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As filed with the Securities and Exchange Commission on June 25, 2015

Registration No. 333-203815

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 2
to

FORM S-1

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

MCBC Holdings, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**3730**	**06-1571747**
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

100 Cherokee Cove Drive
Vonore, Tennessee 37885
(423) 884-2221
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Terry McNew
President and Chief Executive Officer
MCBC Holdings, Inc.
100 Cherokee Cove Drive
Vonore, Tennessee 37885
(423) 884-2221
(Name, address, including zip code, and telephone number, including area code, of agent for service)

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Approximate date of commencement of proposed sale to the public:
As soon as practicable after this Registration Statement is declared 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, as amended (the "Securities Act"), 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, 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, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Securities Exchange Act of 1934 (the "Exchange Act"). (Check one):

Large accelerated filer o	Accelerated filer o	Non-accelerated filer ☒ (Do not check if a smaller reporting company)	Smaller reporting company 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[3]
Common Stock, $0.01 par value per share	$ 100,000,000.00	$ 11,620.00

(1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) under the Securities Act.

(2) Includes the offering price of shares of common stock that may be sold if the underwriters' option to purchase additional shares of common stock from the selling stockholders solely to cover over-allotments is exercised.

(3) The registrant previously paid $11,620.00 in connection with a prior filing of this Registration Statement on May 1, 2015.

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, or until this registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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The information in this preliminary prospectus is not complete and may be changed. Neither we nor the selling stockholders may 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 jurisdiction where the offer or sale is not permitted.

Subject to completion, dated June 25, 2015

PROSPECTUS

Shares

MCBC HOLDINGS, INC.
COMMON STOCK

This is an initial public offering of shares of common stock of MCBC Holdings, Inc. We are offering shares of our common stock.

Prior to this offering, there has been no public market for our common stock. We anticipate that the initial public offering price will be between $ and $ per share. We have applied to have our common stock listed on the Nasdaq Global Market ("NASDAQ") under the symbol "MCFT." We are an "emerging growth company" as that term is used in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act, and, as such, will be subject to reduced public company reporting requirements.

Investing in our common stock involves substantial risk. Please refer to the "Risk Factors" beginning on page 21.

	Per Share	Total
Initial public offering price	$	$
Underwriting discounts and commissions(1)	$	$
Proceeds to us, before expenses	$	$

(1) We have agreed to reimburse the underwriters for certain expenses. See "Underwriting (Conflicts of Interest)."

Delivery of the shares of common stock is expected to be made on or about , 2015.

The selling stockholders identified in this prospectus have granted the underwriters a 30-day option to purchase up to an additional shares of common stock at the initial public offering price less underwriting discounts and commissions. We will not receive any of the proceeds from the sale of the shares by the selling stockholders.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

Baird | Raymond James | Wells Fargo Securities

KeyBanc Capital Markets | Wunderlich

, 2015

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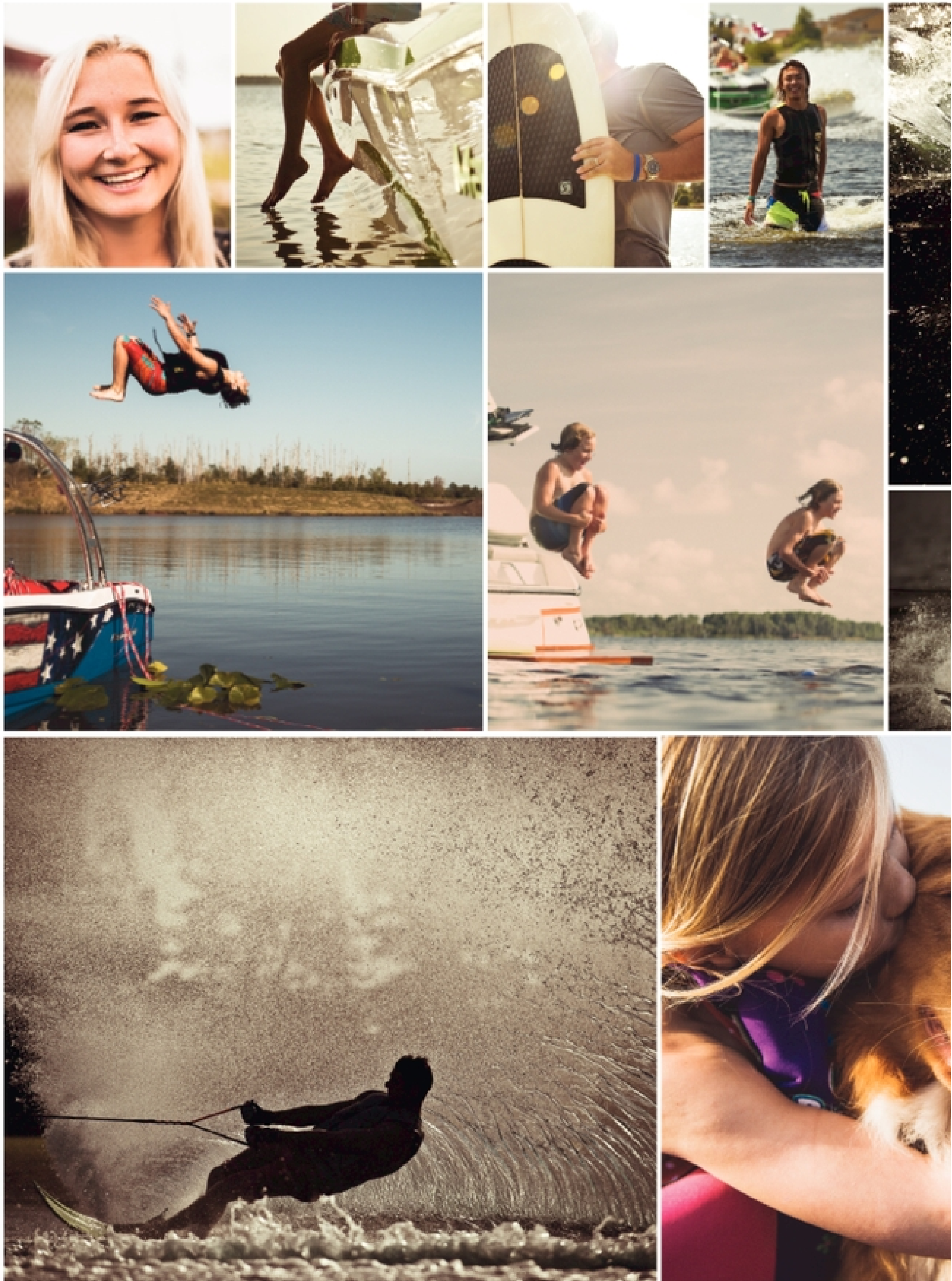

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You should rely only on the information contained in this prospectus and any free writing prospectus we have prepared. Neither we, the selling stockholders, nor any of the underwriters has authorized any other person to provide you with information or make any representations different from or in addition to those contained in this prospectus or any free writing prospectus prepared by us or on our behalf. Neither we, the selling stockholders, nor any of the underwriters takes responsibility for, or provides assurance as to, the reliability of any other information that others may give you. We are offering to sell shares of common stock and are seeking offers to buy shares of our common stock only in jurisdictions where offers and sales are permitted. The information contained in this prospectus is accurate only as of the date of this prospectus and we undertake no obligation to update such information, except as may be required by law.

For investors outside the United States: Neither we, the selling stockholders, nor any of the underwriters have done anything that would permit this offering or possession or distribution of this prospectus or any free

writing prospectus we may provide to you in connection with this offering, in any jurisdiction where action for that purpose is required, other than in the United States. You are required to inform yourselves about and to observe any restrictions relating to this offering and the distribution of this prospectus and any such free writing prospectus outside of the United States.

TRADEMARKS

We own or have rights to trademarks, service marks, and trade names that we use in connection with the operation of our business. In addition, our names, logos, and website names and addresses are our service marks or trademarks. Other trademarks, service marks, and trade names appearing in this prospectus are the property of their respective owners. Some of the trademarks we own or have the right to use include "MasterCraft," "ProStar," and "XStar." Solely for convenience, the trademarks, service marks, trade names, and copyrights referred to in this prospectus are listed without the ©, ®, and ™ symbols, but we will assert, to the fullest extent under applicable law, our rights or the rights of the applicable licensors to these trademarks, service marks, and trade names.

BASIS OF PRESENTATION

The Company's fiscal year begins on July 1 and ends on June 30 with the interim quarterly reporting periods consisting of thirteen weeks. Therefore, the quarter end will not always coincide with the date of the end of the calendar month. We refer to our fiscal years based on the calendar-year in which they end. Accordingly, references to fiscal 2013 and fiscal 2014 represent the financial results of MCBC Holdings, Inc. and its subsidiaries for the fiscal years ended June 30, 2013 and June 30, 2014, respectively. For ease of reference, we identify our fiscal years in this prospectus by reference to the period from July 1 to June 30 of the year in which the fiscal year ends. For example, "fiscal 2014" refers to our fiscal year ended June 30, 2014.

FORWARD-LOOKING STATEMENTS

This prospectus contains "forward-looking statements." We use words such as "could," "may," "might," "will," "expect," "likely," "believe," "continue," "anticipate," "estimate," "intend," "plan," "project," and other similar expressions to identify some forward-looking statements, but not all forward-looking statements include these words. All of our forward-looking statements involve estimates and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. Accordingly, any such statements are qualified in their entirety by reference to the information described under the caption "Risk Factors" and elsewhere in this prospectus.

The forward-looking statements contained in this prospectus are based on assumptions that we have made in light of our industry experience and our perceptions of historical trends, current conditions, expected future developments, and other factors we believe are appropriate under the circumstances. As you read and consider this prospectus, you should understand that these statements are not guarantees of performance or results. They involve risks, uncertainties (many of which are beyond our control), and assumptions. Although we believe that these forward-looking statements are based on reasonable assumptions, you should be aware that many factors could affect our actual operating and financial performance and cause our performance to differ materially from the performance anticipated in the forward-looking statements. We believe these factors include, but are not limited to, those described under "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations." Should one or more of these risks or uncertainties materialize, or should any of these assumptions prove incorrect, our

actual operating and financial performance may vary in material respects from the performance projected in these forward-looking statements.

Further, any forward-looking statement speaks only as of the date on which it is made, and except as required by law, we undertake no obligation to update any forward-looking statement contained in this prospectus to reflect events or circumstances after the date on which it is made or to reflect the occurrence of anticipated or unanticipated events or circumstances. New factors that could cause our business not to develop as we expect emerge from time to time, and it is not possible for us to predict all of them. Further, we cannot assess the impact of each currently known or new factor on our results of operations or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

MARKET DATA

This prospectus includes market and industry data and forecasts that we have derived from independent consultant reports, publicly available information, various industry publications, such as those of the National Marine Manufacturers Association ("NMMA") and Statistical Surveys, Inc. ("SSI"), other published industry sources, and our internal data and estimates. Independent consultant reports, industry publications, and other published industry sources generally indicate that the information contained therein was obtained from sources believed to be reliable.

Our internal data and estimates are based upon information obtained from trade and business organizations and other contacts in the markets in which we operate and our management's understanding of industry conditions. Although we believe that such information is reliable, we have not had this information verified by any independent sources.

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PROSPECTUS SUMMARY

This summary highlights selected information that is presented in greater detail elsewhere in this prospectus. This summary does not contain all of the information you should consider before investing in our common stock. You should read this entire prospectus carefully, including the sections titled "Risk Factors," "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, before deciding whether to purchase shares of our common stock. Unless the context otherwise requires, the terms "MasterCraft," the "Company," "we," and "us" in this prospectus refer to MCBC Holdings, Inc. and its consolidated subsidiaries.

Our Company

We are a world-renowned innovator, designer, manufacturer, and marketer of premium performance sport boats, with a leading market position in the U.S., a strong international presence, and dealers in 40 countries around the world. Our boats are used for water skiing, wakeboarding, and wake surfing, as well as general recreational boating. We believe that MasterCraft is the most recognized brand name in the performance sport boat category. Founded in 1968, we have cultivated our iconic brand image through a rich history of industry-leading innovation, which has led to numerous industry achievements, awards, and accolades. Our robust product portfolio of performance sport boats is manufactured to the highest specifications in quality, performance, and styling.

We are committed to delivering an extraordinary boating experience to our customers. From pioneering innovations that improve enjoyment on the water, to offering products that promote rapid development of skills, our mission is to help our customers generate memories that will last a lifetime. We utilize a comprehensive product development process in order to build the most relevant and exciting products for our customers, year after year. We believe that our commitment to quality is unsurpassed in the performance sport boat category, and we engage in operational excellence to deploy flexible and effective production systems that ensure we design and build the highest quality boats in the market.

Over the past 40 years, we have been a leading and consistent innovator in the boating industry, beginning in 1968 with our first custom hull ski boat. We have been the first to market with numerous innovations, including the first swim platform in 1976, the patented wearguard ski pylon in 1989, a V-drive drivetrain and a dedicated wakeboard-specific boat in 1996, a now popular pickle-fork style bow in 2003, a twin v-drive engine in 2004, wake and surf shaping devices in 2009 and our patented Gen 2 fully integrated surf system in 2013. Each of these pioneering introductions has allowed our customers to more fully enjoy the ultimate water skiing, wakeboarding, wake surfing, and on-the-water recreational experience that our boats provide.

Our MasterCraft-branded portfolio of Star Series, XSeries, and NXT boats are designed for the highest levels of performance, styling, and enjoyment for both recreational and competitive use. The Star Series and XSeries are geared towards the consumer seeking the most premium and highest performance boating experience that we offer, and generally command a price premium over our competitors' boats at retail prices ranging from approximately $60,000 to $150,000. Unveiled in January 2014, the all-new MasterCraft NXT line introduces the quality, performance, styling, and innovation of the MasterCraft brand to the entry-level consumer, with retail prices ranging from approximately $50,000 to $75,000. We have strategically designed and priced the MasterCraft NXT line to target the fast-growing entry-level customer group that is distinct from

our traditional customer base, while maintaining our core MasterCraft brand attributes at profit margins comparable to our other offerings.

All of our boats, from hull to upholstery, are hand-crafted by our skilled workforce at our corporate headquarters near Knoxville, Tennessee. We use only the highest quality materials from industry-preferred suppliers, and all of our boats are extensively tested on the water at our state-of-the-art facilit prior to sale. In recent years, we have made significant investments in improving design, engineering, manufacturing, and operational processes as we strive to be the most efficient performance sport boat manufacturer in the industry. We are the only boat manufacturer to achieve compliance with all three of the International Organization for Standardization ("ISO") 9001 (Quality Management Systems), 14001 (Environmental Management Systems and 18001 (International Occupational Health and Safety Management System) standards.

We sell our boats through an extensive network of independent dealers in North America and internationally. We partner with 90 North American dealers with 129 locations and 45 international dealers with 54 locations throughout the rest of the world. Our boats are the exclusive performance sport boats offered by the majority of our dealers. We devote significant time and resources to find, develop, and improve the performance of our dealers, over 75% of which are in the top three performance sport boat dealers in their respective U.S. markets. We believe the strength of our dealer network and our proactive efforts to help our dealers improve their businesses give us a distinct competitive advantage in our industry.

Commencing in fiscal 2012, under the leadership of our new management team, we have implemented and continue to execute significantly improved manufacturing, engineering, and sales and marketing processes, which collectively have led to superior product quality, sales growth, and margin expansion, including:

- net sales growth from $137.3 million to $177.6 million from fiscal 2012 to fiscal 2014, representing a compound annual growth rate ("CAGR") of 13.7%;

- net sales growth of MasterCraft-branded products from $118.4 million to $163.6 million from fiscal 2012 to fiscal 2014, representing a CAGR of 17.6%; and

- Adjusted EBITDA growth from $1.7 million to $18.4 million from fiscal 2012 to fiscal 2014, representing a CAGR of 229.0%. For a reconciliation of net income to Adjusted EBITDA, see Note 3 to the information contained in "Summary Historical Consolidated Financial Data."

Driven by operating efficiencies, improved manufacturing performance, and a renewed product portfolio, MasterCraft reached historical peak Adjusted EBITDA levels in fiscal 2014 at two-thirds of historical peak unit volumes. Margins have also increased since fiscal 2012 due to reductions in manufacturing costs, operating efficiencies, and increasing scale. The recreational boating industry continues to recover from the adverse effects of th economic downturn and unit volumes across the industry remain significantly below their prior peak. We believe our improved profitability at these reduced volumes demonstrates that MasterCraft is positioned to continue generating strong cash flow as the industry recovery progresses.

Our History

MasterCraft was founded in 1968 when we built our first custom hull ski boat in a two-stall horse barn on a farm in Maryville, Tennessee. Dissatisfied with the large wakes and pull of other ski boats, we designed a hull that had the smallest wake in the industry: smooth and low at slalom and jump speeds yet well-defined at trick speeds. Our roots in performance water ski boats were reinforced as we evolved over the next 40 years to produce leading performance-oriented boats in the wakeboarding and wake surfing categories.

Today, we continue to produce the industry's premier competitive water ski, wakeboarding, and wake surfing performance boats that also address our customers' needs for versatility, flexibility, fun, and functionality.

Our senior management team, led by our President and Chief Executive Officer, Terry McNew, was assembled during fiscal 2012 and 2013. This team has implemented dramatic operational improvements, reduced new product development cycle times, launched several new models — including MasterCraft's first ever entry-level product — introduced the only "stem-to-stern" five-year warranty in the boating industry, optimized our dealer network, lowered our fixed cost base, improved our working capital management, and built a scalable platform for continued growth.

Our Market Opportunity

During 2013, retail sales of new powerboats in the U.S. totaled $6.5 billion. Of the categories defined and tracked by the NMMA, our core market corresponds most directly to the inboard ski/wakeboard category, which we refer to as the performance sport boat category. We believe our addressable market also includes similar and adjacent powerboat categories identified by the NMMA, including sterndrive boats, outboard boats, and jet boats. For 2013, retail sales of new performance sport boats, sterndrive boats, outboard boats, and jet boats in the U.S. were $470 million, $896 million, $2,961 million, and $113 million, respectively. As a result, we believe the total annual addressable market for our products in the U.S. alone is greater than $4.4 billion.

We believe we are well-positioned to benefit from several trends underway in our addressable market, including:

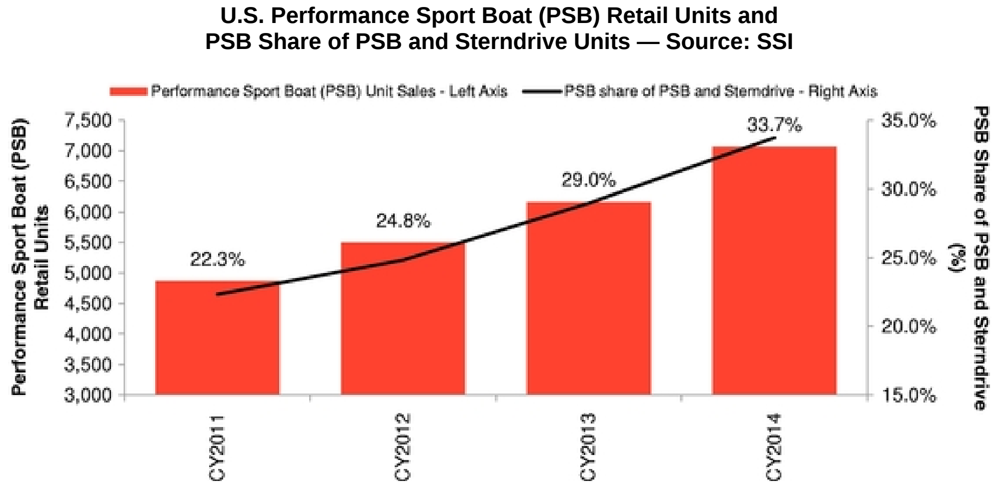
- performance sport boats are taking greater share of the overall fiberglass powerboat category;
- dealer inventory positions have improved across the industry;
- recreational boating has reached its highest level of participation since 1990 when participation data was first collected;
- inventory of two to five year old pre-owned boats has become limited, driving consumers to purchase new boats;
- ease-of-use and performance innovations have accelerated product cycles driving consumer demand for new products; and
- higher consumer confidence influenced by improving macroeconomic conditions, including increased home values, lower oil prices, and greater workforce participation has helped to drive increased consumer demand for powerboats.

As the recovery in the general economy and overall boating industry from the economic downturn that commenced in 2008 has continued, the performance sport boat category has experienced a robust recovery. According to SSI, new unit sales of performance sport boats in the U.S. increased at a CAGR of 13.3% from 2012 to 2014 while new unit sales of all fiberglass power boats increased at a CAGR of 1.9% in the U.S. over the same period. We believe the performance sport boat category has grown at a faster rate due to increased innovation in the features, designs, and layouts of performance sport boats. These innovations have improved the performance, functionality, and versatility of these boats as compared with other recreational powerboats, particularly boats in the sterndrive category, which have not experienced the same degree of innovation. We believe inboard boats are superior to sterndrive boats for tow sports such as water skiing, wakeboarding, and wake surfing for several reasons, including (i) the larger and more propulsive wakes that only inboard engine configurations can enable, (ii) enhanced rider safety as a result of the

location of the inboard propeller underneath the boat instead of protruding from the stern, and (iii) relatively more passenger and storage space due to the location of the inboard engine housing.

Performance sport boats have also continued to take share from other powerboat categories, in particular the sterndrive category, with new performance sport boat unit sales volume steadily increasing from 2002 through 2014 as a percentage of the total combined new unit sales volume of performance sport and sterndrive boats. We believe our strong market share position and broad offering of boat models and features will continue to attract customers from other powerboat categories to our performance sport boats. While the performance sport boat category has grown in recent years, new unit sales remained significantly below historical peaks. According to NMMA, the 6,100 new performance sport boat units sold in 2013 were 48.4% below the average annual new unit sales volume of 11,817 observed between 2002 and 2007 and 53.4% below the 13,100 new units sold in 2006. This sales momentum has continued into 2014, with SSI reporting an increase in unit volume of performance sport boats of 14.7% in calendar year 2014 over calendar 2013. We believe that due to increased consumer demand and limited used boat inventory, we are in the early stages of a recovery that presents a long runway for future growth.

U.S. Performance Sport Boat (PSB) Retail Units and
PSB Share of PSB and Sterndrive Units — Source: SSI



The expanding popularity of boating has also contributed to the strong recovery in volumes, with recreational boating participation increasing and reaching its highest level since the data was first collected in 1990. According to NMMA, 88.5 million adults participated in recreational boating in 2013, a 34.3% increase over 2009. We believe we are well-positioned to benefit from the increased popularity of recreational boating and the resulting larger customer base.

For more information, see "Business — Our Market Opportunity."

Our Strengths

Iconic Brand Synonymous with Quality, Innovation and Performance. We believe the MasterCraft brand is well-known among boating enthusiasts for high performance, premier quality, and relentless innovation. We believe that the market recognizes MasterCraft as a premier and aspirational brand in the performance sport boat category due to the overall superior value proposition that our boats deliver to our customers.

The MasterCraft brand is built on a carefully crafted set of defining principles:

- **Legacy:** Our heritage of successful product innovations has contributed to our status as one of the most widely recognized and aspirational brands in the boating industry. We work tirelessly every day to maintain our iconic brand reputation relative to our competition.

- **Power:** MasterCraft boats are renowned for their superior performance. For example, our flagship water ski boat, the all new ProStar, which was introduced in 2013, is widely recognized as the premier three-event ski boat in the industry and has been responsible for driving a number of world record ski and ski jumping performances since its launch.

- **Precision:** The rigorous attention to detail with which we design and manufacture our products results in high quality boats that command significant resale premiums to comparable competitor boats. The high quality and durability of our products allow us to offer a "stem-to-stern" five-year warranty that comprehensively covers more parts of our boats than warranties offered by any of our competitors.

- **Progression:** Our brand is known to represent innovation and achievement. For example, only MasterCraft boats offer a longer, more powerfu "Zone 4" surfing wake, which was introduced on the MasterCraft X23, the winner of the 2015 NMMA Innovation Award.

Leading Market Share Position in Performance Sport Boat Category. Over the last decade, we have consistently held a leading market share position in the U.S. among manufacturers of premium performance sport boats based on unit volume. According to SSI, our U.S. market share in 2014 was 20.5%. We believe our sales have grown as dealers and customers continue to recognize the superior quality, performance, styling, and value of our recently released boats and that we are just starting to realize the market share benefits of the many recent new product offerings and product enhancement initiatives that our new management team has implemented during the past two years. For example, we anticipate our newly-developed MasterCraft NXT line of entry-level boats will further increase our market share as it represents our first offering in this market segment, which account for approximately one-third of the performance sport boat category.

Industry-Leading Product Design and Innovation. We believe that our innovation in the design of new boat models and new features has been a key to our success, helping us maintain our market share, command higher price points, and generally broaden the appeal of our products among recreational boaters. As a result of the features we have introduced, we believe that our boats are used for an increasingly wide range of activities. Ou commitment to consistently developing new boat models and introducing new features is reflected in several notable recent achievements and upcoming releases, including:

- the launch of our all new ProStar, winner of the 2014 NMMA Innovation Award, which offers a world record setting hull and innovative new seating, convertible bow storage, and integrated ski storage features;

- the release of our patented Gen 2 surf system technology in 2013, which won the 2014 NMMA Innovation Award and provides a fully integrated wake surfing package, including wake shaping devices specially engineered to work with each individual hull, built-in ballast providing larger an stronger wakes, and a custom user interface allowing riders to customize the perfect surfing wake;

- the launch of the MasterCraft NXT line of boats in 2014, designed to be an entry-level offering with MasterCraft quality, performance, and styling which we anticipate will achieve significant market share over the next several years; and

- the launch of our all new X23, winner of the 2015 NMMA Innovation Award, which is specially engineered to offer superior surfing performance including the industry's first "Zone 4" wake, extending

15 to 20 feet beyond the boat's swim platform and providing a more traversable wave surface and the ability to surf bigger boards. Our new X23 model also features innovative rear lounge seating and "triple tab logic" software architecture. This innovation enables the boat to get on plane faster and thereby improves driver visibility and fuel efficiency.

Following our planned product launches through September 2015 our entire product portfolio will have been renewed in the last four years, giving us the newest overall product offering in the performance sport boat category, which we believe positions us for strong growth in the coming periods.

Highly Efficient Product Development and Manufacturing. A key to our success has been our renewed focus on operational improvements and world-class business processes. We believe our new product development capabilities are industry-leading and enable us to consistently create uniqu high performance hull shapes and product features in shorter design iterations and at lower development costs than our competitors. These capabilitie enable us to precisely design custom hulls and performance features that enhance each boat's unique performance characteristics and increase our speed to market with exciting new products.

We have also made recent significant investments in infrastructure, value-added processes, and engineering. These investments have resulted in lowe material waste, reduced labor hours per boat, reduced re-work, and increased production efficiencies. Industry Week recently recognized our operational excellence by selecting us as one of the 12 finalists for its North America cross-industry Best Manufacturing award in October 2014. Our scalability and operational efficiency has allowed us to limit our annual company-wide weighted average boat price increase to less than 3% from model year 2013 to model year 2015, enabling us to narrow the pricing gap between us and our competitors while at the same time increasing our gross margins by approximately 13 percentage points from fiscal 2012 through the nine months ended March 29, 2015. We are able to narrow this pricing gap while increasing margins by controlling costs through our highly disciplined engineering and manufacturing processes.

Strong Dealer Network. We have worked extensively with our dealers to develop what we believe is the strongest dealer network in the performanc sport boat category. Our extensive distribution network consists of 90 North American dealers with 129 locations and 45 international dealers with 54 locations throughout the rest of the world, and we believe it allows us to distribute our products more effectively than our competitors. We target our distribution on the category's highest performing dealers, with more of our dealers placing in Boating Industry magazine's 2014 Top 20 Dealers than any of our competitors in the performance sport boat category. We have established operating processes focused on optimizing dealers' financial performance and service, and with a track record of balancing wholesale inventory and retail sales we are better able to manage dealer inventory, allowing for more transparent sales estimates and strong dealer relationships.

Differentiated Sales and Marketing Capabilities. We believe our marketing efforts support the MasterCraft brand promise by focusing on the superior MasterCraft value proposition and differentiating the performance and features of our boats. To highlight our performance credibility and generate additional brand excitement, we sponsor the #1, #2, #3, and #5 ranked professional wakeboarding athletes, the #1 and #2 ranked water ski jumpers, and the #4 and #5 ranked male and #3 and #5 ranked female water skiers, who all trust the performance of our boats to enhance their careers. In addition, we partner with Surfing Magazine and musician and avid surfer, Donavon Frankenreiter, to promote our boats' wake surfing capabilities and our brand lifestyle. We also partner with other innovative athletes and brands, such as Travis Pastrana, GoPro, Nixon, Hobie, ESPN, and Sanuk, all offering compelling co-marketing opportunities to expand our brand's lifestyle positioning.

Highly Experienced Management Team. We have a highly seasoned and effective management team. With an average of more than 16 years of boating industry experience per member, our management team has proven its ability to develop and integrate new product lines, enhance operations strengthen our distribution network, and recruit industry talent. Senior management additions over the past few years have driven improvements to our manufacturing, quality, and product development systems and processes, which have collectively accelerated performance improvements as unit volumes have increased. Our President and Chief Executive Officer, Terry McNew, joined MasterCraft in August 2012 with 26 years of boating industry experience after serving as Executive Vice President of Brunswick Corp's recreational boat group, where he was in charge of manufacturing, product development, and engineering and quality systems. His leadership has helped us implement dramatic process improvements contributing to superior results. Our Chief Operating Officer, Shane Chittum, has been at MasterCraft since June 2011. Mr. Chittum joined MasterCraft after serving as Directo of Global Operational Excellence for Visteon Corporation, where he was a Shingo Prize recipient. Together, Mr. McNew and Mr. Chittum have driven significantly improved manufacturing performance and have revamped the Company's manufacturing and product development processes. Timothy M Oxley, our Chief Financial Officer, has spent 24 years in the boating industry, including eight years with MasterCraft, following 16 years with Brunswick Corp. where he served as Chief Financial Officer of several operating divisions. Our management team has produced superior results compared to ou competitors, including sales growth, award-winning product innovation, and significant margin expansion.

Our Strategy

We intend to capitalize on the ongoing recovery in the broader boating industry and performance sport boat category through the following strategies:

Continue to Develop New and Innovative Products in Our Core Market. As a leading innovator, designer, manufacturer, and marketer of premiu performance sport boats, we strive to design new and inventive products that appeal to a broad customer base. Since the completion of our management changes in fiscal 2013, we have successfully launched a number of new products and features with best-in-class quality, leading to increased sales and significant margin expansion. Furthermore, our unique new product development process enables us to renew our product portfolio with innovative offerings at a rate that we believe will be difficult for our competitors to match without significant additional capital investments. We intend to continue releasing new products and features multiple times during the year, which we believe enhances our reputation as a cutting-edge boat manufacturer and will drive consumer interest in our products.

Penetrate the Entry-Level Segment of the Performance Sport Boat Category. Our near-term product development strategy is to expand our product line to reach underserved segments of the performance sport boat category that are distinct from our traditional customer base. The MasterCraft NXT product line allows us to penetrate the growing entry-level segment of our market, a segment we have previously not targeted, with a product that offers the highest levels of quality, style, reliability, functionality, and performance expected from our MasterCraft brand. This strategy contrasts with that of a number of our competitors, which have targeted this market segment with alternative value brands. We continue to grow our NXT product portfolio with the recent launch of our new MasterCraft NXT22 in April 2015. The unique design of the MasterCraft NXT, along with our existing supplier relationships, material agreements, and manufacturing processes, allows us to offer this product at an attractive price point for the consumer while sustaining our gross margins and the product attributes critical to the MasterCraft brand.

Capture Additional Share from Adjacent Boating Categories. Our culture of innovation enhances our ability to introduce new products with increased versatility, functionality, and performance to a more expansive customer base that values boats for both water sports and general recreation boating purposes. We have experienced success with several recent marketing campaigns that focus on new product launches and help to educate th market on our value proposition to customers. Ultimately, the versatile boating experience delivered by our performance sport boats allows us to attrac customers from other boating segments, most notably from the sterndrive category. For example, the MasterCraft X55, one of our 25 foot boat models has the capacity to seat 18 people and offers the quality, performance, and styling associated with our iconic brand in a package that can compete with large day cruisers in the sterndrive category.

Continuous Operational Improvement to Drive Margin Expansion. We continue to implement a number of initiatives to reduce our cost base and to improve the efficiency of our manufacturing process. Following the completion of our recent management team changes in fiscal 2013, we have revamped our manufacturing and product development processes, leading to operational efficiencies which have driven significant margin expansion despite lower average boat sale price increases than our competitors. These process improvements have lowered re-work, warranty claims, material waste, and inventory levels, significantly reducing our costs, and have driven improved on-time delivery rates from 54% in fiscal 2012 to 88% in fiscal 2014. We have also implemented a faster and more disciplined product development process, which will allow us to completely renew our product portfolio every four years. These processes are now ingrained in the culture at MasterCraft, leading to a firm-wide focus on driving further margin expansion through continuous improvement. We believe these important process improvements and culture of operational excellence provide us with a strong operational foundation for future growth.

Effectively Manage Dealer Inventory and Further Strengthen Our Dealer Network. Our goal is to achieve and maintain a leading market share in each of the markets in which we operate. We view our dealers as our partners and product champions. Therefore, we devote significant time and resources to finding high quality dealers and developing and improving their performance over time. We actively manage dealer inventory levels, as demonstrated by healthy and consistent inventory retail turns and balanced wholesale and retail unit sales, which leads to better margins and improve financial health for our dealers. Additionally, our unique "stem-to-stern" warranty and predictable new product development cycle ensure that our dealers have high quality, compelling, and relevant products to sell to their customers. We believe the quality and trust in our dealer relationships are more beneficial to our long-term success than the quantity of dealers. In fiscal 2014, our top ten dealers comprised 33% of our gross sales and the top 20 dealers comprised 49% of our gross sales.

Increase Our Sales in International Markets. We believe we have the most well-known brand in the performance sport boat category globally. Based on our brand recognition, innovative product offering, and distribution strengths, we believe we are well positioned to leverage our reputation an capture additional international sales. We believe that we will increase our international sales by promoting our new products in developed markets where we have a well-established dealer base and in international markets where rising consumer incomes are expected to increase demand for recreational products, such as Australia, Europe, Israel, Dubai, and Brazil. We are also developing new product offerings that will specifically target certain product demand from our international consumers and that we believe will drive further sales growth in international markets. Net sales outside of North America represented 14.6% of net sales volume in fiscal 2014.

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Our Sponsor

MCBC Holdings, Inc. is majority owned by private investment funds managed by Wayzata Investment Partners LLC ("Wayzata Investment Partners"), which we refer to collectively as "Wayzata." Wayzata Investment Partners was formed in May 2004 and is based in Wayzata, Minnesota. The senior management team at Wayzata Investment Partners has significant experience investing in alternative investments.

After the completion of this offering, Wayzata will continue to control a majority of the voting power of our outstanding common stock. For a discussion of certain risks, potential conflicts and other matters associated with Wayzata's control, see "Risk Factors — Risks Relating to this Offering and Ownership of our Common Stock — Wayzata will continue to have substantial control over us after this offering including over decisions that require th approval of stockholders, and its interest in our business may conflict with yours."

Recent Developments

Hydra-Sports Sale

On June 30, 2012, we sold all of our assets that were specifically identified with Hydra-Sports, including the trade name, tooling, certain machinery, an finished goods of our Hydra-Sports business, to Hydra-Sports Custom Boats, LLC, an unaffiliated third party. We concurrently entered into an agreement with the purchaser to contract manufacture a specified number of Hydra-Sports models annually at established prices. This manufacturing agreement expires on June 30, 2015, and we do not intend to renew it. We sold 49 and 50 Hydra-Sports boats under this contract in fiscal 2013 and fiscal 2014, respectively.

Recapitalization Transactions

On March 13, 2015, we entered into a second amendment to our Senior Secured Credit Facility to, among other things, increase the borrowings under our Term Loan Facility from $50.0 million to $75.0 million and the commitments under our Revolving Credit Facility to $30.0 million. Concurrently with the amendment, we used the proceeds of the increased Term Loan Facility borrowings, together with $20.0 million in borrowings under our Revolving Credit Facility and cash on hand, to fund a $44.0 million distribution to our stockholders and pay related transaction fees and expenses. We refer to thi amendment and the related distribution to our stockholders as the "Recapitalization Transactions."

Preliminary Results

We are currently in the process of finalizing our financial results for the three months and fiscal year ended June 30, 2015. Based on preliminary unaudited information for the three months ended June 30, 2015, our net sales are expected to be approximately $ million to $ million, compared to $ million for the three months ended June 30, 2014, which represents an increase of % to %. We believe MasterCraft sales (which we define as net sales less net sales associated with Hydra-Sports) will be approximately $ million to $ million for the three months ended June 30, 2015 compared to $ million for the three months ended June 30, 2014. The expected increase in net sales is primarily due to an expected increase in MasterCraft unit volume to to units compared to units for the three months ended June 30, 2014, which is driven by higher demand from our dealers, offset by a planned decrease in production during the three months ended June 30, 2015 related to the transition of Hydra-Sports manufacturing out of our facility due to expiration of the contract manufacturing agreement. The expected increase in net sales is also driven by an expected increase in MasterCraft sales per unit resulting from annual base price increases across all of our models as well as an increased mix of higher priced units.

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Our net income for the three months ended June 30, 2015 is expected to be approximately $ million to $ million, compared to $ million for the three months ended June 30, 2014, representing a decrease of % to %. The decrease in net income is primarily due to higher income tax expense during the three months ended June 30, 2015, largely due to the reversal of a valuation allowance for deferred tax assets during the three months ended June 30, 2014, as well as higher operating expenses for the current quarter driven by expenses related to this offering and a non-recurring settlement charge. These impacts are partially offset by the contribution from higher net sales as noted above. Our Adjusted EBITDA for the three months ended June 30, 2015 is expected to be approximately $ million to $ million as compared to $ million for the three months ended June 30, 2014, representing an increase of up to %.

Our net sales are expected to be approximately $ million to $ million for the fiscal year ended June 30, 2015, an increase of % to % from $ million for the fiscal year ended June 30, 2014. We believe that MasterCraft sales will be approximately $ million to $ million for the fiscal year ended June 30, 2015, representing an increase of % to % compared to $ million for the fiscal year ended June 30, 2014. The expected increase in net sales is due to an expected increase in MasterCraft unit volume to to units, representing an increase of % to % compared to units for the fiscal year ended June 30, 2014, as well as an expected increase in MasterCraft sales per unit resulting from annual bas price increases across all of our models and increased adoption of higher content option packages, including the Gen 2 surf system introduced in the second half of fiscal 2014. Our net income for the fiscal year ended June 30, 2015 is expected to be approximately $ million to $ million, compared to $ million for the fiscal year ended June 30, 2014. The decrease in net income is primarily a result of the reversal of the valuation allowance for deferred tax assets recognized during the fiscal year ended June 30, 2014 and an increase in the change in common stock warrant fair value in the fiscal year ended June 30, 2015, as well as higher operating expenses due primarily to expenses related to the Recapitalization Transactions and this offering. These impacts are partially offset by improved operating margins driven by leverage on fixed costs due to the increase net sales, as well as engineering and manufacturing initiatives to reduce production costs. Our Adjusted EBITDA for the fiscal year ended June 30, 2015 is expected to be approximately $ million to $ million compared to $ million for the fiscal year ended June 30, 2014, representing an increase of % to %.

The following table reconciles our net income (loss) for the period to our Adjusted EBITDA:

	Three Months Ended June 30,			Fiscal Year Ended		
	2015		2014	June 30, 2015		June 30, 2014
	Low	High		Low	High	
(Dollars in millions) (unaudited)						
Net (loss) income						
Income tax expense (benefit)						
Interest expense, including related party amounts						
Depreciation and amortization						
EBITDA						
Change in common stock warrant fair value[(a)]						
Transaction expenses[(b)]						
Impairment of intangibles						
Hydra-Sports[(c)]						
Stock-based compensation						
Non-recurring settlement charge[(d)]						
Adjusted EBITDA						

(a) Represents non-cash expense related to increases in the fair market value of the Restructuring Warrant.

(b) Represents fees and expenses related to the Recapitalization Transactions and this offering, including $5.7 million related to transaction bonuses paid to certain members of management during the three months ended March 29, 2015 in connection with the Recapitalization Transactions.

(c) Represents the operating income attributable to the operations of our Hydra-Sports business and the related manufacturing agreement, adjusted to exclude depreciation and amortization related to Hydra-Sports. We divested the Hydra-Sports business i June 2012, but continue to manufacture Hydra-Sports boats for the purchaser of the business pursuant to an agreement that expires on June 30, 2015 (and which we do not intend to renew). This adjustment was calculated by identifying the applicable cost of sales and operating expenses directly attributable to the Hydra-Sports business for such period, excluding any corporate overhead or other shared costs.

(d) Represents a non-recurring charge for a settlement associated with the expiration of a dealer agreement.

Adjusted EBITDA is not a measure defined by GAAP. For definitions of Adjusted EBITDA and the reasons why management believes the inclusion of such measures is useful to provide additional information to investors about our performance, see footnote (3) of "Summary Consolidated Historical Financial Data."

We have provided a range for our preliminary results described above because our financial closing procedures for the three months ended and fiscal year ended June 30, 2015 are not yet complete. We currently expect that our final results will be within the ranges described above. However, these estimates are preliminary and are based upon the information currently available to management as of the date of this prospectus. Therefore, it is possible that our actual results may differ materially from these estimates due to the completion of our financial closing procedures, final adjustments and other developments which may arise between now and the time our financial results for the three months ended and fiscal year ended June 30, 2015 are finalized.

Accordingly, you should not place undue reliance on these preliminary estimates. The preliminary estimated range of unaudited financial data for the three months ended and fiscal year ended June 30, 2015 included in this prospectus have been prepared by, and are the responsibility of, our management and have not been reviewed or audited or subject to any other procedures by our independent registered public accounting firm. Accordingly, our independent registered public accounting firm does not express an opinion or any other form of assurance with respect to the preliminary estimated range of unaudited financial data.

Implications of Being an Emerging Growth Company

As a company with less than one billion dollars in revenue during our last fiscal year, we qualify as an "emerging growth company" ("EGC") as defined in the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"), under the rules and regulations of the SEC. 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:

- a requirement 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;
- reduced disclosure obligations regarding executive compensation in periodic reports;
- no requirement to hold a non-binding advisory vote on executive compensation or golden parachute arrangements; and
- an exemption from the auditor attestation requirement in the assessment of our internal control over financial reporting pursuant to the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act").

We may take advantage of these provisions for up to five years or such earlier time that we are no longer an emerging growth company. In future years we will cease to be an emerging growth company if we have more than one billion dollars in annual revenue, have more than $700 million in market value of our common

stock held by non-affiliates, or issue more than one billion dollars of non-convertible debt securities over a three-year period. We may choose to take advantage of some but not all of these reduced requirements.

We have elected to take advantage of certain of the reduced disclosure obligations regarding financial statements and executive compensation in this prospectus and may elect to take advantage of other reduced requirements in future filings. As a result, the information we provide to our stockholders may be different than the information you might receive from other public reporting companies in which you hold equity interests.

The JOBS Act also provides that an "emerging growth company" can utilize the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. Pursuant to Section 107 of the JOBS Act, we have irrevocably chosen to "opt out" of such extended transition period and, as a result, we will comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for companies that are not "emerging growth companies."

Corporate Information

Our principal executive office is located at 100 Cherokee Cove Drive, Vonore, Tennessee 37885 and our telephone number is (423) 884-2221. We maintain our corporate website at www.mastercraft.com. The reference to our website is an inactive textual reference only, the information that can be accessed through our website is not part of this prospectus, and investors should not rely on any such information in deciding whether to purchase our common stock.

MCBC Holdings, Inc. was incorporated in Delaware on January 28, 2000. Wayzata acquired the Company through a restructuring transaction and related financing transactions consummated on June 30, 2009, which we refer to as the "Restructuring Transaction." As a result of the Restructuring Transaction, Wayzata currently owns approximately 95.4% of our outstanding common stock. After giving effect to this offering, Wayzata will own approximately   % of our outstanding common stock.

Risk Factors

Participating in this offering involves substantial risk. Our ability to execute our strategy is also subject to certain risks. The risks described under the heading "Risk Factors" included elsewhere in this prospectus may cause us not to realize the full benefits of our strengths or may cause us to be unable to successfully execute all or part of our strategy. Some of the most significant challenges and risks include the following:

- general economic conditions, particularly in the U.S., affect our industry, demand for our products, and our business and results of operations;
- our annual and quarterly financial results are subject to significant fluctuations depending on various factors, many of which are beyond our control;
- unfavorable weather conditions may have a material adverse effect on our business, financial condition, and results of operations, especially during the peak boating season;
- we depend on our network of independent dealers, face increasing competition for dealers, and have little control over their activities;
- our success depends, in part, upon the financial health of our dealers and their continued access to financing;
- we may be required to repurchase inventory of certain dealers;

- if we fail to manage our manufacturing levels while still addressing the seasonal retail pattern for our products, our business and margins may suffer;
- we have a large fixed cost base that will affect our profitability if our sales decrease;
- our industry is characterized by intense competition, which affects our sales and profits;
- our sales may be adversely impacted by increased consumer preference for used boats or the supply of new boats by competitors in excess of demand;
- we may be unable to adequately protect our intellectual property; and
- our sales and profitability depend, in part, on the successful introduction of new products.

Before you invest in our common stock, you should carefully consider all the information in this prospectus, including matters set forth under the heading "Risk Factors."

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THE OFFERING

Issuer	MCBC Holdings, Inc.
Common stock offered by us	shares.
Common stock to be outstanding immediately after this offering	shares.
Option granted to the underwriters by the selling stockholders to purchase additional shares of common stock	shares.
Offering price	$ per share.
Use of proceeds	We estimate that the net proceeds to us from this offering, after deducting the underwriting discounts and commissions and estimated offering expenses, will be approximately $ million. We intend to use the net proceeds that we receive from this offering as follows: • first, to repay all outstanding borrowings under our $75 million Term Loan Facility, and, to the extent sufficient net proceeds remain, to repay borrowings under our $30 million Revolving Credit Facility; and • second, to the extent any net proceeds remain, for general corporate purposes. If the underwriters exercise their option to purchase additional shares of common stock, we will not receive any of the proceeds from the sale of shares of common stock by the selling stockholders. See "Use of Proceeds."
Dividend policy	We currently intend to retain our earnings, if any, to finance the development and growth of our business and operations and do not anticipate declaring or paying cash dividends on our common stock in the foreseeable future. Any future determination as to the declaration and payment of dividends, if any, will be at the discretion of our board of directors and will depend on then-existing conditions, including our operating results, financial condition, contractual restrictions, capital requirements, business prospects, and other factors our board of directors may deem relevant. In addition, our Senior Secured Credit Facility contains restrictions that restrict our ability to pay cash dividends. See "Dividend Policy."

