundance Guaranty***"), by Sundance Lauderdale Realty, Inc. for the benefit of Agent, (iv) that certain Third Amended and Restated Guaranty dated June 14, 2018 (as amended, restated, supplemented or otherwise modified from time to time, the "***Singleton Guaranty***"), by Phillip Austin Singleton, Jr for the benefit of Agent, and (v) that certain Third Amended and Restated Guaranty dated June 14, 2018 (as amended, restated, supplemented or otherwise modified from time to time, the "***Aisquith Guaranty***," and together with the Holdings Guaranty, Parent Guaranty, Sundance Guaranty and Singleton Guaranty, each a "***Guaranty***"), by Anthony Aisquith for the benefit of Agent, each hereby ratify and confirm its respective Guaranty and each other Loan Document executed by itself in all respects, consents to the terms and execution of the foregoing Agreement, and acknowledges that Agent may amend, restate, extend, renew or otherwise modify the foregoing Agreement and any indebtedness or agreement of Dealers, or enter into any agreement or extend additional or other credit accommodations, without notifying or obtaining the consent of any Guarantor and without impairing the liability of each Guarantor under its Guaranty. Each Guarantor represents to and covenants with Agent and the Lenders that it has no defense, claim, right of recoupment or right of offset against Agent, the Lenders, or both under the respective Guaranty.

[*Remainder of this page left intentionally blank*]

Guarantor:

/s/ Philip Austin Singleton, Jr.
Philip Austin Singleton, Jr., individually

Guarantor:

/s/ Anthony Aisquith
Anthony Aisquith, individually

[Signature Page to Guarantor Acknowledgement – 4th A&R IFA]

Exhibit 21.1

OneWater Marine, Inc.

List of Subsidiaries

Name	Jurisdiction of Organization
Bosun's Assets & Operations, LLC	Delaware
Legendary Assets & Operations, LLC	Florida
Midwest Assets & Operations, LLC	Delaware
One Water Assets & Operations, LLC	Delaware
One Water Marine Holdings, LLC	Delaware
Singleton Assets & Operations, LLC	Georgia
South Florida Assets & Operations, LLC	Florida
South Shore Lake Erie Assets & Operations, LLC	Delaware
Sundance Lauderdale Realty, Inc.	Florida
651 S Federal Highway, LLC	Delaware

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We have issued our report dated April 26, 2019, with respect to the financial statement of OneWater Marine Inc. contained in the Registration Statement and Prospectus. We consent to the use of the aforementioned report in the Registration Statement and Prospectus, and to the use of our name as it appears under the caption “Experts.”

/s/ GRANT THORNTON LLP

Atlanta, Georgia
July 12, 2019

Exhibit 23.2

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We have issued our report dated April 26, 2019, with respect to the consolidated financial statements of One Water Marine Holdings, LLC contained in the Registration Statement and Prospectus. We consent to the use of the aforementioned report in the Registration Statement and Prospectus, and to the use of our name as it appears under the caption “Experts.”

/s/ GRANT THORNTON LLP

Atlanta, Georgia
July 12, 2019

Exhibit 99.1

CONSENT OF DIRECTOR NOMINEE

Pursuant to Rule 438 of Regulation C promulgated under the Securities Act of 1933, as amended (the "Securities Act"), in connection with the Registration Statement on Form S-1 (the "Registration Statement") of OneWater Marine Inc., the undersigned hereby consents to being named and described as a person who will become a director of OneWater Marine Inc. in the Registration Statement and any amendment or supplement to any prospectus included in such Registration Statement, any amendment to such Registration Statement or any subsequent Registration Statement filed pursuant to Rule 462(b) under the Securities Act and to the filing or attachment of this consent with such Registration Statement and any amendment or supplement thereto.

IN WITNESS WHEREOF, the undersigned has executed this consent as of the 12th day of July, 2019.