Controlled company exemption	After completion of this offering, we will be considered a "controlled company" for the purposes of the NASDAQ listing requirements. As a "controlled company," we are not subject to certain corporate governance requirements, including the requirements that we have a majority of the board of directors consist of independent directors, that director nominees be selected or recommended to the board of directors by a majority of independent directors or by a nominating and corporate governance committee composed entirely of independent directors, have a compensation committee composed entirely of independent directors, and conduct annual performance evaluations of the nominating and corporate governance and compensation committees. As a result, we do not expect to have a majority of the board of directors consist of independent directors, have a nominating and corporate governance committee composed entirely of independent directors, have a compensation committee composed entirely of independent directors, or perform annual performance evaluations of the nominating and corporate governance and compensation committees unless and until such time as we are required to do so.
Risk Factors	Investing in shares of our common stock involves a high degree of risk. See "Risk Factors" beginning on page 21 of this prospectus for a discussion of factors you should carefully consider before investing in shares of our common stock.
Trading symbol	We have applied for listing of our common stock on NASDAQ under the symbol "MCFT."
Conflicts of interest	A portion of the net proceeds received by us from this offering will be used to repay borrowings under our Term Loan Facility. Because an affiliate of Raymond James & Associates, Inc. is a lender under our Term Loan Facility and will receive 5% or more of the net proceeds of this offering, Raymond James & Associates, Inc. is deemed to have a "conflict of interest" under FINRA Rule 5121. As a result, this offering will be conducted in accordance with FINRA Rule 5121, which requires that a "qualified independent underwriter," as defined by FINRA rules, participate in the preparation of the registration statement of which this prospectus forms a part and exercise the usual standards of due diligence with respect thereto. Accordingly, Robert W. Baird & Co. Incorporated is assuming the responsibilities of acting as the qualified independent underwriter in connection with this offering. Robert W. Baird & Co. Incorporated will not receive any additional compensation for serving as a qualified independent underwriter in connection with this offering. To comply with FINRA Rule 5121, Raymond James & Associates, Inc. will not confirm any sales to any account over which it exercises discretionary authority without the specific written approval of the transaction from the account holder. See "Underwriting (Conflicts of Interest)."

In this prospectus, the number of shares of our common stock to be outstanding after this offering is based on the number of shares of our common stock outstanding as of March 29, 2015, and excludes:

- shares of common stock issuable upon the exercise of a warrant to purchase our common stock at an exercise price of $ per shar held by MCBC Acquisition, LLC, an entity owned by certain of our prior equity holders (the "Restructuring Warrant");
- shares of common stock issuable upon the exercise of stock options granted under the MCBC Holdings, Inc. 2010 Equity Incentive Plan at a weighted average exercise price of $ per share;
- shares of common stock issued or reserved for future issuance under the MCBC Holdings, Inc. 2015 Incentive Award Plan; and
- the -for- stock split effective , 2015.

Unless otherwise indicated, this prospectus assumes no exercise by the underwriters of their option to purchase additional shares of common stock from the selling stockholders.

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SUMMARY HISTORICAL CONSOLIDATED FINANCIAL DATA

The summary historical consolidated financial data and other data of MCBC Holdings, Inc. set forth below should be read together with "Selected Consolidated Financial Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations," and our consolidated financial statements and related notes, each of which is included elsewhere in this prospectus.

We derived the consolidated statement of operations for the fiscal years ended June 30, 2013 and June 30, 2014 and our consolidated balance sheet data as of June 30, 2013 and 2014 from our audited consolidated financial statements and related notes included elsewhere in this prospectus. We derived the consolidated statement of operations for the nine-month period ended March 30, 2014 and March 29, 2015 and our consolidated balance sheet data as of March 29, 2015 from our unaudited consolidated financial statements included elsewhere in this prospectus. We derived the consolidated statement of operations for the fiscal year ended June 30, 2012 and our consolidated balance sheet data as of June 30, 2012 and March 30, 2014 from unaudited consolidated financial statements that have not been included in this prospectus. Our historical results are not necessarily indicative of the results that may be expected in the future.

	Fiscal Year Ended			Nine Months Ended	
	June 30, 2012	June 30, 2013	June 30, 2014	March 30, 2014	March 29, 2015
	(Unaudited)			(Unaudited)	
	(Dollars in thousands)				
Consolidated statement of operations:					
Net sales	$ 137,317	$ 162,009	$ 177,587	$ 125,997	$ 159,533
Cost of sales	121,892	131,303	139,975	100,689	121,169
Gross profit	15,425	30,706	37,612	25,308	38,364
Operating expenses:					
Selling and marketing	9,639	7,948	8,837	6,681	6,388
General and administrative	9,477	10,518	9,960	7,311	14,682
Impairment losses	5,200	—	—	—	—
Loss on disposal	718	—	—	—	—
Amortization of intangible assets	421	222	221	166	166
Total selling, general and administrative expenses	25,455	18,688	19,018	14,158	21,236
Operating (loss) income	(10,030)	12,018	18,594	11,150	17,128
Other expense:					
Interest expense, including related party amounts	(8,353)	(9,239)	(7,555)	(6,334)	(4,150)
Change in common stock warrant fair value	—	—	(2,526)	(1,705)	(5,248)
Income (loss) before income tax expense (benefit)	(18,383)	2,779	8,513	3,111	7,730
Income tax expense (benefit)	(2,051)	(37)	(11,414)	(55)	4,733
Net (loss) income	$ (16,332)	$ 2,816	$ 19,927	$ 3,166	$ 2,997

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	Fiscal Year Ended			Nine Months Ended	
	June 30, 2012	June 30, 2013	June 30, 2014	March 30, 2014	March 29, 2015
	(Unaudited)			(Unaudited)	
	(Dollars in thousands)				
Weighted average shares used for computation of:					
Basic	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Diluted	1,000,000	1,000,000	1,003,884	1,002,700	1,063,694
Net (loss) income per common share:					
Basic	$ (16.33)	$ 2.82	$ 19.93	$ 3.17	$ 3.00
Diluted	$ (16.33)	$ 2.82	$ 19.85	$ 3.16	$ 2.82
Pro forma weighted average shares used for computation of[(1)]:					
Basic					
Diluted					
Pro forma net (loss) income per common share[(1)]**(unaudited)**:					
Basic			$		$
Diluted			$		$
Consolidated balance sheet data:					
Total assets	$ 79,548	$ 87,153	$ 96,142	$ 83,584	$ 91,629
Total liabilities	106,103	110,869	99,929	104,134	136,419
Current portion of long-term debt	—	—	8,621	3,925	16,598
Long-term debt	73,371	75,300	57,359	61,898	67,671
Total debt	73,371	75,300	65,980	65,823	84,269
Total shareholders' deficit	(26,555)	(23,716)	(3,787)	(20,550)	(44,790)
Additional financial and other data (unaudited):					
Unit volume:					
MasterCraft	1,720	1,949	2,135	1,524	1,921
Hydra-Sports	161	49	50	37	36
MasterCraft sales[(2)]	$ 118,403	$ 148,750	$ 163,631	$ 115,754	$ 149,158
MasterCraft sales per unit	$ 69	$ 76	$ 77	$ 76	$ 78
Gross margin	11.2%	19.0%	21.2%	20.1%	24.0%
Unlevered Free Cash Flow[(3)]	$ (335)	$ 8,819	$ 14,982	$ 8,598	$ 20,880
Adjusted EBITDA[(3)]	$ 1,686	$ 11,813	$ 18,403	$ 10,921	$ 23,509
Adjusted EBITDA margin[(3)]	1.4%	7.9%	11.2%	9.4%	15.8%

(1) Pro forma per share data give effect to the sale by us of shares of common stock in this offering at an assumed initial public offering price of $ per share, the midpoint of the price range set forth on the cover page of this prospectus, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us and the application of the net proceeds from this offering to repay borrowings under our Senior Secured Credit Facility as described under "Use of Proceeds," assuming all such events had occurred on July 1, 2013. Basic and diluted pro forma net income per share consists of pro forma net income divided by the basic and diluted pro forma weighted average number of shares of common stock outstanding.

Pro forma net income per share reflects the increase in shares of common stock resulting from the sale of shares by us in this offering and the net decrease in interest expense resulting from our intended repayment of debt under our Senior Secured Credit Facility as described in "Use of Proceeds." Interest expense is calculated as though the consummation of this offering (including the use of the net proceeds from this offering) had occurred on July 1, 2013.

(2) We define MasterCraft sales as net sales less net sales associated with Hydra-Sports.

(3) We define EBITDA as earnings before interest expense, income taxes, depreciation and amortization. We define Adjusted EBITDA as EBITDA further adjusted to eliminate certain non-cash charges and unusual items that we do not consider to be indicative of our ongoing operations, including change in common stock warrant fair value, fees and expenses related to the Recapitalization Transactions and this offering, our stoc based compensation and the results of operations of our Hydra-Sports business, which was divested in June 2012. We define Adjusted EBITD margin as Adjusted EBITDA expressed as a percentage of MasterCraft sales. We define Unlevered Free Cash Flow as Adjusted EBITDA less capital expenditures. Adjusted EBITDA, Adjusted EBITDA margin and Unlevered Free Cash Flow are not measures of net (loss) income or operating income as determined under accounting principles generally accepted in the United States, which we refer to as "GAAP." Adjusted EBITDA is not a measure of performance in accordance with U.S. GAAP and should not be considered as an alternative to net income (loss) or operating cash flow determined in accordance with U.S. GAAP. Additionally, neither Adjusted EBITDA nor Unlevered Free Cash Flow is intende to be a measure of cash flow for management's discretionary use. We believe that the inclusion of EBITDA, Adjusted EBITDA and Unlevered Free Cash Flow in this prospectus is appropriate to provide additional information to investors because securities analysts, noteholders and other investors use these non U.S. GAAP financial measures to assess our operating performance across periods on a consistent basis and to evaluate the relative risk of an investment in our securities. Adjusted EBITDA has limitations as an analytical tool and should not be considered in isolation or as a substitute for analysis of our results as reported under U.S. GAAP. Some of these limitations are:

- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future and Adjusted EBITDA does not reflect any cash requirements for such replacements;
- it does not reflect our cash expenditures, or future requirements for capital expenditures or contractual commitments;
- it does not reflect changes in, or cash requirements for, our working capital needs;
- it does not reflect the significant interest expense, or the cash requirements necessary to service interest or principal payments, on our significant amount of indebtedness; and
- it does not reflect the impact of earnings or charges resulting from matters we do not consider to be indicative of our ongoing operations, but may nonetheless have a material impact on our results of operations, including the continuing operations related to our Hydra-Sports manufacturing contract.

In addition, because not all companies use identical calculations, our presentation of Adjusted EBITDA and Unlevered Free Cash Flow may not be comparable to similarly titled measures of other companies, including companies in our industry.

The following table sets forth a reconciliation of net (loss) income as determined in accordance with U.S. GAAP to Adjusted EBITDA and Unlevered Free Cash Flow for the periods indicated (unaudited):

	Fiscal Year Ended			Nine Months Ended	
	June 30, 2012	June 30, 2013	June 30, 2014	March 30, 2014	March 29, 2015
	(Unaudited)			(Unaudited)	
	(Dollars in thousands)				
Net (loss) income	$ (16,332)	$ 2,816	$ 19,927	$ 3,166	$ 2,997
Income tax expense (benefit)[a]	(2,051)	(37)	(11,414)	(55)	4,733
Interest expense, including related party amounts	8,353	9,239	7,555	6,334	4,150
Depreciation and amortization	2,187	1,975	2,472	1,772	2,303
EBITDA	(7,843)	13,993	18,540	11,217	14,183
Change in common stock warrant fair value[b]	—	—	2,526	1,705	5,248
Transaction expense[c]				—	6,508
Impairment of intangibles[d]	5,200	—	—	—	—
Hydra-Sports[e]	4,329	(2,203)	(2,665)	(2,001)	(2,430)
Stock-based compensation	—	23	2	—	—
Adjusted EBITDA	1,686	11,813	18,403	10,921	23,509
Capital expenditures	(2,021)	(2,994)	(3,421)	(2,323)	(2,629)
Unlevered Free Cash Flow	(335)	8,819	14,982	8,598	20,880

(a) Fiscal 2014 income tax benefit primarily represents the reversal of a valuation allowance for deferred tax assets.

(b) Represents non-cash expense related to increases in the fair market value of the Restructuring Warrant.

(c) Represents fees and expenses related to the Recapitalization Transactions and this offering, including $5.7 million related to transaction bonuses paid to certain members of management during the three months ended March 29, 2015 in connection with the Recapitalization Transactions.

(d) Represents impairment of MasterCraft and Hydra-Sports trade names.

(e) Represents the operating (loss) income attributable to the operations of our Hydra-Sports business and the related manufacturin agreement, adjusted to exclude depreciation and amortization related to Hydra-Sports. We divested the Hydra-Sports business i June 2012, but continue to manufacture Hydra-Sports boats for the purchaser of the business pursuant to an agreement that expires on June 30, 2015 (and which we do not intend to renew). This adjustment was calculated by identifying the applicable cost of sales and operating expenses directly attributable to the Hydra-Sports business for such period, excluding any corporate overhead or other shared costs. The amount for the fiscal year ended June 30, 2012 includes a loss on sale of $718 related to the sale of Hydra-Sports assets.

RISK FACTORS

Investing in our common stock involves a high degree of risk. You should carefully consider the following risk factors, as well as other information in this prospectus, before deciding whether to invest in shares of our common stock. The occurrence of any of the events described below could harm our business, financial condition, results of operations, and growth prospects. In such an event, the trading price of our common stock may decline and you may lose all or part of your investment.

Risks Related to Our Business

General economic conditions, particularly in the U.S., affect our industry, demand for our products and our business, and results of operations.

Demand for premium sport boat brands has been significantly influenced by weak economic conditions, low consumer confidence, high unemployment, and increased market volatility worldwide, especially in the U.S. In times of economic uncertainty and contraction, consumers tend to have less discretionary income and tend to defer or avoid expenditures for discretionary items, such as our products. Sales of our products are highly sensitive to personal discretionary spending levels. Our business is cyclical in nature and its success is impacted by economic conditions, the overall level of consumer confidence and discretionary income levels. Any substantial deterioration in general economic conditions that diminishes consumer confidence or discretionary income may reduce our sales and materially adversely affect our business, financial condition and results of operations. We cannot predict the duration or strength of an economic recovery, either in the U.S. or in the specific markets where we sell our products. Corporate restructurings, layoffs, declines in the value of investments and residential real estate, higher gas prices, higher interest rates, and increases in federal and state taxation may each materially adversely affect our business, financial condition, and results of operations.

Consumers often finance purchases of our products. Although consumer credit markets have improved, consumer credit market conditions continue to influence demand, especially for boats, and may continue to do so. There continue to be fewer lenders, tighter underwriting and loan approval criteria, and greater down payment requirements than in the past. If credit conditions worsen, and adversely affect the ability of consumers to finance potential purchases at acceptable terms and interest rates, it could result in a decrease in the sales of our products.

Our annual and quarterly financial results are subject to significant fluctuations depending on various factors, many of which are beyond our control.

Our sales and operating results can vary significantly from quarter to quarter and year to year depending on various factors, many of which are beyond our control. These factors include, but are not limited to:

- seasonal consumer demand for our products;
- discretionary spending habits;
- changes in pricing in, or the availability of supply in, the used powerboat market;
- failure to maintain a premium brand image;
- disruption in the operation of our manufacturing facilities;
- variations in the timing and volume of our sales;
- the timing of our expenditures in anticipation of future sales;
- sales promotions by us and our competitors;
- changes in competitive and economic conditions generally;

- consumer preferences and competition for consumers' leisure time;
- impact of unfavorable weather conditions;
- changes in the cost or availability of our labor; and
- increased fuel prices.

Due to these and other factors, our results of operations may decline quickly and significantly in response to changes in order patterns or rapid decreases in demand for our products. We anticipate that fluctuations in operating results will continue in the future.

Unfavorable weather conditions may have a material adverse effect on our business, financial condition, and results of operations, especially during the peak boating season.

Adverse weather conditions in any year in any particular geographic region may adversely affect sales in that region, especially during the peak boating season. Sales of our products are generally stronger just before and during spring and summer, which represent the peak boating months in most of our markets, and favorable weather during these months generally has a positive effect on consumer demand. Conversely, unseasonably cool weather, excessive rainfall, reduced rainfall levels, or drought conditions during these periods may close area boating locations or render boating dangerous or inconvenient, thereby generally reducing consumer demand for our products. Our annual results would be materially and adversely affected if our net sales were to fall below expected seasonal levels during these periods. We may also experience more pronounced seasonal fluctuation in net sales in the future as we continue to expand our businesses. Additionally, to the extent that unfavorable weather conditions are exacerbated by global climate change or otherwise, our sales may be affected to a greater degree than we have previously experienced. There can be no assurance that weather conditions will not have a material effect on the sales of any of our products.

We depend on our network of independent dealers, face increasing competition for dealers, and have little control over their activities.

Substantially all of our sales are derived from our network of independent dealers. We have agreements with the dealers in our network that typically provide for one-year terms, although some agreements have a term of up to three years. For fiscal 2014 and the nine months ended March 29, 2015, our top ten dealers accounted for 33% and 36%, respectively, of our total units sold. The loss of a significant number of these dealers could have a material adverse effect on our financial condition and results of operations. The number of dealers supporting our products and the quality of their marketing and servicing efforts are essential to our ability to generate sales. Competition for dealers among performance sport boat manufacturers continues to increase based on the quality, price, value, and availability of the manufacturers' products, the manufacturers' attention to customer service, and the marketing support that the manufacturer provides to the dealers. We face intense competition from other performance sport boat manufacturers in attracting and retaining dealers, affecting our ability to attract or retain relationships with qualified and successful dealers. Although our management believes that the quality of our products in the performance sport boat industry should permit us to maintain our relationships with our dealers and our market share position, there can be no assurance that we will be able to maintain or improve our relationships with our dealers or our market share position. In addition, independent dealers in the powerboat industry have experienced significant consolidation in recent years, which could result in the loss of one or more of our dealers in the future if the surviving entity in any such consolidation purchases similar products from a competitor. A substantial deterioration in the number of dealers or quality of our network of dealers would have a material adverse effect on our business, financial condition, and results of operations.

Our success depends, in part, upon the financial health of our dealers and their continued access to financing.

Because we sell nearly all of our products through dealers, their financial health is critical to our success. Our business, financial condition, and results of operations may be adversely affected if the financial health of the dealers that sell our products suffers. Their financial health may suffer for a variety of reasons, including a downturn in general economic conditions, rising interest rates, higher rents, increased labor costs and taxes, compliance with regulations, and personal financial issues.

In addition, our dealers require adequate liquidity to finance their operations, including purchases of our products. Dealers are subject to numerous risks and uncertainties that could unfavorably affect their liquidity positions, including, among other things, continued access to adequate financing sources on a timely basis on reasonable terms. These sources of financing are vital to our ability to sell products through our distribution network. Access to floor plan financing generally facilitates our dealers' ability to purchase boats from us, and their financed purchases reduce our working capital requirements. If floor plan financing were not available to our dealers, our sales and our working capital levels would be adversely affected. The availability and terms of financing offered by our dealers' floor plan financing providers will continue to be influenced by:

- their ability to access certain capital markets and to fund their operations in a cost-effective manner;
- the performance of their overall credit portfolios;
- their willingness to accept the risks associated with lending to dealers; and
- the overall creditworthiness of those dealers.

In April 2015, General Electric Company announced its intentions to sell most of the assets and financing businesses of its GE Capital unit, including the primary provider of financing for our floor plan program. There is no assurance that this provider will continue to provide floor plan financing services after such a sale or that they would continue to provide such services on the terms which have been available to us historically.

We may be required to repurchase inventory of certain dealers.

Many of our dealers have floor plan financing arrangements with third-party finance companies that enable the dealers to purchase our products. In connection with these agreements, we may have an obligation to repurchase our products from a finance company under certain circumstances, and we may not have any control over the timing or amount of any repurchase obligation nor have access to capital on terms acceptable to us to satisfy any repurchase obligation. This obligation is triggered if a dealer defaults on its debt obligations to a finance company, the finance company repossesses the boat and the boat is returned to us. Our obligation to repurchase a repossessed boat for the unpaid balance of our original invoice price for the boat is subject to reduction or limitation based on the age and condition of the boat at the time of repurchase, and in certain cases, by an aggregate cap on repurchase obligations associated with a particular floor plan financing program. We have only incurred a single loss on a finance company mandated repurchase since fiscal 2010 totaling approximately $75,000. There is no assurance that a dealer will not default on the terms of a credit line in the future. In addition, applicable laws regulating dealer relations may also require us to repurchase our products from our dealers under certain circumstances, and we may not have any control over the timing or amount of any repurchase obligation nor have access to capital on terms acceptable to us to satisfy any repurchase obligation. If we were obligated to repurchase a significant number of units under any repurchase agreement or under applicable dealer laws, our business, operating results, and financial condition could be adversely affected.

If we fail to manage our manufacturing levels while still addressing the seasonal retail pattern for our products, our business and margins may suffer.

The seasonality of retail demand for our products, together with our goal of balancing production throughout the year, requires us to manage our manufacturing and allocate our products to our dealer network to address anticipated retail demand. Our dealers must manage seasonal changes in consumer demand and inventory. If our dealers reduce their inventories in response to weakness in retail demand, we could be required to reduce our production, resulting in lower rates of absorption of fixed costs in our manufacturing and, therefore, lower margins. As a result, we must balance the economies of level production with the seasonal retail sales pattern experienced by our dealers. Failure to adjust manufacturing levels adequately may have a material adverse effect on our financial condition and results of operations.

We have a large fixed cost base that will affect our profitability if our sales decrease.

The fixed cost levels of operating a powerboat manufacturer can put pressure on profit margins when sales and production decline. Our profitability depends, in part, on our ability to spread fixed costs over a sufficiently large number of products sold and shipped, and if we make a decision to reduce our rate of production, gross or net margins could be negatively affected. Consequently, decreased demand or the need to reduce production can lower our ability to absorb fixed costs and materially impact our financial condition or results of operations.

Our industry is characterized by intense competition, which affects our sales and profits.

The performance sport boat category and the powerboat industry as a whole are highly competitive for consumers and dealers. We also compete against consumer demand for used boats. Competition affects our ability to succeed in both the markets we currently serve and new markets that we may enter in the future. Competition is based primarily on brand name, price, product selection, and product performance. We compete with several large manufacturers that may have greater financial, marketing, and other resources than we do and who are represented by dealers in the markets in which we now operate and into which we plan to expand. We also compete with a variety of small, independent manufacturers. We cannot assure you that we will not face greater competition from existing large or small manufacturers or that we will be able to compete successfully with new competitors. Our failure to compete effectively with our current and future competitors would adversely affect our business, financial condition, and results of operations.

Our sales may be adversely impacted by increased consumer preference for used boats or the supply of new boats by competitors in excess of demand.

During the economic downturn that commenced in 2008, we observed a shift in consumer demand toward purchasing more used boats, primarily because prices for used boats are typically lower than retail prices for new boats. If this were to continue or occur again, it could have the effect of reducing demand among retail purchasers for our new boats. Also, while we have taken steps designed to balance production volumes for our boats with demand, our competitors could choose to reduce the price of their products, which could have the effect of reducing demand for our new boats. Reduced demand for new boats could lead to reduced sales by us, which could adversely affect our business, results of operations, and financial condition.

Our sales and profitability depend, in part, on the successful introduction of new products.

Market acceptance of our products depends on our technological innovation and our ability to implement technology in our boats. Our sales and profitability may be adversely affected by difficulties or delays in product development, such as an inability to develop viable or innovative new products. Our failure to introduce new technologies and product offerings that consumers desire could adversely affect our business, financial condition, and results of operations. Also, we have been able to achieve higher margins in part as a result of the introduction of new features or enhancements to our existing boat models. If we fail to introduce new features or those we introduce fail to gain market acceptance, our margins may suffer.

In addition, some of our direct competitors and indirect competitors may have significantly more resources to develop and patent new technologies. It is possible that our competitors will develop and patent equivalent or superior technologies and other products that compete with ours. They may assert these patents against us and we may be required to license these patents on unfavorable terms or cease using the technology covered by these patents, either of which would harm our competitive position and may materially adversely affect our business.

We also cannot be certain that our products or features have not infringed or will not infringe the proprietary rights of others. Any such infringement could cause third parties, including our competitors, to bring claims against us, resulting in significant costs and potential damages.

Our international markets require significant management attention, expose us to difficulties presented by international economic, political, legal, and business factors, and may not be successful or produce desired levels of sales and profitability.

We currently sell our products throughout the world. International markets have been, and will continue to be, a focus for sales growth. We believe many opportunities exist in the international markets, and over time we intend for international sales to comprise a larger percentage of our total revenue. Several factors, including weakened international economic conditions, could adversely affect such growth and there can be no assurance that we will be able to sustain our current international sales levels in the future. The expansion of our existing international operations and entry into additional international markets require significant management attention. Some of the countries in which we market, and in which our distributors or licensee(s) sell our products, are subject to political, economic, or social instability. Our international operations expose us and our representatives, agents, and distributors to risks inherent in operating in foreign jurisdictions. These risks include, but are not limited to:

- increased costs of customizing products for foreign countries;
- unfamiliarity with local demographics, consumer preferences, and discretionary spending patterns;
- difficulties in attracting customers due to a reduced level of customer familiarity with our brand;
- competition with new, unfamiliar competitors;
- the imposition of additional foreign governmental controls or regulations, including rules relating to environmental, health, and safety matters and regulations, and other laws applicable to publicly-traded companies, such as the Foreign Corrupt Practices Act, or the FCPA;
- new or enhanced trade restrictions and restrictions on the activities of foreign agents, representatives, and distributors;
- the imposition of increases in costly and lengthy import and export licensing and other compliance requirements, customs duties and tariffs, license obligations, and other non-tariff barriers to trade;
- the relative strength of the U.S. dollar compared to local currency, making our products less price-competitive relative to products manufactured outside of the U.S.;

- laws and business practices favoring local companies;
- longer payment cycles and difficulties in enforcing agreements and collecting receivables through certain foreign legal systems;
- difficulties in enforcing or defending intellectual property rights; and
- insurrection or war that may disrupt or limit our relationships with our foreign customers.

Our international operations may not produce desired levels of total sales, or one or more of the foregoing factors may harm our business, financial condition, or results of operations.

Fluctuations in foreign currency exchange rates could result in declines in our reported sales and net earnings.

The changing relationships of primarily the U.S. dollar to the Canadian dollar, the Australian dollar, the Euro, the British Pound Sterling, the Japanese yen, and certain other foreign currencies have from time to time had a negative impact on our results of operations. Fluctuations in the value of the U.S. dollar relative to these foreign currencies can adversely affect the price of our products in foreign markets, the costs we incur to import certain components for our products, and the translation of our foreign balance sheets. In addition, we will often attempt to offset these higher prices with increased discounts, which can lead to reduced net sales per unit.

We compete with a variety of other activities for consumers' scarce leisure time.

Our boats are used for recreational and sport purposes, and demand for our boats may be adversely affected by competition from other activities that occupy consumers' leisure time and by changes in consumer lifestyle, usage pattern, or taste. Similarly, an overall decrease in consumer leisure time may reduce consumers' willingness to purchase and enjoy our products.

Our success depends upon the continued strength of our brand and the value of our brand, and sales of our products could be diminished if we, the athletes who use our products, or the sports and activities in which our products are used are associated with negative publicity.

We believe that our brand is a significant contributor to the success of our business and that maintaining and enhancing our brand is important to expanding our consumer and dealer base. Failure to continue to protect our brand may adversely affect our business, financial condition, and results of operations.

Negative publicity, including that resulting from severe injuries or death occurring in the sports and activities in which our products are used, could negatively affect our reputation and result in restrictions, recalls, or bans on the use of our products. Further, actions taken by athletes associated with our products that harm the reputations of those athletes could also harm our brand image and adversely affect our financial condition. If the popularity of the sports and activities for which we design, manufacture, and sell products were to decrease as a result of these risks or any negative publicity, sales of our products could decrease, which could have an adverse effect on our net sales, profitability, and operating results. In addition, if we become exposed to additional claims and litigation relating to the use of our products, our reputation may be adversely affected by such claims, whether or not successful, including by generating potential negative publicity about our products, which could adversely impact our business and financial condition.

Our expansion into the entry-level segment may not be successful and may present increased risks, which could affect our profitability.

In January 2014 we introduced the MasterCraft NXT line, which is marketed to the entry-level consumer, and recently continued this line with the launch of the NXT22 in April 2015. We may face new competition,

different consumer tastes, and other factors that could affect our success in entering this segment. In addition, while the NXT line has a similar gross margin to our other offerings, these boats have lower net sales per unit and lower priced option packages, which could lead to a reduction in our gross profit. In addition, it is possible that new consumers could choose to purchase the lower price entry-level model instead of a higher priced model. As a result, our expansion into the entry-level segment may be less profitable than our existing models or we could fail to penetrate this segment. If we do not successfully execute our plans to enter the entry-level segment, our business, financial condition, or results of operations could be adversely affected.

We may not be able to execute our manufacturing strategy successfully, which could cause the profitability of our products to suffer.

Our manufacturing strategy is designed to improve product quality and increase productivity, while reducing costs and increasing flexibility to respond to ongoing changes in the marketplace. To implement this strategy, we must be successful in our continuous improvement efforts, which depend on the involvement of management, production employees, and suppliers. Any inability to achieve these objectives could adversely impact the profitability of our products and our ability to deliver desirable products to our consumers.

Our ability to meet our manufacturing workforce needs is crucial to our results of operations and future sales and profitability.

We rely on the existence of an available hourly workforce to manufacture our boats. We cannot assure you that we will be able to attract and retain qualified employees to meet current or future manufacturing needs at a reasonable cost, or at all. Although none of our employees are currently covered by collective bargaining agreements, we cannot assure you that our employees will not elect to be represented by labor unions in the future, which could increase our labor costs. Additionally, competition for qualified employees could require us to pay higher wages to attract a sufficient number of employees. Significant increases in manufacturing workforce costs could materially adversely affect our business, financial condition, or results of operations.

We rely on third-party suppliers and, in particular, a single supplier of the engine packages used in the manufacturing of our boats.

We depend on third-party suppliers to provide components and raw materials essential to the construction of our boats. While we believe that our relationships with our current suppliers are sufficient to provide the materials necessary to meet present production demand, we cannot assure you that these relationships will continue or that the quantity or quality of materials available from these suppliers will be sufficient to meet our future needs, irrespective of whether we successfully implement our growth strategy. Our manufacturing operations increased production in 2014 and are expected to continue to do so in 2015, and consequently, we expect that our need for raw materials and supplies will increase. Our suppliers must be prepared to ramp up operations and, in many cases, hire additional workers and/or expand capacity in order to fulfill the orders placed by us and other customers. Operational and financial difficulties that our suppliers may face in the future could adversely affect their ability to supply us with the parts and components we need, which could significantly disrupt our operations.

The availability and cost of engines used in the manufacture of our boats are especially critical. For fiscal 2014 and the nine months ended March 29, 2015, we purchased all of the engine packages for our MasterCraft brand boats from Ilmor Engineering, Inc. ("Ilmor"). While we believe that our relationship with Ilmor is sufficient to provide the materials necessary to meet present production demand, there can be no assurance that it will continue or that the quantity or quality of the engines provided will be sufficient to meet our future needs, irrespective of whether we successfully implement our growth strategy. If we are required to

replace Ilmor as our engine supplier, it could cause a decrease in products available for sale or an increase in the cost of goods sold, either of which could adversely affect our business, financial condition, and results of operations. In addition to the risk of interruption of our engine supply, Ilmor could potentially exert significant bargaining power over price, quality, warranty claims, or other terms relating to the engines we use. We are required to purchase a minimum volume of engines from Ilmor annually or pay a penalty to Ilmor in order to maintain our exclusivity. While these minimums are significantly below our current volumes, there can be no assurance that we will continue to meet these minimums in the future.

Termination or interruption of informal supply arrangements could have a material adverse effect on our business or results of operations.

We have informal supply arrangements with some of our suppliers, including the sole supplier of our gas and ballast tanks. In the event of a termination of a supply arrangement, there can be no assurance that alternate supply arrangements will be made on satisfactory terms. If we need to enter into supply arrangements on unsatisfactory terms, or if there are any delays to our supply arrangements, it could adversely affect our business and operating results.

We depend upon key personnel and we may not be able to retain them or attract, assimilate, and retain highly qualified employees in the future.

Our future success will depend in significant part upon the continued service of our senior management team and our continuing ability to attract, assimilate, and retain highly qualified and skilled managerial, product development, manufacturing, marketing, and other personnel. The loss of the services of any members of our senior management or other key personnel or the inability to hire or retain qualified personnel in the future could adversely affect our business, financial condition, and results of operations.

We may attempt to grow our business through acquisitions or strategic alliances and new partnerships, which we may not be successful in completing or integrating.

We may in the future explore acquisitions and strategic alliances that will enable us to acquire complementary skills and capabilities, offer new products, expand our consumer base, enter new product categories or geographic markets, and obtain other competitive advantages. We cannot assure you, however, that we will identify acquisition candidates or strategic partners that are suitable to our business, obtain financing on satisfactory terms, complete acquisitions or strategic alliances, or successfully integrate acquired operations into our existing operations. Once integrated, acquired operations may not achieve anticipated levels of sales or profitability, or otherwise perform as expected. Acquisitions also involve special risks, including risks associated with unanticipated challenges, liabilities and contingencies, and diversion of management attention and resources from our existing operations. Similarly, our partnership with leading franchises from other industries to market our products or with third-party technology providers to introduce new technology to the market may not achieve anticipated levels of consumer enthusiasm and acceptance, or achieve anticipated levels of sales or profitability, or otherwise perform as expected.

Our intellectual property rights may be inadequate to protect our business.

We attempt to protect our intellectual property through a combination of patent, trademark, copyright, protected design, and trade secret laws. We hold patents, trademarks, copyrights, and design rights relating to various aspects of our products and believe that proprietary technical know-how is important to our business. Proprietary rights relating to our products are protected from unauthorized use by third parties only to the extent that they are covered by valid and enforceable patents, trademarks, or copyrights, to the extent they are protected designs, or to the extent they are maintained in confidence as trade secrets.

We cannot be certain that we will be issued any patents from any pending or future patent applications owned by or licensed to us, or that the claims allowed under any issued patents will be sufficiently broad to protect our technology. Further, the patents we own could be challenged, invalidated, or circumvented by others. Further, we cannot assure you that competitors will not infringe our patents, or that we will have adequate resources to enforce our patents.

We also rely on unpatented proprietary technology. It is possible that others will independently develop the same or similar technology or otherwise obtain access to our unpatented technology. To protect our trade secrets and other proprietary information, we require employees, consultants, advisors, and collaborators to enter into confidentiality agreements. We cannot assure you that these agreements will provide meaningful protection for our trade secrets, know-how, or other proprietary information in the event of any unauthorized use, misappropriation, or disclosure of such trade secrets, know-how, or other proprietary information. If we are unable to maintain the proprietary nature of our technologies, we could be materially adversely affected.

Further, we have attempted to protect certain of our vessel hull designs by seeking to register those designs with the United States Copyright Office. We cannot assure you that our applications will be approved. If approved, protection of the vessel design lasts ten years. However, our protected vessel hull designs could be challenged, invalidated, or circumvented by others. Further, we cannot assure you that competitors will not infringe our designs, or that we will have adequate resources to enforce our rights.

We rely on our trademarks, trade names, and brand names to distinguish our products from the products of our competitors, and have registered or applied to register many of these trademarks. We cannot assure you that our trademark applications will be approved. Third parties may also oppose our trademark applications, or otherwise challenge our use of the trademarks. In the event that our trademarks are successfully challenged, we could be forced to rebrand our products, which could result in loss of brand recognition, and could require us to devote resources to advertising and marketing new brands. Further, we cannot assure you that competitors will not infringe our trademarks, or that we will have adequate resources to enforce our trademarks.

If third parties claim that we infringe upon their intellectual property rights, our financial condition could be adversely affected.

We face the risk of claims that we have infringed third parties' intellectual property rights. Any claims of patent or other intellectual property infringement, even those without merit, could be expensive and time consuming to defend, cause us to cease making, licensing, or using products that incorporate the challenged intellectual property, require us to redesign, reengineer, or rebrand our products, if feasible, divert management's attention and resources, or require us to enter into royalty or licensing agreements in order to obtain the right to use a third party's intellectual property. Any royalty or licensing agreements, if required, may not be available to us on acceptable terms or at all. A successful claim of infringement against us could result in our being required to pay significant damages, enter into costly license or royalty agreements, or stop the sale of certain products, any of which could have a negative impact on our business, financial condition, and results of operations. While we are not currently involved in any outstanding intellectual property litigation that we believe, individually or in the aggregate, will have a material adverse effect on our business, financial condition, or results of operations, we cannot predict the outcome of any pending litigation and an unfavorable outcome could have an adverse impact on our business, financial condition, or results of operations.

Product liability, warranty, personal injury, property damage, and recall claims may materially affect our financial condition and damage our reputation.

We are engaged in a business that exposes us to claims for product liability and warranty claims in the event our products actually or allegedly fail to perform as expected, or the use of our products results, or is alleged to result, in property damage, personal injury, or death. We have in the past incurred such liabilities and may in the future be exposed to liability for such claims. Although we maintain product and general liability insurance of the types and in the amounts that we believe are customary for the industry, we are not fully insured against all such potential claims. We may experience legal claims in excess of our insurance coverage or claims that are not covered by insurance, either of which could adversely affect our business, financial condition, and results of operations. Adverse determination of material product liability and warranty claims made against us could have a material adverse effect on our financial condition and harm our reputation. In addition, if any of our products are, or are alleged to be, defective, we may be required to participate in a recall of that product if the defect or alleged defect relates to safety. These and other claims we may face could be costly to us and require substantial management attention.

Significant product repair and/or replacement due to product warranty claims or product recalls could have a material adverse impact on our results of operations.

We provide a limited warranty for a period of five years. We may provide longer warranties related to certain promotional programs, as well as longer warranties in certain geographical markets as determined by local regulations and market conditions. Although we employ quality control procedures, sometimes a product is distributed that needs repair or replacement. Our standard warranties require us or our dealers to repair or replace defective products during such warranty periods at no cost to the consumer. Historically, product recalls have been administered through our dealers and distributors. The repair and replacement costs we could incur in connection with a recall could adversely affect our business. In addition, product recalls could harm our reputation and cause us to lose customers, particularly if recalls cause consumers to question the safety or reliability of our products.

The nature of our business exposes us to workers' compensation claims and other workplace liabilities.

Certain materials we use require our employees to handle potentially hazardous or toxic substances. While our employees who handle these and other potentially hazardous or toxic materials receive specialized training and wear protective clothing, there is still a risk that they, or others, may be exposed to these substances. Exposure to these substances could result in significant injury to our employees and damage to our property or the property of others, including natural resource damage. Our personnel are also at risk for other workplace-related injuries, including slips and falls. We have in the past been, and may in the future be, subject to fines, penalties, and other liabilities in connection with any such injury or damage. Although we currently maintain what we believe to be suitable and adequate insurance in excess of our self-insured amounts, we may be unable to maintain such insurance on acceptable terms or such insurance may not provide adequate protection against potential liabilities.

We may be subject to information technology system failures, network disruptions, and breaches in data security.

We use many information technology systems and their underlying infrastructure to operate our business. The size and complexity of our computer systems make them potentially vulnerable to breakdown, malicious intrusion, and random attack. Likewise, data privacy breaches by employees or others with permitted access

to our systems may pose a risk that sensitive data may be exposed to unauthorized persons or to the public. While we have invested in protection of data and information technology, there can be no assurance that our efforts will prevent breakdowns or breaches in our systems that could adversely affect our business.

An increase in energy costs may materially adversely affect our business, financial condition, and results of operations.

Higher energy costs result in increases in operating expenses at our manufacturing facility and in the expense of shipping products to our dealers. In addition, increases in energy costs may adversely affect the pricing and availability of petroleum-based raw materials, such as resins and foams that are used in our products. Also, higher fuel prices may have an adverse effect on demand for our boats, as they increase the cost of ownership and operation.

We are subject to U.S. and other anti-corruption laws, trade controls, economic sanctions, and similar laws and regulations, including those in the jurisdictions where we operate. Our failure to comply with these laws and regulations could subject us to civil, criminal, and administrative penalties and harm our reputation.

Doing business on a worldwide basis requires us to comply with the laws and regulations of various foreign jurisdictions. These laws and regulations place restrictions on our operations, trade practices, partners, and investment decisions. In particular, our operations are subject to U.S. and foreign anti-corruption and trade control laws and regulations, such as the FCPA, export controls, and economic sanctions programs, including those administered by the U.S. Treasury Department's Office of Foreign Assets Control, or OFAC. As a result of doing business in foreign countries and with foreign partners, we are exposed to a heightened risk of violating anti-corruption and trade control laws and sanctions regulations.

The FCPA prohibits us from providing anything of value to foreign officials for the purpose of obtaining or retaining business or securing any improper business advantage. It also requires us to keep books and records that accurately and fairly reflect our transactions.

Economic sanctions programs restrict our business dealings with certain sanctioned countries, persons, and entities. In addition, because we act through dealers and distributors, we face the risk that our dealers, distributors, or consumers might further distribute our products to a sanctioned person or entity, or an ultimate end-user in a sanctioned country, which might subject us to an investigation concerning compliance with OFAC or other sanctions regulations.

Violations of anti-corruption and trade control laws and sanctions regulations are punishable by civil penalties, including fines, denial of export privileges, injunctions, asset seizures, debarment from government contracts, and revocations or restrictions of licenses, as well as criminal fines and imprisonment. We cannot assure you that all of our local, strategic, or joint partners will comply with these laws and regulations, in which case we could be held liable for actions taken inside or outside of the U.S., even though our partners may not be subject to these laws. Such a violation could materially and adversely affect our reputation, business, results of operations and financial condition. Our continued international expansion, including in developing countries, and our development of new partnerships and joint venture relationships worldwide increase the risk of FCPA or OFAC violations in the future.

If we are unable to comply with environmental and other regulatory requirements, our business may be exposed to material liability and/or fines.

Our operations are subject to extensive and frequently changing federal, state, local, and foreign laws and regulations, including those concerning product safety, environmental protection, and occupational health and safety. Some of these laws and regulations require us to obtain permits, and limit our ability to discharge hazardous materials into the environment. If we fail to comply with these requirements, we may be subject to civil or criminal enforcement actions that could result in the assessment of fines and penalties, obligations to conduct remedial or corrective actions, or, in extreme circumstances, revocation of our permits or injunctions preventing some or all of our operations. In addition, the components of our boats must meet certain regulatory standards, including stringent air emission standards for boat engines. Failure to meet these standards could result in an inability to sell our boats in key markets, which would adversely affect our business. Moreover, compliance with these regulatory requirements could increase the cost of our products, which in turn, may reduce consumer demand.

While we believe that we are in material compliance with applicable federal, state, local, and foreign regulatory requirements, and hold all licenses and permits required thereunder, we cannot assure you that we will, at all times, be able to continue to comply with applicable regulatory requirements. Compliance with increasingly stringent regulatory and permit requirements may, in the future, cause us to incur substantial capital costs and increase our cost of operations, or may limit our operations, all of which could have a material adverse effect on our business or financial condition.

As with most boat construction businesses, our manufacturing processes involve the use, handling, storage, and contracting for recycling or disposal of hazardous substances and wastes. The failure to manage or dispose of such hazardous substances and wastes properly could expose us to material liability or fines, including liability for personal injury or property damage due to exposure to hazardous substances, damages to natural resources, or for the investigation and remediation of environmental conditions. Under environmental laws, we may be liable for remediation of contamination at sites where our hazardous wastes have been disposed or at our current or former facilities, regardless of whether such facilities are owned or leased or whether the environmental conditions were created by us, a prior owner or tenant, or a third-party. While we do not believe that we are presently subject to any such liabilities, we cannot assure you that environmental conditions relating to our prior, existing, or future sites or operations or those of predecessor companies will not have a material adverse effect on our business or financial condition.

A natural disaster, the effects of climate change, or other disruptions at our manufacturing facility could adversely affect our business, financial condition, and results of operations.

We rely on the continuous operation of our only manufacturing facility in Vonore, Tennessee for the production of our products. Any natural disaster or other serious disruption to our facility due to fire, snow, flood, earthquake, or any other unforeseen circumstance could adversely affect our business, financial condition, and results of operations. Changes in climate could adversely affect the Company's operations by limiting or increasing the costs associated with equipment or fuel supplies. In addition, adverse weather conditions, such as increased frequency and/or severity of storms, or floods could impair our ability to operate by damaging our facilities and equipment or restricting product delivery to customers. The occurrence of any disruption at our manufacturing facility, even for a short period of time, may have an adverse effect on our productivity and profitability, during and after the period of the disruption. These disruptions may also cause personal injury and loss of life, severe damage to or destruction of property and equipment, and environmental damage. Although we maintain property, casualty, and business interruption insurance of the

types and in the amounts that we believe are customary for the industry, we are not fully insured against all potential natural disasters or other disruptions to our manufacturing facility.

Increases in income tax rates or changes in income tax laws or enforcement could have a material adverse impact on our financial results.

Changes in domestic and international tax legislation could expose us to additional tax liability. Although we monitor changes in tax laws and work to mitigate the impact of proposed changes, such changes may negatively impact our financial results. In addition, any increase in individual income tax rates, such as those implemented in the U.S. at the beginning of 2013, would negatively affect our potential consumers' discretionary income and could decrease the demand for our products.

Our credit facilities contain covenants which may limit our operating flexibility; failure to comply with covenants may result in our lenders restricting or terminating our ability to borrow under such credit facilities.

In the past, we have relied upon our existing credit facilities to provide us with adequate liquidity to operate our business. The availability of borrowing amounts under our credit facilities is dependent upon compliance with the debt covenants set forth in our credit agreement. Violation of those covenants, whether as a result of operating losses or otherwise, could result in our lenders restricting or terminating our borrowing ability under our credit facilities. If our lenders reduce or terminate our access to amounts under our credit facilities, we may not have sufficient capital to fund our working capital and other needs, and we may need to secure additional capital or financing to fund our operations or to repay outstanding debt under our credit facilities. We cannot assure you that we will be successful in ensuring the availability of amounts under our credit facilities or in raising additional capital, or that any amount, if raised, will be sufficient to meet our cash needs or will be on terms as favorable as those which have been available to us historically. If we are not able to maintain our ability to borrow under our credit facilities, or to raise additional capital when needed, our business and operations will be materially and adversely affected.

Risks Relating to this Offering and Ownership of our Common Stock

You will suffer immediate and substantial dilution in the net tangible book value of the common stock you purchase.

The price you pay for shares of our common stock sold in this offering is substantially higher than our pro forma net tangible book value per share. Based on the initial public offering price for our common stock of $ per share (which is the midpoint of the price range set forth on the cover page of this prospectus), you will incur immediate dilution in net tangible book value per share of $. Dilution is the difference between the offering price per share and the pro forma as adjusted net tangible book value per share of our common stock immediately after the offering. As a result of this dilution, investors purchasing stock in this offering may receive significantly less than the full purchase price that they paid for the stock purchased in this offering in the event of liquidation. See "Dilution."

You may be diluted by future issuances of additional common stock in connection with our incentive plans, acquisitions, or otherwise; future sales of such shares in the public market, or the expectations that such sales may occur, could lower our stock price.

Our amended and restated certificate of incorporation authorizes us to issue shares of common stock and options, rights, warrants, and appreciation rights relating to common stock for the consideration and on the

terms and conditions established by our board of directors in its sole discretion, whether in connection with acquisitions or otherwise.

We have reserved shares for issuance and have issued shares under the MCBC Holdings, Inc. 2015 Incentive Award Plan in an amount equal to shares and shares of common stock, and we expect to grant equity awards under the 2015 Incentive Award Plan covering a total of shares of common stock concurrently with the consummation of this offering. Any common stock that we issue, including under our 2015 Incentive Award Plan or other equity incentive plans that we may adopt in the future, would dilute the percentage ownership held by the investors who purchase common stock in this offering. As a result of this dilution, investors purchasing shares of our common stock in this offering may receive significantly less than the full purchase price that they paid for the stock purchased in this offering in the event of liquidation.

We and our officers and directors and existing stockholders have agreed, subject to certain exceptions, that, without the prior written consent of Robert W. Baird & Co. Incorporated ("Baird") and Raymond James & Associates, Inc. ("Raymond James") on behalf of the underwriters, we and they will not, during the period ending 180 days after the date of this prospectus (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any shares of common stock or any securities convertible into or exercisable or exchangeable for shares of common stock; (ii) file any registration statement with the SEC relating to the offering of any shares of common stock or any securities convertible into or exercisable or exchangeable for common stock; or (iii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of common stock. Baird and Raymond James, in their sole discretion, may release the common stock and other securities subject to the lock-up agreements described above in whole or in part at any time with or without notice. See "Underwriting (Conflicts of Interest)."

The market price of our common stock may decline significantly when the restrictions on resale by our existing stockholders lapse. A decline in the price of our common stock might impede our ability to raise capital through the issuance of additional shares of common stock or other equity securities.

In connection with the completion of this offering, we intend to enter into a Registration Rights Agreement with our existing owners. Any sales in connection with the Registration Rights Agreement, or the prospect of any such sales, could materially impact the market price of our common stock and could impair our ability to raise capital through future sales of equity securities. For a further description of our Registration Rights Agreement, see "Certain Relationships and Related Party Transactions — Registration Rights Agreement."

Our common stock price may be volatile or may decline regardless of our operating performance and you may not be able to resell your shares at or above the initial public offering price.

Prior to this offering, there has not been a public trading market for shares of our common stock. It is possible that after this offering an active trading market will not develop or continue or, if developed, that any market will be sustained, which could make it difficult for you to sell your shares of common stock at an attractive price or at all. The initial public offering price of our common stock will be determined by negotiations between us and the representative of the underwriters based upon a number of factors and may not be indicative of prices that will prevail in the open market following the consummation of this offering. See "Underwriting (Conflicts of Interest)." Consequently, you may not be able to sell our shares of common stock at prices equal to or greater than the price you paid in this offering.

Volatility in the market price of our common stock may prevent you from being able to sell your shares at or above the price you paid for them. Many factors, which are outside our control, may cause the market price of our common stock to fluctuate significantly, including those described elsewhere in this "Risk Factors" section and this prospectus, as well as the following:

- our operating and financial performance and prospects;
- our quarterly or annual earnings or those of other companies in our industry compared to market expectations;
- conditions that impact demand for our services;
- future announcements concerning our business or our competitors' businesses;
- the public's reaction to our press releases, other public announcements, and filings with the SEC;
- the size of our public float;
- coverage by or changes in financial estimates by securities analysts or failure to meet their expectations;
- market and industry perception of our success, or lack thereof, in pursuing our growth strategy;
- strategic actions by us or our competitors, such as acquisitions or restructurings;
- changes in laws or regulations that adversely affect our industry or us;
- changes in accounting standards, policies, guidance, interpretations, or principles;
- changes in senior management or key personnel;
- issuances, exchanges or sales, or expected issuances, exchanges or sales of our capital stock;
- changes in our dividend policy;
- adverse resolution of new or pending litigation against us; and
- changes in general market, economic, and political conditions in the U.S. and global economies or financial markets, including those resulting from natural disasters, terrorist attacks, acts of war, and responses to such events.

As a result, volatility in the market price of our common stock may prevent investors from being able to sell their common stock at or above the initial public offering price or at all. These broad market and industry factors may materially reduce the market price of our common stock, regardless of our operating performance. In addition, price volatility may be greater if the public float and trading volume of our common stock is low. As a result, you may suffer a loss on your investment.

Wayzata will continue to have substantial control over us after this offering including over decisions that require the approval of stockholders, and its interest in our business may conflict with yours.

Immediately after the consummation of this offering, Wayzata will hold a majority of the voting power of our common stock. Accordingly, Wayzata, acting alone, will have the ability to approve or disapprove substantially all transactions and other matters submitted to a vote of our stockholders, such as a merger, consolidation, dissolution or sale of all or substantially all of our assets, the issuance or redemption of certain additional equity interests, and the election of directors. These voting rights may enable Wayzata to consummate transactions that may not be in the best interests of holders of our common stock or, conversely, prevent the consummation of transactions that may be in the best interests of holders of our common stock.

In addition, Wayzata is in the business of making or advising on investments in companies and may hold, and may from time to time in the future acquire interests in or provide advice to, businesses that directly or indirectly compete with certain portions of our business or are suppliers or customers of ours. Wayzata may

also pursue acquisitions that may be complementary to our business, and, as a result, those acquisition opportunities may not be available to us.

We are a "controlled company" within the meaning of NASDAQ listing requirements and, as a result, will qualify for, and intend to rely on, exemptions from certain corporate governance requirements. You will not have the same protections afforded to stockholders of companies that are subject to such corporate governance requirements.

Because of the voting power over our Company held by Wayzata, we are considered a "controlled company" for the purposes of the NASDAQ listing requirements. As such, we are exempt from certain corporate governance requirements of NASDAQ, including (i) the requirement that a majority of the board of directors consist of independent directors, (ii) the requirement that director nominees be selected or recommended to the board of directors by a majority of independent directors or a nominating and corporate governance committee that is composed entirely of independent directors, (iii) the requirement that we have a compensation committee that is composed entirely of independent directors, and (iv) the requirement for an annual performance evaluation of the nominating and corporate governance and compensation committees.

The corporate governance requirements and specifically the independence standards are intended to ensure that directors who are considered independent are free of any conflicting interest that could influence their actions as directors. Following this offering, we intend to utilize certain exemptions afforded to a "controlled company." As a result, we will not be required to have a majority of the board of directors consist of independent directors, we will not be required to have a nominating and corporate governance committee composed entirely of independent directors, we will not be required to have a compensation committee composed entirely of independent directors, and we will not be required to conduct annual performance evaluations of the nominating and corporate governance and compensation committees. See "Management." Accordingly, you will not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of NASDAQ.

We do not intend to pay dividends on our common stock for the foreseeable future.

While we have paid dividends in the past, we presently have no intention to pay dividends on our common stock at any time in the foreseeable future. Any decision to declare and pay dividends in the future will be made at the discretion of our board of directors and will depend on, among other things, our results of operations, financial condition, cash requirements, contractual restrictions, and other factors that our board of directors may deem relevant. Certain of our debt instruments contain covenants that restrict the ability of our subsidiaries to pay dividends to us. See "Description of Certain Indebtedness." In addition, we will be permitted under the terms of our debt instruments to incur additional indebtedness, which may restrict or prevent us from paying dividends on our common stock. Furthermore, our ability to declare and pay dividends may be limited by instruments governing future outstanding indebtedness we may incur.

Delaware law and certain provisions in our amended and restated certificate of incorporation may prevent efforts by our stockholders to change the direction or management of our Company.

We are a Delaware corporation, and the anti-takeover provisions of Delaware law impose various impediments to the ability of a third party to acquire control of us, even if a change of control would be beneficial to our existing stockholders. In addition, our amended and restated certificate of incorporation and

our amended and restated by-laws contain provisions that may make the acquisition of our company more difficult without the approval of our board of directors, including, but not limited to, the following:

- our board of directors is classified into three classes, each of which serves for a staggered three-year term;
- only our board of directors may call special meetings of our stockholders;
- our stockholders have only limited rights to amend our by-laws; and
- we require advance notice and duration of ownership requirements for stockholder proposals.

These provisions could discourage, delay, or prevent a transaction involving a change in control of our company. These provisions could also discourage proxy contests and make it more difficult for you and other stockholders to elect directors of your choosing and cause us to take other corporate actions you desire. In addition, because our board of directors is responsible for appointing the members of our management team, these provisions could in turn affect any attempt by our stockholders to replace current members of our management team.

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 an "emerging growth company," as defined in Section 2(a) of the Securities Act, as modified by the JOBS Act. As such, we are eligible to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not "emerging growth companies," including, but not limited to, (i) not being required to comply with the auditor attestation requirements of Section 404(b) of the Sarbanes-Oxley Act, (ii) reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and (iii) exemptions from the requirements of holding a non-binding advisory vote on executive compensation and of stockholder approval of any golden parachute payments not previously approved. We have elected to adopt these reduced disclosure requirements. We cannot predict if investors will find our common stock less attractive as a result of our taking advantage of these exemptions and as a result, there may be a less active trading market for our common stock and our stock price may be more volatile.

We could remain an "emerging growth company" for up to five years or until the earliest of (a) the last day of the first fiscal year in which our annual gross revenues exceed $1 billion, (b) the date that we become a "large accelerated filer" as defined in Rule 12b-2 under the Exchange Act, which would occur if the market value of our common stock that is held by non-affiliates exceeds $700 million as of the last business day of our most recently completed fiscal quarter, and (c) the date on which we have issued more than $1 billion in non-convertible debt securities during the preceding three-year period.

The obligations associated with being a public company will require significant resources and management attention, which may divert from our business operations.

As a result of this offering, we will become subject to the reporting requirements of the Exchange Act and the Sarbanes-Oxley Act. The Exchange Act requires that we file annual, quarterly, and current reports with respect to our business and financial condition. The Sarbanes-Oxley Act requires, among other things, that we establish and maintain effective internal controls and procedures for financial reporting. As a result, we will incur significant legal, accounting, and other expenses that we did not previously incur.

In addition, the need to establish the corporate infrastructure demanded of a public company may divert management's attention from implementing our business strategy, which could prevent us from improving our business, results of operations, and financial condition. We have made, and will continue to make, changes to our internal controls, including information technology controls, and procedures for financial reporting and accounting systems to meet our reporting obligations as a public company. However, the measures we take may not be sufficient to satisfy our obligations as a public company. If we do not continue to develop and implement the right processes and tools to manage our changing enterprise and maintain our culture, our ability to compete successfully and achieve our business objectives could be impaired, which could negatively impact our business, financial condition, and results of operations. In addition, we cannot predict or estimate the amount of additional costs we may incur to comply with these requirements. We anticipate that these costs will materially increase our general and administrative expenses.

Furthermore, as a public company, we will incur additional legal, accounting, and other expenses that have not been reflected in our historical financial statements. In addition, rules implemented by the SEC and NASDAQ have imposed various requirements on public companies, including establishment and maintenance of effective disclosure and financial controls and changes in corporate governance practices. Our management and other personnel will need to devote a substantial amount of time to these compliance initiatives. These rules and regulations result in our incurring legal and financial compliance costs and will make some activities more time-consuming and costly. For example, we expect these rules and regulations to 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 people to serve on our board of directors, on our board committees, or as executive officers.

Our failure to achieve and maintain effective internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act as a public company could have a material adverse effect on our business and share price.

Prior to the completion of this offering, we have not operated as a public company and have not had to independently comply with Section 404(a) of the Sarbanes-Oxley Act. Section 404(a) of the Sarbanes-Oxley Act requires annual management assessments of the effectiveness of our internal control over financial reporting, starting with the second annual report that we would expect to file with the SEC. We anticipate being required to meet these standards in the course of preparing our financial statements as of and for the year ended June 30, 2016, and our management will be required to report on the effectiveness of our internal control over financial reporting for such year. Additionally, once we are no longer an emerging growth company, as defined by the JOBS Act, our independent registered public accounting firm will be required pursuant to Section 404(b) of the Sarbanes-Oxley Act to attest to the effectiveness of our internal control over financial reporting on an annual basis. The rules governing the standards that must be met for our management to assess our internal control over financial reporting are complex and require significant documentation, testing, and possible remediation.

Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with generally accepted accounting principles. We are in the process of reviewing, documenting, and testing our internal control over financial reporting, but we are not currently in compliance with, and we cannot be certain when we will be able to implement, the requirements of Section 404(a). We may encounter problems or delays in implementing any changes necessary to make a favorable assessment of our internal control over financial reporting. In addition, we may encounter problems or delays in completing the implementation of any

requested improvements and receiving a favorable attestation in connection with the attestation to be provided by our independent registered public accounting firm after we cease to be an emerging growth company. If we cannot favorably assess the effectiveness of our internal control over financial reporting, or if our independent registered public accounting firm is unable to provide an unqualified attestation report on our internal controls after we cease to be an emerging growth company, investors could lose confidence in our financial information and the price of our common stock could decline.

Additionally, the existence of any material weakness or significant deficiency would require management to devote significant time and incur significant expense to remediate any such material weaknesses or significant deficiencies and management may not be able to remediate any such material weaknesses or significant deficiencies in a timely manner. The existence of any material weakness in our internal control over financial reporting could also result in errors in our financial statements that could require us to restate our financial statements, cause us to fail to meet our reporting obligations, and cause stockholders to lose confidence in our reported financial information, all of which could materially and adversely affect our business and share price.

If securities analysts do not publish research or reports about our company, or if they issue unfavorable commentary about us or our industry or downgrade our common stock, the price of our common stock could decline.

The trading market for our common stock will depend in part on the research and reports that third-party securities analysts publish about our company and our industry. We may be unable or slow to attract research coverage and if one or more analysts cease coverage of our company, we could lose visibility in the market. In addition, one or more of these analysts could downgrade our common stock or issue other negative commentary about our company or our industry. As a result of one or more of these factors, the trading price of our common stock could decline.

DIVIDEND POLICY

We presently intend to retain our earnings, if any, to finance the development and growth of our business and operations and do not anticipate declaring or paying cash dividends on our common stock in the foreseeable future. On March 13, 2015, we paid a one-time distribution in the aggregate of $44 million to our stockholders in connection with the Recapitalization Transactions. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Recapitalization Transactions."

Any future determination as to the declaration and payment of dividends, if any, will be at the discretion of our board of directors and will depend on then-existing conditions, including our operating results, financial condition, contractual restrictions, capital requirements, business prospects, and other factors our board of directors may deem relevant. In addition, our Senior Secured Credit Facility contains restrictions that restrict our ability to pay cash dividends. See "Risk Factors — Risks Relating to This Offering and Ownership of Our Common Stock — We do not intend to pay dividends on our common stock for the foreseeable future" and "Description of Certain Indebtedness."

USE OF PROCEEDS

We estimate that the net proceeds to us from the sale of the shares of common stock by us in this offering, after deducting underwriting discounts and commissions and estimated offering expenses, will be approximately $ million. If the underwriters exercise their option to purchase up to additional shares of common stock, we will not receive any proceeds from the sale of shares by the selling stockholders. A $1.00 increase (decrease) in the assumed initial public offering price of $ per share would increase (decrease) the net proceeds to us from this offering by $ million, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions and estimated offering expenses. An increase (decrease) of 1,000,000 shares from the expected number of shares to be sold in this offering, assuming no change in the assumed initial public offering price per share, would increase (decrease) our net proceeds from this offering by $ million, after deducting estimated underwriting discounts and commissions and estimated offering expenses.

We intend to use the net proceeds that we receive from this offering as follows:

- first, to repay all outstanding borrowings under our $75 million Term Loan Facility and, to the extent sufficient net proceeds remain, to repay borrowings under our $30 million Revolving Credit Facility (approximately $44 million of the outstanding borrowings under our Term Loan Facility and Revolving Credit Facility were used to fund a dividend distribution to our stockholders in connection with the Recapitalization Transactions); and

- second, to the extent any net proceeds remain, for general corporate purposes.

As of March 29, 2015, we had $75 million of indebtedness outstanding under our Term Loan Facility and $10 million of indebtedness outstanding under our Revolving Credit Facility. The Term Loan Facility matures on November 26, 2019, and as of March 29, 2015, the effective interest rate on the Term Loan Facility was 4.2%. The Revolving Credit Facility matures on November 26, 2019, and as of March 29, 2015, the effective interest rate on the Revolving Credit Facility was 4.7%.

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CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization as of March 29, 2015:

- on an actual basis; and
- on a pro forma basis after giving effect to (1) our sale of shares of common stock in this offering at an assumed offering price of $ per share, the midpoint of the range set forth on the cover page of this prospectus, after deducting the estimated underwriting discounts and commissions and estimated offering expenses, and (2) the application of the net proceeds therefrom as described under "Use of Proceeds."

You should read this table in conjunction with the consolidated financial statements and the related notes, "Use of Proceeds" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this prospectus.

	As of March 29, 2015	
	Actual	Pro Forma[1]
	(in thousands of dollars)	
Cash and cash equivalents	$ 4,283	$
Total debt, including current portion:		
Revolving Credit Facility	10,000	
Term Loan Facility	74,269	
Total debt, including current portion	84,269	
Total shareholders' equity (deficiency):		
Common stock, par value $0.01 per share, 4,900,000 shares authorized, 1,000,000 shares issued and outstanding on an actual basis, shares issued and outstanding on a pro forma basis[2]	10	
Additional paid-in capital	8,942	
Accumulated deficit	(53,742)	
Total shareholders' equity	(44,790)	
Total capitalization	**$ 39,479**	**$**

(1) A $1.00 increase (decrease) in the assumed initial public offering price of $ per share would increase (decrease) each of cash and cash equivalents, additional paid-in capital, total stockholders' equity/(deficit) and total capitalization by $ million, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions and estimated offering expenses and the application of the net proceeds from this offering as described under "Use of Proceeds." An increase (decrease) of 1,000,000 shares from the expected number of shares to be sold in this offering, assuming no change in the assumed initial public offering price per share, would increase (decrease) our net proceeds from this offering by $ million, after deducting estimated underwriting discounts and commissions and estimated offering expenses.

(2) The number of shares of our common stock to be outstanding after this offering is based on the number of shares of our common stock outstanding as of March 29, 2015, and excludes:

- shares of common stock issuable upon the exercise of the Restructuring Warrant;
- shares of common stock issuable upon the exercise of stock options granted under the MCBC Holdings, Inc. 2010 Equity Incentive Plan at a weighted average exercise price of $ per share;
- shares of common stock issued or reserved for future issuance under the MCBC Holdings, Inc. 2015 Incentive Award Plan; and
- the -for- stock split effective , 2015.

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DILUTION

If you invest in our common stock in this offering, your ownership interest will be immediately diluted to the extent of the difference between the initial public offering price per share and the pro forma net tangible book value per share of our common stock after this offering. Dilution results from the fact that the public offering price per share of common stock is substantially in excess of the book value per share of common stock attributable to the existing stockholders for our presently outstanding shares of common stock.

As of March 29, 2015, we had net tangible book value of $(91.8) million, or $(91.80) per share of common stock outstanding as of that date. Our net tangible book value is determined by subtracting the value of our intangible assets and total liabilities from our total assets.

Dilution is determined by subtracting net tangible book value per share from the public offering price per share of $, after deducting the underwriting discounts and commissions and offering expenses payable by us.

Without taking into account any other changes in net tangible book value after March 29, 2015, other than to give effect to our sale of the shares of our common stock offered in this offering, with estimated net proceeds of $ million after deducting the underwriting discounts and commissions and offering expenses, our pro forma net tangible book value as of March 29, 2015 would have been $ million, or $ per outstanding share of common stock. This represents an immediate dilution in pro forma net tangible book value of $ per share to new investors in this offering.

The following table illustrates such dilution per share of common stock.

Assumed initial public offering price per share of common stock	$	
Net tangible book value per share as of March 29, 2015	$	(91.80)
Increase in pro forma net tangible book value per share attributable to new investors in this offering		
Pro forma net tangible book value per share after this offering	$	
Amount of dilution in net tangible book value per share to new investors in this offering	$	

Each $1.00 increase (decrease) in the assumed initial public offering price of $ per share would increase (decrease) our pro forma net tangible book value after this offering by $ million, or by $ per share and the dilution in pro forma net tangible book value to new investors in this offering by $ per share, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions and offering expenses payable by us.

In the event of an exercise of the underwriters' option to purchase additional shares of common stock, there will be no additional increase per share attributable to new investors and no additional changes to the pro forma net tangible book value per share or the dilution per share to new investors.

The following table summarizes, on a pro forma basis as of March 29, 2015, the differences between the number of shares of common stock purchased from us, the total consideration paid to us, and the average

price per share that existing stockholders paid for their shares of common stock and new investors paid, before deducting the underwriting discounts and commissions and offering expenses payable by us.

	Shares Purchased		Total Consideration		Average Price Per Share
	Number	Percent	Amount	Percent	
	(in thousands, except percent data)				
Existing stockholders		%	$	%	$
New investors		%	$	%	$
Total		**100.0%**	**$**	**100.0%**	**$**

If the underwriters exercise their option to purchase additional shares of common stock in full, the number of shares held by the existing stockholders after this offering would be % of the total number of shares of our common stock outstanding, the number of shares held by the selling stockholders after this offering would be % of the total number of shares of our common stock outstanding, and the number of shares held by new investors would be % of the total number of shares of our common stock outstanding.

SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA

The selected historical consolidated financial data and other data of MCBC Holdings, Inc. set forth below should be read together with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and related notes, each of which is included elsewhere in this prospectus.

We derived the consolidated statement of operations for the fiscal years ended June 30, 2013 and June 30, 2014 and our consolidated balance sheet data as of June 30, 2013 and 2014 from our audited consolidated financial statements and related notes included elsewhere in this prospectus. We derived the consolidated statement of operations for the nine-month period ended March 30, 2014 and March 29, 2015 and our consolidated balance sheet data as of March 29, 2015 from our unaudited consolidated financial statements included elsewhere in this prospectus. We derived the consolidated statement of operations for the fiscal year ended June 30, 2012 and our consolidated balance sheet data as of June 30, 2012 and March 30, 2014 from unaudited consolidated financial statements that have not been included in this prospectus. Our historical results are not necessarily indicative of the results that may be expected in the future.

	Fiscal Year Ended			Nine Months Ended	
	June 30, 2012	June 30, 2013	June 30, 2014	March 30, 2014	March 29, 2015
	(Unaudited)			(Unaudited)	
	(Dollars in thousands)				
Consolidated statement of operations:					
Net sales	$ 137,317	$ 162,009	$ 177,587	$ 125,997	$ 159,533
Cost of sales	121,892	131,303	139,975	100,689	121,169
Gross profit	15,425	30,706	37,612	25,308	38,364
Operating expenses:					
Selling and marketing	9,639	7,948	8,837	6,681	6,388
General and administrative	9,477	10,518	9,960	7,311	14,682
Impairment losses	5,200	—	—	—	—
Loss on disposal	718	—	—	—	—
Amortization of intangible assets	421	222	221	166	166
Total selling, general and administrative expenses	25,455	18,688	19,018	14,158	21,236
Operating (loss) income	(10,030)	12,018	18,594	11,150	17,128
Other expense:					
Interest expense, including related party amounts	(8,353)	(9,239)	(7,555)	(6,334)	(4,150)
Change in common stock warrant fair value	—	—	(2,526)	(1,705)	(5,248)
Income (loss) before income tax expense (benefit)	(18,383)	2,779	8,513	3,111	7,730
Income tax expense (benefit)	(2,051)	(37)	(11,414)	(55)	4,733
Net (loss) income	$ (16,332)	$ 2,816	$ 19,927	$ 3,166	$ 2,997
Weighted average shares used for computation of:					
Basic	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Diluted	1,000,000	1,000,000	1,003,884	1,002,700	1,063,694
Net (loss) income per common share:					
Basic	$ (16.33)	2.82	19.93	$ 3.17	$ 3.00
Diluted	$ (16.33)	2.82	19.85	$ 3.16	$ 2.82
Pro forma weighted average shares used for the computation of[(1)]:					
Basic					
Diluted					

	Fiscal Year Ended			Nine Months Ended	
	June 30, 2012	June 30, 2013	June 30, 2014	March 30, 2014	March 29, 2015
	(Unaudited)			(Unaudited)	
	(Dollars in thousands)				
Pro forma net (loss) income per common share[1] (unaudited):					
Basic			$		$
Diluted			$		$
Consolidated balance sheet data:					
Total assets	$ 79,548	$ 87,153	$ 96,142	$ 83,584	$ 91,629
Total liabilities	106,103	110,869	99,929	104,134	136,419
Current portion of long-term debt	—	—	8,621	3,925	16,598
Long-term debt	73,371	75,300	57,359	61,898	67,671
Total debt	73,371	75,300	65,980	65,823	84,269
Total shareholders' deficit	(26,555)	(23,716)	(3,787)	(20,550)	(44,790)
Additional financial and other data (unaudited):					
Unit volume:					
MasterCraft	1,720	1,949	2,135	1,524	1,921
Hydra-Sports	161	49	50	37	36
MasterCraft sales[2]	$ 118,403	$ 148,750	$ 163,631	$ 115,754	$ 149,158
MasterCraft sales per unit	$ 69	$ 76	$ 77	$ 76	$ 78
Gross margin	11.2%	19.0%	21.2%	20.1%	24.0%
Unlevered Free Cash Flow[3]	$ (335)	$ 8,819	$ 14,982	$ 8,598	$ 20,880
Adjusted EBITDA[3]	$ 1,686	$ 11,813	$ 18,403	$ 10,921	$ 23,509
Adjusted EBITDA margin[3]	1.4%	7.9%	11.2%	9.4%	15.8%

(1) Pro forma per share data give effect to the sale by us of shares of common stock in this offering at an assumed initial public offering price of $ per share, the midpoint of the price range set forth on the cover page of this prospectus, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us and the application of the net proceeds from this offering to repay borrowings under our Senior Secured Credit Facility as described under "Use of Proceeds," assuming all such events had occurred on July 1, 2013. Basic and diluted pro forma net income per share consists of pro forma net income divided by the basic and diluted pro forma weighted average number of shares of common stock outstanding.

Pro forma net income per share reflects the increase in shares of common stock resulting from the sale of shares by us in this offering and the net decrease in interest expense resulting from our intended repayment of debt under our Senior Secured Credit Facility as described in "Use of Proceeds." Interest expense is calculated as though the consummation of this offering (including the use of the net proceeds from this offering) had occurred on July 1, 2013.

(2) We define MasterCraft sales as net sales less net sales associated with Hydra-Sports.

(3) We define EBITDA as earnings before interest expense, income taxes, depreciation and amortization. We define Adjusted EBITDA as EBITDA further adjusted to eliminate certain non-cash charges and unusual items that we do not consider to be indicative of our ongoing operations, including change in common stock warrant fair value, fees and expenses related to the Recapitalization Transactions and this offering, our stock-based compensation and the results of operations of our Hydra-Sports business, which was divested in June 2012. We define Adjusted EBITDA margin as Adjusted EBITDA expressed as a percentage of MasterCraft sales. We define Unlevered Free Cash Flow as Adjusted EBITDA less capital expenditures. Adjusted EBITDA, Adjusted EBITDA margin and Unlevered Free Cash Flow are not measures of net (loss) income or operating income as determined under accounting principles generally accepted in the United States, which we refer to as "GAAP." Adjusted EBITDA is not a measure of performance in accordance with U.S. GAAP and should not be considered as an alternative to net income (loss) or operating cash flows determined in accordance with U.S. GAAP. Additionally, neither Adjusted EBITDA nor Unlevered Free Cash Flow is intended to be a measure of cash flow for management's discretionary use. We believe that the inclusion of EBITDA, Adjusted EBITDA and Unlevered Free Cash Flow in this prospectus is appropriate to provide additional information to investors because securities analysts, noteholders and other investors use these non U.S. GAAP financial measures

to assess our operating performance across periods on a consistent basis and to evaluate the relative risk of an investment in our securities. Adjusted EBITDA has limitations as an analytical tool and should not be considered in isolation or as a substitute for analysis of our results as reported under U.S. GAAP. Some of these limitations are:

- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future and Adjusted EBITDA does not reflect any cash requirements for such replacements;
- it does not reflect our cash expenditures, or future requirements for capital expenditures or contractual commitments;
- it does not reflect changes in, or cash requirements for, our working capital needs;
- it does not reflect the significant interest expense, or the cash requirements necessary to service interest or principal payments, on our significant amount of indebtedness; and
- it does not reflect the impact of earnings or charges resulting from matters we do not consider to be indicative of our ongoing operations, but may nonetheless have a material impact on our results of operations, including the continuing operations related to our Hydra-Sports manufacturing contract.

In addition, because not all companies use identical calculations, our presentation of Adjusted EBITDA and Unlevered Free Cash Flow may not be comparable to similarly titled measures of other companies, including companies in our industry.

The following table sets forth a reconciliation of net (loss) income as determined in accordance with U.S. GAAP to Adjusted EBITDA and Unlevered Free Cash Flow for the periods indicated (unaudited):

	Fiscal Year Ended			**Nine Months Ended**	
	June 30, 2012	**June 30, 2013**	**June 30, 2014**	**March 30, 2014**	**March 29, 2015**
	(Unaudited)			**(Unaudited)**	
	(Dollars in thousands)				
Net (loss) income	$ (16,332)	$ 2,816	$ 19,927	$ 3,166	$ 2,997
Income tax expense (benefit)[(a)]	(2,051)	(37)	(11,414)	(55)	4,733
Interest expense, including related party amounts	8,353	9,239	7,555	6,334	4,150
Depreciation and amortization	2,187	1,975	2,472	1,772	2,303
EBITDA	(7,843)	13,993	18,540	11,217	14,183
Change in common stock warrant fair value[(b)]	—	—	2,526	1,705	5,248
Transaction expense[(c)]				—	6,508
Impairment of intangibles[(d)]	5,200	—	—	—	—
Hydra-Sports[(e)]	4,329	(2,203)	(2,665)	(2,001)	(2,430)
Stock-based compensation	—	23	2	—	—
Adjusted EBITDA	1,686	11,813	18,403	10,921	23,509
Capital expenditures	(2,021)	(2,994)	(3,421)	(2,323)	(2,629)
Unlevered Free Cash Flow	(335)	8,819	14,982	8,598	20,880

(a) Fiscal 2014 income tax benefit primarily represents the reversal of a valuation allowance for deferred tax assets.

(b) Represents non-cash expense related to increases in the fair market value of the Restructuring Warrant.

(c) Represents fees and expenses related to the Recapitalization Transactions and this offering, including $5.7 million related to transaction bonuses paid to certain members of management during the three months ended March 29, 2015 in connection with the Recapitalization Transactions.

(d) Represents impairment of MasterCraft and Hydra-Sports trade names.

(e) Represents the operating (loss) income attributable to the operations of our Hydra-Sports business and the related manufacturing agreement, adjusted to exclude depreciation and amortization related to Hydra-Sports. We divested the Hydra-Sports business in June 2012, but continue to manufacture Hydra-Sports boats for the purchaser of the business pursuant to an agreement that expires on June 30, 2015 (and which we do not intend to renew). This adjustment was calculated by identifying the applicable cost of sales and operating expenses directly attributable to the Hydra-Sports business for such period, excluding any corporate overhead or other shared costs. The amount for the fiscal year ended June 30, 2012 includes a loss on sale of $718 related to the sale of Hydra-Sports assets.

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

The following discussion and analysis should be read together with the sections entitled "Risk Factors," "Selected Historical Consolidated Financial Data," and the financial statements and the accompanying notes included elsewhere in this prospectus. The statements in this discussion and analysis regarding industry outlook, our expectations regarding the performance of our business and the other non-historical statements are forward-looking statements. These forward-looking statements are subject to numerous risks and uncertainties, including, but not limited to, the risks and uncertainties described in "Risk Factors" and "Forward-Looking Statements." Our actual results may differ materially from those contained in or implied by any forward-looking statements.

Overview

We are a world-renowned innovator, designer, manufacturer, and marketer of premium recreational sport boats, with a leading market position in the U.S., a strong international presence, and dealers in 40 countries around the world. Our boats are used for water skiing, wakeboarding, and wake surfing, as well as general recreational boating. Our robust product portfolio of performance sport boats are manufactured to the highest standards of quality, performance, and styling.

We sell our boats through an extensive network of independent dealers in North America and internationally. We partner with 90 North American dealers with 129 locations and 45 international dealers with 54 locations throughout the rest of the world. In fiscal 2014, 85.4% of our net sales were generated from North America and 14.6% of our net sales were generated from outside of North America.

Outlook

Our sales are impacted by general economic conditions, which affect the demand for our products, the demand for optional features, the availability of credit for our dealers and retail consumers, and overall consumer confidence. The recreational boating industry was adversely affected by the economic downturn that commenced in 2008, but general economic improvement and higher consumer confidence in recent years have helped to drive increased consumer demand for powerboats. As the recovery in the general economy and overall boating industry has continued, the performance sport boat category in which we participate has experienced a robust recovery. According to SSI, new unit sales of performance sport boats in the U.S. increased at a CAGR of 13.3% from 2012 to 2014 while new unit sales of all fiberglass power boats increased at a CAGR of 1.9% in the U.S. over the same period.

While the performance sport boat category has grown in recent years, new unit sales remain significantly below historical peaks. According to NMMA, the 6,100 new performance sport boat units sold in 2013 were 48.4% below the average annual new unit sales volume of 11,817 observed between 2002 and 2007 and 53.4% below the 13,100 new units sold in 2006. While there is no guarantee that our market will continue to grow, we believe that due to increased consumer demand and limited used boat inventory, we are in the early stages of a recovery that presents a long runway for future growth. Performance sport boats have also continued to take share from other powerboat categories, in particular the sterndrive category, with new performance sport boat unit sales volume steadily increasing from 2002 through 2014 as a percentage of the total combined new unit sales volume of performance sport and sterndrive boats.

We believe our sales have grown as dealers and customers continue to recognize the superior quality, performance, styling, and value proposition of our recently released boats. We further believe that we are just starting to realize the market share benefits of the many recent initiatives that our new management team has implemented over the past two years. We have a defined set of planned product launches through September 2015, after which our entire product portfolio will have been renewed in the last four years, giving us the newest overall product offering in the performance sport boat category. We believe these factors strongly position us for growth in the coming periods. In particular, we anticipate our newly-developed MasterCraft NXT line of entry-level boats will further increase our market share as it represents our first offering in this market segment, which we believe accounts for approximately one-third of the performance sport boat category. We also expect to see market share gains from the launch of our all new X23, winner of the 2015 NMMA Innovation Award, which is specially engineered to offer superior surfing performance including the industry's first "Zone 4" wake. We believe our broad offering of boat models and features will continue to attract customers from our competitors, particularly in the performance sport boat and sterndrive categories, and will drive increased unit volume and market share gains.

Following the completion of our recent management changes in fiscal 2013, we revamped our manufacturing and product development processes. This led to operational efficiencies which have driven significant margin expansion despite lower average boat sale price increases than our competitors. These process improvements have lowered re-work costs, warranty claims, material waste, and inventory levels, significantly reducing our costs, and have improved on-time delivery rates from 54% in fiscal 2012 to 88% in fiscal 2014. These processes are now ingrained in the culture at MasterCraft, and have led to a company-wide focus on driving further gross margin expansion through continuous improvement. In addition, we have identified potential opportunities to further vertically integrate some of our manufacturing processes, which could lead to significant potential for additional margin expansion. Furthermore, since a large proportion of our costs are fixed, there is a strong correlation between an increase or decrease in our sales and an increase or decrease in our profitability. Our gross margin has increased from 11.2% in 2012 to 21.2% in 2014, and we believe we are well-positioned for further gross margin expansion as our sales continue to grow. Of course, our future results will continue to be subject to macro-economic factors beyond our control and the other risks discussed under "Risk Factors."

Recapitalization Transactions

On March 13, 2015, we entered into a second amendment to our Senior Secured Credit Facility to, among other things, increase the borrowings under our Term Loan Facility from $50 million to $75 million and the commitments under our Revolving Credit Facility to $30 million. We used the proceeds of the increased Term Loan Facility borrowings, together with $20 million in borrowings under our Revolving Credit Facility and cash on hand, to fund a $44 million dividend distribution to our stockholders and pay related transaction fees and expenses. We refer to this amendment and the related distribution to our stockholders as the "Recapitalization Transactions." As a result of the Recapitalization Transactions, the indebtedness of MasterCraft and its subsidiaries increased by $45 million. We intend to repay all outstanding borrowings under our $75 million Term Loan Facility and, to the extent net proceeds remain, to repay borrowings under our $30 million Revolving Credit Facility, and we expect that our total indebtedness and per annum interest expense will decline accordingly.

Hydra-Sports

On June 30, 2012, we sold the trade name, tooling, certain machinery, and finished goods of our Hydra-Sports business to Hydra-Sports Custom Boats, LLC, an unaffiliated third party. We concurrently

entered into an agreement with the purchaser to contract manufacture a specified number of Hydra-Sports models annually at established prices, using certain of the tooling and machinery assets sold to Hydra-Sports Custom Boats, LLC which have remained in use by the Company at the Company's manufacturing facility (and will remain in use by Company for the duration of the manufacturing contract). This manufacturing agreement expires on June 30, 2015 and we do not intend to renew it. Upon the expiration of the agreement, all of the assets sold to Hydra-Sports Custom Boats, LLC will be transferred from the Company's manufacturing facility to Hydra-Sports Custom Boats, LLC. We sold 49 and 50 Hydra-Sports boats under this contract in fiscal 2013 and fiscal 2014, respectively. Net sales attributable to Hydra-Sports were $13.3 million and $14 million and operating income attributable to Hydra-Sports was $1.2 million and $1.6 million in fiscal 2013 and fiscal 2014, respectively.

Seasonality and Other Factors That Affect Our Business

Our operating results are subject to annual and seasonal fluctuations resulting from a variety of factors, including:

- seasonal variations in retail demand for boats, with a significant majority of sales occurring during peak boating season, which we attempt to manage by providing incentive programs and floor plan subsidies to encourage dealer purchases throughout the year;
- product mix, which is driven by boat model mix and higher option order rates; while sales of all of our boats generate comparable margins, sales of larger boats and boats with optional content produce higher absolute profits;
- inclement weather, which can affect production at our manufacturing facility as well as consumer demand;
- competition from other performance sports boat manufacturers; and
- general economic conditions.

Key Performance Measures

From time to time we use certain key performance measures in evaluating our business and results of operations and we may refer to one or more of these key performance measures in this "Management's Discussion and Analysis of Financial Condition and Results of Operations." These key performance measures include:

- *Unit volume* — We define unit volume as the number of our boats sold to our dealers during a period.
- *Net sales per unit* — We define net sales per unit as net sales divided by unit volume.
- *Gross margin* — We define gross margin as gross profit divided by net sales, expressed as a percentage.
- *Adjusted EBITDA* — We define Adjusted EBITDA as earnings before interest expense, income taxes, depreciation, and amortization, as further adjusted to eliminate certain non-cash charges and unusual items that we do not consider to be indicative of our ongoing operations, including the results of operations of our Hydra-Sports business, which was divested in June 2012. For a reconciliation of net income to Adjusted EBITDA, see Note 3 to the information contained in "Summary Historical Consolidated Financial Data."
- *Unlevered Free Cash Flow* — We define Unlevered Free Cash Flow as Adjusted EBITDA less capital expenditures.

Components of Results of Operations

Net Sales

We generate sales from the sale of boats, trailers, and accessories to our dealers. The substantial majority of our net sales are derived from the sale of boats, including optional features included at the time of the initial wholesale purchase of the boat. Net sales consist of the following:

- Gross sales, which are derived from:

    - *Boat sales* — sales of boats to our dealer network. In addition, nearly all of our boat sales include optional feature upgrades, which increase the average selling price of our boats; and

    - *Trailers, parts and accessories, and other revenues* — sales of boat trailers, replacement and aftermarket boat parts and accessories, and transportation charges to our dealer network.

- Net of:

    - *Dealer programs and flooring subsidies* — incentives, including rebates and subsidized flooring, we provide to our dealers to drive volume and level dealer purchases throughout the year. If a dealer meets certain volume levels over the course of the year during certain defined periods, the dealer will be entitled to a specified rebate. These rebates change annually and include volume and exclusivity incentives. Dealers who participate in our floor plan financing program may be entitled to have their flooring costs subsidized by us to promote dealer orders in the offseason.

Cost of Sales

Our cost of sales includes all of the costs to manufacture our products, including raw materials, components, supplies, direct labor, and factory overhead. For components and accessories manufactured by third-party vendors, our costs are the amounts invoiced to us by the vendors. Cost of sales includes shipping and handling costs, depreciation expense related to manufacturing equipment and facilities, and warranty costs associated with the repair or replacement of our boats under warranty.

Operating Expenses

Our operating expenses include selling and marketing costs, general and administrative costs, impairment losses, losses on disposal, and amortization costs. These items include personnel and related expenses, non-manufacturing overhead, and various other operating expenses. Further, selling and marketing expenditures include the cost of advertising and marketing materials. General and administrative expenses include, among other things, salaries, benefits, and other personnel related expenses for employees engaged in product development, engineering, finance, information technology, human resources, and executive management. Other costs include outside legal and accounting fees, investor relations, risk management (insurance), and other administrative costs.

Other Expense

Other expense includes interest expense, including related party amounts, and change in common stock warrant fair value. Interest expense, including related party amounts, consists of interest charged under our credit facilities, including interest paid to funds affiliated with Wayzata Investment Partners, deferred financing fees, and debt issuance costs written off in connection with the pay down of amounts owed on our credit facilities.

Income Tax Expense (Benefit)

Our accounting for income tax expense (benefit) reflects management's assessment of future tax assets and liabilities based on assumptions and estimates for timing, likelihood of realization, and tax laws existing at the time of evaluation. We record a valuation allowance, when appropriate, to reduce deferred tax assets to an amount that is more likely than not to be realized.

Results of Operations

The consolidated statement of operations presented below should be read together with "Summary Historical Consolidated Financial Data," "Selected Consolidated Financial Data," and our consolidated financial statements and related notes included elsewhere in this prospectus.

We derived the consolidated statement of operations for the fiscal years ended June 30, 2013 and June 30, 2014 and our consolidated balance sheet data as of June 30, 2013 and 2014 from our audited consolidated financial statements and related notes included elsewhere in this prospectus. We derived the consolidated statement of operations for the nine-month periods ended March 30, 2014 and March 29, 2015 and our consolidated balance sheet data as of March 29, 2015 from our unaudited consolidated financial statements included elsewhere in this prospectus. We derived the consolidated statement of operations for the fiscal year ended June 30, 2012 and our consolidated balance sheet data as of June 30, 2012 and March 30, 2014 from our unaudited consolidated financial statements that have not been included in this prospectus. Our historical results are not necessarily indicative of the results that may be expected in the future.

	Fiscal Year Ended			Nine Months Ended	
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Loss on Disposal	718	—	—	—	—
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Hydra-Sports	161	49	50	37	36
MasterCraft sales[1]	$ 118,403	$ 148,750	$ 163,631	$ 115,754	$ 149,158
MasterCraft sales per unit	$ 69	$ 76	$ 77	$ 76	$ 78
Gross margin	11.2%	19.0%	21.2%	20.1%	24.0%

(1) We define MasterCraft sales as net sales less net sales associated with Hydra-Sports.

Nine months ended March 29, 2015 Compared to Nine months ended March 30, 2014

Net Sales. Our net sales for the nine months ended March 29, 2015 were $159.5 million, reflecting an increase of $33.6 million, or 26.6%, compared to $126.0 million for the nine months ended March 30, 2014. The increase in net sales was primarily due to increased unit volume of 396 units, or 25.4%. Net sales per unit increased by 1.0%, primarily driven by annual base price increases across all of our models and increased adoption of higher content option packages, including the Gen 2 surf system introduced in the second half of fiscal 2014, partially offset by increased sales of the MasterCraft NXT20, which carries a lower average sale price than our other models.

Cost of Sales. Our cost of sales increased $20.5 million, or 20.4%, to $121.2 million for the nine months ended March 29, 2015 compared to $100.7 million for the nine months ended March 30, 2014. The increase in cost of sales resulted primarily from the 25.4% increase in unit volume, partially offset by a 4.0% decline in cost per unit. The reduction in cost per unit was primarily a result of lower material costs driven by higher sales of the NXT20, which has a lower material cost per unit, as well as engineering and manufacturing initiatives to reduce production costs. Overhead costs per unit were lower due to operating efficiencies and leverage on fixed costs.

Gross Profit. For the nine months ended March 29, 2015, our gross profit increased $13.1 million, or 51.8%, to $38.4 million compared to $25.3 million for the nine months ended March 30, 2014. Gross margin increased 3.9 percentage points to 24.0% for the nine months ended March 29, 2015 compared to 20.1% for the nine months ended March 30, 2014. The increase in gross margin resulted primarily from the cost reductions referenced above, as well as increased sales of higher content option packages which increase average margins per unit.

Operating Expenses. Selling and marketing expense decreased $0.3 million, or 4.4%, to $6.4 million for the nine months ended March 29, 2015 compared to $6.7 million for the nine months ended March 30, 2014, driven primarily by a decrease in marketing expenditures due to higher spending on digital marketing assets in the prior year, as well as reductions in dealer network training costs. General and administrative expense increased by $7.4 million, or 101.4%, to $14.7 million for the nine months ended March 29, 2015 compared to $7.3 million for the nine months ended March 30, 2014. The increase resulted primarily from $6.5 million of fees and expenses related to the Recapitalization Transactions and this offering, including $5.7 million related to transaction bonuses paid to management in connection with the Recapitalization Transactions, as well as higher variable compensation and healthcare expense. Operating expenses, as a percentage of net sales, increased by 2.1 percentage points to 13.3% for the nine months ended March 29, 2015 compared to 11.2% for the nine months ended March 30, 2014 as a result of the increase in operating expenses.

Other Expense. Interest expense, including related party amounts decreased $2.2 million, or 34.5%, to $4.1 million for the nine months ended March 29, 2015 compared to $6.3 million for the nine months ended March 30, 2014. This decrease was driven by decreased interest expense due to lower average debt balances and lower cost of debt as a result of refinancing activity during fiscal 2014. Common stock warrant fair value increased $5.2 million to $7.8 million for the nine months ended March 29, 2015 compared to $1.7 million for the nine months ended March 30, 2014. This increase was a result of an increase to the fair value of the Restructuring Warrant primarily due to our improved operating performance.

Income Tax Expense (Benefit). Our income tax expense was $4.7 million for the nine months ended March 29, 2015, reflecting a reported effective tax rate of 61.2%, which differs from the statutory federal income tax rate of 35% primarily due to permanent differences relating to the change in fair value of the common stock warrant. Our income tax benefit was ($0.1) million for the nine months ended March 30, 2014, reflecting a reported effective tax rate of (1.8%). The Company had a full valuation allowance against deferred tax assets for the nine months ended March 30, 2014.

Fiscal 2014 Compared to Fiscal 2013

Net Sales. Our net sales for fiscal 2014 were $177.6 million, reflecting an increase of $15.6 million, or 9.6%, compared to $162 million for fiscal 2013. The increase in net sales was primarily due to increased unit volume of 187 units, or 9.4%. Net sales per unit were essentially flat as a shift in product mix to models with lower average sales prices, in particular higher sales of the newly launched ProStar model, which carries a lower average sales price than our other models, and reduced sales of the XStar, which carries a higher average sales price and a generally higher adoption of option packages than our other models, were offset by annual base price increases and increased adoption of higher content option packages, including the Gen 2 surf system introduced in the second half of fiscal 2014.

Cost of Sales. Our cost of sales increased $8.7 million, or 6.6%, to $140 million for fiscal 2014 compared to $131.3 million for fiscal 2013. The increase in cost of sales was driven primarily by the 9.4% increase in unit volume, offset by a reduction in cost per unit resulting primarily from lower material costs due to the product mix changes described above and engineering and manufacturing initiatives to reduce production costs.

Gross Profit. For fiscal 2014, our gross profit increased $6.9 million, or 22.5%, to $37.6 million compared to $30.7 million for fiscal 2013. Gross margin increased 2.2 percentage points to 21.2% for fiscal 2014 compared to 19% for fiscal 2013. The increase in gross margin resulted primarily from the cost reductions referenced above, as well as increased sales of higher content option packages which increase average margins per unit.

Operating Expenses. Selling and marketing expense increased by $0.9 million, or 11.4%, to $8.8 million for fiscal 2014 compared to $7.9 million for fiscal 2013, primarily due to increased spending on dealer training for new product introductions as well as increased marketing expenses, in particular investments in digital assets for the MasterCraft website. General and administrative expense decreased by $0.5 million, or 4.8%, to $10 million for fiscal 2014 compared to $10.5 million for fiscal 2013 primarily due to reductions in general and administrative headcount. Operating expenses, as a percentage of net sales, decreased 0.8 percentage points to 10.7% for fiscal 2014 compared to 11.5% for fiscal 2013 as a result of the increase in net sales.

Other Expense. Interest expense, including related party amounts decreased $1.6 million, or 17.4% to $7.6 million for fiscal 2014 compared to $9.2 million for fiscal 2013, driven by a reduction in interest expense due to lower debt balances and lower cost of debt as a result of refinancing activity during fiscal 2014. Change in common stock warrant fair value was $2.5 million in fiscal 2014 due to an increase in the fair value of the Restructuring Warrant driven primarily by our improved operating performance. Change in common stock warrant fair value was nil in fiscal 2013.

Income Tax Expense (Benefit). Our income tax benefit was $11.4 million for fiscal 2014, resulting primarily from the reversal of a valuation allowance for deferred tax assets. Our income tax benefit was $0.04 million for fiscal 2013, resulting primarily from a full valuation allowance against deferred tax assets.