/s/ Chris W. Bodine

Name: Chris W. Bodine

Exhibit 99.2

CONSENT OF DIRECTOR NOMINEE

Pursuant to Rule 438 of Regulation C promulgated under the Securities Act of 1933, as amended (the "Securities Act"), in connection with the Registration Statement on Form S-1 (the "Registration Statement") of OneWater Marine Inc., the undersigned hereby consents to being named and described as a person who will become a director of OneWater Marine Inc. in the Registration Statement and any amendment or supplement to any prospectus included in such Registration Statement, any amendment to such Registration Statement or any subsequent Registration Statement filed pursuant to Rule 462(b) under the Securities Act and to the filing or attachment of this consent with such Registration Statement and any amendment or supplement thereto.

IN WITNESS WHEREOF, the undersigned has executed this consent as of the 12th day of July, 2019.

/s/ Mitchell W. Legler
Name: Mitchell W. Legler

Exhibit 99.3

CONSENT OF DIRECTOR NOMINEE

Pursuant to Rule 438 of Regulation C promulgated under the Securities Act of 1933, as amended (the "Securities Act"), in connection with the Registration Statement on Form S-1 (the "Registration Statement") of OneWater Marine Inc., the undersigned hereby consents to being named and described as a person who will become a director of OneWater Marine Inc. in the Registration Statement and any amendment or supplement to any prospectus included in such Registration Statement, any amendment to such Registration Statement or any subsequent Registration Statement filed pursuant to Rule 462(b) under the Securities Act and to the filing or attachment of this consent with such Registration Statement and any amendment or supplement thereto.

IN WITNESS WHEREOF, the undersigned has executed this consent as of the 12th day of July, 2019.

/s/ John Schraudenbach

Name: John Schraudenbach

Exhibit 99.4

CONSENT OF DIRECTOR NOMINEE

Pursuant to Rule 438 of Regulation C promulgated under the Securities Act of 1933, as amended (the "Securities Act"), in connection with the Registration Statement on Form S-1 (the "Registration Statement") of OneWater Marine Inc., the undersigned hereby consents to being named and described as a person who will become a director of OneWater Marine Inc. in the Registration Statement and any amendment or supplement to any prospectus included in such Registration Statement, any amendment to such Registration Statement or any subsequent Registration Statement filed pursuant to Rule 462(b) under the Securities Act and to the filing or attachment of this consent with such Registration Statement and any amendment or supplement thereto.

IN WITNESS WHEREOF, the undersigned has executed this consent as of the 12th day of July, 2019.

/s/ Michael C. Smith

Name: Michael C. Smith

Exhibit 99.5

CONSENT OF DIRECTOR NOMINEE

Pursuant to Rule 438 of Regulation C promulgated under the Securities Act of 1933, as amended (the "Securities Act"), in connection with the Registration Statement on Form S-1 (the "Registration Statement") of OneWater Marine Inc., the undersigned hereby consents to being named and described as a person who will become a director of OneWater Marine Inc. in the Registration Statement and any amendment or supplement to any prospectus included in such Registration Statement, any amendment to such Registration Statement or any subsequent Registration Statement filed pursuant to Rule 462(b) under the Securities Act and to the filing or attachment of this consent with such Registration Statement and any amendment or supplement thereto.

IN WITNESS WHEREOF, the undersigned has executed this consent as of the 12th day of July, 2019.

/s/ Keith R. Style

Name: Keith R. Style

Exhibit 99.6

CONSENT OF DIRECTOR NOMINEE

Pursuant to Rule 438 of Regulation C promulgated under the Securities Act of 1933, as amended (the "Securities Act"), in connection with the Registration Statement on Form S-1 (the "Registration Statement") of OneWater Marine Inc., the undersigned hereby consents to being named and described as a person who will become a director of OneWater Marine Inc. in the Registration Statement and any amendment or supplement to any prospectus included in such Registration Statement, any amendment to such Registration Statement or any subsequent Registration Statement filed pursuant to Rule 462(b) under the Securities Act and to the filing or attachment of this consent with such Registration Statement and any amendment or supplement thereto.

IN WITNESS WHEREOF, the undersigned has executed this consent as of the 12th day of July, 2019.

/s/ John Troiano

Name: John Troiano