Fiscal 2013 Compared to Fiscal 2012

Net Sales. Our net sales for fiscal 2013 were $162 million, reflecting an increase of $24.7 million, or 18%, compared to fiscal 2012. The increase in net sales was partially due to increased unit volume of 117 units, or 6.2%, in fiscal 2013, which consisted of a 229 unit, or 13.3%, increase in MasterCraft unit volume offset by a 112 unit decrease in Hydra-Sports unit volume resulting from the sale of the Hydra-Sports brand and assets and entry into the contract manufacturing agreement. Net sales also increased as a result of an 11% increase in net sales per unit, driven by a 130.3% increase in Hydra-Sports net sales per unit due to a higher average selling price of boats sold under the contract manufacturing agreement. The increase also resulted from a 10.1% increase in MasterCraft sales per unit primarily due to annual base price increases, a shift in product mix to models with higher average sales prices, including significantly higher sales of the

XStar, which carries a higher average sales price and a generally higher adoption of option packages, and an increase in purchases of boat trailers.

Cost of Sales. Our cost of sales increased $9.4 million, or 7.7%, to $131.3 million for fiscal 2013 compared to $121.9 million for fiscal 2012. The higher cost of sales resulted from the increase in unit volume as well as higher cost per unit primarily due to the increase in average selling price of Hydra-Sports units and increased sales of higher content boats such as the XStar, offset by reductions in labor and warranty costs and lower overhead expense per unit driven by a reduction in Hydra-Sports related costs, operating efficiencies, and leverage on fixed costs.

Gross Profit. For fiscal 2013, our gross profit increased 99.4%, to $30.7 million compared to fiscal 2012. Gross margin increased 7.8 percentage points to 19% for fiscal 2013 compared to fiscal 2012. The increase in gross margin resulted primarily from improved margins on the Hydra-Sports unit volume due to the contract manufacturing agreement as well as the increase in net sales per MasterCraft unit combined with the improvement in labor, warranty, and overhead costs referenced above.

Operating Expenses. Selling and marketing expense decreased $1.7 million, or 17.5% to $7.9 million for fiscal 2013 compared to $9.6 million for fiscal 2012, primarily due to the elimination of sales and marketing expenses related to Hydra-Sports, which reduced spending by approximately $2 million. General and administrative expenses increased $1 million, or 10.5%, to $10.5 million for fiscal 2013 compared to $9.5 million for fiscal 2012, primarily due to management bonus expense of $1.4 million in fiscal 2013 offset by elimination of general and administrative expenses related to Hydra-Sports of $0.4 million. Operating expenses, as a percentage of net sales, decreased 7.0% to 11.5% for fiscal 2013 compared to 18.5% for fiscal 2012 as a result of the increase in net sales.

Other Expense. Interest expense, including related party amounts increased $0.9 million, or 10.6% for fiscal 2013 compared to fiscal 2012. This increase was due to increased interest expense related to higher debt balances. Change in common stock warrant fair value was nil in fiscal 2013.

Income Tax Expense (Benefit). Our income tax benefit was $0.04 million for fiscal 2013 compared to a benefit of $2.1 million in fiscal 2012. The difference relates primarily to the change in valuation allowance.

Quarterly Results of Operations

The table below sets forth our unaudited quarterly consolidated statements of income data for each of the seven quarters in the period ended March 29, 2015. The unaudited quarterly consolidated statements of income data were prepared on a basis consistent with the audited consolidated financial statements included elsewhere in this prospectus. In the opinion of management, the quarterly financial information reflects all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of this data. This information should be read in conjunction with the audited consolidated financial statements and related notes included elsewhere in this prospectus. The historical results presented below are not necessarily

indicative of the results to be expected for any future period, and the results for any interim period may not necessarily indicative of the results of operations for a full year.

	September 29 2013	December 29 2013	March 30 2014	June 30 2014	September 28 2014	December 28 2014	March 29 2015
Consolidated statement of Operations:							
Net sales	$ 42,648	$ 39,524	$ 43,825	$ 51,590	$ 52,424	$ 52,827	$ 54,282
Cost of sales	33,839	31,852	34,998	39,286	39,643	40,131	41,395
Gross profit	8,809	7,672	8,827	12,304	12,781	12,696	12,887
Operating expenses:							
Selling and marketing	2,301	2,379	2,001	2,156	2,140	1,982	2,266
General and administrative	2,462	2,248	2,601	2,649	2,559	2,644	9,479
Amortization	55	56	55	55	55	57	54
Total operating expenses	4,818	4,683	4,657	4,860	4,754	4,683	11,799
Operating income	3,991	2,989	4,170	7,444	8,027	8,013	1,088
Other expense, net	(2,888)	(2,779)	(2,317)	9,317	(6,609)	(6,539)	(983)
Net income	$ 1,103	$ 210	$ 1,853	$ 16,761	$ 1,418	$ 1,474	$ 105

	September 29 2013	December 29 2013	March 30 2014	June 30 2014	September 28 2014	December 28 2014	March 29 2015
Net (loss) income	$ 1,103	$ 210	$ 1,853	$ 16,761	$ 1,418	$ 1,474	$ 105
Income tax expense (benefit) (a)	(33)	(72)	50	(11,359)	2,439	2,546	(252)
Interest expense, including related party amounts	2,479	2,409	1,446	1,221	1,286	1,112	1,752
Depreciation and amortization	558	611	603	700	749	787	767
EBITDA	4,107	3,158	3,952	7,323	5,892	5,919	2,372
Transaction Expense(b)	—	—	—	—	—	—	6,508
Hydra-Sports(c)	(584)	(807)	(610)	(664)	(761)	(769)	(900)
Stock-based compensation	—	—	—	2	—	—	—
Change in common stock warrant fair value(d)	442	442	822	821	2,883	2,883	(517)
Adjusted EBITDA	**3,965**	**2,793**	**4,164**	**7,482**	**8,014**	**8,033**	**7,463**
Capital expenditures	(671)	(626)	(1,026)	(1,098)	(912)	(745)	(972)
Unlevered Free Cash Flow	**3,294**	**2,167**	**3,138**	**6,385**	**7,102**	**7,288**	**6,491**
Additional financial and other data:							
Unit volume:							
MasterCraft	495	482	547	611	621	648	652
Hydra-Sports	13	12	12	13	12	12	12
MasterCraft sales(e)	$ 39,316	$ 36,009	$ 40,429	$ 47,877	$ 48,851	$ 49,208	$ 51,099
MasterCraft sales per unit	79	75	74	78	79	76	78

(a) Fiscal 2014 income tax benefit primarily represents the reversal of a valuation allowance for deferred tax assets

(b) Represents fees and expenses related to the recapitalization transactions of this offering, including 5.7 million related to transaction bonus paid to certain members of management during the three months ended March 29, 2015 in connection with recapitalization transactions.

(c) Represents the operating (loss) income attributable to the operations of Hydra-Sports business and related manufacturing agreement adjusted to exclude depreciation and amortization related to Hydra-Sports. We divested the Hydra-Sports business in June 2012, but continue to manufacture Hydra-Sports boats for the purchaser of the business pursuant to an agreement that expires on June 30, 2015 (and which we do not intend to renew). The adjustement was calculated by identifying the applicable costs of sales and operating expenses directly attributable to Hydra-Sports business for such period, excluding any corporate overhead and other shared costs.

(d) Represents non-cash expense related to increases in the fair market value of restructuring warrant.

(e) We define MasterCraft net sales as net sales less net sales associated with Hydra-Sports

Liquidity and Capital Resources

Our primary liquidity and capital resource needs are to finance working capital, fund capital expenditures, and service our debt. Our principal source of funds is cash generated from operating activities. As of March 29, 2015, we also had borrowing availability of $18.8 million under our Revolving Credit Facility and after giving effect to this offering and the use of proceeds thereof, we expect to have availability of approximately $28.8 million under our Revolving Credit Facility, after giving effect to outstanding letters of credit. We believe our cash from operations, along with borrowings under our Revolving Credit Facility, will be sufficient to provide for our working capital, capital expenditures, and debt service needs for at least the next 12 months. The following table summarizes the cash flows from operating, investing, and financing activities:

	Fiscal Year Ended			Nine Months Ended	
	June 30, 2012	**June 30, 2013**	**June 30, 2014**	**March 30, 2014**	**March 29, 2015**
	(Unaudited)			**(Unaudited)**	
	(Dollars in thousands)				
Total cash provided by (used in):					
Operating activities	$ 1,591	$ 15,992	$ 21,914	$ 13,610	$ 21,960
Investing activities	(2,084)	(2,392)	(2,381)	(2,282)	(2,629)
Financing activities	—	(7,000)	(15,565)	(14,660)	(27,587)
Net increase (decrease) in cash	**$ (493)**	**$ 6,600**	**$ 3,968**	**$ (3,332)**	**$ (8,256)**

Operating Activities

Our net cash provided by operating activities increased by $8.4 million, or 61.4%, for the nine months ended March 29, 2015 compared to the nine months ended March 30, 2014, to $22.0 million from $13.6 million. This increase was primarily due to higher net income, adjusted for non-cash items, driven by our improved operating performance as described above. Cash generated from changes in operating assets and liabilities increased $2.1 million for the nine months ended March 29, 2015 compared to the nine months ended March 30, 2014. This increase was due primarily to $6.0 million of accrued expenses related to the management transaction bonus and other fees and expenses related to the Recapitalization Transactions and this offering, which were paid subsequent to the end of the period, and a $1.4 million increase in the accrual for dealer incentives due to higher unit sales, offset by a $5.6 million increase in cash used for accounts receivable and inventories due to higher net sales and production. Cash generated from changes in other operating assets and liabilities increased by $0.3 million for the nine months ended March 29, 2015 compared to the nine months ended March 30, 2014.

Net cash provided by operating activities increased by $5.9 million, or 37.0%, for fiscal 2014 compared to fiscal 2013, to $21.9 million from $16 million. This increase was primarily due to higher net income, adjusted for non-cash items, driven by our improved operating performance as described above. Cash generated from changes in operating assets and liabilities decreased by $0.4 million in fiscal 2014 compared to fiscal 2013.

Net cash provided by operating activities increased by $14.4 million in fiscal 2013 compared to fiscal 2012, to $16 million from $1.6 million. This increase was primarily due to higher net income, adjusted for non-cash items, driven by our improved operating performance as described above. Cash generated by changes in operating assets and liabilities increased by $1.1 million in fiscal 2013 compared to fiscal 2012.

Investing Activities

Net cash used in investing activities increased $0.3 million, or 13.0%, for the nine months ended March 29, 2015 compared to the nine months ended March 30, 2014. This increase was due to increased capital expenditures driven by increased spending on product development and higher facilities and information technology spending. Net cash used in investing activities was unchanged at $2.4 million in fiscal 2014 compared to fiscal 2013. Net cash used in investing activities increased $0.3 million, or 14.3%, for fiscal 2013 compared to fiscal 2012. This increase was due to increased capital expenditures driven by increased spending on product development and higher facilities and information technology spending.

Financing Activities

Net cash used in financing activities increased by $12.9 million, or 87.8%, in the nine months ended March 29, 2015 compared to the nine months ended March 30, 2014. This increase was due primarily to the March 13, 2015 amendment to our Senior Secured Credit Facility, the proceeds of which were used, along with proceeds from our Revolving Credit Facility and cash on hand, to fund a dividend of $44.0 million to our common stockholders. Net cash used in financing activities increased by $8.6 million, or 123%, in fiscal 2014 compared to fiscal 2013. This increase was due to the December 2013 refinancing which resulted in repayment of our prior Senior Secured Credit Facility and a portion of our Senior Secured PIK Notes. Net cash used in financing activities increased by $7 million in fiscal 2013 compared to fiscal 2012 as a result of repayments under our prior revolving credit agreement.

Senior Secured Credit Facility. On December 20, 2013, certain of our subsidiaries entered into a credit and guaranty agreement (the "Senior Secured Credit Facility") with Fifth Third Bank, as the agent and letter of credit issuer, SunTrust Bank as the syndication agent and the other lenders party thereto. The Senior Secured Credit Facility provided, among other things, for (i) an initial term loan commitment of $25 million (the "Term Loan Facility"); and (ii) a revolving loan commitment of $10 million (the "Revolving Credit Facility").

On November 25, 2014, we entered into a first amendment to the Senior Secured Credit Facility to, among other things, increase the Term Loan Facility to $50 million, repay all amounts outstanding under our Senior Secured PIK Notes with the additional borrowings under our Term Loan Facility and extend the maturity date to November 26, 2019.

Further, on March 13, 2015, we amended and restated the Senior Secured Credit Facility to, among other things, increase (i) the Term Loan Facility to $75 million; and (ii) commitments under the Revolving Credit Facility to $30 million. The Senior Secured Credit Facility bears interest, at our option, at either the prime rate plus an applicable margin ranging from 1% to 2% or adjusted LIBOR plus an applicable margin ranging from 3% to 4%, in each case determined according to a grid based on a senior leverage ratio. The Term Loan Facility is repayable in quarterly installments and the Senior Secured Credit Facility matures on November 26, 2019.

The Term Loan Facility and Revolving Credit Facility are secured by a first-priority security interest in substantially all of our assets. Obligations under the Term Loan Facility and Revolving Credit Facility are guaranteed by the Company and each of its domestic subsidiaries.

The Senior Secured Credit Facility, as amended, contains a number of covenants that, among other things, restrict our ability to, subject to specified exceptions, incur additional debt; incur additional liens and contingent liabilities; sell or dispose of assets; merge with or acquire other companies; liquidate or dissolve ourselves; engage in businesses that are not in a related line of business; make loans, advances or guarantees; pay dividends or make other distributions; engage in transactions with affiliates; and make investments. We are also required to maintain a specified consolidated fixed charge coverage ratio and a specified total leverage ratio.

Events of default under the Senior Secured Credit Facility, include, but are not limited to payment defaults, covenant defaults, breaches of representations and warranties, cross-defaults to certain indebtedness, certain events of bankruptcy and insolvency, defaults under any security documents, and a change of control. As of March 29, 2015, we were in compliance with all covenants and no event of default (as such term is defined in the Senior Secured Credit Facility) had occurred.

Off-Balance Sheet Arrangements

As of March 29, 2015, we did not have any off-balance sheet financings.

Contractual Obligations

As of June 30, 2014, our continuing contractual obligations were as follows:

	Payments Due by Period				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
	(in thousands of dollars)				
Long-Term Debt Obligations[1]	$ 65,980	$ 8,621	$ 9,000	$ 48,359	$ —
Interest on Long-Term Debt Obligations[2]	$ 25,131	$ 5,100	$ 11,049	$ 8,981	$ —
Operating Lease Obligations	$ 1,052	$ 340	$ 539	$ 165	$ 8
Purchase Obligations[3]	$ 4,353	$ 1,025	$ 2,175	$ 1,153	$ —
Total Contractual Obligations	**$ 96,516**	**$ 15,086**	**$ 22,763**	**$ 58,658**	**$ 8**

(1) Consists of obligations under our Senior Secured PIK Notes, Floating Rate Notes, and Senior Secured Credit Facility. The Senior Secured PIK Notes include PIK interest through June 30, 2014. Our Senior Secured PIK Notes and Floating Rate Notes were fully repaid subsequent to June 30, 2014. We plan to repay amounts outstanding on our Senior Secured Credit Facility with the proceeds from this offering. See "Use of Proceeds."

(2) For purposes of this table, interest has been estimated based on the indebtedness outstanding and the interest rates in effect as of June 30, 2014 because interest rates under the Senior Secured Credit Facility are based on LIBOR and are subject to fluctuation. This note includes interest on the Senior Secured PIK Notes, Floating Rate Notes, and Senior Secured Credit Facility. Actual borrowing levels and interest costs may differ.

(3) Consists of minimum purchase amounts under our engine supply contract required to maintain exclusivity.

Our dealers have arrangements with certain finance companies to provide secured floor plan financing for the purchase of our products. These arrangements indirectly provide liquidity to us by financing dealer purchases of our products, thereby minimizing the use of our working capital in the form of accounts receivable. A majority of our sales are financed under similar arrangements, pursuant to which we receive payment within a few days of shipment of the product. We have agreed to repurchase products repossessed by the finance companies if a dealer defaults on its debt obligations to a finance company and the boat is returned to us, subject to certain limitations. Our financial exposure under these agreements is limited to the difference between the amounts unpaid by the dealer with respect to the repossessed product plus costs of repossession and the amount received on the resale of the repossessed product. Only one loss has been incurred under these agreements in fiscal 2012, 2013 and 2014 and during the nine months ended March 29, 2015. This loss totaled $75,000. An adverse change in retail sales, however, could require us to repurchase repossessed units upon an event of default by any of our dealers, subject in some cases to an annual limitation. See Note 14 to our audited consolidated financial statements included elsewhere in this prospectus for more information related to our obligations under our floor plan financing agreements.

Emerging Growth Company

We are an emerging growth company, as defined in the JOBS Act. For as long as we are an emerging growth company, we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404(b) of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding stockholder advisory "say-on-pay" votes on executive compensation and stockholder advisory votes on golden parachute compensation.

The JOBS Act also provides that an emerging growth company can utilize the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. Pursuant to Section 107 of the JOBS Act, we have irrevocably chosen to opt out of such extended transition period and, as a result, we will comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for companies that are not "emerging growth companies."

We will continue to be an emerging growth company until the earliest to occur of (i) the last day of fiscal year during which we had total annual gross revenues of at least $1 billion (as indexed for inflation), (ii) the last day of fiscal year following the fifth anniversary of the closing of the IPO, (iii) the date on which we have, during the previous three-year period, issued more than $1 billion in non-convertible debt, or (iv) the date on which we are deemed to be a "large accelerated filer," as defined under the Exchange Act.

Critical Accounting Policies

A "critical accounting policy" is one which is both important to the understanding of our financial condition and results of operations and requires management's most difficult, subjective, or complex judgments, often of the need to make estimates about the effect of matters that are inherently uncertain. Actual results could differ from those estimates and cause our reported net income (loss) to vary significantly from period to period.

We believe that of our significant accounting policies, which are described in full in note 3 to our audited consolidated financial statements appearing elsewhere in this prospectus, those policies listed below involve the greatest degree of judgment and complexity. Accordingly, we believe these are the most critical to understand in order to evaluate fully our financial condition and results of operations.

Goodwill, Impairment, and Other Indefinite-lived Intangible Assets

We test goodwill for impairment by first assessing qualitative factors to determine if it is more likely than not that the fair value of a reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform the two-step goodwill impairment test.

In circumstances where we determine that it is more likely than not that the fair value of a reporting unit is less than its carrying amount, goodwill is tested for impairment at the reporting unit level (operating segment or one level below an operating segment) on an annual basis in the fourth quarter, and between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying value. These events or circumstances could include a significant change in the business climate, legal factors, operating performance indicators, competition, or sale or disposition of a significant portion of a reporting unit. Application of the goodwill impairment test requires judgment, including the identification of reporting units, assignment of assets and liabilities to reporting units, assignment of goodwill to reporting units, and determination of the fair value of each reporting unit. The fair value of each reporting unit is estimated using the income approach, on a discounted cash flow methodology in the two-step goodwill impairment test. This analysis requires estimation of future cash flows, which is dependent on internal forecasts, estimation of the long-term rate of growth for our business, estimation of the useful life over which cash flows will occur, and determination of our weighted-average cost of capital. The carrying value of our goodwill was $29.6 million as of June 30, 2013 and 2014.

The estimates used to calculate the fair value of a reporting unit change from year to year based on operating results and market conditions. Changes in these estimates and assumptions could materially affect the determination of fair value and goodwill impairment for each reporting unit. Based on the analysis performed, there was no impairment through June 30, 2014.

During the year ended June 30, 2013, we early adopted ASU No. 2012-02, *Intangibles — Goodwill and Other (Topic 350): Testing Indefinite Lived Intangible Assets for Impairment*, which allows us to perform a qualitative assessment to determine whether further impairment testing of indefinite-lived intangible assets is necessary, similar in approach to goodwill impairment testing. These qualitative factors include macroeconomics, adverse changes in legal and regulatory environment, loss of key customer or vendor, change in key management, and adverse changes in business climate. We recorded no impairment related to our indefinite-lived intangible asset through June 30, 2014, as a result of the qualitative assessment.

Impairment of Other Long-Lived Assets

We periodically evaluate long-lived assets held for use and held for sale, including intangible assets with finite lives which consist of a dealer network, developed technologies, software, and order backlog, whenever events or changes in circumstances indicate that the carrying amount of those assets may not be recoverable. Assets are grouped and evaluated for impairment at the lowest level of which there are identifiable cash flows, which is generally at the reporting unit level. Reporting units are reviewed for impairment using factors including, but not limited to, our future operating plans and projected cash flows. We recognize impairment if the sum of the undiscounted future cash flows does not exceed the carrying value of the assets. For impaired assets, we recognize a loss equal to the difference between the net book value of the asset and its estimated fair value. Fair value is based on discounted future cash flows of the asset using a discount rate commensurate with the risk. We did not identify any impairment indicators of such long-lived assets through June 30, 2013 and 2014.

Income Taxes

We are subject to income taxes in the United States and the United Kingdom. Our effective tax rates differ from the statutory rates, primarily due to changes in the valuation allowance and non-deductible expenses, as further described in the notes to our consolidated financial statements included in this prospectus. Our effective tax rate was (134.08)% and (1.3)% in 2014 and 2013, respectively.

Significant judgment is required in evaluating our uncertain tax positions and determining our provision for income taxes. Although we believe our reserves are reasonable, we cannot assure you that the final tax outcome of these matters will not be different from that which is reflected in our historical income tax provisions and accruals. We adjust these reserves in light of changing facts and circumstances, such as the closing of a tax audit or the refinement of an estimate. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will impact the provision for income taxes in the period in which such determination is made. The provision for income taxes includes the impact of reserve provisions and changes to reserves that are considered appropriate, as well as the related net interest.

Significant judgment is also required in determining any valuation allowance recorded against deferred tax assets. In assessing the need for a valuation allowance, we consider all available evidence, including past operating results, estimates of future taxable income, and the feasibility of tax planning strategies. In the event that we change our determination as to the amount of deferred tax assets that can be realized, we will adjust our valuation allowance with a corresponding impact to the provision for income taxes in the period in which such determination is made.

Realization of our deferred tax assets is dependent on generating sufficient taxable income in future periods. If future events cause us to conclude that it is not more likely than not that we will be able to recover the value of our deferred tax assets, we are required to establish a valuation allowance on deferred tax assets at that time.

At June 30, 2013, we determined that, based on all available evidence at the original date of issuance of the financial statements, a full valuation allowance was required. Although we reported income before taxes in fiscal 2013 and were forecasting future income, we considered the cumulative three-year loss to bear more weight than available positive evidence. As part of our analysis, we considered the three-year historic loss, adjusted for the sale of our Hydra-Sport division and the removal of non-recurring impairment charges totaling $5.9 million in fiscal 2012. After adjusting the three-year cumulative loss to remove the Hydra-Sport operations and the impairment charges, we remained in a cumulative three-year loss as of June 30, 2013. We also considered the overall performance of our industry and the macroeconomic performance of the U.S. economy. A significant portion of our losses during fiscal 2010 and 2011 were in part related to the U.S. economic recession.

At June 30, 2014, our financial performance continued to improve, and our positive book and taxable income continued the trend of utilizing net operating losses generated from fiscal 2010 through 2012. As of June 30, 2014, we had emerged from a three-year cumulative loss after adjusting historic income for the disposition of the Hydra-Sport division and nonrecurring impairment charges. Furthermore, the improvement in the U.S. economic environment contributed to our improved financial performance and our projections reflected continued income growth. Based on our emergence from a three-year adjusted cumulative loss and forecasted income growth in future years, we determined that a valuation allowance against the majority of our deferred tax assets was no longer required. The release of the valuation allowance in the fourth quarter

of fiscal 2014 resulted in a tax benefit of $15.87 million. A valuation allowance continues to be recorded against deferred tax assets in jurisdictions with cumulative three-year losses.

Revenue Recognition

We generally manufacture products based on specific orders from dealers and ship completed products only after collectability has been assured. Typically, this involves receiving credit approval from third-party financial institutions or those participating in floor plan financing programs. In some cases, boats are shipped "cash in advance" where third-party credit is unavailable. Revenue associated with sales to dealers is primarily recorded when all of the following conditions have been met:

- an order for a product has been received;
- a common carrier signs the delivery ticket accepting responsibility for the product; and
- the product is removed from our property for delivery.

If these conditions are generally met, then title passes. Our shipping terms specify that title and risk of loss transfer to the dealer when the boat leaves our facility.

Dealers generally have no rights to return unsold boats. From time to time, however, we may accept returns in limited circumstances and at our discretion under our warranty policy, which generally limits returns to instances of manufacturing defects. We estimate the costs that may be incurred under our basic limited warranty and record a liability in the amount of such costs at the time the product revenue is recognized. We may also be obligated, in the event of default by a dealer, to accept returns of unsold boats under our repurchase commitment to floor plan financing providers, which are able to obtain such boats through foreclosure. We accrue estimated losses when a loss, due to the default of one of our dealers, is determined to be probable and the amount of the loss is reasonably estimable. Refer to Note 14 to our audited consolidated financial statements included elsewhere in this prospectus for more information related to our repurchase commitment obligations.

Revenue from boat part sales is recorded as the product is shipped from our location, which is free on board shipping point.

Rebates, Promotions, Floor Plan Financing, and Incentives

We provide for various structured dealer rebate and sales promotions incentives, which are most often recognized as a reduction in net sales, at the time of sale to the dealer. Examples of such programs include rebates, seasonal discounts, and other allowances. Other rebates may apply to boats already in dealer inventory. These "retail rebates" on boats in the dealer's inventory are recorded when the rebate is communicated to the dealer. Dealer rebates and sales promotion expenses are estimated based on current programs and historical achievement and/or usage rates. Actual results may differ from these estimates if market conditions dictate the need to enhance or reduce sales promotion and incentive programs or if dealer achievement or other items vary from historical trends. Floor plan subsidy incentives are estimated at the time of sale to the dealer based on the expected expense to us over the term of the floor plan subsidy period and are recognized as a reduction in sales.

Product Warranties

We provide a limited warranty for a period of five years for our products. Our standard warranties require us or our dealers to repair or replace defective products during the warranty period at no cost to the consumer. We estimate the costs that may be incurred under our basic limited warranty and record as a liability the amount of such costs at the time the product revenue is recognized. Factors that affect our warranty liability include the number of units sold, historical and anticipated rates of warranty claims, and cost per claim. We periodically assess the adequacy of the recorded warranty liabilities and adjust the amounts as necessary. We utilize historical trends and analytical tools to assist in determining the appropriate warranty liability.

Repurchase Agreements

In connection with our dealers' wholesale floor plan financing of boats, we have entered into repurchase agreements with various lending institutions. The repurchase commitment is on an individual unit basis with a term from the date it is financed by the lending institution through payment date by the dealer, generally not exceeding two and a half years. Such agreements are customary in the industry and our exposure to loss under such agreements is limited by the resale value of the inventory which is required to be repurchased. We had no repurchase events during the fiscal years ended June 30, 2012, 2013 and 2014. During the nine months ended March 29, 2015, we had one repurchase event which resulted in a $75,000 loss.

Warrant

On June 30, 2009, we issued the Restructuring Warrant to purchase 100,000 shares of common stock in connection with the Restructuring Transaction. The initial strike price per share of the Restructuring Warrant was $81.60 per share and this initial purchase price is subject to customary anti-dilution adjustments, including, but not limited to dividends and stock splits. Under the terms of the Restructuring Warrant, the distribution paid to common shareholders pursuant to the Recapitalization Transactions will result in a reduction in the exercise price to $47.60, subject to the consent of the holder of the Restructuring Warrant. The Restructuring Warrant expires on June 30, 2019. The Restructuring Warrant is recorded as a liability at fair value, which is determined utilizing an option pricing model. Changes in the estimated fair value of the Restructuring Warrant are separately stated in the consolidated statements of operations.

Recently Issued Accounting Pronouncements

In May 2014, the FASB and International Accounting Standards Board jointly issued new principles-based accounting guidance for revenue recognition that will supersede virtually all existing revenue guidance. The core principle of this guidance is that an entity should recognize revenue 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 and services. To achieve the core principle, the guidance establishes the following five steps: 1) identify the contract(s) with a customer, 2) identify the performance obligation in the contract, 3) determine the transaction price, 4) allocate the transaction price to the performance obligations in the contract, and 5) recognize revenue when (or as) the entity satisfies a performance obligation. The guidance also details the accounting treatment for costs to obtain or fulfill a contract. Lastly, disclosure requirements have been enhanced to provide sufficient information to enable users of financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. In April 2015, the FASB voted to propose to defer the effective date one year from the original effective date for annual reporting periods beginning after December 15, 2016 to December 15, 2017, including interim periods within that reporting period. Early adoption is not permitted. The Company is

currently evaluating the impact this new guidance is expected to have on our financial position or results of operations and related disclosures.

In April 2015, the FASB issued ASU No. 2015-03, "Interest — Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs" related to the presentation requirements for debt issuance costs and debt discount and premium. ASU 2015-03 requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The recognition and measurement guidance for debt issuance costs are not affected by ASU 2015-03. ASU 2015-03 is effective for fiscal years beginning after December 15, 2015 and interim periods within those fiscal years. Early adoption of the amendments in ASU 2015-03 is permitted for financial statements that have not been previously issued. The Company is currently assessing the impact that adopting this new accounting guidance will have on its consolidated financial statements and note disclosures.

Inflation

The market prices of certain materials and components used in manufacturing our products, especially resins that are made with hydrocarbon feedstocks, copper, aluminum, and stainless steel, can be volatile. Historically, however, inflation has not had a material effect on our results of operations. Significant increases in inflation, particularly those related to wages and increases in the cost of raw materials, could have an adverse impact on our business, financial condition, and results of operations.

New boat buyers often finance their purchases. Inflation typically results in higher interest rates that could translate into an increased cost of boat ownership. Should inflation and increased interest rates occur, prospective consumers may choose to forego or delay their purchases or buy a less expensive boat in the event credit is not available to finance their boat purchases.

Quantitative and Qualitative Disclosures about Market Risk

Market risk represents the risk of changes in the value of market risk sensitive instruments caused by fluctuations in foreign exchange rates, interest rates, and commodity prices. Changes in these factors could cause fluctuations in the results of our operations and cash flows. In the ordinary course of business, we are primarily exposed to interest rate risks.

Borrowings under our existing revolving credit facility and term loan facility are subject to changing interest rates. Although changes in interest rates do not impact our results of operations, the changes could affect the fair value of our debt and related interest payments.

A hypothetical 1% increase or decrease in interest rates would have resulted in a $0.7 million change to our interest expense for fiscal 2014.

BUSINESS

Our Company

We are a world-renowned innovator, designer, manufacturer, and marketer of premium performance sport boats, with a leading market position in the U.S., a strong international presence, and dealers in 40 countries around the world. Our boats are used for water skiing, wakeboarding, and wake surfing, as well as general recreational boating. We believe that MasterCraft is the most recognized brand name in the performance sport boat category. Founded in 1968, we have cultivated our iconic brand image through a rich history of industry-leading innovation, which has led to numerous industry achievements, awards, and accolades. Our robust product portfolio of performance sport boats is manufactured to the highest specifications in quality, performance, and styling.

We are committed to delivering an extraordinary boating experience to our customers. From pioneering innovations that improve enjoyment on the water to offering products that promote rapid development of skills, our mission is to help our customers generate memories that will last a lifetime. We utilize a comprehensive product development process in order to build the most relevant and exciting products for our customers, year after year. We believe that our commitment to quality is unsurpassed in the performance sport boat category, and we engage in operational excellence to deploy flexible and effective production systems that ensure we design and build the highest quality boats in the market.

Over the past 40 years, we have been a leading and consistent innovator in the boating industry, beginning in 1968 with our first custom hull ski boat. We have been the first to market with numerous innovations, including the first swim platform in 1976, the patented wearguard ski pylon in 1989, a V-drive drivetrain and a dedicated wakeboard-specific boat in 1996, a now popular pickle-fork style bow in 2003, a twin V-drive engine in 2004, wake and surf shaping devices in 2009 and our patented Gen 2 fully integrated surf system in 2013. Each of these pioneering introductions has allowed our customers to more fully enjoy the ultimate water skiing, wakeboarding, wake surfing, and on-the-water recreational experience that our boats provide. Throughout our history, our boats have received numerous industry awards for product innovations, including recent NMMA Innovation Awards for our ProStar water skiing boat, Gen 2 integrated surf system and X23 performance tow boat. These MasterCraft products won three of the combined six Innovation Awards for the performance sport boat category presented by the NMMA at the 2014 and 2015 Miami Boat Shows.

Our MasterCraft-branded portfolio of Star Series, XSeries, and NXT boats are designed for the highest levels of performance, styling, and enjoyment for both recreational and competitive use. The Star Series and XSeries are geared towards the consumer seeking the most premium and highest performance boating experience that we offer, and generally command a price premium over our competitors' boats at retail prices ranging from approximately $60,000 to $150,000. Unveiled in January 2014, the all-new MasterCraft NXT line introduces the quality, performance, styling, and innovation of the MasterCraft brand to the entry-level consumer, with retail prices ranging from approximately $50,000 to $75,000. We have strategically designed and priced the MasterCraft NXT line to target the fast-growing entry-level customer group that is distinct from our traditional customer base, while maintaining our core MasterCraft brand attributes at profit margins comparable to our other offerings.

All of our boats, from hull to upholstery, are hand-crafted by our skilled workforce at our corporate headquarters near Knoxville, Tennessee. We use only the highest quality materials from industry-preferred suppliers and all of our boats are extensively tested on the water at our state-of-the-art facility prior to sale. In recent years, we have made significant investments in improving design, engineering, manufacturing, and

operational processes as we strive to be the most efficient performance sport boat manufacturer in the industry. We are the only boat manufacturer to achieve compliance with all three of the ISO 9001 (Quality Management Systems), 14001 (Environmental Management Systems), and 18001 (International Occupational Health and Safety Management System) standards. Our industry-leading operations result in world-class quality, which enables us to offer a best-in-class five-year factory warranty and results in MasterCraft boats typically maintaining higher aftermarket resale value than our competitors' boats.

We sell our boats through an extensive network of independent dealers in North America and internationally. We partner with 90 North American dealers with 129 locations and 45 international dealers with 54 locations throughout the rest of the world. Our boats are the exclusive performance sport boats offered by the majority of our dealers. We devote significant time and resources to find, develop, and improve the performance of our dealers, over 75% of which are in the top three performance sport boat dealers in their respective U.S. markets. We continuously cultivate and strengthen our dealer relationships with marketing, training, and service programs designed to increase our dealers' sales and profitability. We believe the strength of our dealer network and our proactive efforts to help our dealers improve their businesses give us a distinct competitive advantage in our industry.

Commencing in fiscal 2012, under the leadership of our new management team, we have implemented and continue to execute significantly improved manufacturing, engineering, and sales and marketing processes, which collectively have led to superior product quality, sales growth, and margin expansion, including:

- net sales growth from $137.3 million to $177.6 million from fiscal 2012 to fiscal 2014, representing a CAGR of 13.7%;

- net sales growth of MasterCraft-branded products from $118.4 million to $163.6 million from fiscal 2012 to fiscal 2014, representing a CAGR of 17.6%; and

- Adjusted EBITDA growth from $1.7 million to $18.4 million from fiscal 2012 to fiscal 2014, representing a CAGR of 229%. For a reconciliation of net income to Adjusted EBITDA, see Note 3 to the information contained in "Summary Historical Consolidated Financial Data."

Driven by operating efficiencies, improved manufacturing performance, and a renewed product portfolio, MasterCraft reached historical peak Adjusted EBITDA levels in fiscal 2014 at two-thirds of historical peak unit volumes. Margins have also increased since fiscal 2012 due to reductions in manufacturing costs, operating efficiencies, and increasing scale. The recreational boating industry continues to recover from the adverse effects of the economic downturn that commenced in 2008 and unit volumes across the industry remain significantly below their prior peak. We believe our improved profitability at these reduced volumes demonstrates that MasterCraft is positioned to continue generating strong cash flow as the industry recovery progresses.

Our History

MasterCraft was founded in 1968 when we built our first custom hull ski boat in a two-stall horse barn on a farm in Maryville, Tennessee. Dissatisfied with the large wakes and pull of other ski boats, we designed a hull that had the smallest wake in the industry: smooth and low at slalom and jump speeds yet well-defined at trick speeds. Our roots in performance water ski boats were reinforced as we evolved over the next 40 years to produce leading performance-oriented boats in the wakeboarding and wake surfing categories. Today, we continue to produce the industry's premier competitive water ski, wakeboarding, and wake surfing performance boats that also address our customers' needs for versatility, flexibility, fun, and functionality.

Our senior management team, led by our President and Chief Executive Officer, Terry McNew, was assembled during fiscal 2012 and 2013. This team has implemented dramatic operational improvements, reduced new product development cycle times, launched several new models — including MasterCraft's first

ever entry-level product — introduced the only "stem-to-stern" five-year warranty in the boating industry, optimized our dealer network, lowered our fixed cost base, improved our working capital management, and built a scalable platform for continued growth.

Our Market Opportunity

During 2013, retail sales of new powerboats in the U.S. totaled $6.5 billion. Of the categories defined and tracked by the NMMA, our core market corresponds most directly to the inboard ski/wakeboard category, which we refer to as the performance sport boat category. We believe our addressable market also includes similar and adjacent powerboat categories identified by the NMMA, including sterndrive boats, outboard boats, and jet boats. For 2013, retail sales of new performance sport boats, sterndrive boats, outboard boats, and jet boats in the U.S. were $470 million, $896 million, $2,961 million, and $113 million, respectively. As a result, we believe the total annual addressable market for our products in the U.S. alone is greater than $4.4 billion.

We believe we are well-positioned to benefit from several trends underway in our addressable market, including:

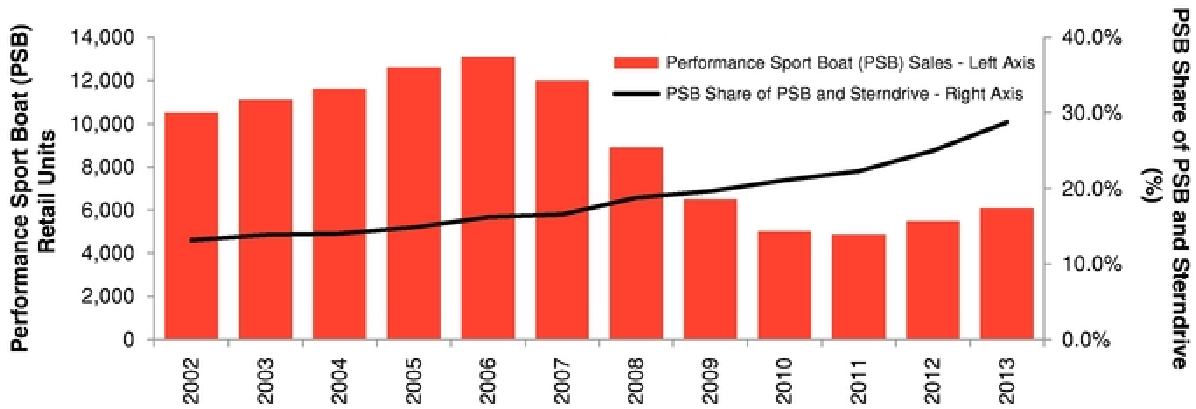
- performance sport boats are taking greater share of the overall fiberglass powerboat category;
- dealer inventory positions have improved across the industry;
- recreational boating has reached its highest level of participation since 1990 when participation data was first collected;
- inventory of two to five year old pre-owned boats has become limited, driving consumers to purchase new boats;
- ease-of-use and performance innovations have accelerated product cycles driving consumer demand for new products; and
- higher consumer confidence influenced by improving macroeconomic conditions, including increased home values, lower oil prices, and greater workforce participation, has helped to drive increased consumer demand for powerboats.

As the recovery in the general economy and overall boating industry from the economic downturn that commenced in 2008 has continued, the performance sport boat category has experienced a robust recovery. According to SSI, new unit sales of performance sport boats in the U.S. increased at a CAGR of 13.3% from 2012 to 2014 while new unit sales of all fiberglass power boats increased at a CAGR of 1.9% in the U.S. over the same period. We believe the performance sport boat category has grown at a faster rate due to increased innovation in the features, designs, and layouts of performance sport boats. These innovations have improved the performance, functionality, and versatility of these boats as compared with other recreational powerboats, particularly boats in the sterndrive category, which have not experienced the same degree of innovation. We believe inboard boats are superior to sterndrive boats for tow sports such as water skiing, wakeboarding, and wake surfing for several reasons, including (i) the larger and more propulsive wakes that only inboard engine configurations can enable, (ii) enhanced rider safety as a result of the location of the inboard propeller underneath the boat instead of protruding from the stern, and (iii) relatively more passenger and storage space due to the location of the inboard engine housing.

Performance sport boats have also continued to take share from other powerboat categories, in particular the sterndrive category, with new performance sport boat unit sales volume steadily increasing from 2002 through 2014 as a percentage of the total combined new unit sales volume of performance sport and sterndrive boats. We believe our strong market share position and broad offering of boat models and features will continue to attract customers from other powerboat categories to our performance sport boats. While the performance sport boat category has grown in recent years, new unit sales remained significantly below

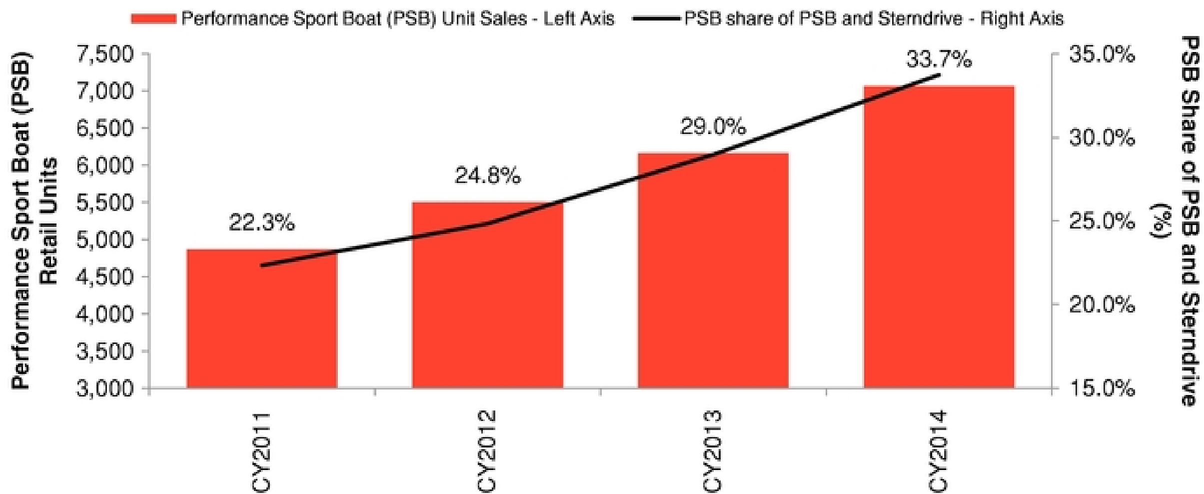
historical peaks. According to NMMA, the 6,100 new performance sport boat units sold in 2013 were 48.4% below the average annual new unit sales volume of 11,817 observed between 2002 and 2007 and 53.4% below the 13,100 new units sold in 2006.

U.S. Performance Sport Boat (PSB) Retail Units and PSB Share of PSB and Sterndrive Units — Source: NMMA



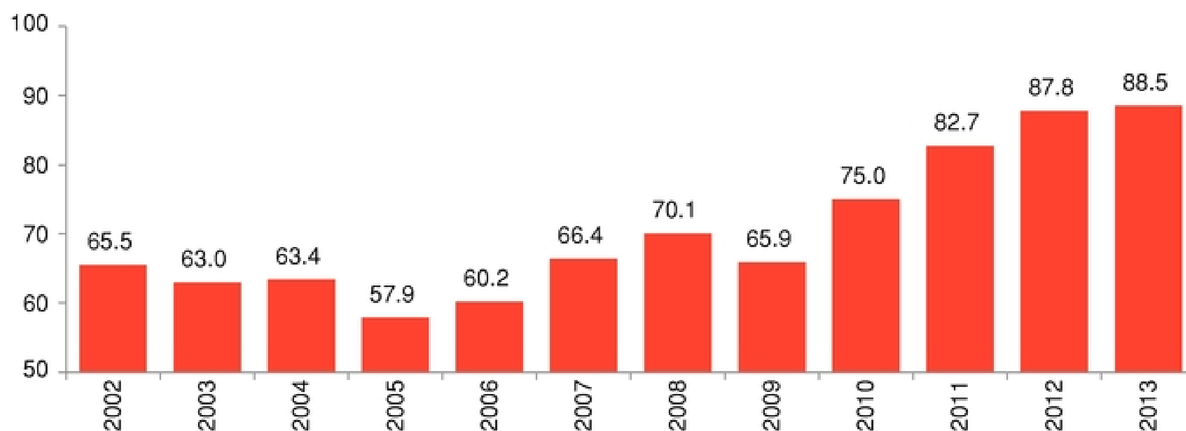
This sales momentum has continued into 2014, with SSI reporting an increase in unit volume of performance sport boats of 14.7% in calendar year 2014 over calendar 2013. We believe that due to increased consumer demand and limited used boat inventory, we are in the early stages of a recovery that presents a long runway for future growth.

U.S. Performance Sport Boat (PSB) Retail Units and PSB Share of PSB and Sterndrive Units — Source: SSI



The expanding popularity of boating has also contributed to the strong recovery in volumes, with recreational boating participation increasing and reaching its highest level since the data was first collected in 1990. According to NMMA, 88.5 million adults participated in recreational boating in 2013, a 34.3% increase over 2009. We believe we are well-positioned to benefit from the increased popularity of recreational boating and the resulting larger customer base.

U.S. Recreational Boating Participation of Adult Boaters (Millions) — Source: NMMA



Our Strengths

Iconic Brand Synonymous with Quality, Innovation, and Performance. We believe the MasterCraft brand is well-known among boating enthusiasts for high performance, premier quality, and relentless innovation. We believe that the market recognizes MasterCraft as a premier and aspirational brand in the performance sport boat category due to the overall superior value proposition that our boats deliver to our customers.

The MasterCraft brand is built on a carefully crafted set of defining principles:

- **Legacy:** Our heritage of successful product innovations has contributed to our status as one of the most widely recognized and aspirational brands in the boating industry. We work tirelessly every day to maintain our iconic brand reputation relative to our competition.

- **Power:** MasterCraft boats are renowned for their superior performance. For example, our flagship water ski boat, the all new ProStar, which was introduced in 2013, is widely recognized as the premier three-event ski boat in the industry and has been responsible for driving a number of world record ski and ski jumping performances since its launch, including the Men's World Jump Record of 250 feet and new records in over 50 events at the 2014 World 35+ Water Ski Championships, as well as numerous personal records for amateur skiers around the world.

- **Precision:** The rigorous attention to detail with which we design and manufacture our products results in high quality boats that command significant resale premiums to comparable competitor boats. The high quality and durability of our products allow us to offer a "stem-to-stern" five-year warranty that comprehensively covers more parts of our boats than warranties offered by any of our competitors.

- **Progression:** Our brand is known to represent innovation and achievement. For example, only MasterCraft boats offer a longer, more powerful "Zone 4" surfing wake, which was introduced on the MasterCraft X23, the winner of the 2015 NMMA Innovation Award. "Zone 4" wakes are measured as 15 to 20 feet from the swim platform of the boat and provide more traversable wave surface area and the ability to surf bigger boards. We have pioneered multiple technological innovations in the industry, many of which have advanced the performance standards of our industry and have garnered innovation awards from organizations such as the NMMA and Boating Writers International.

Leading Market Share Position in Performance Sport Boat Category. Over the last decade, we have consistently held a leading market share position in the U.S. among manufacturers of premium performance sport boats based on unit volume. According to SSI our U.S. market share in 2014 was 20.5%. We believe

our sales have grown as dealers and customers continue to recognize the superior quality, performance, styling, and value of our recently released boats and that we are just starting to realize the market share benefits of the many recent new product offerings and product enhancement initiatives that our new management team has implemented during the past two years. For example, we anticipate our newly-developed MasterCraft NXT line of entry-level boats will further increase our market share as it represents our first offering in this market segment, which accounts for approximately one-third of the performance sport boat category.

Industry-Leading Product Design and Innovation. We believe that our innovation in the design of new boat models and new features has been a key to our success, helping us maintain our market share, command higher price points, and generally broaden the appeal of our products among recreational boaters. As a result of the features we have introduced, we believe that our boats are used for an increasingly wide range of activities. Our commitment to consistently developing new boat models and introducing new features is reflected in several notable recent achievements and upcoming releases, including:

- the launch of our all new ProStar, winner of the 2014 NMMA Innovation Award, which offers a world record setting hull and innovative new seating, convertible bow storage, and integrated ski storage features;

- the release of our patented Gen 2 surf system technology in 2013, which won the 2014 NMMA Innovation Award and provides a fully integrated wake surfing package, including wake shaping devices specially engineered to work with each individual hull, built-in ballast providing larger and stronger wakes, and a custom user interface allowing riders to customize the perfect surfing wake;

- the launch of the MasterCraft NXT line of boats in 2014, designed to be an entry-level offering with MasterCraft quality, performance, and styling, which we anticipate will achieve significant market share over the next several years; and

- the launch of our all new X23, winner of the 2015 NMMA Innovation Award, which is specially engineered to offer superior surfing performance including the industry's first "Zone 4" wake, while also featuring rear lounge seating and "triple tab logic" software architecture which enables the boat to get on plane faster and thereby improves driver visibility and fuel efficiency.

Following our planned product launches through September 2015 our entire product portfolio will have been renewed in the last four years, giving us the newest overall product offering in the performance sport boat category, which we believe positions us for strong growth in the coming periods.

Highly Efficient Product Development and Manufacturing. A key to our success has been our renewed focus on operational improvements and world-class business processes. We believe our new product development capabilities are industry-leading and enable us to consistently create unique high performance hull shapes and product features in shorter design iterations and at lower development costs than our competitors. These capabilities enable us to precisely design custom hulls and performance features that enhance each boat's unique performance characteristics and increase our speed to market with exciting new products.

We have also made recent significant investments in infrastructure, value-added processes, and engineering. These investments have resulted in lower material waste, reduced labor hours per boat, reduced re-work, and increased production efficiencies. Industry Week recently recognized our operational excellence by selecting us as one of the 12 finalists for its North America cross-industry Best Manufacturing award in October 2014. In addition, our manufacturing quality performance has allowed us to reduce our warranty costs even while offering an industry-leading five-year "stem-to-stern" warranty. We believe that our scalability and operational efficiency has allowed us to limit our annual company-wide weighted average boat price

increase to less than 3% annually from model year 2013 to model year 2015, enabling us to narrow the pricing gap between us and our competitors while at the same time increasing our gross margins by approximately 13 percentage points from fiscal 2012 through the nine months ended March 29, 2015. We are able to narrow this pricing gap while increasing margins by controlling costs through our highly disciplined engineering and manufacturing processes.

Strong Dealer Network. We have worked extensively with our dealers to develop what we believe is the strongest dealer network in the performance sport boat category. Our extensive distribution network consists of 90 North American dealers with 129 locations and 45 international dealers with 54 locations throughout the rest of the world, and we believe it allows us to distribute our products more effectively than our competitors. We target our distribution on the category's highest performing dealers, with more of our dealers placing in Boating Industry magazine's 2014 Top 20 Dealers than any of our competitors in the performance sport boat category. We have established operating processes focused on optimizing dealers' financial performance and service, and with a track record of balancing wholesale inventory and retail sales we are better able to manage dealer inventory, allowing for more transparent sales estimates and strong dealer relationships. In addition, we have established a "stem-to-stern" five-year warranty for all of our product lines, a guarantee that none of our competitors offer. We believe our warranty is simpler and more transparent than those of our competitors, and provides the consumer with more peace of mind. This industry-leading warranty encourages customers to continue to visit our dealers for servicing, creating additional opportunities for boat trade-ins and purchases of accessories, thereby improving our dealers' sales rates and financial health. These actions have strengthened our existing dealer network and are driving increased interest from new potential dealers who want to join the MasterCraft platform.

Differentiated Sales and Marketing Capabilities. We believe our marketing efforts support the MasterCraft brand promise by focusing on the superior MasterCraft value proposition and differentiating the performance and features of our boats. To highlight our performance credibility and generate additional brand excitement, we sponsor the #1, #2, #3, and #5 ranked professional wakeboarding athletes, the #1 and #2 ranked water ski jumpers, and the #4 and #5 ranked male and #3 and #5 ranked female water skiers, who all trust the performance of our boats to enhance their careers. In addition, we partner with Surfing Magazine and musician and avid surfer, Donavon Frankenreiter, to promote our boats' wake surfing capabilities and our brand lifestyle. We also partner with other innovative athletes and brands, such as Travis Pastrana, GoPro, Nixon, Hobie, ESPN, and Sanuk, all offering compelling co-marketing opportunities to expand our brand's lifestyle positioning.

We believe our superior sales and marketing capabilities effectively communicate our performance, styling, quality, authenticity, and lifestyle, resulting in increased overall customer engagement. For fiscal 2015 year to date, our website ranked #1 in the performance sport boat category based on a combination of average daily visitors and page views. We have double the engagement on Facebook of any of our competitors, the highest number of Instagram followers and engagement, and the highest ranked YouTube channel compared to any of our competitors. In addition, we have received numerous third-party awards and recognition for our sales and marketing efforts. Our ProStar "Mission 04: History is History" boat commercial, produced in partnership with our advertising agency, won a 2014 Clio award, which recognizes innovation and creative excellence in advertising, design, and communication across all industries. The ProStar video also won a sound and design award from the AICP producers in a competition against approximately 85% of all domestic commercials in 2014. In addition, our "Amazing Comes Standard" product book, produced in partnership with our agency, also won a 2014 Clio award as well as a 2014 Communication Arts award. Further, one of our long-standing industry partners and dealers was recently awarded the WSIA Leadership Award that recognizes companies which follow best practices in the industry across retail, sales, and manufacturing. These exceptional sales and marketing efforts allow us to more effectively launch and support our products, contributing to an increase in our net sales from $137.3 million to $177.6 million from fiscal 2012 to fiscal 2014.

Highly Experienced Management Team. We have a highly seasoned and effective management team. With an average of more than 16 years of boating industry experience per member, our management team has proven its ability to develop and integrate new product lines, enhance operations, strengthen our distribution network, and recruit industry talent. Senior management additions over the past few years have driven improvements to our manufacturing, quality, and product development systems and processes, which have collectively accelerated performance improvements as unit volumes have increased. Our President and Chief Executive Officer, Terry McNew, joined MasterCraft in August 2012 with 26 years of boating industry experience after serving as Executive Vice President of Brunswick Corp's recreational boat group, where he was in charge of manufacturing, product development, and engineering and quality systems. His leadership has helped us implement dramatic process improvements contributing to superior results. Our Chief Operating Officer, Shane Chittum, joined MasterCraft in June 2011. Mr. Chittum joined MasterCraft after serving as Director of Global Operational Excellence for Visteon Corporation, where he was a Shingo Prize recipient. Together, Mr. McNew and Mr. Chittum have driven significantly improved manufacturing performance and have revamped the Company's manufacturing and product development processes. Tim Oxley, our Chief Financial Officer, has spent 24 years in the boating industry, including eight years with MasterCraft, following 16 years with Brunswick Corp. where he served as Chief Financial Officer of several operating divisions. Our management team has produced superior results compared to our competitors, including sales growth, award-winning product innovation, and significant margin expansion.

Our Strategy

We intend to capitalize on the ongoing recovery in the broader boating industry and performance sport boat category through the following strategies:

Continue to Develop New and Innovative Products in Our Core Market. As a leading innovator, designer, manufacturer, and marketer of premium performance sport boats, we strive to design new and inventive products that appeal to a broad customer base. Since the completion of our management changes in fiscal 2013, we have successfully launched a number of new products and features with best-in-class quality leading to increased sales and significant margin expansion. Furthermore, our unique new product development process enables us to renew our product portfolio with innovative offerings at a rate that we believe will be difficult for our competitors to match without significant additional capital investments. Our process involves each department in collaborative full "team" product launches that enable us to release three new models per year while maintaining superior quality and controlling costs. By September 2015, we anticipate that 80% of our product portfolio will have been renewed in the last three years, while the entire product portfolio will have been renewed in the last four years. We intend to continue releasing new products and features multiple times during the year, which we believe enhances our reputation as a cutting-edge boat manufacturer and will drive consumer interest in our products.

Penetrate the Entry-Level Segment of the Performance Sport Boat Category. Our near-term product development strategy is to expand our product line to reach underserved segments of the performance sport boat category that are distinct from our traditional customer base. We believe the launch of our MasterCraft NXT product line in fiscal 2014 will make the MasterCraft brand more accessible to a much broader demographic of the recreational boating industry and will continue to do so in the future. The MasterCraft NXT product line allows us to penetrate the growing entry-level segment of our market, a segment we have previously not targeted, with a product that offers the highest levels of quality, style, reliability, functionality, and performance expected from our MasterCraft brand. This strategy contrasts with that of a number of our competitors, which have targeted this market segment with alternative value brands. We continue to grow our NXT product portfolio with the recent launch of the new MasterCraft NXT22 in April 2015. The unique design

of the MasterCraft NXT, along with our existing supplier relationships, material agreements, and manufacturing processes, allows us to offer this product at an attractive price point for the consumer while sustaining our gross margins and the product attributes critical to the MasterCraft brand.

Capture Additional Share from Adjacent Boating Categories. Our culture of innovation enhances our ability to introduce new products with increased versatility, functionality, and performance to a more expansive customer base that values boats for both water sports and general recreational boating purposes. We have experienced success with several recent marketing campaigns that focus on new product launches and help to educate the market on our value proposition to customers. Ultimately, the versatile boating experience delivered by our performance sport boats allows us to attract customers from other boating categories, most notably from the sterndrive category. For example, the MasterCraft X55, one of our 25 foot boat models, has the capacity to seat 18 people and offers the quality, performance, and styling associated with our iconic brand in a package that can compete with large day cruisers in the sterndrive category.

We intend to further enhance the performance, comfort, and versatility of our products in order to target additional crossover customers seeking high performance powerboats for general recreational activity. We believe that several of our recently launched and planned new products will appeal to a broader range of recreational boaters by offering the performance benefits of our products, including superior drivability and water sports versatility, while also providing greater seating capacity and comfort, a roomy, plush interior and extensive storage space to allow an increased number of family and friends to spend time together on the water.

Continuous Operational Improvement to Drive Margin Expansion. We continue to implement a number of initiatives to reduce our cost base and to improve the efficiency of our manufacturing process. Following the completion of our recent management team changes in fiscal 2013, we have revamped our manufacturing and product development processes, leading to operational efficiencies which have driven significant margin expansion despite lower average boat sale price increases than our competitors. These process improvements have lowered re-work, warranty claims, material waste, and inventory levels, significantly reducing our costs, and have driven improved on-time delivery rates from 54% in fiscal 2012 to 88% in fiscal 2014. Additionally, we have fostered a culture of operational improvement within our highly engaged workforce. In calendar 2014, we implemented 10,395 employee suggestions to improve our manufacturing efficiency. We have also implemented a faster and more disciplined product development process, which will allow us to completely renew our product portfolio every four years. These processes are now ingrained in the culture at MasterCraft, leading to a firm-wide focus on driving further margin expansion through continuous improvement. For example, we have identified potential opportunities to vertically integrate more of our manufacturing processes, which would lead to significant potential for additional margin expansion. We believe these important process improvements and culture of operational excellence provide us with a strong operational foundation for future growth.

Effectively Manage Dealer Inventory and Further Strengthen Our Dealer Network. Our goal is to achieve and maintain a leading market share in each of the markets in which we operate. We view our dealers as our partners and product champions. Therefore, we devote significant time and resources to finding high quality dealers, and developing and improving their performance over time. We actively manage dealer inventory levels, as demonstrated by healthy and consistent inventory retail turns and balanced wholesale and retail unit sales, which leads to better margins and improved financial health for our dealers. Additionally, our unique "stem-to-stern" warranty and predictable new product development cycle ensure that our dealers have high quality, compelling, and relevant products to sell to their customers. We believe the quality and trust in our dealer relationships are more beneficial to our long-term success than the quantity of dealers.

Currently, our distribution network includes more dealers recognized in Boating Industry magazine's 2014 Top 20 Dealers than any of our competitors in the performance sport boat category, and we continue to leverage that dealer base while proactively developing strategies that will strengthen our overall network. For example, we intend to strengthen our current footprint by selectively recruiting market-leading dealers who currently sell our competitors' products. We believe our targeted initiatives to enhance and grow our dealer network will increase unit sales in the future. In fiscal 2014, our top ten dealers comprised 33% of our gross sales and the top 20 dealers comprised 49% of our gross sales.

Increase Our Sales in International Markets. We currently have an extensive international distribution network with 45 international dealers in 54 locations around the world. We believe we have the most well-known brand in the performance sport boat category globally. Based on our brand recognition, innovative product offerings, and distribution strengths, we believe we are well positioned to leverage our reputation and capture additional international sales. We believe that we will increase our international sales by promoting our new products in developed markets where we have a well-established dealer base and in international markets where rising consumer incomes are expected to increase demand for recreational products, such as Australia, Europe, Israel, Dubai, and Brazil. We are also developing new product offerings that will specifically target certain product demand from our international consumers and that we believe will drive further sales growth in international markets. Net sales outside of North America represented 14.6% of net sales volume in fiscal 2014.

Our Products

We design, manufacture, and sell premium recreational performance sport boats that we believe deliver superior performance for water skiing, wakeboarding, and wake surfing, as well as general recreational boating. In addition, we offer various accessories, including trailers and aftermarket parts. The following table provides an overview of our balanced portfolio:

Series	Number of Models	Lengths	Hull Types	Bow Types	Maximum Power	Maximum Capacity (persons)	Retail Price Range
Star Series							
ProStar	1	22'	Modified V, Partial Step	Pickle-fork	430 hp	7	$60,000 - $75,000
XStar	1	24'	V-Drive	Pickle-fork	522 hp	13	$100,000 - $150,000
XSeries	8	20-25'	V-Drive	Traditional, Pickle-fork	522 hp	11-18	$70,000 - $150,000
NXT	2	20-22'	V-Drive	Pickle-fork	320 hp	11	$50,000 - $75,000

- *Star Series*. Our Star Series product line consists of the ProStar and the XStar models. The ProStar is our flagship model, which we originally introduced in 1968, while the XStar model was launched in 1996. Our Star Series product line benefits from a highly loyal customer base which has been cultivated through its superior product features and strong brand image. The ProStar and XStar product lines are designed to maximize water skiers' and wakeboarders' experiences by offering superior maneuverability, balanced power, precise tracking, and the industry's best wakes. They offer consumers a highly customizable boat with our most innovative technologies, premium features, and newest graphics, color options, and interior finishes. Our Star Series products target consumers seeking the premium

MasterCraft boating experience along with the highest levels of performance that we offer and generally command a price premium over our competitors' boats at retail prices typically ranging from approximately $60,000 to $150,000.
The ProStar is widely recognized as the premier three-event ski boat in the industry and has been responsible for driving a number of world record ski and ski jumping performances since its launch, including the Men's World Jump Record of 250 feet and new records in over 50 events at the 2014 World 35+ Water Ski Championships, as well as numerous personal records for amateur skiers around the world.
The XStar is one of the most recognizable brands in wakeboarding. The XStar, which was honored in WakeWorld.com's Rider's Choice Awards for 11 consecutive years from 2003-2013, including nine Boat of the Year awards, has towed numerous competition winning wakeboard performances over its history, and is the preferred tow boat for many of the top professional wakeboarders in the world, including the #1, #2, #3, and #5 ranked professional wakeboarding athletes sponsored by MasterCraft.

- *XSeries*. Our XSeries product line was introduced in 1997 to expand on the success of the XStar. All of our XSeries models offer cutting-edge graphics, bold color options, and visually striking interiors. The XSeries has become our highest-volume product family supported by the growth of the wakeboarding market and the XSeries' attractiveness to all types of consumers ranging from wakeboarding professionals and enthusiasts to families and multi-activity users. Our XSeries boats are market leaders in performance, styling, and quality and offer unique features such as our patented Gen 2 integrated surf system, 100% billet aluminum towers with hydraulic assist, and popular rear transom lounge seating. Our XSeries products also target consumers seeking a premium boating experience and generally command a price premium over our competitors' boats at retail prices typically ranging from approximately $70,000 to $150,000.

  Our XSeries products are designed to continually offer the most innovative hulls and features in the performance sport boat category. Our new X23, which won the 2015 NMMA Innovation Award, offers the industry's only "Zone 4" wake, which is measured as 15 to 20 feet from the swim platform of the boat and provides more traversable wave surface area and the ability to surf bigger boards. In addition to its segment leading surf wake, the X23 also features innovative rear lounge seating and "triple tab logic" software architecture which enables the boat to get on plane faster, improving driver visibility and fuel efficiency.

- *NXT*. The NXT is our most recent product line that was launched in January 2014 with the MasterCraft NXT20. After the continued success of our Star Series and XSeries product lines, we identified a market opportunity in entry-level performance sport boats. Our NXT series targets a younger demographic and provides them with a more affordably priced, entry-level boat that provides functional simplicity and the option to upgrade key features such as the NXT surf system and other convenience packages. Most importantly, the NXT offers the highest levels of quality, style, reliability, functionality, and performance expected of the MasterCraft brand. Retail prices for the NXT typically range from approximately $50,000 to $75,000.

- *Trailers, parts, and accessories*. We believe we are currently the only inboard sport boat manufacturer to custom-build trailers that match the exact size and color of our boats. We build trailers for all of our MasterCraft boat models, and approximately 86% of our MasterCraft boats were sold with our trailers fiscal year to date through February 2015. Our trailers offer the perfect fit for our boats, providing superior quality, durability and strength. In addition, we support our brand and our boat owners with custom-made MasterCraft accessories, genuine MasterCraft replacement parts, and aftermarket accessories that allow our boat owners to customize and personalize their boats.

Innovative Optional Features

In addition to the standard features included on all of our boats, we offer consumers the ability to upgrade our base models by adding certain of our full line of optional features designed to enhance styling, performance, functionality, and the overall boating experience. These features increase our average selling prices and improve the profitability of our boats. Some of these features include:

- *Patented Gen 2 integrated surf system*: The only surf system that is specially designed for each boat hull and fully integrated with additional ballast and the boat's custom, easy-to-use interface, the Gen 2 surf system, which won the 2014 NMMA Innovation Award, allows riders to customize the segment's only four-zone, 20-foot long wake to their individual preferences, for an exceptional surfing experience accessible to riders of all ages and skill levels;

- *Premium touchscreen user interface*: A custom, proprietary user interface featuring a 7-inch touchscreen display allows users to easily control the many features of our boats, including audio and settings for wakeboarding and wake surfing that allow each rider to customize key performance attributes such as speed of the boat and size and shape of the wake;

- *Custom seating options*: Innovative seating configurations, including convertible backward-facing rear seats and rear transom lounge seating, offer superior space and comfort while also providing increased functionality for enjoying water sports activities;

- *Premium ZFT towers*: 100% billet aluminum towers which allow the user to easily raise and lower the tower for towing, storage, and low clearances. Our ZFT 5p tower, which won the 2011 NMMA Innovation Award, features hydraulic controls that automatically raise or lower the tower. In addition, our towers feature clamping board racks which offer convenient and easy to operate storage for wakeboards and surf boards;

- *Powertrain packages*: Power packages offering four different engine variants from 320 up to 522 horsepower, with premium features such as noise-reducing fiberglass mufflers and silent exhaust tips as well as advanced options including propeller upgrades and closed cooling engine configurations for saltwater usage; and

- *Styling and convenience packages*: Packages of options that allow customers to fully customize their boat for the optimal on-the-water experience, including gelcoat and upholstery upgrades, premium audio and speaker packages, custom lighting, custom trailer colors and wheels, and other accessories such as removable ski pylons, bimini tops, boat covers, and on-boat camera mounts.

We believe our innovative features are important factors in our end consumer's purchasing decision and the availability and desirability of these features increase our sales and market share. In addition, these optional features and packages result in higher net sales per unit and improve our gross margins and profitability.

Our Dealer Network

We rely on an extensive network of independent dealers to sell our products in North America and internationally. We target our distribution on the segment's highest performing dealers, with more of our dealers placing in Boating Industry magazine's 2014 Top 20 Dealers than any of our competitors in the performance sport boat category. The majority of our dealers, including 70% in our top twenty markets, are exclusive to our MasterCraft product lines within the performance sport boat category, highlighting the commitment of our key dealers to MasterCraft boats. We establish performance criteria that our dealers must

meet as part of their dealer agreements to ensure the continued quality of our dealer network. As members of our network, dealers in North America may qualify for floor plan financing programs, rebates, seasonal discounts, promotional co-op payments, and other allowances.

We consistently review our distribution network to identify opportunities to expand our geographic footprint and improve our coverage of the market. We constantly monitor the health and strength of our dealers by analyzing each dealer's retail sales and inventory frequently, and have established processes to identify underperforming dealers in order to assist them in improving their performance or to allow us to switch to a more effective dealer. These processes also allow us to better manage dealer inventory levels and product turns and contribute to a healthier dealer network that is better able to stock and sell our products. We believe our outstanding dealer network and our proactive approach to dealer management allow us to distribute our products more efficiently than our competitors and will help us capitalize on growth opportunities as our industry volumes continue to increase.

North America. In North America, we had a total of 90 dealers across 129 locations as of March 29, 2015. Of these locations, 17% sell our products exclusively, 57% are multi-line locations that only carry non-competitive brands and products and 26% sell our brands as well as other performance sport boat brands. Approximately 65% of our dealers worldwide have been with us for over five years. As of December 31, 2014, our dealers held the #1, #2, or #3 market share position for the performance sport boat category in over 77% of our U.S. reporting markets. There were no locations where MasterCraft was replaced by competitive products during 2014.

We do not have a significant concentration of sales among our dealers. For fiscal 2014, our top ten dealers accounted for approximately 33% of our gross sales and none of our dealers accounted for more than 8.6% of our total sales volume.

International. As of March 29, 2015 we had a total of 45 international dealers in 54 locations. Of these locations, 44% sell MasterCraft products exclusively, 52% are multi-line locations that don't carry competitive brands, and 4% are multi-line locations that carry competitive performance sport boat brands. We generated 16%, 14.7% and 11.1% of our unit sales outside of North America in fiscal 2013, 2014, and for the nine months ending March 29, 2015, respectively. In Europe, we were present in 19 countries and worked with 16 independent dealers as of March 29, 2015. We had 6 dealers in six locations in Australia and nine independent dealers marketed our boats in nine countries in Asia and the Middle East, including Hong Kong, Israel, Japan, and South Korea as of March 29, 2015. In the rest of the world, we had eight independent dealers as of March 29, 2015, in eight countries including Argentina, Brazil, Colombia, and South Africa. During the last 12 months we have added eight independent international dealers in key markets, including Australia, Israel, Saudi Arabia, Turkey, and Qatar.

Dealer Management

We have developed a system of financial incentives for our dealers based on achievement of key benchmarks. In addition, we provide our dealers with comprehensive sales training and a complete set of technology-based tools designed to help dealers maximize performance. Our dealer incentive program has been refined through over 45 years of experience with some of the key elements including performance incentives, discounts paid for achieving volume and purchase scheduling targets, and cash discounts during the first six months of the model year to encourage balanced demand throughout the year. In addition, we pay incentives for attending our annual dealer meeting, a three-day event featuring a robust program of dealer training seminars that focus on areas such as sales growth, inventory management, and retail strategy, in addition to product-oriented information. This incentive payment is based on participation by all salespeople from a dealership, not solely the principals.

Beyond our incentive programs, we have developed two proprietary web-based management tools that are used by our dealers on a day-to-day basis to improve their own businesses as well as enhance communication with our factory and sales management teams. The first is our proprietary DealerLink online business-to-business application. This system efficiently executes many critical functions, including warranty registrations, warranty claims, boat ordering and tracking, parts ordering, technical support, and inventory reporting. The second is our Online Sales Matrix. This web-based tool was introduced in fiscal 2007 as an automated sales order processing system to enable us and our dealers to monitor order progress, production schedules, and model-by-model manufacturing capacity for the current model year. This system facilitates communication between our sales team and the dealer network and allows our manufacturing department to monitor customer demand in real time.

Our relationship with our dealers is governed by dealer agreements. Each dealer agreement typically has a finite term lasting between one and three years. Our dealer agreements are typically terminable without cause by the dealer at any time and by us with 90 days' prior notice. We may also generally terminate these agreements immediately for cause upon certain events. Pursuant to our dealer agreements, the dealers typically agree to, among other things (i) represent our products at specified boat shows; (ii) market our products only to retail end users in a specific geographic territory; (iii) promote and demonstrate our products to consumers; (iv) place a specified minimum number of orders of our products during the term of the agreement in exchange for rebate eligibility that varies according to the level of volume they commit to purchase; (v) provide us with regular updates regarding the number and type of our products in their inventory; (vi) maintain a service department to service our products and perform all appropriate warranty service and repairs; and (vii) indemnify us for certain claims.

Our dealer network, including all additions, renewals, non-renewals, or terminations, is managed by our sales personnel. Our sales team operates using a semi-annual dealer review process involving our senior management team. Each individual dealer is reviewed semi-annually with a broad assessment across multiple key elements, including the dealer's geographic region, market share, and customer service ratings, to identify underperforming dealers for remediation and to manage the transition process when non-renewal or termination is a necessary step.

Sales Cycles and Floor Plan Financing

We manage our annual sales plan through distinct buying periods. Our rebates are tiered so that dealers have a financial incentive to take the stocking risk for boats purchased prior to the traditional retail selling season (April - June). These incentives, accompanied by floor plan subsidies for six months from the date of invoice, drive "level loading" of production. During this first part of the model year, many of the dealers' orders are standard configurations for their showrooms. In the second part of the model year, more boats are customized by retail customers. Many of these custom orders are placed during boat shows, which occur from January through early April across North America.

We offer our dealers the opportunity to purchase boats with cash or through floor plan financing programs with third-party floor plan financing providers. We encourage our dealers to purchase in cash by offering them a cash discount. The floor plan financing programs allow dealers to establish lines of credit with third-party lenders to purchase inventory. Upon purchase of a boat, dealers draw on the floor plan facility and the lenders pay the invoice price of the boat directly to us within 10 business days. Collection is guaranteed through an assigned approval number or cash receipt prior to shipment of the boat. Consistent with industry practice, we offer various manufacturer-sponsored floor plan interest programs under which we agree to reimburse our dealers for certain floor plan interest costs incurred for six months from the date of invoice. Cash discounts are offered as an alternative to floor plan subsidies during the "off-season" for retail sales (July - March). These programs encourage dealers to rapidly replenish inventories during the spring and

summer retail season, maintain sufficient inventories during the non-peak season, and balance wholesale purchases throughout the year.

Pursuant to the terms of the floor plan financing, if a dealer defaults on the terms of its credit line, we agree to repurchase new inventory repossessed from dealerships for a period of up to 30 months from the date of the original sale of the products. Under most circumstances, the repurchase obligation is for any amount outstanding up to 100% of the invoice amount for the first 12 months after sale, 90% of the invoice amount for the next 12 months after sale, and 80% of the invoice amount for the final six months of our repurchase commitment period. Our obligation to repurchase such repossessed products for the unpaid balance of our original invoice price for the boat is subject to reduction or limitation based on the age and condition of the boat at the time of repurchase, and in certain cases, by an aggregate cap on repurchase obligations associated with a particular floor plan financing program.

We have only incurred a single loss on a finance company mandated repurchase agreement since fiscal 2010 totaling approximately $75,000. The repurchased inventory has historically been resold to other dealers at approximately 80% to 90% of original wholesale prices, thereby avoiding significant losses.

Marketing and Sales

Marketing

Our 45-year history of manufacturing and design leadership has made MasterCraft one of the most well-known and iconic brands in the boating industry. We believe the MasterCraft brand, like other well-known brands such as Porsche and Ferrari, is widely recognized even among non-enthusiasts. We are focused on enhancing the power of our brand through a multifaceted marketing strategy. Our addressable market is targeted through a variety of specialized means, ranging from grass-roots event sponsorships to far-reaching strategic alliances.

We have created a unified print and digital advertising strategy that is refreshed each year, featuring the unique attributes of each of our products while maintaining focus on the MasterCraft brand. We maintain a meaningful presence for our Star Series and XSeries product lines in several endemic water sports publications, including Wakeboarding, WaterSki, SBC Wakeboard, Alliance Wakeboard Magazine, and USA WaterSkier. Given the prevalence of our products in the markets these publications target, we also benefit from significant unpaid impressions in these industry publications, as our boats frequently appear in feature stories and advertisements for other products. In addition to these traditional marketing channels, in the last several years we have created an active and highly successful digital advertising and social media platform, including the use of Facebook, Twitter, Instagram, YouTube, and Vimeo to deliver content to our target audience, increase awareness of our brand, foster loyalty, and build a community of MasterCraft enthusiasts. In addition, we benefit from numerous user-generated videos and photos that are uploaded to these websites. The execution of our digital strategy has been highly successful, driving double the engagement on Facebook, the highest number of Instagram followers and engagement, and the highest ranked YouTube channel compared to any of our competitors. An important component of this strategy has been our investment in our own mastercraft.com website, which ranked #1 in the performance sport boat category based on a combination of average daily visitors and page views for fiscal 2015 year to date. The site is designed to allow significant interaction between us and our customer base through marketing content delivery, message boards, news and event postings, and product updates and specifications. In addition, mastercraft.com's popular "Design-a-Boat" functionality allows consumers to design a boat and request a dealer quote. The custom-designed product can be transmitted directly to our closest independent dealer as well as our in-house concierge who follows up directly with our dealer leads on behalf of MasterCraft.

We are focused on generating relevant and compelling content for our network of customers and enthusiasts in order to drive industry-leading engagement with our target consumer, and our capabilities in this regard have been well recognized both inside and outside our industry. Our ProStar "Mission 04: History is History" boat commercial, produced in partnership with our advertising agency, won a 2014 Clio award, which recognizes innovation and creative excellence in advertising, design, and communication across all industries. The ProStar video also won an award from the AICP producers in a competition against approximately 85% of all domestic commercials in 2014. In addition, our "Amazing Comes Standard" product book, produced in partnership with our agency, also won a 2014 Clio award as well as a 2014 Communication Arts award. Further, one of our long-standing industry partners and dealers was recently awarded the WSIA Leadership Award that recognizes companies which follow best practices in the industry across retail, sales, and manufacturing.

We also selectively partner with leading franchises from other industries that have similar brand attributes and demographic characteristics. The goal of this non-endemic strategy is to create a wider, actionable audience by teaming up with other appropriate brands to get access to their existing market. Our non-endemic partnerships with highly recognizable brands such as GoPro, Nixon, Hobie, ESPN, and Sanuk have allowed us to increase our audience during product launches and events, ultimately generating actionable sale leads for our dealers. For example, we partnered with extreme athlete Travis Pastrana and famed director Jeff Tremaine to produce a series of irreverent advertising shorts for our recent NXT20 launch that targeted a younger demographic to highlight the ability to purchase a MasterCraft product at a more affordable price. In addition, we partnered with musician and pro surfer Donavon Frankenreiter along with Sanuk and Grind-Media for the launch of the all-new X23, in order to communicate that boat's superior wake surfing performance and to reinforce the lifestyle attributes of our MasterCraft brand. These initiatives not only connect our brand with these valuable and highly recognizable partners, but more importantly they lead to engagement with our end consumers and ultimately to sales leads for our dealers. We believe that our associations with leading franchises and brands such as these reinforce the aspirational, high-performance attributes of our brand, allow us to reach a very large population of affluent, action-oriented consumers as well as new customers for our new products, and allow us to reinforce and expand our MasterCraft brand's lifestyle positioning.

Our leading position in the performance sport boat category is further supported by our sponsorship of some of the most recognizable and successful athletes in water sports, as well as a number of highly visible competitions and events around the world. Our activities in this area serve to deepen the penetration of our brand within the professional and enthusiast community, while also supporting the growth of the sports. The events which we sponsor and in which we and our dealers participate feature the most popular figures in wakeboarding and water skiing, drawing large audiences of enthusiasts to a variety of sites around the country. Furthermore, we sponsor the #1, #2, #3, and #5 ranked professional wakeboarding athletes, the #1 and #2 ranked water ski jumpers, and the #4 and #5 ranked male and #3 and #5 ranked female water skiers, who all trust the performance of our boats to enhance their careers. In addition to the advertising generated by the athletes' success in their sports, we also leverage our sponsorship of these athletes by having them attend boat shows and dealer events and appear in creative media events, in which they garner public relations interest, build our MasterCraft brand, and in many cases help sell our products directly to consumers.

We believe that our differentiated marketing capabilities and our multi-channel, content-driven marketing strategies align with our strategic focus on product innovation, performance, and quality to attract aspiring and enthusiast consumers to our brands and products. These exceptional sales and marketing efforts allow us to more effectively launch and support our products, help drive actionable sales leads for our dealers, and

reinforce our MasterCraft brand and lifestyle attributes. Our sales and marketing efforts have contributed to an increase in our net sales from $137.3 million to $177.6 million from fiscal 2012 to fiscal 2014.

Sales

Our North American sales effort is led by Mr. Jay Povlin, our Vice President of Sales and Marketing, who joined us in 2013. The North American sales organization includes nine regional sales managers and four inside sales representatives. Most of our domestic sales team has been with us for at least ten years. Our sales team is further supported by five international sales representatives.

Our sales organization's primary role is to manage our network of existing dealers and work with them to increase sales of our products, as well as identifying and recruiting new and replacement dealers that we believe will provide enhanced sales and customer service for our end consumers. We employ proactive processes to monitor the health and performance of our dealers, and to help them improve their businesses and their sales of MasterCraft products. Our strategy is to improve the individual market shares of each of our dealers in their respective markets, and to add new dealers in new markets or replace dealers in existing markets where we believe we can achieve improved market share and customer service. We utilize regular performance reviews to drive improvement in underperforming dealers and to determine how to transition to new dealers when necessary. In addition, we employ a number of tools to assist our dealers in improving their performance, including product, sales, and service training, marketing materials and content, and direct interaction with prospective customers such as our factory concierge service. We encourage and expect our sales representatives to serve as advisors to our dealers, and believe this proactive sales approach leads to better dealer relationships and higher sales of our products.

Manufacturing

All of our boats are designed, manufactured, and lake-tested in our Vonore, Tennessee facility. We are the only boat manufacturer to achieve compliance with all three of the ISO 9001 (Quality Management Systems), 14001 (Environmental Management Systems), and 18001 (International Occupational Health and Safety Management System) standards. The rigorous attention to detail with which we design and manufacture our products results in boats of high quality, which allows us to offer a "stem-to-stern" five-year warranty that comprehensively covers more parts of our boats than warranties offered by any of our competitors. In recognizing our operational excellence, Industry Week selected us as one of the 12 finalists for their North America cross-industry Best Manufacturing award in October 2014.

Our boats are built through a continuous flow manufacturing process that encompasses fabrication, assembly, quality management, and testing. Each boat is produced over a six and a half day cycle that includes the fabrication of the hull and deck through gelcoat application and fiberglass lamination, grinding and hole cutting, installation of components, rigging, finishing, detailing, and on-the-water testing. We manufacture certain components and subassemblies for our boats, such as upholstery, and procure other components from third-party vendors and install them on the boat. We have several exclusive supplier partnerships for critical purchased components, such as aluminum billet, towers, engine packages, and audio components. We also build custom trailers that match the exact size and color of our boats.

Our manufacturing efforts are led by our Chief Operating Officer, Shane Chittum, who joined us in June 2011 following nine years in manufacturing roles in the automotive industry, supported by a workforce of approximately 475 employees as of March 29, 2015. Our culture of continuous improvement is aptly captured in one of our core operating principles: "Seek Perfection." Our operations team maintains tight control over all aspects of the process, starting with cross-functional sales planning processes to maximize model mix,

daily layered boat audits while products are moving down the line, and real time supervisor-level variance reporting and quality checks that stop the line if defects are identified. These efforts have generated a 41.5% improvement in total plant first-time quality throughput from fiscal 2012 to fiscal 2014 and a Customer Satisfaction Index, a nationally recognized measure of customer satisfaction, above the national average for the second consecutive year in fiscal 2014.

In addition, we sponsor a number of best practices programs, including:

Ideas Implemented. Using tools to identify and reduce waste, employees standardize improvement in their work procedures and implement countermeasures to problems identified daily. This program led to 10,395 employee improvement suggestions implemented in calendar year 2014.

Kaizen. We chartered and began 14 different continuous workplace improvement, or Kaizen, projects in fiscal 2015 that use cross-functional teams to improve value and reduce waste in a defined narrow scope of work flow or process. These projects, which take one month to complete on average, have generated improvements including cost savings, improved quality, increased output, and additional capacity.

Lean Academy. We have institutionalized learning in our organization by teaching employees to utilize efficient tools and processes, which we refer to as "lean." The program has various degrees of development and bronze, silver, and gold certification levels. Participants from all areas of our company, including manufacturing, product development, and all administrative departments, learn lean manufacturing to enable them to reduce waste and become lean leaders.

Our active management process has led to the institution of a number of manufacturing and quality control initiatives on the factory floor, such as the implementation of parts bar coding for improved inventory control, the deployment of automated resin counters for greater materials control, a reduction in the number of mold sets used in the manufacturing process to increase run-rates, and an automated quality control system that creates a "birth certificate" for every boat throughout our 2,500-check manufacturing process. We have recorded over one million consecutive man-hours without a lost-time accident as of March 29, 2015, an accomplishment that we believe has reduced workers' compensation claims and warranty costs as our most-experienced employees continue to remain on the job. The continuous improvement in efficiency we have achieved is illustrated by an increase in the average number of boats built per work day in fiscal 2014, while our model mix has grown and skewed increasingly toward larger, higher-contented boats, and our quality has improved dramatically.

Product Development and Engineering

We are strategically and financially committed to innovation, as reflected in our dedicated product development and engineering group and evidenced by our track record of new product introduction. Our product development and engineering group comprises 17 professionals. These individuals bring to our product development efforts significant expertise across core disciplines, including boat design, computer-aided design, naval engineering, electrical engineering, and mechanical engineering. They are responsible for execution of all facets of our new product strategy, starting with design and development of new boat models and innovative features, engineering these designs for manufacturing, and integrating new boats and innovations into production without disruption, at high quality, on time and on budget. Our product development and engineering functions are led by our Chief Operating Officer, with significant engagement from our Chief Executive Officer as well as a Strategic Portfolio Management Team which includes senior leadership from Sales, Marketing and Finance, all working together to develop our long-term product and innovation strategies.

We take a disciplined approach to the management of our product development strategy. We have structured processes to obtain voices of the customer, dealer, and management to guide our long-term product lifecycle and portfolio planning. In addition, extensive testing and coordination with our manufacturing group are important elements of our product development process, which we believe enable us to leverage the lessons from past launches and minimize the risk associated with the release of new products. We have developed a strategy to launch at least three new models each year, which will allow us to renew our product portfolio with innovative offerings at a rate that we believe will be difficult for our competitors to match without significant additional capital investments. In addition to our new product strategy, we manage a separate innovation development process which allows us to design innovative new features for our boats in a disciplined manner and to launch these innovations in a more rapid time frame and with higher quality. These newly implemented processes have reduced the time to market for our new product pipeline from approximately 15.5 months to approximately 10.5 months since fiscal 2012.

Our research and development center is equipped with computer assisted design ("CAD") workstations for design development and computer numerically controlled tool paths for molds and parts. The CAD system allows for integration of vendor design resources to improve accuracy and reduce development time. The CAD system also provides flexibility to change fundamental design characteristics through the elimination of iterative prototyping processes and lowers new product development costs through acceleration of the development cycle. Furthermore, the CAD system also allows much greater precision in use of materials and assembly, reducing warranty and manufacturing start-up costs. Models are tested under extreme conditions to validate performance, safety, failure limits, and design intention. After a boat successfully completes validation, it is ready for final pricing, marketing, scheduling, and production. Our product development expense for fiscal 2013, fiscal 2014 and for the nine months ended March 29, 2015 was $2.8 million, $2.7 million, and $2.2 million, respectively.

Suppliers

We purchase a wide variety of raw materials from our supplier base, including resins, fiberglass, hydrocarbon feedstocks, and steel, as well as product parts and components such as engines and electronic controls, through a sales order process. We maintain long-term contracts with preferred suppliers and informal arrangements with other suppliers. We have not experienced any material shortages in any of our raw materials, product parts, or components. Temporary shortages, when they do occur, usually involve manufacturers of these products adjusting model mix, introducing new product lines, or limiting production in response to an industry-wide reduction in boat demand.

Since 2012 we have focused on developing our supply chain to enable cost improvement, world-class quality, and continuous product innovation. We have engaged our top suppliers in collaborative preferred supplier relationships and have developed processes including annual cost reduction targets, regular reliability projects, and extensive product testing requirements to ensure that our suppliers produce at low cost and to the highest levels of quality expected of the MasterCraft brand. These collaborative efforts begin at the design stage, with our key suppliers integrated into design and development planning well in advance of launch, which allows us to control costs and to leverage the expertise of our suppliers in developing product innovations. Aided by our proactive engagement and supplier development processes, approximately 50% of our preferred suppliers are ISO certified. We believe these collaborative relationships with our most important suppliers have contributed to our significant improvements in product quality, innovation, and profitability since 2012.

The most significant components used in manufacturing our boats, based on cost, are engine packages. We maintain a strong and long-standing relationship with our primary supplier of engine packages, Ilmor, whose affiliates produce engines used in a number of leading racing boats and race cars. Ilmor maintains a full-time customer service and warranty staff located at our office, resulting in extremely efficient management of all engine-related matters, mitigating potential warranty risk. As of March 29, 2015, we represented one of Ilmor's largest customers. We work closely with Ilmor to remain at the forefront of engine design, performance, and manufacturing. Engine packages are the most expensive single item input in the boat-building process and we believe our long-term relationship with Ilmor is a key competitive advantage.

Transportation

We utilize third party logistics and transportation services to deliver our boats to our dealer network. We secure trailer loads of one to four boats at our manufacturing facility. Our third party logistics partners transport them to our domestic dealers or to port for international shipments, generally within one week. A select few dealers near our manufacturing facility have elected to manage transportation and arrange for boats to be picked up directly from our manufacturing facility. Following delivery to port, international shipments are transferred to a third party logistics provider who schedules them for shipment via ocean freight to their destination country. For all products title and risk of loss pass to the dealer at the time the products leave MasterCraft's factory unless a bill-and-hold transaction is requested by the dealer.

Information Technology

Over the last several years, we have made a significant investment in information technology. Our information technology strategy is to fully integrate IT into our business processes and planning initiatives, including not only our internal information management and communications processes but also our marketing and dealer management efforts. Our IT team has been integral to our marketing efforts through functionality such as the "Build-a-Boat" and "Factory Tour" features of our website, helping us to develop stronger engagement between us and our end consumers. In addition, our IT infrastructure is an essential component of our dealer management initiatives, allowing for efficient and timely communications with our dealers and a transparent and effective system for dealer orders and production planning. We will continue to invest in our IT infrastructure in order to continue to leverage technology in support of our product development, manufacturing, and marketing strategies.

Insurance and Product Warranties

We purchase insurance to cover standard risks in our industry, including policies that cover general products liability, workers' compensation, auto liability, and other casualty and property risks. Our insurance rates are based on our safety record as well as trends in the insurance industry. We also maintain workers' compensation insurance and auto insurance policies that are retrospective in that the cost per year will vary depending on the frequency and severity of claims in the policy year.

We face an inherent risk of exposure to product liability claims in the event that, among other things, the use of our products results in injury. With respect to product liability coverage, we carry customary insurance coverage. Our coverage involves self-insured retentions with primary and excess liability coverage above the retention amount. We have the ability to refer claims to our suppliers and their insurers to pay the costs associated with any claims arising from such suppliers' products. Our insurance covers such claims that are not adequately covered by a supplier's insurance and provides for excess secondary coverage above the limits provided by our suppliers.

We provide product warranties for our Star Series, XSeries, and NXT boats. The high quality and durability of our products allow us to offer a "stem-to-stern" five-year warranty that comprehensively covers more parts of our boats than warranties offered by any of our competitors. During the warranty period, we reimburse dealers and MasterCraft authorized service facilities for all or a portion of the cost of repair or replacement performed on the products (mainly composed of parts or accessories provided by us and labor costs incurred by dealers or MasterCraft authorized service facilities). Some materials, components or parts of the boat that are not covered by our product warranties are separately warranted by their manufacturers or suppliers. These other warranties include warranties covering engines, among other components.

Intellectual Property

We rely on a combination of patent, trademark, and copyright protection, trade secret laws, confidentiality procedures, and contractual provisions to protect our rights in our brand, products, and proprietary technology. We are also attempting to protect our vessel designs through design registrations. This is an important part of our business and we intend to continue protecting our intellectual property. We currently hold six U.S. patents, including a design patent for a swivel board rack design, a utility patent for an integrated light and tow-line attachment, and the Gen 2 surf system technology which is the only surf system that is custom designed for each hull and allows users to customize a four-zone, 20-foot long wake to rider preferences using a sophisticated-yet-easy-to-use interface. Provided that we comply with all statutory maintenance requirements, one of our patents is expected to expire in 2016 and the remaining patents are expected to expire after 2021. We also hold 11 pending U.S. patent applications (including two provisional applications) and two pending foreign patent applications. We also own in excess of 70 registered trademarks in various countries around the world, most notably the MasterCraft name and logo and the Star Series, XSeries, and NXT product family names, and we own several applications for additional registrations. Such trademarks may endure in perpetuity on a country-by-country basis provided that we comply with all statutory maintenance requirements, including continued use of each trademark in each such country. In addition, we own 38 registered U.S. copyrights. Finally, we have applied to register certain vessel hull designs with the U.S. Copyright Office.

From time to time, we are involved in intellectual property litigation, either accusing third parties of infringing our intellectual property rights, or defending against third-party claims that we are infringing the intellectual property of others. We are not currently involved in any outstanding intellectual property litigation that we believe, individually or in the aggregate, will have a material adverse effect on our business, financial condition, or results of operations. However, we cannot predict the outcome of any pending or future litigation, and an unfavorable outcome could have an adverse impact on our business, financial condition, or results of operations.

Competition

The powerboat industry, including the performance sport boat category, is highly fragmented, resulting in intense competition for customers and dealers. Competition affects our ability to succeed in both the market segments we currently serve and new market segments that we may enter in the future. We compete with several large manufacturers that may have greater financial, marketing, and other resources than we do. We also compete with a wide variety of small privately held independent manufacturers. Competition in our industry is based primarily on brand name, price, innovative features, design, and product performance. See "Risk Factors — Risks Related to Our Business — Our industry is characterized by intense competition, which affects our sales and profits."

Environmental, Safety, and Regulatory Matters

Our operations are subject to extensive and frequently changing federal, state, local, and foreign laws and regulations, including those concerning product safety, environmental protection, and occupational health and safety. We believe that our operations and products are generally in compliance with these regulatory requirements. We have received certificates from third-party accreditors of compliance with the ISO 9001 (Quality Management Systems), 14001 (Environmental Management Systems), and 18001 (International Occupational Health and Safety Management System) standards. Historically, the cost of achieving and maintaining compliance with applicable laws and regulations has not been material. However, we cannot assure you that future costs and expenses required for us to comply with such laws and regulations, including any new or modified regulatory requirements, or to address newly discovered environmental conditions, will not have a material adverse effect on our business, financial condition, operating results, or cash flow.

We have not been notified of and are otherwise currently not aware of any contamination at our current or former facilities for which we could be liable under environmental laws or regulations and we currently are not undertaking any remediation or investigation activities in connection with any contamination. However, future spills or accidents or the discovery of currently unknown conditions or non-compliances may give rise to investigation and remediation obligations or related liabilities and damage claims, which may have a material adverse effect on our business, financial condition, operating results, or cash flow.

The regulatory programs that impact our business include the following:

Hazardous Substance and Waste Regulations

Certain materials used in our manufacturing, including the resins used in production of our boats, are toxic, flammable, corrosive, or reactive and are classified by the federal and state governments as "hazardous materials." Control of these substances is regulated by the Environmental Protection Agency (EPA) and state pollution control agencies under the federal Resource Conservation and Recovery Act, and related state programs. Storage of these materials must be maintained in appropriately labelled and monitored containers, and disposal of wastes requires completion of detailed waste manifests and recordkeeping requirements. Any failure by us to properly store or dispose of our hazardous materials could result in liability, including fines, penalties, or obligations to investigate and remediate any contamination originating from our operations.

OSHA

The Occupational Safety and Health Administration (OSHA) Act imposes standards of conduct for and regulates workplace safety, including limits on the amount of emissions to which an employee may be exposed without the need for respiratory protection or upgraded plant ventilation. Our facilities are regularly inspected by OSHA and by state and local inspection agencies and departments. We believe that our facilities comply in all material aspects with these regulations. In fiscal 2014, our injury and incident rate was 2.0 "OSHA Recordables" injuries per 100,000 man-hours compared to a national industrial average of 3.3 OSHA Recordables injuries per 100,000 man-hours. We have made a considerable investment in safety awareness programs and provide ongoing safety training for all of our employees. We have implemented a program that requires frequent safety inspections of our facilities by managers and an internal safety committee. The safety committee, which is led by a dedicated Health and Safety professional, prepares a monthly action plan based on its findings.

Clean Air Act

The Clean Air Act (the "CAA") and corresponding state rules regulate emissions of air pollutants. Because our manufacturing operations involve molding and coating of fiberglass materials, which involves the emission of certain volatile organic compounds, hazardous air pollutants, and particulate matter, we are required to maintain and comply with a CAA operating permit (or "Title V" permit). Our Title V Permit requires us to monitor our emissions and periodically certify that our emissions are within specified limits. To date, we have not had material difficulty complying with those limits.

In addition to the regulation of our manufacturing operations, the EPA has adopted regulations stipulating that many marine propulsion engines meet an air emission standard that requires fitting a catalytic converter to the engine. The engines used in our products, all of which are manufactured by third parties, are warrantied by the manufacturers to be in compliance with the EPA's emission standards. The additional cost of complying with these regulations has increased our cost to purchase the engines and, accordingly, has increased the cost to manufacture our products.

If we are not able to pass these additional costs along to our customers, it may have a negative impact on our business and financial condition.

Boat Safety Standards

Powerboats sold in the U.S. must be manufactured to meet the standards of certification required by the U.S. Coast Guard. In addition, boats manufactured for sale in the European Community must be certified to meet the European Community's imported manufactured products standards. These certifications specify standards for the design and construction of powerboats. We believe that all of our boats meet these standards. In addition, safety of recreational boats is subject to federal regulation under the Boat Safety Act of 1971, which requires boat manufacturers to recall products for replacement of parts or components that have demonstrated defects affecting safety. In the past, we have instituted recalls for defective component parts produced by us or certain of our third-party suppliers. None of these recalls has had a material adverse effect on our Company.

Employees

We believe we maintain excellent relations with our employees, treating them as business partners and focusing on building their careers. We have approximately 475 employees, of whom more than 30% have been with us for ten or more years. Our employees are fully integrated into our continuous improvement culture and are empowered to seek out waste reduction and cost improvement opportunities throughout our manufacturing process. This engagement resulted in 10,395 employee suggestions being implemented for operating improvements during calendar year 2014. None of our employees are represented by a labor union, and since our founding in 1968, we have never experienced a labor-related work stoppage.

Facilities

All of our boats are designed, manufactured, and lake-tested at our 252,000-square-foot manufacturing facility located on approximately 60 acres of lakefront land we own in Vonore, Tennessee. In addition, we lease a 60,000 square-foot facility in Vonore where we manufacture our trailers, and a 3,000 square-foot warehouse facility in West Yorkshire, England for warehousing of aftermarket parts.

Legal Proceedings

The nature of our business ordinarily results in a certain amount of claims, litigation, and legal and administrative proceedings. Although we have developed policies and procedures to minimize the impact of legal noncompliance and other disputes, litigation and regulatory actions present an ongoing risk. Our insurance has deductibles and will likely not cover all litigation or other proceedings or the costs of defense. When and as we determine we have meritorious defenses to the claims asserted against us, we vigorously defend against such claims. We will consider settlement of claims when, in management's judgment and in consultation with counsel, it is in the best interests of the Company to do so. Although we are not currently involved in any outstanding litigation that we believe, individually or in the aggregate, will have a material adverse effect on our business, financial condition, or results of operations, we cannot predict the outcome of any pending litigation, and an unfavorable outcome could have an adverse impact on our business, financial condition, or results of operations.

MANAGEMENT

Directors and Executive Officers

The following table provides information regarding our executive officers and the members of our board of directors (ages as of March 29, 2015):

Name	Age	Position(s)
Terry McNew	53	President and Chief Executive Officer
Timothy M. Oxley	56	Chief Financial Officer, Treasurer and Secretary
Shane Chittum	39	Chief Operating Officer
Frederick A. Brightbill	62	Director
Donald C. Campion	66	Director
Joseph M. Deignan	42	Director
Patrick J. Halloran	55	Director
Christopher Keenan	38	Director
Christopher A. Twomey	66	Director

Executive Officers and Employee Directors

Terry McNew — Mr. McNew was appointed President and Chief Executive Officer of MasterCraft in 2012. Mr. McNew has over 26 years of experience in the boating industry with executive roles at both Brunswick Corp. and Correct Craft. Mr. McNew served as President and Chief Executive Officer of Correct Craft from 2004 - 2006. He served as Executive Vice President of Brunswick Corp's Recreational Boat Group prior to joining us, where he was in charge of manufacturing, product development, and engineering and quality systems. Prior to these roles, Mr. McNew held senior positions at Sea Ray Boat Group, starting there in 1988 as a laminator and chop gun operator and ultimately leading manufacturing and product development and environmental teams. Mr. McNew received his B.S. in Business Administration and Economics from the University of Central Florida — College of Business Administration in 1986 and is certified as a Six Sigma Black Belt from the University of Tennessee. Mr. McNew brings to the Company more than two decades of extensive knowledge of the boating industry, which we believe qualify him to serve as our President and a member of our board of directors.

Timothy M. Oxley — Mr. Oxley was appointed Chief Financial Officer in 2012 and prior to that, he served as Vice President of Business Performance from 2007 until 2012. He is responsible for the Company's internal controls and policies. Mr. Oxley has actively led MasterCraft's debt refinancing process and also leads the Company's forecasting and budgeting process. Mr. Oxley has 24 years of experience in the boating industry, including eight years with the Company, following 16 years with Brunswick Corp. Prior to joining the Company, Mr. Oxley was the Chief Financial Officer of Brunswick's Freshwater Boat Group from 2004 to 2006, the Chief Financial Officer of Brunswick's Sea Ray Boat Group from 2002 to 2004, and the Chief Financial Officer of Baja Marine Corporation (a division of Brunswick) from 1998 to 2002. Mr. Oxley was also the Director of Budgeting at the Sea Ray Boats Division from 1990 to 1998. Before Brunswick, he was a Senior Auditor at Arthur Andersen LLP. Mr. Oxley received his B.S. in Accounting from the University of Tennessee in 1981 and is a Certified Public Accountant (inactive).

Shane Chittum — Mr. Chittum was appointed Chief Operating Officer in 2011. He has 15 years of cross-functional business experience primarily in the automotive industry. Prior to joining us, he was the Director of

Global Operational Excellence for Visteon Corporation, a tier one automotive supplier, where he was responsible for global implementation of Visteon's operating systems. Prior to that role, he was in charge of Visteon's operations in Monterrey, Mexico, as an expatriate multi-site plant manager. One of the three facilities that Mr. Chittum led was awarded the prestigious Shingo Bronze Medallion for accomplishments in operational excellence. Prior to Visteon, Mr. Chittum held various plant leadership positions in Lear Corporation, was a Senior Financial Auditor at Deloitte and Touche, LLP, and served in the United States Army. He is a graduate of the University of Maryland University College with a bachelor's degree in Accounting and maintains professional certifications that include a Certified Public Accountant (inactive), Certified Lean Manager from the Ohio State University and Shingo Examiner (inactive).

Non-Employee Directors

Frederick A. Brightbill — Mr. Brightbill is a Principal of Brightbill Advisors, a management consulting firm, and has served as a member of our board of directors since 2009. Mr. Brightbill previously served as Principal at Vantage Development and JB Acquisitions. Prior to that he served as President of the Aluminum Boat Group at Brunswick Corporation and in various leadership roles at Mercury Marine, including President of the Outboard Business Unit and Integrated Operations Division. Mr. Brightbill graduated with a B.S. in Finance from the University of Illinois at Urbana-Champaign and received his M.B.A. from the University of Chicago. We believe Mr. Brightbill's experience in the boating industry as well as his leadership and operational skills enable him to play a key role in all matters involving our board of directors and makes him well qualified to serve as a member of our board of directors.

Donald C. Campion — Mr. Campion is expected to join our board of directors upon the completion of this offering. He has served as the Chief Financial Officer of several public and private companies, including VeriFone, Inc., Special Devices, Inc., Cambridge Industries, Inc., Oxford Automotive, Inc. and Delco Electronics Corporation. Mr. Campion is a member of the board of directors of Haynes International, Inc., where he serves as the Chairman of the Audit Committee and as a member of the Risk Committee and the Compensation Committee. Mr. Campion also currently serves on the boards of two private companies and has previously served on the boards of many public and private companies. Mr. Campion graduated from the University of Michigan College of Engineering with a B.S. in applied mathematics in 1970 and an M.B.A. from the University of Michigan School of Business Administration in 1976. We believe Mr. Campion's substantial accounting and tax experience, his leadership positions in diverse manufacturing businesses and his board service experience, including as chair of several audit committees, enable him to play a key role in all matters involving our board of directors and make him well qualified to serve as a member of our board of directors.

Joseph M. Deignan — Mr. Deignan is currently a Partner at Wayzata and has served as a member of our board of directors since 2009. Mr. Deignan joined the predecessor entity to Wayzata in 1997. Prior to joining Wayzata, Mr. Deignan worked at Wessels, Arnold & Henderson in its investment banking group. Mr. Deignan currently serves on the boards of Majestic Holdco, LLC, Neff Corporation, PATS Aircraft Holdings, LLC, Perkins & Marie Callender's Holding, LLC, and Propex Holding, LLC, as well as on the boards of other Wayzata portfolio companies. Mr. Deignan previously served on the boards of Atlantic Express Transportation Corp., Lazy Days' R.V. Center, Inc. and Merisant Company. Mr. Deignan graduated with a B.A. in Economics from St. John's University and holds an M.B.A. from the Carlson School of the University of Minnesota. We believe Mr. Deignan's financial and executive experience enables him to play a key role in all matters involving our board of directors and makes him well qualified to serve as a member of our board of directors.

Patrick J. Halloran — Mr. Halloran is currently a Managing Partner at Wayzata and has served as a member of our board of directors since 2009. Mr. Halloran joined the predecessor entity to Wayzata in 1990. From 1986 to 1989, Mr. Halloran was a member of Dean Witter Reynolds' Corporate Finance Department. Prior thereto, he was a consultant with Arthur Andersen LLP. Mr. Halloran currently serves on the boards of Majestic Holdco, LLC, Perkins & Marie Callender's Holding, LLC, and Stallion Oilfield Holdings, Inc., as well as on the boards of other Wayzata portfolio companies. Mr. Halloran previously served on the boards of Arrow Sheds Holdings, LLC, Aviation Asset Holdings LLC, Brunner Mond Group Limited, Norse Merchant Group Limited, and Telex Communications Inc. Mr. Halloran received his Master's Degree in Accountancy from the University of North Dakota and a B.S. in Business Administration from North Dakota State University. He is a Certified Public Accountant (inactive). We believe Mr. Halloran's financial and executive experience enables him to play a key role in all matters involving our board of directors and makes him well qualified to serve as a member of our board of directors.

Christopher Keenan — Mr. Keenan is currently a Principal at Wayzata and has served as a member of our board of directors since 2009. Prior to joining Wayzata, he was an analyst for the Distressed/High Yield group at Citadel Investment Group. Prior thereto, Mr. Keenan was an Investment Banking Analyst with Banc of America Securities in San Francisco. Mr. Keenan graduated Cum Laude with an A.B. in Economics from Harvard University in 1999. Mr. Keenan currently serves on the boards of Key Plastics Corporation, SuperService Holdings, LLC, Elyria Foundry Holdings LLC, and Arrow Sheds Holdings, LLC, and previously served on the boards of Grede Holdings LLC, Special Devices, Inc., and J.L. French Corporation. We believe Mr. Keenan's financial and executive experience enables him to play a key role in all matters involving our board of directors and makes him well qualified to serve as a member of our board of directors.

Christopher A. Twomey — Mr. Twomey has been a member of our board of directors since 2009. He served as the Chief Executive Officer of Arctic Cat Inc. (a manufacturer of all-terrain vehicles and snowmobiles) from 1986 to 2010. Mr. Twomey was elected to the board of directors of Arctic Cat Inc. in 1987 and served as Chairman from August 2003 until 2012, and again since 2014. Mr. Twomey has also been a member of the board of directors of Toro Company since 1998. He is presently the Chair of the Compensation and Human Resources Committee and a member of the Nominating and Governance Committee of Toro Company. Mr. Twomey graduated from the University of North Dakota with a Bachelor's degree in geology in 1971. We believe Mr. Twomey's vast industry and board experience and leadership skills enable him to play a key role in all matters involving our board of directors and make him well qualified to serve as a member of our board of directors.

Board of Directors

Upon the consummation of this offering, the number of directors will be increased to seven. Directors will be subject to removal only for cause. Further, our amended and restated certificate of incorporation and by-laws will provide for the division of our board of directors into three classes, as nearly equal in number as possible, with the directors in each class serving for a three-year term, and one class being elected each year by our stockholders.   and   will each serve as a Class I director with an initial term expiring in 2016.   and   will each serve as a Class II director with an initial term expiring in 2017.   and   will each serve as a Class III director with an initial term expiring in 2018.

Director Independence

Prior to the consummation of this offering, our board of directors (including for this purpose, each of our directors) undertook a review of the independence of our directors and considered whether any of those

persons has a material relationship with us that could compromise that person's ability to exercise independent judgment in carrying out his or her responsibilities as a director of our company. Our board of directors has determined that Messrs. Brightbill, Twomey and Campion are independent, as defined under the rules of NASDAQ, including the independence requirements contemplated by Rule 10A-3 under the Exchange Act.

Background and Experience of Directors

When considering whether directors have the experience, qualifications, attributes, or skills, taken as a whole, to enable our board of directors to satisfy its oversight responsibilities effectively in light of our business and structure, the board of directors focuses primarily on each person's background and experience as reflected in the information discussed in each of the directors' individual biographies set forth above. We believe that our directors provide an appropriate mix of experience and skills relevant to the size and nature of our business.

Controlled Company Exemption

As a result of the significant ownership of our common shares by Wayzata, more than 50% of the combined voting powers of our common stock will be held by Wayzata. As a result, we will be a "controlled company" within the meaning of the corporate governance standards of NASDAQ. Under these corporate governance standards, a company of which more than 50% of the combined voting power is held by an individual, group, or another company is a "controlled company" and may elect not to comply with certain corporate governance standards, including the requirement that we perform annual performance evaluations of the nominating and corporate governance and compensation committees. Immediately following this offering, we will not be required to have a majority of the board of directors consist of independent directors and our nominating and corporate governance committee and compensation committee will not be composed entirely of independent directors. Accordingly, you will not have the same protections afforded to stockholders of companies that are subject to all of these corporate governance requirements. In the event that we cease to be a "controlled company" and our shares continue to be listed on NASDAQ, we will be required to comply with these provisions within the applicable transition periods.

Committees of Our Board of Directors

Our board of directors directs the management of our business and affairs, as provided by Delaware law, and conducts its business through meetings of the board of directors and standing committees. We will have a standing audit committee and compensation committee. We will create a standing nominating and corporate governance committee prior to the consummation of this offering. In addition, from time to time, special committees may be established under the direction of the board of directors when necessary to address specific issues.

Audit Committee

Our audit committee is responsible for, among other things, engaging our independent public accountants, reviewing with the independent public accountants the plans and results of the audit engagement, approving professional services provided by the independent public accountants, reviewing the independence of the independent public accountants, considering the range of audit and non-audit fees, and reviewing the adequacy of our internal accounting controls.

Upon the closing of this offering, our audit committee will consist of Messrs. , , and , with Mr. serving as chair. Rule 10A 3 of the Exchange Act and NASDAQ rules require that our audit committee have at least one independent member upon the listing of our common stock, have a majority of independent members within 90 days of the date of this prospectus and be composed entirely of independent members within one year of the date of this prospectus. Our board of directors has affirmatively determined that Messrs. and each meet the definition of "independent director" for purposes of serving on the audit committee under Rule 10A 3 and NASDAQ rules, and we intend to comply with the other independence requirements within the time periods specified. In addition, our board of directors has determined that Mr. will qualify as an "audit committee financial expert," as such term is defined in Item 407(d)(5) of Regulation S-K. Our board of directors will adopt a new written charter for the audit committee, which will be available on our principal corporate website at www.mastercraft.com substantially concurrently with the closing of this offering.

Nominating and Corporate Governance Committee

Our nominating and corporate governance committee will be responsible for assisting our board of directors in selecting new directors, evaluating the overall effectiveness of our board of directors and reviewing developments in corporate governance compliance.

Upon the closing of this offering, our nominating and corporate governance committee will consist of Messrs. , , and , with Mr. serving as chair. Our board of directors has affirmatively determined that Messrs. and currently meet the definition of "independent director" for purposes of serving on a nominating and corporate governance committee under NASDAQ rules. Our board of directors will adopt a new written charter for the nominating and corporate governance committee, which will be available on our principal corporate website at www.mastercraft.com substantially concurrently with the closing of this offering.

Compensation Committee

Our compensation committee is responsible for determining compensation for our most highly paid employees and administering our other compensation programs. The compensation committee is also charged with establishing, periodically re-evaluating and, where appropriate, adjusting and administering policies concerning compensation of management personnel.

Upon the closing of this offering, our compensation committee will consist of Messrs. , , and , with Mr. serving as chair. Our board of directors has affirmatively determined that Messrs. and currently meet the definition of "independent director" for purposes of serving on a compensation committee under NASDAQ rules. Our board of directors will adopt a new written charter for the compensation committee, which will be available on our principal corporate website at www.mastercraft.com substantially concurrently with the closing of this offering.

Compensation Committee Interlocks and Insider Participation

None of our executive officers serves as a member of the board of directors or compensation committee (or other committee performing equivalent functions) of any entity that has one or more executive officers serving on our board of directors or compensation committee.

EXECUTIVE COMPENSATION

This section discusses the material components of the executive compensation program for our executive officers who are named in the "2014 Summary Compensation Table" below. In fiscal 2014, our "named executive officers" and their positions were as follows:

- Terry McNew, President and Chief Executive Officer;
- Timothy M. Oxley, Chief Financial Officer; and
- Shane Chittum, Chief Operating Officer.

This discussion may contain forward-looking statements that are based on our current plans, considerations, expectations, and determinations regarding future compensation programs. Actual compensation programs that we adopt following the completion of this offering may differ materially from the currently planned programs summarized in this discussion.

2014 Summary Compensation Table

The following table sets forth information concerning the compensation of our named executive officers for fiscal 2014.

Name and Principal Position	Year	Salary ($)	Non-Equity Incentive Plan Compensation ($)	All Other Compensation ($)	Total ($)
Terry McNew	2014	325,000	552,500	7,583	885,083
President and Chief Executive Officer					
Timothy M. Oxley	2014	210,600	179,010	14,848	404,458
Chief Financial Officer					
Shane Chittum	2014	210,000	178,500	21,282	409,782
Chief Operating Officer					

Narrative to Summary Compensation Table

Employment Agreement with Terry McNew

As of June 30, 2014, we were a party to an employment agreement with Mr. McNew, dated as of July 26, 2012. Under his employment agreement, Mr. McNew will serve as President and Chief Executive Officer of the Company until his employment is terminated by the Company or him pursuant to the terms of his employment agreement.

Base Salary and Cash Bonuses

Pursuant to his employment agreement, Mr. McNew is entitled to an initial annual base salary of $325,000 and is eligible for an annual performance-based bonus, with a target bonus opportunity of 100% of his base salary, based on performance targets established by our board of directors in consultation with Mr. McNew. The actual annual performance-based bonus paid to Mr. McNew under the annual short term incentive plan for performance in fiscal 2014 (the "2014 STIP") is set forth above in the Summary Compensation Table in the column entitled "Non-Equity Incentive Plan Compensation." The employment agreement for Mr. McNew previously provided for eligibility to receive a cash bonus upon a sale of the Company based on the value of the Company. However, eligibility to receive such cash bonus was terminated as of February 6, 2015 in connection with the termination of the MCBC Holdings, Inc. Management Incentive Plan. For additional

information about the Management Incentive Plan, please see the section titled "Long-Term Cash Incentive Compensation" below.

Severance

The employment agreement for Mr. McNew provides for severance upon a termination of Mr. McNew's employment by us without cause. Upon a termination by us without cause, Mr. McNew is entitled to severance consisting of (a) continued base salary for the 12-month period following termination, payable in accordance with the Company's normal payroll practices, and (b) continued coverage for Mr. McNew and his eligible dependents under the Company's group health plans (or comparable plans) for up to 12 months following termination, subject to contribution from Mr. McNew at the same rate as if he remained employed by the Company. Such payment of continued base salary is subject to reduction for any compensation Mr. McNew receives from other sources during such 12-month period. As a condition to receive severance pursuant to his employment agreement, Mr. McNew is obligated to execute and not revoke a release of claims for our benefit.

For the purposes of Mr. McNew's employment agreement, "cause" is defined generally as (i) the material failure to substantially perform the duties set forth in his employment agreement (other than any such failure resulting from his disability), (ii) the material failure to carry out, or comply with, in any material respect any lawful directive of our board of directors, (iii) the commission at any time of any act or omission that results in, or may reasonably be expected to result in, a conviction, plea of no contest, plea of nolo contendere, or imposition of unadjudicated probation for any felony or crime involving moral turpitude, (iv) the unlawful use (including being under the influence) or possession of illegal drugs on the Company's premises or while performing his duties and responsibilities under his employment agreement, (v) the commission at any time of any act of fraud, embezzlement, misappropriation, misconduct, conversion of assets of the Company, or breach of fiduciary duty against the Company (or any predecessor thereto or successor thereof), or (vi) the material breach of his employment agreement or other agreements with the Company (including, without limitation, any breach of the restrictive covenants of any such agreement); and which, in the case of clauses (i), (ii), and (vi), continues beyond fifteen (15) days after the Company has provided Mr. McNew written notice of such failure or breach.

Restrictive Covenants

Pursuant to Mr. McNew's employment agreement, Mr. McNew will be subject to non-competition and non-solicitation restrictions for the term of the agreement and for an 18-month period after termination of employment.

Employment Agreement with Timothy M. Oxley

As of June 30, 2014, we were a party to an employment agreement with Mr. Oxley, dated as of October 3, 2007, as amended December 16, 2008. Under his employment agreement, Mr. Oxley will remain employed by the Company until his employment is terminated by the Company or him pursuant to the terms of his employment agreement.

Base Salary, Cash Bonuses, and Additional Benefits

Pursuant to his employment agreement, Mr. Oxley is entitled to an annual base salary and is eligible for an annual performance-based bonus. During fiscal 2014, Mr. Oxley received a base salary of $210,600, which was intended to provide a fixed component of compensation reflecting his skill set, experience, role, and responsibilities. The amount of Mr. Oxley's annual performance-based bonus is based on the attainment of

performance objectives established each year by the Company and approved by our board of directors. The actual amount paid to Mr. Oxley under the 2014 STIP is set forth above in the Summary Compensation Table in the column entitled "Non-Equity Incentive Plan Compensation." In addition, pursuant to his employment agreement, Mr. Oxley is entitled to either a company owned or leased automobile or a car allowance, in either case in accordance with the Company's automobile policy.

Severance

The employment agreement for Mr. Oxley provides for severance upon a termination of Mr. Oxley's employment (a) by us other than for cause or (b) by Mr. Oxley upon a breach by the Company of a material provision of his employment agreement, subject to certain conditions set forth in his employment agreement. Upon termination of Mr. Oxley's employment due to death or disability, Mr. Oxley (or his legal representative) is entitled to receive the greater of (i) continued payment of 60% of his then-current base salary paid in installments through the first anniversary of such termination or (ii) the amount provided by insurance, if any. Upon termination of Mr. Oxley's employment by the Company without cause or a resignation by Mr. Oxley due to the Company's material breach of the employment agreement, Mr. Oxley is entitled to severance consisting of (i) payments equal to 150% of base salary for the 12-month period following termination, payable in accordance with the Company's normal payroll practices, and (ii) continued benefits, including his automobile allowance, for up to 12 months following termination. Such payment of 150% of base salary is subject to reduction for any compensation Mr. Oxley receives from other sources during such 12-month period and Mr. Oxley has a duty to mitigate the severance payable to him subject to certain limitations set forth in his employment agreement. As a condition to receive severance pursuant to his employment agreement, Mr. Oxley is obligated to execute and not revoke a release of claims for our benefit.

For the purposes of Mr. Oxley's employment agreement, "cause" is defined generally as (i) gross neglect of the duties set forth in his employment agreement, (ii) conviction of any felony, (iii) conviction of any lesser crime or offense involving the property of the Company or any of its subsidiaries or affiliates, (iv) willful misconduct in connection with the performance of any material portion of the duties set forth in his employment agreement, (v) breach of any material provision of his employment agreement or the Company's Code of Conduct, or (vi) any other conduct which would make Mr. Oxley's continued employment by the Company materially prejudicial to the best interests of the Company; and which, in the case of clause (i), continues beyond sixty (60) days after the Company has provided Mr. Oxley written notice of such gross neglect.

Restrictive Covenants

Pursuant to Mr. Oxley's employment agreement, Mr. Oxley will be subject to a non-competition restriction for the term of the agreement and for a 24-month period after termination of employment and a non-solicitation restriction for the term of the agreement and for a 12-month period after termination of employment.

Employment Arrangement with Mr. Chittum

During fiscal 2014, the employment of Mr. Chittum was not subject to the terms and conditions of an employment agreement. Nonetheless, during fiscal 2014, Mr. Chittum received a base salary, which was intended to provide a fixed component of compensation reflecting his skill set, experience, role, and responsibilities, and, together with Messrs. McNew and Oxley, was eligible to earn an annual performance-based cash bonus from the Company under the 2014 STIP.

The actual base salary and annual cash bonus awarded to Mr. Chittum for fiscal 2014 are set forth above in the Summary Compensation Table in the columns entitled "Salary" and "Non-Equity Incentive Plan Compensation."

New Employment Agreements

In connection with this offering, the Company intends to enter into new employment agreements with each of the named executive officers. For a description of the terms and conditions of such employment agreements, please see the section entitled "New Incentive Plans and Arrangements—New Employment Agreements for Messrs. McNew, Oxley and Chittum" below.

Short-Term Cash Incentive Compensation

In fiscal 2014, each of our named executive officers was eligible to earn an annual performance-based cash bonus from the Company under the 2014 STIP. This 2014 bonus for each of our named executive officers consisted of three components: 35% was based upon the achievement of Company Adjusted EBITDA, 35% was based upon the achievement of Company cash flow targets and 30% was based upon the achievement of individual performance goals. In fiscal 2014, Mr. McNew was eligible to receive a target bonus in the amount of 100% of his base salary, Mr. Oxley was eligible to receive a target bonus in the amount of 50% of his base salary, and Mr. Chittum was eligible to receive a target bonus in the amount of 50% of his base salary. In fiscal 2014, each of our named executive officers achieved 100% of his respective individual performance goals, our Company Adjusted EBITDA was 150% of the target amount and our cash flow was 224% of the target amount, resulting in a payment of 170% of target bonus to each of Messrs. McNew, Oxley, and Chittum. The actual amount of the annual performance-based bonus paid to each such named executive officer under the 2014 STIP is set forth above in the Summary Compensation Table in the column entitled "Non-Equity Incentive Plan Compensation."

Long-Term Cash Incentive Compensation

On April 25, 2013, we adopted the MCBC Holdings, Inc. Management Incentive Plan, or the MIP, to provide long-term compensation incentives for certain qualified executives, including our named executive officers. Pursuant to the MIP, certain employees and directors were eligible to receive cash bonuses upon a sale of the Company based on the value of the Company. We terminated the MIP on February 6, 2015 and no named executive officers currently hold any rights thereunder.

Equity Incentive Compensation

On February 12, 2010, we adopted the MCBC Holdings, Inc. 2010 Equity Incentive Plan, or the 2010 Equity Plan, pursuant to which certain of our employees were granted stock options, which vested in four equal annual installments subject to the applicable optionee's continued service. None of our named executive officers were granted any equity awards under the 2010 Equity Plan in fiscal 2014. After the consummation of this offering, we do not intend to grant any additional awards under the 2010 Equity Plan.

In connection with this offering, we have adopted the MCBC Holdings, Inc. 2015 Incentive Award Plan in order to facilitate the grant of cash and equity incentives to non-employee directors, employees (including our named executive officers), and consultants of the Company and certain of its affiliates and to enable the Company and certain of its affiliates to obtain and retain the services of these individuals, which is essential to our long-term success. For additional information about the 2015 Incentive Award Plan, please see the section titled "New Incentive Plans" below.

Retirement Plan

We currently maintain a 401(k) retirement savings plan for our employees, including our named executive officers, who satisfy certain eligibility requirements. Our named executive officers are generally eligible to participate in the 401(k) plan on the same terms as other full-time employees. The Internal Revenue Code, or the Code, allows eligible employees to defer a portion of their compensation, within prescribed limits, on a pre-tax basis through contributions to the 401(k) plan. Currently, we match contributions made by participants in the 401(k) plan up to a specified percentage of the employee contributions, and these matching contributions are fully vested as of the date on which the contribution is made. We believe that providing a vehicle for tax-deferred retirement savings though our 401(k) plan, and making fully vested matching contributions, adds to the overall desirability of our executive compensation package and further incentivizes our employees, including our named executive officers, in accordance with our compensation policies.

Employee Benefits

Health/Welfare Plans. All of our full-time employees, including our named executive officers, are eligible to participate in our health and welfare plans, including:

- medical, dental, and vision benefits;
- medical and dependent care flexible spending accounts;
- short-term and long-term disability insurance; and
- life insurance.

We believe the benefits described above are necessary and appropriate to provide a competitive compensation package to our named executive officers.

No Tax Gross-Ups

We do not make gross-up payments to cover our named executive officers' personal income taxes that may pertain to any of the compensation or perquisites paid or provided by the Company.

Outstanding Equity Awards at Fiscal Year-End

As of June 30, 2014, our named executive officers did not hold any outstanding equity awards under the 2010 Equity Plan or any other equity incentive plan. On May 29, 2015, we granted Messrs. McNew, Oxley, and Chittum 48,570, 10,793, and 16,190 shares of restricted stock under the 2015 Incentive Award Plan, respectively. Such shares will generally vest on the earlier of (i) the date of a change in control and (ii) the later of (a) January 1, 2016 and (b) the 181st day following the date upon which our common stock is listed (or approved for listing) on any securities exchange or designated (or approved for designation) as a national market security on an interdealer quotation system.

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Director Compensation

The following table sets forth information concerning the compensation of our non-employee directors for fiscal 2014.

Name	Fees Earned or Paid in Cash ($) (1)	Total ($)
Christopher Keenan	—	—
Patrick J. Halloran	—	—
Joseph M. Deignan	—	—
Frederick A. Brightbill	50,000	50,000
Christopher A. Twomey	50,000	50,000

(1) Amount reflects the annual retainer fee earned in connection with services on our board in fiscal 2014.

On March 11, 2015, we established a special committee comprised of Messrs. Keenan, Twomey, and Brightbill to advise and assist the Board with respect to the financial and strategic alternatives available to the Company. In consideration of his service as an independent director on the special committee, each of Messrs. Brightbill and Twomey were paid a committee retainer fee equal to $160,000.

In connection with this offering, we intend to approve and implement a compensation program for our non-employee directors that consists of annual retainer fees and/or long-term equity awards.

New Incentive Plans and Arrangements

2015 Transaction Bonuses

In connection with our refinancing transaction, on March 11, 2015, certain key employees, including our named executive officers, became eligible for cash transaction bonuses in consideration of their efforts in pursuing and consummating such transaction, subject to the execution of a release of claims for our benefit. Such transaction bonuses were paid on April 7, 2015. The transaction bonuses awarded to Messrs. McNew, Oxley, and Chittum were equal to $4,131,319, $459,035, and $688,553, respectively.

2015 Incentive Award Plan

We have adopted the MCBC Holdings, Inc. 2015 Incentive Award Plan, or the Plan, under which we may grant cash and equity incentive awards to eligible service providers in order to attract, motivate, and retain the talent for which we compete. The material terms of the Plan are summarized below.

Eligibility and Administration. Our employees, consultants, and non-employee directors, and employees, consultants, and non-employee directors of our affiliates are eligible to receive awards under the Plan. The Plan is administered by our board of directors with respect to awards to non-employee directors and by our compensation committee with respect to other participants, each of which may delegate its duties and responsibilities to committees of our directors and/or officers (referred to collectively as the plan administrator below), subject to certain limitations that may be imposed under Section 162(m) of the Code, Section 16 of the Exchange Act, and/or stock exchange rules, as applicable. The plan administrator has the authority to make all determinations and interpretations under, prescribe all forms for use with, and adopt rules for the administration of, the Plan, subject to its express terms and conditions. The plan administrator sets the terms and conditions of all awards under the Plan, including any vesting and vesting acceleration conditions.

Limitation on Awards and Shares Available. An aggregate of 136,364 shares of our common stock are available for issuance under awards granted pursuant to the Plan, which shares may be authorized but unissued shares, or shares purchased in the open market. If an award under the Plan is forfeited, expires, or is settled for cash, any shares subject to such award may, to the extent of such forfeiture, expiration, or cash settlement, be used again for new grants under the Plan. However, the following shares may not be used again for grants under the Plan: (1) shares tendered or withheld to satisfy grant or exercise price or tax withholding obligations associated with an award; (2) shares subject to a stock appreciation right, or SAR, that are not issued in connection with the stock settlement of the SAR on its exercise; and (3) shares purchased on the open market with the cash proceeds from the exercise of options.

Awards granted under the Plan upon the assumption of, or in substitution for, awards authorized or outstanding under a qualifying equity plan maintained by an entity with which we enter into a merger or similar corporate transaction will not reduce the shares available for grant under the Plan. The maximum number of shares of our common stock that may be subject to one or more awards granted to any person pursuant to the Plan during any calendar year is 30,000 and the maximum amount that may be paid in cash under an award pursuant to the Plan to any one participant during any calendar year period is $3,000,000. Further, the maximum aggregate grant date fair value of awards granted to any non-employee director during any calendar year is $500,000.

Awards. The Plan provides for the grant of stock options, including incentive stock options, or ISOs, and nonqualified stock options, or NSOs, restricted stock, dividend equivalents, stock payments, restricted stock units, or RSUs, deferred stock, deferred stock units, performance awards, SARs, and cash awards. Other than the restricted stock awards granted to Messrs. McNew, Oxley, and Chittum on May 29, 2015, no determination has been made as to the types or amounts of awards that will be granted to specific individuals pursuant to the Plan. Certain awards under the Plan may constitute or provide for a deferral of compensation, subject to Section 409A of the Code, which may impose additional requirements on the terms and conditions of such awards. All awards under the Plan will be set forth in award agreements, which will detail all terms and conditions of the awards, including any applicable vesting and payment terms and post-termination exercise limitations. Awards other than cash awards generally will be settled in shares of our common stock, but the plan administrator may provide for cash settlement of any award. A brief description of each award type follows.

- *Stock Options.* Stock options provide for the right to purchase shares of our common stock in the future at an exercise price set on the grant date. ISOs, by contrast to NSOs, may provide tax deferral beyond exercise and favorable capital gains tax treatment to their holders if certain holding period and other requirements of the Code are satisfied. The exercise price of a stock option may not be less than 100% of the fair market value of the underlying share on the date of grant (or 110% in the case of ISOs granted to certain significant stockholders), except with respect to certain substitute options granted in connection with a corporate transaction. The term of a stock option may not be longer than ten years (or five years in the case of ISOs granted to certain significant stockholders). Vesting conditions determined by the plan administrator may apply to stock options and may include continued service, performance and/or other conditions.

- *SARs.* SARs entitle their holder, upon exercise, to receive from us an amount equal to the appreciation of the shares subject to the award between the grant date and the exercise date. The exercise price of a SAR may not be less than 100% of the fair market value of the underlying share on the date of grant (except with respect to certain substitute SARs granted in connection with a corporate transaction) and the term of a SAR may not be longer than ten years. Vesting conditions determined by the plan

administrator may apply to SARs and may include continued service, performance and/or other conditions.

- *Restricted Stock and RSUs.* Restricted stock is an award of nontransferable shares of our common stock that remain forfeitable unless and until specified conditions are met, and which may be subject to a purchase price. RSUs are contractual promises to deliver shares of our common stock in the future, which may also remain forfeitable unless and until specified conditions are met. Delivery of the shares underlying RSUs may be deferred under the terms of the award or at the election of the participant, if the plan administrator permits such a deferral. Conditions applicable to restricted stock and RSUs may be based on continuing service, the attainment of performance goals and/or such other conditions as the plan administrator may determine.

- *Stock Payments, Other Incentive Awards, and Cash Awards.* Stock payments are awards of fully vested shares of our common stock that may, but need not, be made in lieu of base salary, bonus, fees, or other cash compensation otherwise payable to any individual who is eligible to receive awards. Other incentive awards are awards other than those enumerated in this summary that are denominated in, linked to, or derived from shares of our common stock or value metrics related to our shares, and may remain forfeitable unless and until specified conditions are met. Cash awards are cash incentive bonuses subject to performance goals.

- *Dividend Equivalents.* Dividend equivalents represent the right to receive the equivalent value of dividends paid on shares of our common stock and may be granted alone or in tandem with awards other than stock options or SARs. Dividend equivalents are credited as of dividend record dates during the period between the date an award is granted and the date such award vests, is exercised, is distributed, or expires, as determined by the plan administrator. Dividend equivalents may not be paid on awards granted under the Plan subject to performance-based vesting unless and until such performance-based vesting conditions have been satisfied and such awards have vested.

- *Deferred Stock Awards.* Deferred stock awards represent the right to receive shares of our common stock on a future date. The Plan provides that deferred stock may not be sold or otherwise hypothecated or transferred until issued. Deferred stock will not be issued until the deferred stock award has vested, and recipients of deferred stock generally will have no voting or dividend rights prior to the time when the vesting conditions are satisfied and the shares are issued. Deferred stock awards generally will be forfeited, and the underlying shares of deferred stock will not be issued, if the applicable vesting conditions and other restrictions are not met.

- *Deferred Stock Units.* Deferred stock units will be awarded to any eligible individual selected by the administrator, typically without payment of consideration, but may be subject to vesting conditions based on continued employment or service or on performance criteria established by the administrator. Each deferred stock unit shall entitle the holder thereof to receive one share of common stock on the date the deferred stock unit becomes vested or upon a specified settlement date thereafter. The Plan provides that, like deferred stock, deferred stock units may not be sold, or otherwise transferred or hypothecated, until vesting conditions are removed or expire and the shares of stock underlying the deferred stock units are issued. Unlike deferred stock, deferred stock units may provide that shares of stock underlying the deferred stock units will not be issued until a specified date or event following the vesting date. Recipients of deferred stock units generally will have no voting or dividend rights prior to the time when vesting conditions are satisfied and the shares underlying the award have been issued to the holder.

- *Performance Awards.* Performance awards will be granted by the administrator in its discretion to eligible participants. Generally, these awards will be based upon specific performance targets and will be paid in cash or in common stock or in a combination of both. Performance awards may include "phantom" stock awards that provide for payments based upon the value of our common stock and bonuses that may be granted by the administrator on an individual or group basis and which may be payable in cash or in common stock or in a combination of both.

Section 162(m) of the Code imposes a $1,000,000 cap on the compensation deduction that a public company may take in respect of compensation paid to our "covered employees" (which should include our Chief Executive Officer and our next three most highly compensated employees other than our Chief Financial Officer), but excludes from the calculation of amounts subject to this limitation any amounts that constitute "qualified performance based compensation," or QPBC. Under current tax law, we do not expect Section 162(m) of the Code to apply to certain awards under the Plan until the earliest to occur of (1) our annual stockholders' meeting at which members of our board of directors are to be elected that occurs after the close of the third calendar year following the calendar year in which occurred the first registration of our equity securities under Section 12 of the Exchange Act; (2) a material modification of the Plan; (3) an exhaustion of the share supply under the Plan; or (4) the expiration of the Plan. However, QPBC performance criteria may be used with respect to performance awards that are not intended to constitute QPBC. In addition, the Company may issue awards that are not intended to constitute QPBC even if such awards might be non-deductible as a result of Section 162(m) of the Code.

In order to constitute QPBC under Section 162(m) of the Code, in addition to certain other requirements, the relevant amounts must be payable only upon the attainment of pre-established, objective performance goals set by our compensation committee and linked to stockholder-approved performance criteria. For purposes of the Plan, one or more of the following performance criteria will be used in setting performance goals applicable to QPBC, and may be used in setting performance goals applicable to other performance awards: (1) net earnings or losses (either before or after one or more of the following: (a) interest, (b) taxes, (c) depreciation, (d) amortization, (e) non-cash equity-based compensation expense, and (f) other non-cash, one-time or non-recurring items); (2) gross or net sales or revenue; (3) revenue growth or product revenue growth; (4) net income (either before or after taxes); (5) adjusted net income; (6) operating earnings or profit (either before or after taxes); (7) cash flow (including, but not limited to, operating cash flow and free cash flow); (8) return on assets or net assets; (9) return on capital (or invested capital) and cost of capital; (10) return on stockholders' equity; (11) total stockholder return; (12) return on sales; (13) gross or net profit or operating margin; (14) costs, reductions in costs, and cost control measures; (15) funds from operations or funds available for distributions; (16) expenses; (17) working capital; (18) earnings or loss per share; (19) adjusted earnings per share; (20) price per share of and dividends with respect to Common Stock or appreciation in and/or maintenance of such price or dividends; (21) economic value added models or similar metrics; (22) regulatory achievements or compliance (including, without limitation, regulatory body approval for commercialization of a product); (23) implementation or completion of critical projects or processes; (24) sales, unit volume, or market share; (25) dealer inventory levels or turns; (26) licensing revenue; (27) brand recognition/acceptance; (28) inventory turns or cycle time and supply chain achievements (including, without limitation, establishing relationships with manufacturers or suppliers of component materials and manufacturers of the Company's products); (29) strategic initiatives (including, without limitation, with respect to market penetration and spending efficiency, geographic business expansion, manufacturing, commercialization, production and productivity, customer satisfaction and growth, employee satisfaction, recruitment and maintenance of personnel, human resources management, supervision of litigation and other legal matters, information technology, strategic partnerships and transactions (including acquisitions, dispositions, joint ventures, and in-licensing and out-licensing of intellectual property), establishment of or

growth in relationships with dealers or other commercial entities with respect to the marketing, distribution and sale of Company products, factoring transactions, research and development and related activity, financial or other capital raising transactions, operating efficiency, and asset quality); (30) financial ratios (including, without limitation, those measuring liquidity, activity, profitability, or leverage); (31) debt levels or reduction; (32) sales-related goals; (33) comparisons with other stock market indices; (34) quality control or quality performance; and (35) rate of new product introduction, any of which may be measured either in absolute terms or as compared to any incremental increase or decrease or as compared to results of a peer group or to market performance indicators or indices. The Plan also permits the plan administrator to provide for objectively determinable adjustments to the applicable performance criteria in setting performance goals for QPBC awards.

Certain Transactions. The plan administrator has broad discretion to take action under the Plan, as well as make adjustments to the terms and conditions of existing and future awards, to prevent the dilution or enlargement of intended benefits and facilitate necessary or desirable changes in the event of certain transactions and events affecting our common stock, such as stock dividends, stock splits, mergers, acquisitions, consolidations, and other corporate transactions. In addition, in the event of certain non-reciprocal transactions with our stockholders known as "equity restructurings," the plan administrator will make equitable adjustments to the Plan and outstanding awards. In the event of a change in control of the Company (as defined in the Plan), to the extent that the surviving entity declines to continue, convert, assume, or replace outstanding awards, then the administrator may cause any or all of such awards to become fully vested and exercisable in connection with the transaction. Upon or in anticipation of a change in control, the plan administrator may cause any outstanding awards to terminate at a specified time in the future and give the participant the right to exercise such awards during a period of time determined by the plan administrator in its sole discretion. Individual award agreements may provide for additional accelerated vesting and payment provisions.

Foreign Participants, Claw-Back Provisions, Transferability, and Participant Payments. The plan administrator may modify award terms, establish sub plans and/or adjust other terms and conditions of awards, subject to the share limits described above, in order to facilitate grants of awards subject to the laws and/or stock exchange rules of countries outside of the United States. All awards will be subject to the provisions of any claw-back policy implemented by the Company to the extent set forth in such claw-back policy and/or in the applicable award agreement. With limited exceptions for estate planning, domestic relations orders, certain beneficiary designations, and the laws of descent and distribution, awards under the Plan are generally non-transferable prior to vesting, and are exercisable only by the participant. With regard to tax withholding, exercise price, and purchase price obligations arising in connection with awards under the Plan, the plan administrator may, in its discretion, accept cash or check, shares of our common stock that meet specified conditions, a "market sell order," or such other consideration as it deems suitable.

Plan Amendment and Termination. Our board of directors may amend or terminate the Plan at any time; however, except in connection with certain changes in our capital structure, stockholder approval will be required for any amendment that increases the number of shares available under the Plan, "reprices" any stock option or SAR, or cancels any stock option or SAR in exchange for cash or another award when the option or SAR price per share exceeds the fair market value of the underlying shares. No award may be granted pursuant to the Plan after the tenth anniversary of the date on which our board of directors adopts the Plan.

2015 Senior Executive Bonus Plan

We intend to adopt the MCBC Holdings, Inc. 2015 Senior Executive Incentive Bonus Plan, or the Executive Bonus Plan, to be effective prior to this offering. The Executive Bonus Plan is intended to provide an incentive for superior work and to motivate covered key executives, including our named executive officers, toward even greater achievement and business results, to tie their goals and interests to those of the Company and our stockholders and to enable us to attract and retain highly qualified executives. The principal features of the Executive Bonus Plan, as it is currently contemplated, are summarized below.

The Executive Bonus Plan will be an incentive bonus plan under which certain key executives, including our named executive officers, will be eligible to receive bonus payments. Bonuses will generally be payable under the Executive Bonus Plan upon the attainment of pre-established performance goals. Notwithstanding the foregoing, we may pay bonuses (including, without limitation, discretionary bonuses) to participants under the Executive Bonus Plan based upon such other terms and conditions as our compensation committee may in its sole discretion determine. The payment of a bonus under the Executive Bonus Plan to a participant with respect to a performance period will generally be conditioned on such participant's continued employment on the last day of such performance period, provided that our compensation committee may make exceptions to this requirement in its sole discretion.

The performance goals under the Executive Bonus Plan will relate to one or more financial, operational or other metrics with respect to individual or company performance with respect to us or any of our affiliates, including but not limited to the following possible performance goals: (1) net earnings or losses (either before or after one or more of the following: (a) interest, (b) taxes, (c) depreciation, (d) amortization, (e) non-cash equity-based compensation expense, and (f) other non-cash, one-time or non-recurring items); (2) gross or net sales or revenue; (3) revenue growth or product revenue growth; (4) net income (either before or after taxes); (5) adjusted net income; (6) operating earnings or profit (either before or after taxes); (7) cash flow (including, but not limited to, operating cash flow and free cash flow); (8) return on assets or net assets; (9) return on capital (or invested capital) and cost of capital; (10) return on stockholders' equity; (11) total stockholder return; (12) return on sales; (13) gross or net profit or operating margin; (14) costs, reductions in costs, and cost control measures; (15) funds from operations or funds available for distributions; (16) expenses; (17) working capital; (18) earnings or loss per share; (19) adjusted earnings per share; (20) price per share of and dividends with respect to Common Stock or appreciation in and/or maintenance of such price or dividends; (21) economic value added models or similar metrics; (22) regulatory achievements or compliance (including, without limitation, regulatory body approval for commercialization of a product); (23) implementation or completion of critical projects or processes; (24) sales, unit volume or market share; (25) dealer inventory levels or turns; (26) licensing revenue; (27) brand recognition/acceptance; (28) inventory turns or cycle time and supply chain achievements (including, without limitation, establishing relationships with manufacturers or suppliers of component materials and manufacturers of the Company's products); (29) strategic initiatives (including, without limitation, with respect to market penetration and spending efficiency, geographic business expansion, manufacturing, commercialization, production and productivity, customer satisfaction and growth, employee satisfaction, recruitment and maintenance of personnel, human resources management, supervision of litigation and other legal matters, information technology, strategic partnerships and transactions (including acquisitions, dispositions, joint ventures, and in-licensing and out-licensing of intellectual property), establishment of, or growth in relationships with dealers or other commercial entities with respect to the marketing, distribution, and sale of Company products, factoring transactions, research and development and related activity, financial or other capital raising transactions, operating efficiency, and asset quality); (30) financial ratios (including, without limitation, those measuring liquidity, activity, profitability, or leverage); (31) debt levels or reduction; (32) sales-related goals;

(33) comparisons with other stock market indices; (34) quality control or quality performance; and (35) rate of new product introduction, any of which may be measured either in absolute terms or as compared to any incremental increase or decrease or as compared to results of a peer group or to market performance indicators or indices. The Plan also permits the plan administrator to provide for objectively determinable adjustments to the applicable performance criteria in setting performance goals for Executive Bonus Plan awards.

The Executive Bonus Plan will be administered by our compensation committee. Our compensation committee will select the participants in the Executive Bonus Plan and any performance goals to be utilized with respect to the participants, establish the bonus formulas for each participant's annual bonus, and certify whether any applicable performance goals have been met with respect to a given performance period. The Executive Bonus Plan will provide that our Board may amend or terminate the Executive Bonus Plan at any time in its sole discretion. Any amendments to the Executive Bonus Plan will require stockholder approval only to the extent required by applicable law, rule, or regulation. The Executive Bonus Plan will expire on the earliest of:

- the first material modification of the Executive Bonus Plan;
- the first stockholders meeting at which members of our board of directors are elected during 2019; or
- such other date, if any, on which the "reliance period" described under Treasury Regulation 1.162-27(f)(2) expires pursuant to the terms of Section 162(m) of the Code.

New Employment Agreements for Messrs. McNew, Oxley and Chittum

In connection with this offering, we intend to enter into new employment agreements with Messrs. McNew, Oxley and Chittum. The material terms of such agreements are summarized below.

Employment Term and Position

The term of employment of each of Messrs. McNew, Oxley and Chittum will be three years from the effective date of the employment agreement, subject to automatic one-year extensions provided that neither party provides written notice of non-extension at least 90 days prior to the expiration of the then-current term. During their respective terms of employment, Mr. McNew will serve as President and Chief Executive Officer of the Company, Mr. Oxley will serve as Vice President, Chief Financial Officer, Treasurer and Secretary of the Company, and Mr. Chittum will serve as Chief Operating Officer of the Company. Further, Mr. McNew will be appointed to our board of directors and will be proposed for re-election during his term of employment.

Base Salary, Annual Bonus and Equity Compensation

Pursuant to their new employment agreements, Messrs. McNew, Oxley and Chittum will be entitled to initial base salaries of $, $ and $, respectively.

In addition, Messrs. McNew, Oxley and Chittum will be eligible to receive annual performance-based cash bonuses upon the attainment of performance goals established by our board of directors or the compensation committee and, for purposes of Mr. McNew's annual bonus, after consultation with Mr. McNew. The target amount of the annual performance-based cash bonus that may be received by Messrs. McNew, Oxley and Chittum for any fiscal year will be % of base salary, % of base salary and % of base salary, respectively.

Severance

Each employment agreement will provide for severance upon a termination by us without cause, subject to the execution and non-revocation of a waiver and release of claims by Mr. McNew, Oxley or Chittum, as applicable.

Upon a termination of employment by us without cause, Mr. McNew, Oxley or Chittum, as applicable, will be entitled to severance consisting of (a) continued base salary through the 12-month anniversary of the termination of employment, and (b) reimbursement of the COBRA premiums (subject to cost sharing at the same level as when employed) for up to 12 months following termination of employment. Payment of continued base salary will be subject to reduction for any compensation earned by Mr. McNew, Oxley or Chittum, as applicable, during the 12-month period following termination of employment.

For purposes of the new employment agreements, the Company, will have "cause" to terminate Mr. McNew, Oxley or Chittum's employment upon the applicable named executive officer's (i) material failure to substantially perform the duties set forth in his employment agreement (other than any such failure resulting from disability); (ii) material failure to carry out, or comply with, in any material respect, any lawful directive of our board of directors; (iii) commission at any time of any act or omission that results in, or may reasonably be expected to result in a conviction, plea of no contest, plea of nolo contendere, or imposition of unadjudicated probation for any felony or crime involving moral turpitude; (iv) unlawful use (including being under the influence) or possession of illegal drugs on our premises or while performing his duties and responsibilities under his employment agreement; (v) commission at any time of any act of fraud, embezzlement, misappropriation, misconduct, conversion of our assets, or breach of fiduciary duty against us (or any predecessor thereto or successor thereof); or (vi) material breach of his employment agreement or other agreements with us (including, without limitation, any breach of the restrictive covenants of any such agreement).

Restrictive Covenants

Pursuant to their respective employment agreements, Messrs. McNew, Oxley and Chittum will be subject to certain non-competition and non-solicitation restrictions for an 18-month period after termination of employment.

PRINCIPAL STOCKHOLDERS

The following table sets forth information about the beneficial ownership of our common stock immediately prior to and after the consummation of this offering, for:

- each person or group known to us who beneficially owns more than 5% of our common stock immediately prior to this offering;
- each of our directors;
- each of our named executive officers; and
- all of our directors and executive officers as a group.

The number of shares of our common stock outstanding and the percentage of beneficial ownership before this offering set forth below is based on 1,000,000 shares of our common stock outstanding as of June 15, 2015. The number of shares of our common stock and the percentage of beneficial ownership after this offering set forth below is based on shares of our common stock to be issued and outstanding immediately after this offering. Beneficial ownership in the table below includes the total shares held by the individual and his or her affiliates. Beneficial ownership is determined in accordance with the rules of the SEC. In computing the number of shares beneficially owned by an individual or entity and the percentage ownership of that person, shares of common stock subject to options held by such person that are currently exercisable or will become exercisable within 60 days of March 29, 2015 are considered outstanding, although these shares are not considered outstanding for purposes of computing the percentage ownership of any other person.

Unless otherwise noted below, the address for each beneficial owner listed on the table is 100 Cherokee Cove Drive, Vonore, Tennessee 37885. We have determined beneficial ownership in accordance with the rules of the SEC. Except as indicated by the footnotes below, we believe, based on the information furnished to us, that the persons and entities named in the tables below have sole voting and investment power with respect to all common stock that they beneficially own, subject to applicable community property laws.

Name and Address of Beneficial Owner	Shares of Common Stock Beneficially Owned Prior to this Offering		Shares of Common Stock Beneficially Owned After this Offering Assuming the Underwriters' Option is Not Exercised		Shares of Common Stock Beneficially Owned After This Offering Assuming the Underwriters' Option is Exercised in Full	
	Number	%[1]	Number	%[1]	Number	%[1]
Wayzata[2]	954,113	95.41				
MCBC Acquisition LLC[3]	100,000	9.0				
Terry McNew[4]	48,570	4.86				
Timothy M. Oxley[4][5]	10,793	1.08				
Shane Chittum[4]	16,190	1.62				
Christopher Keenan	—	—				
Patrick J. Halloran[2]	954,113	95.41				
Joseph M. Deignan	—	—				
Frederick A. Brightbill	—	—				
Christopher A. Twomey	—	—				
Donald C. Campion	—	—				
All executive officers and directors as a group (nine individuals)	—	—				

* Represents beneficial ownership of less than 1%.

(1) Each share of common stock entitles the registered holder thereof to one vote on all matters presented to stockholders for a vote generally, including the election of directors.

(2) Wayzata represents the aggregate shareholdings of Wayzata Opportunities Fund II, L.P., Wayzata Opportunities Fund Offshore II, L.P., and Wayzata Recovery Fund, LLC (collectively, the "Wayzata Funds"). Wayzata Investment Partners serves as investment adviser to the Wayzata Funds and has the power to direct the voting and disposition of their holdings of our common stock. Patrick J. Halloran serves as the manager of Wayzata Investment Partners and controls MAP Holdings LLC, which is the majority member of Wayzata Investment Partners. As a result, Mr. Halloran has the voting and dispositive power with respect to the shares held by Wayzata. The address for each of the foregoing is c/o Wayzata Investment Partners LLC, 701 East Lake Street, Suite 300, Wayzata, Minnesota 55391.

(3) Consists of 100,000 shares of common stock which MCBC Acquisition has the right to acquire pursuant to the Restructuring Warrant, which are or will be immediately exercisable within 60 days of March 29, 2015. See "Description of Capital Stock — Warrant." We are unable to determine the beneficial owners of MCBC Acquisition as of the date of this registration statement.

(4) Granted restricted stock on May 29, 2015 pursuant to the 2015 Incentive Award Plan.

(5) Timothy M. Oxley is the beneficial owner of 0.029% of the equity interests of MCBC Acquisition LLC, which has the right to acquire 100,000 shares of our common stock. See Note (3) above.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Each of the related party transactions described below was negotiated on an arm's length basis. We believe that the terms of such agreements are as favorable as those we could have obtained from parties not related to us.

The following are summaries of certain provisions of our related party agreements and are qualified in their entirety by reference to all of the provisions of such agreements. Because these descriptions are only summaries of the applicable agreements, they do not necessarily contain all of the information that you may find useful. We therefore urge you to review the agreements in their entirety. Copies of the forms of the agreements have been filed as exhibits to the registration statement of which this prospectus is a part, and are available electronically on the website of the SEC at www.sec.gov.

Registration Rights Agreement

We intend to enter into a Registration Rights Agreement with our existing stockholders, including Wayzata, in connection with this offering. The Registration Rights Agreement will provide our existing stockholders certain registration rights whereby, at any time following our initial public offering and the expiration of any related lock-up period, they can require us to register under the Securities Act, shares of common stock held by them, including shares issuable upon exercise of stock options held by them. After registration pursuant to these rights, these shares will become freely tradable without restriction under the Securities Act. The Registration Rights Agreement will also provide for piggyback registration rights for all stockholders that are parties to the agreement.

Stockholders Agreement

We are party to a stockholders agreement with certain holders of our common stock, entered into in connection with the Restructuring Transaction, which will be terminated in connection with this offering. This agreement granted these stockholders certain governance rights and restricted such holders from transferring our securities, subject to certain exceptions.

2009 Financing Transactions

In June 2009 we entered into a series of financing transactions with Wayzata in connection with the Restructuring Transaction, pursuant to which certain funds affiliated with Wayzata Investment Partners exchanged all of the Company's Senior Secured Floating Rate Notes Due 2014 held by them for (i) 100% of our common stock; and (ii) $30 million of Senior Secured PIK Notes due 2014 (the "Senior Secured PIK Notes"). The Senior Secured PIK Notes bore interest at a rate of 10% per annum, payable in kind. We repaid the Senior Secured PIK Notes in the amount of $6.5 million in March 2014 and the remaining $43.4 million in November 2014.

We also entered into an amended and restated credit agreement with Wayzata Investment Partners, as administrative agent, and certain funds affiliated with Wayzata Investment Partners, as lenders, which provided for a $15.4 million senior secured term loan facility (the "Restructuring Term Loan") and a $20 million senior secured revolving credit facility (the "Restructuring Revolver"). The Restructuring Term Loan bore interest, at our option, at a rate of 17% per annum, payable in kind, or 14% per annum, payable in cash, and the Restructuring Revolver bore interest, at our option, at a rate equal to the prime rate plus 1.25% or a rate equal to adjusted LIBOR plus 2.25%, in each case in cash. In December 2013 we repaid

the Restructuring Term Loan in full in the amount of $32.9 million and terminated the Restructuring Revolver. We paid $0.25 million and $0.08 million in interest under the Restructuring Revolver in fiscal 2013 and fiscal 2014, respectively, and the maximum amount outstanding under the Restructuring Revolver in fiscal 2013 and fiscal 2014 was $7 million, which was subsequently repaid in full.

Other Compensation Programs

MCBC Holdings, Inc. has entered into certain compensation plans to provide payments to certain of its service providers (including its named executive officers and certain of our non-employee directors) as described under the section titled "Executive Compensation."

Director and Officer Indemnification and Insurance

We have entered into indemnification agreements with certain of our directors and executive officers, and purchased directors' and officers' liability insurance. See "Description of Capital Stock — Limitations on Liability and Indemnification of Officers and Directors."

Our Policy Regarding Related Party Transactions

Our board of directors recognizes the fact that transactions with related persons present a heightened risk of conflicts of interest and/or improper valuation (or the perception thereof). Prior to the closing of this offering, our board of directors will adopt a written policy on transactions with related persons that is in conformity with the requirements for issuers having publicly-held common stock that is listed on NASDAQ. Under the new policy:

- any related person transaction, and any material amendment or modification to a related person transaction, must be reviewed and approved or ratified by a committee of the board of directors composed solely of independent directors who are disinterested or by the disinterested members of the board of directors; and

- any employment relationship or transaction involving an executive officer and any related compensation must be approved by the compensation committee of the board of directors or recommended by the compensation committee to the board of directors for its approval.

In connection with the review and approval or ratification of a related person transaction:

- management must disclose to the committee or disinterested directors, as applicable, the name of the related person and the basis on which the person is a related person, the material terms of the related person transaction, including the approximate dollar value of the amount involved in the transaction, and all the material facts as to the related person's direct or indirect interest in, or relationship to, the related person transaction;

- management must advise the committee or disinterested directors, as applicable, as to whether the related person transaction complies with the terms of our agreements governing our material outstanding indebtedness that limit or restrict our ability to enter into a related person transaction;

- management must advise the committee or disinterested directors, as applicable, as to whether the related person transaction will be required to be disclosed in our applicable filings under the Securities Act or the Exchange Act, and related rules, and, to the extent required to be disclosed, management must ensure that the related person transaction is disclosed in accordance with the Securities Act and the Exchange Act and related rules; and

- management must advise the committee or disinterested directors, as applicable, as to whether the related person transaction constitutes a "personal loan" for purposes of Section 402 of the Sarbanes-Oxley Act.

In addition, the related person transaction policy provides that the committee or disinterested directors, as applicable, in connection with any approval or ratification of a related person transaction involving a non-employee director, should consider whether such transaction would compromise the director's status as an "independent," "outside," or "non-employee" director, as applicable, under the rules and regulations of the SEC, NASDAQ, and the Code.

DESCRIPTION OF CAPITAL STOCK

General

At or prior to the consummation of this offering, we will file an amended and restated certificate of incorporation, or our "certificate," and we will adopt our amended and restated by-laws, or our "by-laws." Our certificate will authorize capital stock consisting of:

- shares of common stock, par value $0.01 per share; and
- shares of preferred stock, with a par value per share to be established by the board of directors in the applicable certificate of designations.

We are selling shares of common stock in this offering. All of the selling stockholders' and our common stock outstanding upon consummation of this offering will be fully paid and non-assessable.

The following description of our capital stock and provisions of our certificate of incorporation and by-laws are summaries and are qualified by reference to the certificate of incorporation and by-laws that will become effective upon the closing of this offering. We urge you to read our certificate and our by-laws, which are included as exhibits to the registration statement of which this prospectus forms a part.

Certain provisions of our certificate and our by-laws summarized below may be deemed to have an anti-takeover effect and may delay or prevent a tender offer or takeover attempt that a stockholder might consider in its best interest, including those attempts that might result in a premium over the market price for the shares of common stock.

Common Stock

Holders of shares of our common stock are entitled to one vote for each share held of record on all matters submitted to a vote of stockholders. Except as otherwise provided in our amended and restated certificate of incorporation or as required by law, all matters to be voted on by our stockholders other than matters relating to the election and removal of directors must be approved by a majority of the shares present in person or by proxy at the meeting and entitled to vote on the subject matter or by a written resolution of the stockholders representing the number of affirmative votes required for such matter at a meeting. The holders of our common stock do not have cumulative voting rights in the election of directors.

Holders of shares of our common stock are entitled to receive dividends when and if declared by our board of directors out of funds legally available therefor, subject to any statutory or contractual restrictions on the payment of dividends and to any restrictions on the payment of dividends imposed by the terms of any outstanding preferred stock.

Upon our dissolution or liquidation or the sale of all or substantially all of our assets, after payment in full of all amounts required to be paid to creditors, the holders of shares of our common stock will be entitled to receive pro rata our remaining assets available for distribution.

Holders of shares of our common stock do not have preemptive, subscription, redemption, or conversion rights. There will be no redemption or sinking fund provisions applicable to the common stock.

Preferred Stock

Upon the closing of this offering and the effectiveness of our certificate, the total of our authorized shares of preferred stock will be shares. Upon the closing of this offering, we will have no shares of preferred stock outstanding.

Under the terms of our certificate that will become effective upon the closing of this offering, our board of directors is authorized to direct us to issue shares of preferred stock in one or more series without stockholder approval. Our board of directors has the discretion to determine the rights, preferences, privileges, and restrictions, including voting rights, dividend rights, conversion rights, redemption privileges, and liquidation preferences, of each series of preferred stock.

The purpose of authorizing our board of directors to issue preferred stock and determine its rights and preferences is to eliminate delays associated with a stockholder vote on specific issuances. The issuance of preferred stock, while providing flexibility in connection with possible acquisitions, future financings, and other corporate purposes, could have the effect of making it more difficult for a third party to acquire, or could discourage a third party from seeking to acquire, a majority of our outstanding voting stock. Additionally, the issuance of preferred stock may adversely affect the holders of our common stock by restricting dividends on the common stock, diluting the voting power of the common stock, or subordinating the liquidation rights of the common stock. As a result of these or other factors, the issuance of preferred stock could have an adverse impact on the market price of our common stock.

Warrant

On June 30, 2009, we issued the Restructuring Warrant to MCBC Acquisition, LLC ("MCBC Acquisition") to purchase 100,000 shares of common stock in connection with the Restructuring Transaction. The initial strike price per share of the Restructuring Warrant was $81.60 per share and this initial purchase price is subject to customary anti-dilution adjustments, including, but not limited to dividends and stock splits. Under the terms of the Restructuring Warrant, the distribution paid to common shareholders pursuant to the Recapitalization Transactions will result in a reduction in the exercise price to $47.60, subject to the consent of the holder of the Restructuring Warrant. The Restructuring Warrant expires on June 30, 2019. MCBC Acquisition may exercise the Restructuring Warrant or may elect to exchange the Restructuring Warrant for shares of our common stock on a net exercise basis, at any time prior to the expiration date. Prior to this initial public offering, the Restructuring Warrant may only be transferred by MCBC Acquisition to an affiliate and/or to any of MCBC Acquisition's beneficial owners.

Forum Selection

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 or other employees to us or our stockholders; (iii) any action asserting a claim against us, any director or our officers or employees arising pursuant to any provision of the DGCL, our certificate of incorporation or our by-laws; or (iv) any action asserting a claim against us, any director or our officers or employees that is governed by the internal affairs doctrine, except, as to each of clauses (i) through (iv) above, for any claim as to which the Court of Chancery determines that there is an indispensable party not subject to the jurisdiction of the Court of Chancery (and the indispensable party does not consent to the personal jurisdiction of the Court of Chancery within ten (10) days following such determination), which is vested in the exclusive jurisdiction of a

court or forum other than the Court of Chancery, or for which the Court of Chancery does not have subject matter jurisdiction.

Anti-Takeover Provisions

Our certificate of incorporation and by-laws, as they will be in effect upon completion of this offering, will contain provisions that may delay, defer, or discourage another party from acquiring control of us. We expect that these provisions, which are summarized below, will discourage coercive takeover practices or inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of us to first negotiate with our board of directors, which we believe may result in an improvement of the terms of any such acquisition in favor of our stockholders. However, they also give our board of directors the power to discourage acquisitions that some stockholders may favor.

Section 203 of the Delaware General Corporation Law. We are subject to Section 203 of the Delaware General Corporation Law. Subject to certain exceptions, Section 203 prevents a publicly held Delaware corporation from engaging in a "business combination" with any "interested stockholder" for three years following the date that the person became an interested stockholder, unless the interested stockholder attained such status with the approval of our board of directors or unless the business combination is approved in a prescribed manner. A "business combination" includes, among other things, a merger or consolidation involving us and the "interested stockholder" and the sale of more than 10% of our assets. In general, an "interested stockholder" is any entity or person beneficially owning 15% or more of our outstanding voting stock and any entity or person affiliated with or controlling or controlled by such entity or person.

Classified Board of Directors. Our certificate will divide our board of directors into three classes with staggered three-year terms. In addition, our certificate and our by-laws will provide that directors may be removed only for cause. Under our certificate and by-laws, any vacancy on our board of directors, including a vacancy resulting from an enlargement of our board of directors, may be filled only by the affirmative vote of a majority of our directors then in office, even though less than a quorum of the board of directors. The classification of our board of directors and the limitations on the ability of our stockholders to remove directors and fill vacancies could make it more difficult for a third party to acquire, or discourage a third party from seeking to acquire, control of us.

Authorized but Unissued Shares. The authorized but unissued shares of our common stock and our preferred stock are available for future issuance without stockholder approval, subject to any limitations imposed by the listing standards of the NASDAQ. These additional shares may be used for a variety of corporate finance transactions, acquisitions, and employee benefit plans. The existence of authorized but unissued and unreserved common stock and preferred stock could make more difficult or discourage an attempt to obtain control of us by means of a proxy contest, tender offer, merger, or otherwise.

Stockholder Action by Written Consent. Our certificate and our by-laws will provide that any action required or permitted to be taken by our stockholders at an annual meeting or special meeting of stockholders may only be taken if it is properly brought before such meeting and may be taken by written consent in lieu of a meeting only if the action to be effected by such written consent and the taking of such action by such written consent have been previously approved by the board of directors.

Special Meetings of Stockholders. Our by-laws also will provide that, except as otherwise required by law, special meetings of the stockholders may only be called by our board of directors.

Advance Notice Requirements for Stockholder Proposals and Director Nominations. In addition, our by-laws will establish an advance notice procedure for stockholder proposals to be brought before an annual meeting of stockholders, including proposed nominations of candidates for election to our board of directors. In order for any matter to be "properly brought" before a meeting, a stockholder will have to comply with advance notice and duration of ownership requirements and provide us with certain information. Stockholders at an annual meeting may only consider proposals or nominations specified in the notice of meeting or brought before the meeting by or at the direction of our board of directors or by a qualified stockholder of record on the record date for the meeting, who is entitled to vote at the meeting and who has delivered timely written notice in proper form to our secretary of the stockholder's intention to bring such business before the meeting. These provisions could have the effect of delaying stockholder actions that are favored by the holders of a majority of our outstanding voting securities until the next stockholder meeting.

Amendment of Certificate of Incorporation or By-laws. The Delaware General Corporation Law provides generally that the affirmative vote of a majority of the shares entitled to vote on any matter is required to amend a corporation's certificate of incorporation or by-laws, unless a corporation's certificate of incorporation or by-laws, as the case may be, requires a greater percentage. Upon completion of this offering, our by-laws may be amended or repealed by a majority vote of our board of directors or by the affirmative vote of the holders of at least 66$^{2}/_{3}$% of the votes which all our stockholders would be eligible to cast in an election of directors. In addition, the affirmative vote of the holders of at least 66$^{2}/_{3}$% of the votes which all our stockholders would be eligible to cast in an election of directors will be required to amend or repeal or to adopt any provisions inconsistent with any of the provisions of our certificate described in the prior three paragraphs.

Limitations on Liability and Indemnification of Officers and Directors

Our certificate and by-laws provide indemnification for our directors and officers to the fullest extent permitted by the Delaware General Corporation Law. Prior to the completion of this offering, we intend to enter into indemnification agreements with each of our directors that may, in some cases, be broader than the specific indemnification provisions contained under Delaware law. In addition, as permitted by Delaware law, our certificate includes provisions that eliminate the personal liability of our directors for monetary damages resulting from breaches of certain fiduciary duties as a director. The effect of these provisions is to restrict our rights and the rights of our stockholders in derivative suits to recover monetary damages against a director for breach of fiduciary duties as a director, except that a director will be personally liable for:

- any breach of his duty of loyalty to us or our stockholders;
- acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;
- any transaction from which the director derived an improper personal benefit; or
- improper distributions to stockholders.

These provisions may be held not to be enforceable for violations of the federal securities laws of the United States.

Corporate Opportunity Doctrine

Delaware law permits corporations to adopt provisions renouncing any interest or expectancy in certain opportunities that are presented to the corporation or its officers, directors, or stockholders. Our certificate will, to the maximum extent permitted from time to time by Delaware law, renounce any interest or expectancy that we have in, or right to be offered an opportunity to participate in, specified business

opportunities that are from time to time presented to certain of our officers, directors, or stockholders or their respective affiliates, other than those officers, directors, stockholders, or affiliates who are our or our subsidiaries' employees. Our certificate will provide that, to the fullest extent permitted by law, none of Wayzata or any director who is not employed by us or his or her affiliates will have any duty to refrain from (1) engaging in a corporate opportunity in the same or similar lines of business in which we or our affiliates now engage or propose to engage or (2) otherwise competing with us or our affiliates. In addition, to the fullest extent permitted by law, in the event that Wayzata or any non-employee director acquires knowledge of a potential transaction or other business opportunity which may be a corporate opportunity for itself or himself or its or his affiliates or for us or our affiliates, such person will have no duty to communicate or offer such transaction or business opportunity to us or any of our affiliates and they may take any such opportunity for themselves or offer it to another person or entity. Our certificate will not renounce our interest in any business opportunity that is expressly offered to a non-employee director solely in his or her capacity as a director or officer of MCBC Holdings, Inc. To the fullest extent permitted by law, no business opportunity will be deemed to be a potential corporate opportunity for us unless we would be permitted to undertake the opportunity under our certificate, we have sufficient financial resources to undertake the opportunity, and the opportunity would be in line with our business.

Dissenters' Rights of Appraisal and Payment

Under the Delaware General Corporation Law, with certain exceptions, our stockholders will have appraisal rights in connection with a merger or consolidation of MCBC Holdings, Inc. Pursuant to the Delaware General Corporation Law, 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 Delaware General Corporation Law, 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 common stock is   .

Trading Symbol and Market

We will apply to list our common stock on NASDAQ under the symbol "MCFT."

SHARES ELIGIBLE FOR FUTURE SALE

If our stockholders sell substantial amounts of our common stock, including shares issued upon the exercise of outstanding options or warrants, in the public market following the offering, the market price of our common stock could decline. These sales also might make it more difficult for us to sell equity or equity related securities in the future at a time and price that we deem appropriate.

Upon completion of the offering, we will have outstanding an aggregate of shares of our common stock, assuming no exercise of the underwriters' option to purchase additional shares and no exercise of outstanding options. Of these shares, all of the shares sold in the offering will be freely tradable without restriction or further registration under the Securities Act, unless the shares are purchased by "affiliates" as that term is defined in Rule 144 under the Securities Act.

Upon consummation of this offering, our existing stockholders will hold shares of common stock. The shares of common stock will be "restricted securities" as defined in Rule 144 unless we register such issuances. However, we will enter into a Registration Rights Agreement with our existing stockholders that will require us to register under the Securities Act these shares of common stock. See "Certain Relationships and Related Party Transactions — Registration Rights Agreement."

Rule 144

In general, under Rule 144 as in effect on the date of this prospectus, beginning 90 days after the completion of this offering, a person (or persons whose shares are required to be aggregated) who is an affiliate and who has beneficially owned our shares for at least six months is entitled to sell in any three-month period a number of shares that does not exceed the greater of:

- 1% of the number of shares of common stock then outstanding, which will equal approximately shares of common stock immediately after completion of this offering; or
- the average weekly trading volume in our shares on the applicable stock exchange during the four calendar weeks preceding the filing of a notice on Form 144 with respect to such a sale.

Sales by our affiliates under Rule 144 are also subject to manner of sale provisions and notice requirements and to the availability of current public information about us. An "affiliate" is a person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with an issuer.

Under Rule 144, a person (or persons whose shares are aggregated) who is not deemed to have been an affiliate of ours at any time during the 90 days preceding a sale, and who has beneficially owned the shares of common stock proposed to be sold for at least six months (including the holding period of any prior owner other than an affiliate), would be entitled to sell those shares subject only to availability of current public information about us, and after beneficially owning such shares for at least 12 months (including the holding period of any prior owner other than an affiliate), would be entitled to sell an unlimited number of such shares without restriction. To the extent that our affiliates sell their shares, other than pursuant to Rule 144 or a registration statement, the purchaser's holding period for the purpose of affecting a sale under Rule 144 commences on the date of transfer from the affiliate.

Lock-Up Agreements

We and our officers and directors and existing stockholders have agreed, subject to certain exceptions, that, without the prior written consent of Baird and Raymond James on behalf of the underwriters, we and they will not, during the period ending 180 days after the date of this prospectus (i) offer, pledge, announce the intention to sell, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise dispose of, directly or indirectly, or file with the SEC a registration statement under the Securities Act relating to, any shares of our common stock or securities convertible into or exchangeable or exercisable for any shares of our common stock, or publicly disclose the intention to make any offer, sale, pledge, disposition, or filing, (ii) enter into any swap or other arrangement that transfers all or a portion of the economic consequences associated with the ownership of any shares of common stock or any such other securities (regardless of whether any of these transactions are to be settled by the delivery of shares of common stock or such other securities, in cash or otherwise), or (iii) make any demand for or exercise any right with respect to the registration of any shares of our common stock or any security convertible into or exercisable or exchangeable for our common stock, other than the shares of our common stock to be sold hereunder. Baird and Raymond James, in their sole discretion, may release the common stock and other securities subject to the lock-up agreements described above in whole or in part at any time with or without notice. See "Underwriting (Conflicts of Interest)."

Equity Awards

In general, under Rule 701 of the Securities Act as currently in effect, any of our employees, consultants, or advisors who purchase shares of our common stock from us in connection with a compensatory stock or option plan or other written agreement is eligible to resell those shares 90 days after the effective date of the offering in reliance on Rule 144, but without compliance with some of the restrictions, including the holding period, contained in Rule 144.

Following the offering, we intend to file a registration statement on Form S-8 under the Securities Act covering approximately   shares of common stock issued or issuable upon the exercise of stock options, subject to outstanding options or reserved for issuance under our employee and director stock benefit plans. Accordingly, shares registered under the registration statement will, subject to Rule 144 provisions applicable to affiliates, be available for sale in the open market, except to the extent that the shares are subject to vesting restrictions or the contractual restrictions described above.

Registration Rights

See "Certain Relationships and Related Party Transactions — Registration Rights Agreement."

DESCRIPTION OF CERTAIN INDEBTEDNESS

Senior Secured Credit Facility

On December 20, 2013, certain of our subsidiaries entered into a credit and guaranty agreement (the "Senior Secured Credit Facility") with Fifth Third Bank, as the agent and letter of credit issuer, SunTrust Bank as the syndication agent and the other lenders party thereto. The Senior Secured Credit Facility provided, among other things, for (i) an initial term loan commitment of $25 million (the "Term Loan Facility"); and (ii) a revolving loan commitment of $10 million (the "Revolving Credit Facility").

On November 25, 2014, we entered into a first amendment to the Senior Secured Credit Facility to, among other things, increase the Term Loan Facility to $50 million, repay all amounts outstanding under our Senior Secured PIK Notes with the additional borrowings under our Term Loan Facility and extend the maturity date to November 26, 2019.

Further, on March 13, 2015, we entered into an amended and restated Senior Secured Credit Facility to, among other things, increase (i) the Term Loan Facility to $75 million; and (ii) commitments under the Revolving Credit Facility to $30 million. The Senior Secured Credit Facility bears interest, at our option, at either the prime rate plus an applicable margin ranging from 1% to 2% or adjusted LIBOR plus an applicable margin ranging from 3% to 4%, in each case determined according to a grid based on a senior leverage ratio. The Term Loan Facility is repayable in quarterly installments and the Senior Secured Credit Facility matures on November 26, 2019.

The Term Loan Facility and Revolving Credit Facility are secured by a first-priority security interest in substantially all of our assets. Obligations under the Term Loan Facility and Revolving Credit Facility are guaranteed by the Company and each of its domestic subsidiaries.

The Senior Secured Credit Facility, as amended, contains a number of covenants that, among other things, restrict our ability to, subject to specified exceptions, incur additional debt; incur additional liens and contingent liabilities; sell or dispose of assets; merge with or acquire other companies; liquidate or dissolve ourselves; engage in businesses that are not in a related line of business; make loans, advances, or guarantees; pay dividends or make other distributions; engage in transactions with affiliates; and make investments. We are also required to maintain a specified consolidated fixed charge coverage ratio and a specified total leverage ratio.

Events of default under the Senior Secured Credit Facility include, but are not limited to payment defaults, covenant defaults, breaches of representations and warranties, cross-defaults to certain indebtedness, certain events of bankruptcy and insolvency, defaults under any security documents, and a change of control. As of March 29, 2015, we were in compliance with all covenants and no event of default (as such term is defined in the Senior Secured Credit Facility) had occurred.

MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS TO NON-U.S. HOLDERS OF OUR COMMON STOCK

The following discussion is a summary of the material U.S. federal income tax consequences to Non-U.S. Holders (as defined below) of the purchase, ownership, and disposition of our common stock issued pursuant to this offering, but does not purport to be a complete analysis of all potential tax effects. The effects of other U.S. federal tax laws, such as estate and gift tax laws, and any applicable state, local, or non-U.S. tax laws are not discussed. This discussion is based on the U.S. Internal Revenue Code of 1986, as amended (the "Code"), Treasury Regulations promulgated thereunder, judicial decisions, and published rulings and administrative pronouncements of the U.S. Internal Revenue Service (the "IRS"), in each case in effect as of the date hereof. These authorities may change or be subject to differing interpretations. Any such change or differing interpretation may be applied retroactively in a manner that could adversely affect a Non-U.S. Holder of our common stock. We have not sought and will not seek any rulings from the IRS regarding the matters discussed below. There can be no assurance the IRS or a court will not take a contrary position to that discussed below regarding the tax consequences of the purchase, ownership, and disposition of our common stock.

This discussion is limited to Non-U.S. Holders that purchase our common stock issued pursuant to this offering and that hold our common stock as a "capital asset" within the meaning of Section 1221 of the Code (generally, property held for investment). This discussion does not address all U.S. federal income tax consequences relevant to a Non-U.S. Holder's particular circumstances, including the impact of the Medicare contribution tax on net investment income. In addition, it does not address consequences relevant to Non-U.S. Holders subject to special rules, including, without limitation:

- U.S. expatriates and former citizens or long-term residents of the United States;
- persons subject to the alternative minimum tax;
- persons holding our common stock as part of a hedge, straddle, or other risk reduction strategy or as part of a conversion transaction or other integrated investment;
- banks, insurance companies, and other financial institutions;
- brokers, dealers, or traders in securities;
- "controlled foreign corporations," "passive foreign investment companies," and corporations that accumulate earnings to avoid U.S. federal income tax;
- partnerships or other entities or arrangements treated as partnerships for U.S. federal income tax purposes (and investors therein);
- tax-exempt organizations or governmental organizations;
- persons deemed to sell our common stock under the constructive sale provisions of the Code;
- persons who hold or receive our common stock pursuant to the exercise of any employee stock option or otherwise as compensation; and
- tax-qualified retirement plans.

If an entity or arrangement treated as a partnership for U.S. federal income tax purposes holds our common stock, the tax treatment of a partner in the partnership will depend on the status of the partner, the activities of the partnership, and certain determinations made at the partner level. Accordingly, partnerships holding our common stock and the partners in such partnerships should consult their tax advisors regarding the U.S. federal income tax consequences to them.

THIS DISCUSSION IS NOT TAX ADVICE. INVESTORS SHOULD 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 COMMON STOCK ARISING UNDER THE U.S. FEDERAL ESTATE OR GIFT TAX LAWS OR UNDER THE LAWS OF ANY STATE, LOCAL, OR NON-U.S. TAXING JURISDICTION OR UNDER ANY APPLICABLE INCOME TAX TREATY.

Definition of a Non-U.S. Holder

For purposes of this discussion, a "Non-U.S. Holder" is any beneficial owner of our common stock that is neither a "U.S. person" nor an entity or arrangement treated as a partnership for U.S. federal income tax purposes. A U.S. person is any person that, for U.S. federal income tax purposes, is or is treated as any of the following:

- an individual who is a citizen or resident of the United States;
- a corporation created or organized 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 that (1) is subject to the primary supervision of a U.S. court and the control of one or more "United States persons" (within the meaning of Section 7701(a)(30) of the Code), or (2) has a valid election in effect to be treated as a United States person for U.S. federal income tax purposes.

Distributions

As described above in the section entitled "Dividend Policy," we do not anticipate declaring or paying dividends to holders of our common stock in the foreseeable future. However, if we do make distributions of cash or property on our 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. Amounts not treated as dividends for U.S. federal income tax purposes will constitute a return of capital and first be applied against and reduce a Non-U.S. Holder's adjusted tax basis in its common stock, but not below zero. Any excess will be treated as capital gain and will be treated as described below under "— Sale or Other Taxable Disposition."

Subject to the discussion below on effectively connected income and under "Information Reporting and Backup Withholding" and "Additional Withholding Tax on Payments Made to Foreign Accounts", dividends paid to a Non-U.S. Holder of our common stock will be subject to U.S. federal withholding tax at a rate of 30% of the gross amount of the dividends (or such lower rate specified by an applicable income tax treaty, provided the Non-U.S. Holder furnishes a valid IRS Form W-8BEN or W-8BEN-E (or other applicable documentation) certifying qualification for the lower treaty rate). A Non-U.S. Holder that does not timely furnish the required documentation, but that qualifies for a reduced treaty rate, may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS. Non-U.S. Holders should consult their tax advisors regarding their entitlement to benefits under any applicable income tax treaty.

If dividends paid to a Non-U.S. Holder are effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, the Non-U.S. Holder maintains a permanent establishment in the United States to which such dividends are attributable), the Non-U.S. Holder will be exempt from the U.S. federal withholding tax described above. To claim the exemption, the Non-U.S. Holder must furnish to the applicable withholding agent a valid IRS Form W-8ECI

(or other applicable documentation), certifying that the dividends are effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States. These certifications must be furnished to the applicable withholding agent prior to the payment of dividends and must be updated periodically.

Any such effectively connected dividends will be subject to U.S. federal income tax on a net income basis at the regular graduated rates. A Non-U.S. Holder that is a corporation also may be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on such effectively connected dividends, as adjusted for certain items. Non-U.S. Holders should consult their tax advisors regarding any applicable tax treaties that may provide for different rules.

Sale or Other Taxable Disposition

Subject to the discussion below under "Information Reporting and Backup Withholding" and "Additional Withholding Tax on Payments Made to Foreign Accounts," a Non-U.S. Holder will generally not be subject to U.S. federal income tax on any gain realized upon the sale or other taxable disposition of our common stock unless:

- the gain is effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, the Non-U.S. Holder maintains a permanent establishment in the United States to which such gain is attributable);

- the Non-U.S. Holder is a nonresident alien individual present in the United States for 183 days or more during the taxable year of the disposition and certain other requirements are met; or

- our common stock constitutes a U.S. real property interest ("USRPI") by reason of our status as a U.S. real property holding corporation ("USRPHC") for U.S. federal income tax purposes.

Gain described in the first bullet point above generally will be subject to U.S. federal income tax on a net income basis at the regular graduated rates. A Non-U.S. Holder that is a corporation also may be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on such effectively connected gain, as adjusted for certain items.

Gain described in the second bullet point above will be subject to U.S. federal income tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty), which may be offset by U.S. source capital losses of the Non-U.S. Holder (even though the individual is not considered a resident of the United States), provided the Non-U.S. Holder has timely filed U.S. federal income tax returns with respect to such losses.

With respect to the third bullet point above, we believe we currently are not, and do not anticipate becoming, a USRPHC. Because the determination of whether we are a USRPHC depends, however, on the fair market value of our USRPIs relative to the fair market value of our non-U.S. real property interests and our other business assets, there can be no assurance we currently are not a USRPHC or will not become one in the future. Even if we are or were to become a USRPHC, gain arising from the sale or other taxable disposition by a Non-U.S. Holder of our common stock will not be subject to U.S. federal income tax if our common stock is "regularly traded," as defined by applicable Treasury Regulations, on an established securities market, and such Non-U.S. Holder owned, actually or constructively, 5% or less of our common stock throughout the shorter of the five-year period ending on the date of the sale or other taxable disposition or the Non-U.S. Holder's holding period.

Non-U.S. Holders should consult their tax advisors regarding potentially applicable income tax treaties that may provide for different rules.

Information Reporting and Backup Withholding

Payments of dividends on our common stock will generally not be subject to backup withholding, provided the applicable withholding agent does not have actual knowledge or reason to know the holder is a United States person and the holder either certifies its non-U.S. status, such as by furnishing a valid IRS Form W-8BEN, W-8BEN-E or W-8ECI, or otherwise establishes an exemption. However, information returns are required to be filed with the IRS in connection with any dividends on our common stock paid to the Non-U.S. Holder, regardless of whether any tax was actually withheld. In addition, proceeds of the sale or other taxable disposition of our common stock within the United States or conducted through certain U.S.-related financial intermediaries generally will not be subject to backup withholding or information reporting, if the applicable withholding agent receives the certification described above and does not have actual knowledge or reason to know that such holder is a United States person, or the holder otherwise establishes an exemption. Proceeds of a disposition of our common stock conducted through a non-U.S. office of a non-U.S. broker generally will not be subject to backup withholding or information reporting.

Copies of information returns that are filed with the IRS may also be made available under the provisions of an applicable treaty or agreement to the tax authorities of the country in which the Non-U.S. Holder resides or is established.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a Non-U.S. Holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS.

Additional Withholding Tax on Payments Made to Foreign Accounts

Withholding taxes may be imposed under Sections 1471 to 1474 of the Code (such Sections commonly referred to as the Foreign Account Tax Compliance Act, or "FATCA") on certain types of payments made to non-U.S. financial institutions and certain other non-U.S. entities. Specifically, a 30% withholding tax may be imposed on dividends on, or gross proceeds from the sale or other disposition of, our common stock, in each case, paid to a "foreign financial institution" or a "non-financial foreign entity" (each as defined in the Code), unless (1) the foreign financial institution undertakes certain diligence and reporting obligations, including providing sufficient documentation evidencing its compliance (or deemed compliance) with FATCA, (2) the non-financial foreign entity either certifies it does not have any "substantial United States owners" (as defined in the Code) or furnishes identifying information regarding each substantial United States owner, or (3) the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from these rules. If the payee is a foreign financial institution and is subject to the diligence and reporting requirements in (1) above, it must enter into an agreement with the U.S. Department of the Treasury requiring, among other things, that it undertake to identify accounts held by certain "specified United States persons" or "United States-owned foreign entities" (each as defined in the Code), annually report certain information about such accounts, and withhold 30% on certain payments to non-compliant foreign financial institutions and certain other account holders. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States governing FATCA may be subject to different rules.

Under the applicable Treasury Regulations, withholding under FATCA generally applies to payments of dividends on our common stock and will apply to payments of gross proceeds from the sale or other disposition of such stock on or after January 1, 2017. If a dividend payment is both subject to withholding under FATCA and subject to the withholding tax discussed above under "Distributions," the withholding under FATCA may be credited against and therefore reduce such other withholding tax.

Prospective investors should consult their tax advisors regarding the potential application of withholding under FATCA to their investment in our common stock.

UNDERWRITING (CONFLICTS OF INTEREST)

Baird and Raymond James are serving as representatives of the underwriters in this offering. We, the selling stockholders and the underwriters named below, have entered into an underwriting agreement with respect to the shares of common stock being offered hereby. Subject to certain conditions set forth in the underwriting agreement, each underwriter has severally agreed to purchase, at the public offering price less the underwriting discounts and commissions set forth on the cover page of this prospectus, the number of shares of common stock set forth in the following table.

Underwriters	Number of Shares
Robert W. Baird & Co. Incorporated	
Raymond James & Associates, Inc.	
Wells Fargo Securities, LLC	
KeyBanc Capital Markets Inc.	
Wunderlich Securities, Inc.	
Total	

The underwriters are committed to purchase all of the shares offered by us, if any are purchased, other than the shares covered by the option described below. The obligations of the underwriters under the underwriting agreement may be terminated upon the occurrence of certain stated events, including that if an underwriter defaults, the purchase commitments of non-defaulting underwriters may be increased or this offering may be terminated.

The selling stockholders have granted the underwriters an option to buy up to an additional shares of common stock to cover sales by the underwriters which exceed the number of shares specified in the table above. The underwriters have 30 days from the date of this prospectus to exercise this option. 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. If any additional shares of common stock are purchased, the underwriters will offer the additional shares on the same terms as those on which the shares are being offered.

Conflicts of Interest

A portion of the net proceeds received by us from this offering will be used to repay borrowings under our Term Loan Facility. Because an affiliate of Raymond James is a lender under our Term Loan Facility and will receive 5% or more of the net proceeds of this offering, Raymond James is deemed to have a "conflict of interest" under FINRA Rule 5121. As a result, this offering will be conducted in accordance with FINRA Rule 5121, which requires that a "qualified independent underwriter," as defined by FINRA rules, participate in the preparation of the registration statement of which this prospectus forms a part and exercise the usual standards of due diligence with respect thereto. Accordingly, Baird is assuming the responsibilities of acting as the qualified independent underwriter in connection with this offering. Baird will not receive any additional compensation for serving as a qualified independent underwriter in connection with this offering. To comply with FINRA Rule 5121, Raymond James & Associates, Inc. will not confirm any sales to any account over which it exercises discretionary authority without the specific written approval of the transaction from the account holder.

The underwriters propose to offer the common shares directly to the public at the initial public offering price set forth on the cover page of this prospectus and to certain dealers at that price less a concession not in excess of $ per share.

The underwriting fee is equal to the public offering price per share of common stock, less the amount paid by the underwriters to us per share of common stock. The underwriting fee is $ per share. The following tables set forth the per share and total underwriting discounts and commissions to be paid to the underwriters, assuming both no exercise and full exercise of the underwriters' option to purchase additional shares.

Paid by Us	**Total Fees**	
	No Exercise	**Full Exercise**
Per Share	$	
Total	**$**	

Paid by the Selling Stockholders	**Total Fees**	
	No Exercise	**Full Exercise**
Per Share	$ —	
Total	**$ —**	

We estimate that the total expenses of this offering, including registration, filing, listing and printing fees, and legal and accounting expenses, but excluding underwriting discounts and commissions, will be approximately $ million, which will be paid by us. We have agreed to reimburse the underwriters for certain expenses including in connection with the qualification of the offering with the Financial Industry Regulatory Authority, Inc. ("FINRA") in an amount up to $. Such reimbursement is deemed to be underwriting compensation by FINRA.

We have agreed that we will not (i) offer, pledge, announce the intention to sell, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise dispose of, directly or indirectly, or file with the SEC a registration statement under the Securities Act relating to, any shares of our common stock or securities convertible into or exchangeable or exercisable for any shares of our common stock, or publicly disclose the intention to make any offer, sale, pledge, disposition or filing, (ii) enter into any swap or other arrangement that transfers all or a portion of the economic consequences associated with the ownership of any shares of common stock or any such other securities (regardless of whether any of these transactions are to be settled by the delivery of shares of common stock or such other securities, in cash or otherwise), or (iii) file any registration statement with the SEC relating to the offering of any shares of common stock or any securities convertible into or exercisable or exchangeable for common stock, in each case without the prior written consent of Baird and Raymond James for a period of 180 days after the date of this prospectus, other than the shares of our common stock to be sold hereunder and any shares of our common stock issued upon the exercise of options granted under our existing management incentive plans.

Our directors and executive officers and holders of our common stock have entered into lock-up agreements with the underwriters prior to the commencement of this offering pursuant to which each of these persons or entities, with limited exceptions, for a period of 180 days after the date of this prospectus, may not, without the prior written consent of Baird and Raymond James, (1) offer, pledge, sell, contract to sell, sell any option

or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any shares of our common stock or any securities convertible into or exercisable or exchangeable for our common stock (including, without limitation, common stock or such other securities which may be deemed to be beneficially owned by such directors, executive officers, managers, and members in accordance with the rules and regulations of the SEC and securities which may be issued upon exercise of a stock option or warrant) or (2) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the common stock or such other securities, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of common stock or such other securities, in cash or otherwise, or (3) make any demand for or exercise any right with respect to the registration of any shares of our common stock or any security convertible into or exercisable or exchangeable for our common stock, other than the shares of our common stock to be sold hereunder. The underwriters do not expect sales to discretionary accounts to exceed 5% of the total number of shares offered.

Prior to this offering, there has been no public market for the shares. The initial public offering price has been determined by negotiations among the company, the selling stockholders, and the representatives of the underwriters. In determining the initial public offering price, the company, the selling stockholders, and the representatives of the underwriters have considered a number of factors, including:

- the information set forth in this prospectus and otherwise available to the representatives;
- our prospects and the history and prospects for the industry in which we compete;
- an assessment of our management;
- prevailing market conditions;
- our historical performance;
- estimates of our business potential and prospects for future earnings;
- consideration of the above factors in relation to market valuation and stages of developments of other companies comparable to ours; and
- other factors deemed relevant by the representatives of the underwriters, the company, and the selling stockholders.

None of us, the selling stockholders, and the underwriters can assure investors that an active trading market will develop for our common stock, or that the shares will trade in the public market at or above the initial public offering price.

We have applied to have our shares of common stock listed on NASDAQ under the symbol "MCFT."

The company and the selling stockholders have agreed to indemnify the several underwriters and their controlling persons against certain liabilities, including liabilities under the Securities Act.

Stabilization, Short Positions, and Penalty Bids

In connection with this offering, the underwriters may effect certain transactions in shares of our common stock in the open market in order to prevent or retard a decline in the market price of our common stock while this offering is in progress. These transactions may include short sales, purchases to cover positions created by short sales, and stabilizing transactions. 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 has not been covered by subsequent purchases. "Covered" shorts are short

positions in an amount not greater than the underwriters' option described herein, and "naked" shorts are short positions in excess of that amount. In determining the source of shares to close out a "covered" short, 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 shares through the option. A "covered" short may be covered by either exercising the underwriters' option or purchasing shares in the open market. A "naked" short is more likely to be created if underwriters are concerned that there may be downward pressure on the price of our common stock in the open market prior to the completion of the offering, and may only be closed out by purchasing shares in the open market. Stabilizing transactions consist of various bids for or purchases of our common stock made by the underwriters in the open market prior to the completion of the offering.

In addition, the underwriters may, pursuant to Regulation M of the Securities Act, also impose a penalty bid, which is when a particular underwriter repays to the other underwriters a portion of the underwriting discount received by it because the representatives have repurchased shares sold by or for the account of that 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 slowing a decline in the market price of our common stock, and together with the imposition of a penalty bid, may stabilize, maintain, or otherwise affect the market price of our common stock. As a result, the price of our common stock may be higher than the price that might otherwise exist in the open market. If these activities are commenced by the underwriters, they may be discontinued at any time. These transactions may be effected on NASDAQ, in the over-the-counter market, or otherwise.

Electronic Distribution

In connection with this offering, certain of the underwriters may distribute prospectuses by electronic means, such as email. In addition, certain of the underwriters may facilitate Internet distribution for this offering to certain of their Internet subscription customers, and allocate a limited number of shares for sale to their online brokerage customers. A prospectus in electronic format is being made available on the website maintained by one or more of the bookrunners of this offering and may be made available on websites maintained by the other underwriters. Other than the prospectus in electronic format, the information on any underwriter's website and any information contained in any other website maintained by an underwriter is not a part of the prospectus or the registration statement, of which this prospectus forms a part.

Other Relationships

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, investment research, hedging, financing, and brokerage activities. Certain of the underwriters and their respective affiliates have, from time to time, performed, and may provide from time to time in the future, various financial advisory and investment banking services for us, for which they have received or will receive customary fees and expenses.

In addition, in the ordinary course of their various business activities, certain of the underwriters and their respective affiliates may from time to time effect transactions for their own account or the account of their customers, and hold on behalf of themselves or their customers, long or short positions in our debt or equity securities (including related derivative securities) and financial instruments (including bank loans), and may continue to do so in the future. The underwriters and their respective affiliates may also make investment

recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Notice to Canadian Residents

Resale Restrictions

The distribution of the shares of common stock in Canada is being made only on a private placement basis exempt from the requirement that we and the selling stockholders prepare and file a prospectus with the securities regulatory authorities in each province where trades of shares of common stock are made. Any resale of the shares of common stock in Canada must be made under applicable securities laws which will vary depending on the relevant jurisdiction, and which may require resales to be made under available statutory exemptions or under a discretionary exemption granted by the applicable Canadian securities regulatory authority. Purchasers are advised to seek legal advice prior to any resale of the shares of common stock.

Representations of Purchasers

By purchasing shares of common stock in Canada and accepting a purchase confirmation a purchaser is representing to us, the selling stockholders, and the dealer from whom the purchase confirmation is received that:

- Further details concerning the legal authority for this information is available on request. The purchaser is entitled under applicable provincial securities laws to purchase the shares of common stock without the benefit of a prospectus qualified under those securities laws;
- where required by law, that the purchaser is purchasing as principal and not as agent; and
- the purchaser acknowledges and consents to the provision of specified information concerning its purchase of the shares of common stock to the regulatory authority that by law is entitled to collect the information.

Further details concerning the legal authority for this information is available on request.

Rights of Action — Ontario Purchasers Only

Under Ontario securities legislation, certain purchasers who purchase a security offered by this prospectus during the period of distribution will have a statutory right of action for damages, or while still the owner of the shares of common stock, for rescission against us and the selling stockholders in the event that this prospectus contains a misrepresentation without regard to whether the purchaser relied on the misrepresentation. The right of action for damages is exercisable not later than the earlier of 180 days from the date the purchaser first had knowledge of the facts giving rise to the cause of action and three years from the date on which payment is made for the shares of common stock. The right of action for rescission is exercisable not later than 180 days from the date on which payment is made for the shares of common stock. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against us or the selling stockholders. In no case will the amount recoverable in any action exceed the price at which the shares of common stock were offered to the purchaser and if the purchaser is shown to have purchased the securities with knowledge of the misrepresentation, we and the selling stockholders will have no liability. In the case of an action for damages, we and the selling

stockholders will not be liable for all or any portion of the damages that are proven to not represent the depreciation in value of the shares of common stock as a result of the misrepresentation relied upon. These rights are in addition to, and without derogation from, any other rights or remedies available at law to an Ontario purchaser. The foregoing is a summary of the rights available to an Ontario purchaser. Ontario purchasers should refer to the complete text of the relevant statutory provisions.

Enforcement of Legal Rights

All of our directors and officers as well as the experts named herein and the selling stockholders are located outside of Canada and, as a result, it may not be possible for Canadian purchasers to effect service of process within Canada upon us or those persons. All or a substantial portion of our assets and the assets of those persons are located outside of Canada and, as a result, it may not be possible to satisfy a judgment against us or those persons in Canada or to enforce a judgment obtained in Canadian courts against us or those persons outside of Canada.

Taxation and Eligibility for Investment

Canadian purchasers of shares of common stock should consult their own legal and tax advisors with respect to the tax consequences of an investment in the shares of common stock in their particular circumstances and about the eligibility of the shares of common stock for investment by the purchaser under relevant Canadian legislation.

European Economic Area

In relation to each Member State of the European Economic Area that has implemented the Prospectus Directive (each, a "Relevant Member State"), from and including the date on which the EU Prospectus Directive (as defined below) was implemented in that Relevant Member State (the "Relevant Implementation Date") an offer of securities described in this prospectus may not be made to the public in that Relevant Member State prior to the publication of a prospectus in relation to the shares that has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the EU Prospectus Directive, except that, with effect from and including the Relevant Implementation Date, an offer of securities described in this prospectus may be made to the public in that Relevant Member State at any time:

- to any legal entity that is a qualified investor as defined under the EU Prospectus Directive;
- to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Directive); or
- in any other circumstances falling within Article 3(2) of the EU Prospectus Directive, provided that no such offer of securities described in this prospectus shall result in a requirement for the publication by us of a prospectus pursuant to Article 3 of the EU Prospectus Directive.

For the purposes of this provision, the expression an "offer of securities to the public" in relation to any securities 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 the securities to be offered so as to enable an investor to decide to purchase or subscribe for the securities, as the same may be varied in that Member State by any measure implementing the EU Prospectus Directive in that Member State. The expression "EU Prospectus

Directive" means European Union Prospectus Directive 2003/71/EC (and any amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State, and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

Notice to Investors in the United Kingdom

Each underwriter represents, warrants, and agrees as follows:

- it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act of 2000, or FSMA) to persons who have professional experience in matters relating to investments falling with Article 19(5) of FSMA (Financial Promotion) Order 2005 or in circumstances in which Section 21 of FSMA does not apply to the Company; and

- it has complied with, and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to the shares of common stock in, from or otherwise involving the United Kingdom.

LEGAL MATTERS

The validity of the common stock offered hereby is being passed upon for us by Latham & Watkins LLP, New York, New York. Proskauer Rose LLP, New York, New York has acted as counsel for the underwriters in connection with certain legal matters related to this offering.

EXPERTS

The financial statements as of June 30, 2014 and 2013 and for each of the two years in the period ended June 30, 2014 included in this Prospectus and in the Registration Statement have been so included in reliance on the report of BDO USA, LLP, an independent registered public accounting firm, appearing elsewhere herein and in the Registration Statement, given on the authority of said firm as experts in auditing and accounting.

CHANGE IN INDEPENDENT AUDITORS

In February 2015 we dismissed Crowe Horwath LLP ("Crowe") as our independent auditors under the American Institute of Certified Public Accountants (AICPA) standards. Our financial statements included in the registration statement are required to be audited under the standards issued by the Public Company Accounting Oversight Board ("PCAOB"). Crowe had performed certain tax related services for us beginning in 2012 that were allowable under the AICPA independence standards, but are not consistent with the independence rules of the SEC and PCAOB. In February 2015 we engaged BDO USA, LLP to audit our financial statements for fiscal 2013 and 2014 under PCAOB standards.

The reports of Crowe Horwath LLP relating to our consolidated financial statements for fiscal 2013 and 2014 issued under AICPA Standards did not contain an adverse opinion or a disclaimer of opinion, and were not qualified or modified as to uncertainty, audit scope, or accounting principles. Moreover, during the years ended June 30, 2014 and 2013 and in the subsequent period prior to the change in auditors, there were no (i) disagreements with Crowe Horwath LLP on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure, which disagreement(s), if not resolved to the satisfaction of Crowe Horwath LLP, would have caused Crowe Horwath LLP to make reference to the subject matter of the disagreement(s) in connection with their reports on the consolidated financial statements of the Company or (ii) reportable events (as defined in Item 304(a)(1)(v) of Regulation S-K).

The dismissal of Crowe Horwath LLP and the engagement of BDO USA, LLP to audit our consolidated financial statements for fiscal 2014 and 2013 was approved by our board of directors. We have furnished Crowe Horwath LLP with a copy of the foregoing disclosure and requested that Crowe Horwath LLP furnish us with a letter addressed to the SEC stating whether it agrees with the statements made herein and, if not, stating the respects in which it does not agree. A copy of such letter has been filed as an exhibit to the registration statement of which this prospectus is a part.

WHERE YOU CAN FIND MORE INFORMATION

We have filed a registration statement on Form S-1 under the Securities Act with the SEC to register with the SEC the shares of our common stock being offered in this prospectus. This prospectus, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement or the exhibits and schedules filed with it. For further information about us and our common stock, reference is made to the registration statement and the exhibits and schedules filed with it. Statements contained in this prospectus regarding the contents of any contract or any other document that is filed as an exhibit to the registration statement are not necessarily complete, and each such statement is qualified in all respects by reference to the full text of such contract or other document filed as an exhibit to the registration statement.

When we complete this offering, we will also be required to file annual, quarterly, and special reports, proxy statements, and other information with the SEC. You may read and copy this information at the SEC's Public Reference Room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the Public Reference Room. Our filings, including the registration statement, will also be available to you on the Internet website maintained by the SEC at www.sec.gov.

We also maintain an Internet website at http://www.mastercraft.com. Our website and the information contained therein or connected thereto shall not be deemed to be incorporated into this prospectus or the registration statement of which it forms a part.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders
MCBC Holdings, Inc.
Vonore, Tennessee

We have audited the accompanying consolidated balance sheets of MCBC Holdings, Inc. and subsidiaries as of June 30, 2014 and 2013, and the related consolidated statements of operations, shareholders' deficit, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, 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. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of MCBC Holdings, Inc. and subsidiaries at June 30, 2014 and 2013, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

/s/ BDO USA, LLP

Memphis, Tennessee

May 1, 2015

MCBC HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

JUNE 30, 2014 AND 2013

(Dollar amounts in thousands, except share and per share data)

	2014	2013
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 12,539	$ 8,571
Accounts receivable — net of allowances of $137 and $153, respectively	4,406	5,145
Inventories — net (Note 4)	11,685	11,316
Prepaid expenses and other current assets (Note 5)	1,568	799
Income tax receivable	—	30
Deferred income taxes (Note 12)	3,839	1,130
Total current assets	34,037	26,991
Property, plant and equipment — net (Note 6)	12,891	11,721
Intangible assets — net (Note 7)	17,193	17,414
Goodwill	29,593	29,593
Deferred financing costs — net	548	—
Restricted cash (Note 8)	—	1,023
Deferred income taxes (Note 12)	1,800	—
Other	80	411
Total assets	$ 96,142	$ 87,153
LIABILITIES AND SHAREHOLDERS' DEFICIT		
CURRENT LIABILITIES:		
Accounts payable	$ 13,020	$ 9,425
Income tax payable	182	—
Accrued expenses and other current liabilities (Note 9)	17,601	18,379
Common stock warrant liability (Note 16)	2,526	—
Current portion of long term debt (Note 11)	8,621	—
Total current liabilities	41,950	27,804
Long-term debt, including related party amounts of $40,364 in 2014 and $72,831 in 2013 (Note 11)	57,359	75,300
Unrecognized tax positions (Note 12)	620	769
Deferred income taxes (Note 12)	—	6,996
Total liabilities	99,929	110,869
COMMITMENTS AND CONTINGENCIES (Note 14)		
SHAREHOLDERS' DEFICIT		
Common stock, $0.01 par value per share — authorized, 4,900,000 shares; issued and outstanding, 1,000,000 shares at June 30, 2014 and 2013	10	10
Additional paid-in capital	8,942	8,940
Accumulated deficit	(12,739)	(32,666)
Total shareholders' deficit	(3,787)	(23,716)
Total liabilities and shareholders' deficit	$ 96,142	$ 87,153

The notes form an integral part of the consolidated financial statements.

MCBC HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013

(Dollar amounts in thousands, except share and per share data)

	2014	2013
NET SALES	$ 177,587	$ 162,009
COST OF SALES	139,975	131,303
GROSS PROFIT	37,612	30,706
OPERATING EXPENSES:		
Selling and marketing	8,837	7,948
General and administrative	9,960	10,518
Amortization of intangible assets	221	222
Total selling, general, and administrative expenses	19,018	18,688
OPERATING INCOME	18,594	12,018
OTHER EXPENSE:		
Interest expense, including related party amounts of $6,853 in 2014 and $9,014 in 2013 (Note 11)	7,555	9,239
Change in common stock warrant fair value	2,526	—
INCOME BEFORE INCOME TAX BENEFIT	8,513	2,779
INCOME TAX BENEFIT	(11,414)	(37)
NET INCOME	$ 19,927	$ 2,816
EARNINGS PER COMMON SHARE:		
Basic	$ 19.93	$ 2.82
Diluted	$ 19.85	$ 2.82
WEIGHTED AVERAGE SHARES USED FOR COMPUTATION OF:		
Basic earnings per share	1,000,000	1,000,000
Diluted earnings per share	1,003,884	1,000,000

The notes form an integral part of the consolidated financial statements.

MCBC HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' DEFICIT

FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013

(Dollar amounts in thousands, except share and per share data)

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total
	Shares	Amount			
BALANCE — July 1, 2012	1,000,000	$ 10	$ 8,917	$ (35,482)	$ (26,555)
Stock based compensation (Note 13)	—	—	23	—	23
Net Income	—	—	—	2,816	2,816
BALANCE — June 30, 2013	1,000,000	10	8,940	(32,666)	(23,716)
Stock based compensation (Note 13)	—	—	2	—	2
Net income	—	—	—	19,927	19,927
BALANCE — June 30, 2014	1,000,000	$ 10	$ 8,942	$ (12,739)	$ (3,787)

The notes form an integral part of the consolidated financial statements.

MCBC HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013

(Dollar amounts in thousands, except share and per share data)

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 19,927	$ 2,816
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	2,472	1,975
Inventory obsolescence reserve	(644)	(1,833)
Non-cash interest expenses:		
Paid in kind interest	5,586	8,879
Debt discount accretion	50	50
Amortization of deferred financing costs	61	—
Stock-based compensation	2	23
Change in common stock warrant fair value	2,526	—
Unrecognized tax benefits	(149)	(89)
Deferred income tax benefit	(11,505)	(1)
Net provision of doubtful accounts	(275)	(24)
Gain on disposal of fixed assets	(17)	(41)
Changes in operating assets and liabilities:		
Accounts receivable	1,014	(1,928)
Inventories	275	3,336
Prepaid expenses and other current assets	(769)	(113)
Income tax receivable	30	(30)
Other assets	331	52
Accounts payable	3,595	(169)
Income tax payable	182	—
Accrued expenses and other current liabilities	(778)	3,089
Net cash provided by operating activities	21,914	15,992
CASH FLOWS FROM INVESTING ACTIVITIES:		
Change in restricted cash	1,023	553
Proceeds from disposal of assets	17	49
Purchases of property and equipment	(3,421)	(2,994)
Net cash used in investing activities	(2,381)	(2,392)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of long-term debt	25,000	—
Principal payments on long-term debt	(39,956)	—
Principal payments on revolving credit agreement	—	(7,000)
Debt issuance costs	(609)	—
Net cash used in financing activities	(15,565)	(7,000)
NET CHANGE IN CASH AND CASH EQUIVALENTS	3,968	6,600
CASH AND CASH EQUIVALENTS — BEGINNING OF YEAR	8,571	1,971
CASH AND CASH EQUIVALENTS — END OF YEAR	$ 12,539	$ 8,571
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash payments for interest	$ 1,767	$ 325
Cash payments (refunds), net for income taxes	$ (168)	$ (24)

The notes form an integral part of the consolidated financial statements.

MCBC HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2014 AND 2013

(Dollar amounts in thousands, except share and per share data)

1. ORGANIZATION AND NATURE OF BUSINESS

MCBC Holdings, Inc. ("MCBC") was formed on January 28, 2000, as a Delaware holding company that operates primarily through its wholly owned subsidiaries, MasterCraft Boat Company, LLC and MCBC Hydra Boats, LLC. MCBC and its subsidiaries collectively are referred to herein as the "Company".

The Company is a designer and manufacturer of premium inboard tournament ski boats and luxury performance V-drive runabouts under the MasterCraft brand and high-end saltwater fishing boats under the Hydra-Sports brand. The Company also leases a parts warehouse in the United Kingdom to expedite service, primarily to dealers and customers in the European Union.

2. BASIS OF PRESENTATION

The accompanying financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, MasterCraft Boat Company, LLC; MasterCraft Services, Inc.; MCBC Hydra Boats, LLC; MasterCraft Parts, Ltd.; and MasterCraft International Sales Administration, Inc.

3. SIGNIFICANT ACCOUNTING POLICIES

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

Use of Estimates — The preparation of the Company's consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, sales, and expenses and related disclosures. The Company bases these estimates on historical results and various other assumptions believed to be reasonable. The Company's most significant financial statement estimates include allowances for bad debts, warranty liability, inventory allowance for obsolescence, self-insurance liability, fair value of stock options and warrant, inventory repurchase contingent obligation, uncertain tax positions, impairment of long-lived assets and intangibles subject to amortization, impairment of goodwill and indefinite-lived intangibles, and potential litigation claims and settlements. Actual results could differ from those estimates.

Revenue Recognition — The Company's revenue is derived primarily from the sale of boats, marine parts, and accessories. Revenue is recognized in accordance with the terms of the sale, primarily upon shipment to customers, once the sales price is fixed or determinable and collectability is reasonably assured. The Company offers discounts and sales incentives that include retail promotions, rebates, and floor plan reimbursement costs that are recorded as reductions of revenues in net sales in the consolidated statements of operations. The estimated liability and reduction in revenue for sales incentives is recorded at the later of when the program has been communicated to the customer or at the time of sale.

MCBC HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2014 AND 2013

(Dollar amounts in thousands, except share and per share data)

3. SIGNIFICANT ACCOUNTING POLICIES

Dealers generally have no rights to return unsold boats. Occasionally, the Company may accept returns in limited circumstances and at the Company's discretion under its warranty policy (Note 9). The Company may be obligated, in the event of default by a dealer, to accept returns of unsold boats under its repurchase commitment to floor financing providers, who are able to obtain such boats through foreclosure. The Company accrues estimated losses when a loss, due to the default of one of its dealers, is determined to be probable and the amount of the loss is reasonably estimable.

Dealer Incentives

The Company provides for various structured dealer rebate and sales promotions incentives, which are most often recognized as a reduction in net sales, at the time of sale to the dealer. Examples of such programs include rebates, seasonal discounts and other allowances. Other rebates may apply to boats already in dealer inventory. These "retail rebates" on boats in the dealer's inventory are recorded when the rebate is communicated to the dealer. Dealer rebates and sales promotion expenses are estimated based on current programs and historical achievement and/or usage rates. Actual results may differ from these estimates if market conditions dictate the need to enhance or reduce sales promotion and incentive programs or if dealer achievement or other items vary from historical trends. Free floor plan financing incentives are estimated at the time of sale to the dealer based on the expected expense over the term of the free flooring period and are recognized as a reduction in sales. Rebates recorded during the year ended June 30, 2014 and 2013, were $3,946 and $3,831, respectively.

Floor Plan Reimbursement Costs

The Company participates in various programs whereby it agrees to reimburse its dealers for certain floor plan interest costs incurred by such dealers for limited periods of time, ranging up to six months. Such costs are included as a reduction in net sales in the consolidated statements of operations and totaled $2,181 and $1,881 for the years ended June 30, 2014 and 2013, respectively.

Shipping and Handling Costs — The Company includes shipping and handling costs billed to customers in net sales in the consolidated statements of operations. The Company includes costs incurred to transport product to customers and internal handling costs, which relate to activities to prepare goods for shipment, in cost of sales. For the years ended June 30, 2014 and 2013, shipping and handling costs billed to customers totaled $4,050 and $3,856, respectively, and shipping and handling costs included in cost of sales totaled $3,564 and $3,835, respectively.

Accounts Receivable — Accounts receivable represents amounts billed to customers under credit terms customary in its industry. The Company normally does not charge interest on its accounts receivable. The Company determines its allowance for doubtful accounts by considering a number of factors, including the length of time trade accounts receivable are past due, the Company's previous loss history, the customer's current ability to pay its obligation to the Company, and the condition of the general economy and the

MCBC HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2014 AND 2013

(Dollar amounts in thousands, except share and per share data)

3. SIGNIFICANT ACCOUNTING POLICIES

industry as a whole. The Company writes-off accounts receivable when they become uncollectible, and payments subsequently received on such receivables are credited to bad debt recovery.

Cash and Cash Equivalents — The Company considers all highly-liquid investments with an original maturity of three months or less to be cash and cash equivalents. The Company's cash deposits are in financial institutions located in Tennessee and Ohio and may at times exceed federally insured amounts. The Company had no cash equivalents at June 30, 2014 and 2013.

Restricted Cash — As of June 30, 2013, the Company had certificates of deposit that collateralize irrevocable standby letters of credit for floor-plan financing arrangements. The Company has classified these investments as held to maturity, and therefore, are reflected on the consolidated balance sheets at their amortized cost basis. The fair value of restricted cash approximates its carrying value. There were no restricted cash balances at June 30, 2014.

Significant Risks and Uncertainties — The Company is subject to those risks common in manufacturing driven-markets, including, but not limited to, competitive forces, dependence on key personnel, consumer demand for its products, the successful protection of its proprietary technologies, compliance with government regulations and the possibility of not being able to obtain additional financing.

Concentrations of Credit and Business Risk — Financial instruments that potentially subject the Company to concentrations of credit risk primarily consist of trade receivables. Credit risk on trade receivables is mitigated as a result of the Company's use of trade letters of credit, dealer floor plan financing arrangements, and the geographically diversified nature of the Company's customer base.

The Company is dependent on third-party equipment manufacturers, distributors, and dealers for certain parts and materials utilized in the manufacturing process. In 2014 and 2013, the Company purchased all engines for its MasterCraft boats under a supply agreement with one vendor. Total purchases to this vendor were $24,426 and $22,334 for 2014 and 2013, respectively. Total accounts payable to this vendor were $2,870 and $2,090 as of June 30, 2014 and 2013 respectively. The Company is dependent on the ability of its suppliers to provide products on a timely basis and on favorable pricing terms. The loss of certain principal suppliers or a significant reduction in product availability from principal suppliers could have a material adverse effect on the Company. Business risk insurance is in place to mitigate the business risk associated with sole suppliers for sudden disruptions such as those caused by natural disasters.

Inventories — Inventories are valued at the lower of cost or market and are shown net of an inventory allowance in the balance sheet. Inventory cost includes material, labor, and manufacturing overhead and is determined based on the first-in, first-out (FIFO) method. Provisions are made as necessary to reduce inventory amounts to their net realizable value or to provide for obsolete products.

MCBC HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2014 AND 2013

(Dollar amounts in thousands, except share and per share data)

3. SIGNIFICANT ACCOUNTING POLICIES

Property, Plant, and Equipment — Property, plant, and equipment are recorded at historical cost less accumulated depreciation, and depreciated on a straight-line basis over the estimated useful lives. Repairs and maintenance are charged to operations as incurred, and expenditures for additions and improvements that increase the asset's useful life are capitalized.

Ranges of asset lives used for depreciation purposes are:

Buildings and improvements	7-40 years
Machinery and equipment	3-7 years
Furniture and fixtures	3-5 years

Goodwill and Other Intangible Assets — The Company does not amortize goodwill and other purchased intangible assets with indefinite lives. All of the Company's goodwill and intangible assets relate to the MasterCraft operating segment. The Company's primary intangible assets with finite lives consist of a dealer network, developed technologies, software, and order backlog, and are carried at their estimated fair values at the time of acquisition, less accumulated amortization. Amortization is recognized on a straight-line basis over the estimated useful lives of the respective assets (see Note 7). Intangible assets that are subject to amortization are evaluated for impairment using a process similar to that used to evaluate long-lived assets described below.

During the year ended June 30, 2013, the Company adopted Accounting Standard Update (ASU) No. 2011-08, *Intangibles — Goodwill and Other (Topic 350): Testing Goodwill for Impairment*, which permits entities to first assess qualitative factors to determine if it is more likely than not that the fair value of a reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform the two-step goodwill impairment test included in accounting principles generally accepted in the United States of America. Entities are not required to calculate the fair value of a reporting unit unless they determine that it is more likely than not that the fair value is less than the carrying amount. Management concluded it was not necessary to apply the traditional two-step fair value quantitative impairment test in ASC 350 during the years ended June 30, 2014 and 2013. Also during the year ended June 30, 2013, the Company early adopted ASU No. 2012-02, *Intangibles — Goodwill and Other (Topic 350): Testing Indefinite Lived Intangible Assets for Impairment*, which allows the Company to perform a qualitative assessment to determine whether further impairment testing of indefinite-lived intangibles assets is necessary, similar in approach to goodwill impairment testing. The Company recorded no impairment cost related to its intangible assets during the years ended June 30, 2014 and 2013, as a result of the qualitative assessment. These assets must be reviewed for impairment at least annually and whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

If the qualitative assessment indicates the possibility of impairment, the first step is to compare the fair value of a reporting unit with its carrying amount. If the fair value of a reporting unit exceeds its carrying amount,

MCBC HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2014 AND 2013

(Dollar amounts in thousands, except share and per share data)

3. SIGNIFICANT ACCOUNTING POLICIES

goodwill of the reporting unit is not considered impaired. If the carrying amount of the reporting unit exceeds its fair value, the second step is performed to measure the amount of the impairment loss, if any. In this second step, the implied fair value of the reporting unit's goodwill is compared with the carrying amount of the goodwill. If the carrying amount of the reporting unit's goodwill exceeds the implied fair value of that goodwill, an impairment loss is recognized in an amount equal to that excess, not to exceed the carrying amount of the goodwill.

Impairment of Long-Lived Assets Other Than Indefinite-Lived Assets — The Company assesses the potential for impairment of its long-lived assets if facts and circumstances, such as declines in sales, earnings, or cash flows or adverse changes in the business climate, suggest that they may be impaired. The Company performs its review by comparing the book value of the assets to the estimated future undiscounted cash flows associated with the assets. If any impairment in the carrying value of its long-lived assets is indicated, the assets would be adjusted to an estimate of fair value. The Company did not evaluate its long-lived assets for impairment as of June 30, 2014 and 2013 as no triggering event occurred.

Income Taxes — Income tax expense is the total of the current year income tax due or refundable and the change in deferred tax assets and liabilities. Deferred tax assets and liabilities are the expected future tax amounts for the temporary differences between carrying amounts and tax bases of assets and liabilities, computed using enacted tax rates. A valuation allowance, if needed, reduces deferred tax assets to the amount expected to be realized.

A tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded.

The Company recognizes interest and/or penalties related to income tax matters in income tax expense.

In determining the amount of current and deferred tax the Company takes into account the impact of uncertain tax positions and whether additional taxes, interest and penalties may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will have an impact on tax expense in the period that such a determination is made.

Product Warranties — The Company offers warranties on the sale of certain products for a period of up to five years and records an accrual for estimated future claims. Such accruals are based upon historical experience and management's estimates of the level of future claims, and are subject to adjustment as

MCBC HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2014 AND 2013

(Dollar amounts in thousands, except share and per share data)

3. SIGNIFICANT ACCOUNTING POLICIES

actual claims are determined or as changes in the obligations become reasonably estimable. Such costs are included in cost of sales in the consolidated statements of operations. In 2014, the Company entered into a contract with an insurance company to reimburse warranty claims paid to independent boat dealerships for years two through five of the warranty period. Such insurance payments are included in prepaid expenses and other current assets.

Research and Development — Research and development expenditures are expensed as incurred. The amount charged against operations during the years ended June 30, 2014 and 2013 was $2,722 and $2,839, respectively, and is included in operating expenses in the consolidated statements of operations.

Self-Insurance — The Company is self-insured for certain losses relating to product liability claims and employee medical claims. The Company has purchased stop-loss coverage in order to limit its exposure to any significant levels under these plans. Losses are accrued based upon the Company's estimates of the aggregate liability for self-insured claims incurred using certain actuarial assumptions followed in the insurance industry and Company's historical experience.

Deferred Financing Costs — Certain costs incurred to obtain financing are capitalized and amortized over the term of the related debt using the effective interest method. For the year ended June 30, 2014, the Company incurred deferred financing costs of $609 and recorded amortization of $61. There were no deferred financing costs or related amortization as of and for the year ended June 30, 2013.

Stock-Based Compensation — Compensation cost is recognized for stock options issued to employees, based on the fair value of these awards at the date of grant. The Black-Scholes model is utilized to estimate the fair value of stock options. Compensation cost is recognized over the required service period, generally defined as the vesting period. For awards with graded vesting, compensation cost is recognized on a straight-line basis over the requisite service period for the entire award. The amount charged against operations for the years ended June 30, 2014 and 2013, was $2 and $23, respectively, and is included in operating expenses in the consolidated statements of operations.

Common Stock Warrant — The Company accounts for its freestanding common stock warrant as a liability. The warrant is recorded at fair value at each balance sheet date, estimated using an option pricing model. Changes in the estimated fair value of the warrant are separately stated in the consolidated statements of operations.

Advertising — Advertising costs are expensed as incurred. The amount charged against operations during the years ended June 30, 2014 and 2013, was $5,255 and $4,238, respectively, and is included in selling and marketing expenses in the consolidated statements of operations.

Fair Value Measurements — The Company measures its "financial" assets and liabilities and certain "non-financial" assets and liabilities at fair value and utilizes the established framework for measuring fair

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value and disclosing information about fair value measurements. Fair value is the price received to transfer an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Measuring fair value involves a hierarchy of valuation inputs used to measure fair value. This hierarchy prioritizes the inputs into three broad levels as follows: Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 inputs are quoted prices for similar assets and liabilities in active markets or inputs that are observable for the asset or liability, either directly or indirectly; and, Level 3 inputs are unobservable inputs in which little or no market data exists, therefore requiring a company to develop its own valuation assumptions.

Fair Value of Financial Instruments — The carrying amounts of the Company's financial instruments, consisting of cash and cash equivalents, accounts receivable, accounts payable and other liabilities, approximate their estimated fair values due to the relative short-term nature of the amounts. The common stock warrant is measured and recorded at fair value on a recurring basis. The carrying amount of debt approximates fair value due to variable interest rates at customary terms and rates the Company could obtain in current financing. Management does not believe it is practical to determine the fair value of its related party debt, since it may have been issued at rates and on terms different than if the debt was issued to a non-related party. Accordingly, management does not consider it practical to determine the fair value of the related party debt without incurring excessive cost.

Repurchase Commitments — In connection with its dealers' wholesale floor-plan financing of boats, the Company has entered into repurchase agreements with various lending institutions. The repurchase commitment is on an individual unit basis with a term from the date it is financed by the lending institution through the payment date by the dealer, generally not exceeding two and a half years. The Company accrues estimated losses for obligations to repurchase inventory repossessed from dealerships by financial institutions when it is probable that a loss has been incurred and the amount of loss is reasonably estimable. The Company has applied these provisions to its floor plan repurchase agreements as disclosed in Notes 9 and 14.

Earnings Per Common Share — Basic earnings per common share reflects reported earnings divided by the weighted average number of common shares outstanding. Diluted earnings per common share include the effect of dilutive stock options and warrant and the respective tax benefits, unless inclusion would not be dilutive.

Operating Leases — The Company leases warehouse space and equipment under operating lease arrangements. Lease agreements may include rent holidays, rent escalation clauses, and tenant improvement allowances. The Company recognizes scheduled rent increases on a straight-line basis over the lease term beginning with the date the Company takes possession of the leased space.

Segment Information — Operating segments are identified as components of an enterprise about which discrete financial information is available for evaluation by the chief operating decision maker in making

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decisions on how to allocate resources and assess performance. The Company views its operations in two reporting segments based on product brand consisting of the MasterCraft brand and the Hydra-Sports brand.

Reclassifications — Certain reclassifications have been made in the consolidated financial statements for the year ended June 30, 2013 to conform to the 2014 presentation. These reclassifications relate to shipping and handling costs of $2,225 and $2,348 were reclassified from operating expenses to cost of sales for the years ended June 30, 2014 and 2013, respectively. Additionally, shipping and handling cost of $1,108 and $1,498 were reclassified from net sales to cost of sales for the years ended June 30, 2014 and 2013, respectively. Further, warranty and other cost of $1,477 and $1,050 were reclassified from operating expenses to cost of sales for the years ended June 30, 2014 and 2013, respectively.

Recently Issued Accounting Standards — In May 2014, the FASB and International Accounting Standards Board jointly issued new principles-based accounting guidance for revenue recognition that will supersede virtually all existing revenue guidance. The core principle of this guidance is that an entity should recognize revenue 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 and services. To achieve the core principle, the guidance establishes the following five steps: 1) identify the contract(s) with a customer, 2) identify the performance obligation in the contract, 3) determine the transaction price, 4) allocate the transaction price to the performance obligations in the contract, and 5) recognize revenue when (or as) the entity satisfies a performance obligation. The guidance also details the accounting treatment for costs to obtain or fulfill a contract. Lastly, disclosure requirements have been enhanced to provide sufficient information to enable users of financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. In April 2015, the FASB voted to propose to defer the effective date one year from the original effective date for annual reporting periods beginning after December 15, 2016 to December 15, 2017, including interim periods within that reporting period. Early adoption is not permitted. The Company is currently evaluating the impact this new guidance is expected to have on our financial position or results of operations and related disclosures.

In April 2015, the FASB issued ASU No. 2015-03, "Interest — Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs" related to the presentation requirements for debt issuance costs and debt discount and premium. ASU 2015-03 requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The recognition and measurement guidance for debt issuance costs are not affected by ASU 2015-03. ASU 2015-03 is effective for fiscal years beginning after December 15, 2015 and interim periods within those fiscal years. Early adoption of the amendments in ASU 2015-03 is permitted for financial statements that have not been previously issued. The Company is currently assessing the impact that adopting this new accounting guidance will have on its consolidated financial statements and note disclosures.

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4. INVENTORIES

Inventories at June 30, 2014 and 2013 consisted of the following:

	2014	2013
Raw materials and supplies	$ 4,957	$ 5,756
Work in process	2,602	2,463
Finished goods	4,798	4,427
Obsolescence reserve	(672)	(1,330)
Total inventories	$ 11,685	$ 11,316

Activity in the obsolescence reserve was as follows for the years ended June 30, 2014 and 2013:

	2014	2013
Beginning balance	$ (1,330)	$ (1,330)
Charged to costs and expenses	(644)	(1,833)
Disposals	1,302	1,833
Ending balance	$ (672)	$ (1,330)

5. PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets at June 30, 2014 and 2013, consisted of the following:

	2014	2013
Prepaid photo shoot	$ 542	$ 362
Insurance	531	171
Trade show deposits	121	78
Other	374	188
Total prepaid expenses and other current assets	$ 1,568	$ 799

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6. PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment — net at June 30, 2014 and 2013, consisted of the following:

	2014	2013
Land and improvements	$ 1,125	$ 1,125
Buildings and improvements	7,652	7,112
Machinery and equipment	12,534	9,595
Furniture and fixtures	946	946
Construction in progress	887	945
Total property, plant, and equipment	23,144	19,723
Less accumulated depreciation	(10,253)	(8,002)
Property, plant, and equipment — net	$ 12,891	$ 11,721

Depreciation expense for fiscal years ended June 30, 2014 and 2013 was $2,251 and $1,753, respectively.

7. INTANGIBLE ASSETS

As of June 30, 2014 and 2013, details of the Company's intangible assets other than goodwill were as follows:

	2014		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Dealer network	$ 1,590	$ (626)	$ 964
Developed technologies for internal use	800	(571)	229
Software	500	(500)	—
Order backlog	700	(700)	—
Total amortizable intangible assets	3,590	(2,397)	1,193
Trade names	16,000	—	16,000
Total intangible assets	$ 19,590	$ (2,397)	$ 17,193

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7. INTANGIBLE ASSETS

	2013		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Dealer network	$ 1,590	$ (519)	$ 1,071
Developed technologies for internal use	800	(457)	343
Software	500	(500)	—
Order backlog	700	(700)	—
Total amortizable intangible assets	3,590	(2,176)	1,414
Trade names	16,000	—	16,000
Total intangible assets	$ 19,590	$ (2,176)	$ 17,414

The amortizable intangible assets reflected in the table above were determined by management to have finite lives. The useful life for the developed technology for internal use was based on review of historical lives of similar products, in conjunction with technology-specific factors and anticipated future trends in the industry. The useful life for the software was based on review of historical lives of similar products, in conjunction with technology-specific factors and anticipated future trends in the software industry and the marine industry. The useful life for the dealer network was based on the average tenure of the dealer group. None of the amortizable intangible assets are expected to have a residual value at the end of their respective useful lives. The intangible assets are amortized on a straight-line basis over the estimated useful lives.

The Company's finite-lived intangible assets are amortized on a straight-line basis over the weighted-average amortization periods in the following table. The aggregate weighted-average amortization period is 8.2 years.

	Amortization Period (in years)
Dealer network	14
Developed technologies for internal use	7
Software	3
Order backlog	1

Trade names have been determined by management to have indefinite lives and are not being amortized, based on management's expectation that trade names will generate cash flows for an indefinite period. Management expects to maintain usage of the trade names on existing products and introduce new products in the future under the trade names, thus extending their lives indefinitely.

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7. INTANGIBLE ASSETS

Amortization expense for fiscal years ended June 30, 2014 and 2013, was $221 and $222, respectively. Estimated amortization expense for the five years subsequent to June 30, 2014, is shown in the following table:

Fiscal years ending June 30,

2015	$	221
2016		221
2017		107
2018		107
2019		107
and thereafter		430
Total	$	1,193

8. RESTRICTED CASH

The Company is obligated to maintain irrevocable standby letters of credit for the benefit of GE Commercial Distribution Finance Corporation as collateral for floor-plan financing arrangements. At June 30, 2013, these irrevocable standby letters of credit were $850 and $125. The financial institution required these letters of credit to be fully collateralized. Total letters of credit were $1,356 at June 30, 2013. On May 6, 2013 these were cancelled and reissued under a different bank. At June 30, 2014, these irrevocable standby letters of credit were $1,175 for the benefit of GE Commercial Distribution Finance Corporation and Great American Insurance Company. The financial institution secured the letters of credit by reducing the available funds in the Company's Revolving Credit Facility. The letters expire May 2015. There were no restricted funds as of June 30, 2014. Total restricted funds were $1,023 at June 30, 2013, and are classified as long-term in the accompanying consolidated balance sheets.

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9. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities at June 30, 2014 and 2013, consisted of the following:

	2014	2013
Warranty	$ 8,033	$ 8,056
Self-insurance	899	1,090
Compensation and related accruals	3,189	3,015
Inventory repurchase contingent obligation	762	824
Interest	580	434
Dealer incentives	1,996	2,847
Other	2,142	2,113
Total accrued expenses and other current liabilities	$ 17,601	$ 18,379

The following table provides a roll forward of the accrued warranty liability for the years ended June 30, 2014 and 2013:

	2014	2013
Beginning balance	$ 8,056	$ 8,118
Provisions	4,301	4,433
Payments made	(4,324)	(4,495)
Ending balance	$ 8,033	$ 8,056

Activity in dealer incentives for the years ended June 30, 2014 and 2013 was as follow:

	2014	2013
Beginning balance	$ 2,847	$ 1,907
Provisions	3,901	4,711
Payments made	(4,752)	(3,771)
Ending balance	$ 1,996	$ 2,847

10. FAIR VALUE MEASUREMENTS

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between

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10. FAIR VALUE MEASUREMENTS

market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

Level 1 — Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2 — Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 — Significant unobservable inputs that reflect a company's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

When determining the fair value measurements for assets or liabilities required or permitted to be recorded at and/or marked to fair value, the Company considers the principal or most advantageous market in which it would transact and considers assumptions that market participants would use when pricing the asset or liability. When possible, the Company looks to active and observable markets to price identical assets. When identical assets are not traded in active markets, the Company looks to market observable data for similar assets.

The following tables summarize the basis used to measure certain financial assets and liabilities at fair value on a recurring basis in the consolidated balance sheets:

The Company classifies the common stock warrant within Level 3 because they are valued using valuation techniques using certain inputs that are unobservable in the market. Liabilities, measured at fair value on a recurring basis include the following as of June 30, 2014 and 2013:

	2014 Fair Value Measurements Using		
	Level 1	Level 2	Level 3
Liability — common stock warrant	$ —	$ —	$ 2,526

	2013 Fair Value Measurements Using		
	Level 1	Level 2	Level 3
Liability — common stock warrant	$ —	$ —	$ —

The Company uses an option pricing model to estimate the fair value of the warrant. Key inputs used in valuing the Company's warrant include the Company's stock price (estimated using a combination of the

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10. FAIR VALUE MEASUREMENTS

income and market approach), the Company's stock price volatility, risk-free interest rate, and exercise price of the warrant. The estimated expected volatility was based on the volatility of common stock of a group of comparable, publicly traded companies. The increase in the amount of the warrant liability during the year ending June 30, 2014 is primarily due to the Company's improved financial performance.

The following table shows the reconciliation from the beginning to the ending balance for the Company's common stock warrant liability measured at fair value on a recurring basis using significant unobservable inputs (i.e. Level 3) for the years ended June 30, 2014 and 2013:

	2014	2013
Beginning balance	$ —	$ —
Change in common stock warrant fair value	2,526	—
Ending balance	$ 2,526	$ —

The Company estimated the common stock warrant using an option pricing model with the following assumptions at June 30:

	2014	2013
Expected term (in years)	3	4
Risk-free rate	0.86%	1.03%
Expected volatility	66.21%	109.06%
Dividend rate	0.00%	0.00%

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11. LONG-TERM DEBT

Long-term debt outstanding at June 30, 2014 and 2013 is as follows:

	2014	2013
Floating Rate Notes due October 2014, plus interest at six-month LIBOR, plus a margin of 6.375%	$ 425	$ 425
Senior Secured PIK Notes due December 2018, $30,000 face amount plus PIK interest of $12,305 at June 30, 2014, and $14,539 at June 30, 2013 interest at 10% per annum payable in kind quarterly	42,305	44,539
Senior Secured Term Loan due September 2018, plus interest at an applicable rate plus LIBOR or Prime rate	23,250	—
Senior Secured Term Loan, $15,000 face amount plus PIK interest of $14,936 and discount accretion of $400 at June 30, 2013, interest at 17% per annum PIK or 14% per annum payable in cash quarterly	—	30,336
Total long-term debt	65,980	75,300
Less current portion	8,621	—
Long-term debt — less current portion	$ 57,359	$ 75,300

Total amounts outstanding to entities controlled by Wayzata Investment Partners LLC, a related party and controlling shareholder, were $40,364 and $72,831 as of June 30, 2014 and 2013, respectively. These totals are comprised of $40,364 and $42,495 from the Senior Secured PIK Notes at June 30, 2014 and 2013, respectively, and $ — and $30,336 of the Senior Secured Term Loan, at June 30, 2014 and 2013, respectively.

On June 30, 2009, the various entities controlled by Wayzata Investment Partners LLC (the "Wayzata Entities") exchanged all of their 2014 Notes for (1) 100% of the New Common Stock of MCBC and (2) $30,000 of Senior Secured PIK Notes secured by second-priority liens on substantially all of the Company's assets. The Senior Secured PIK Notes were issued in the aggregate principal amount of $30,000, due September 2014, with interest to be paid in kind at a rate of 10% per annum. The Company also issued a $15,000 Senior Secured Term Loan, due June 2014, to the Wayzata Entities. On September 9, 2013, the fourth amendment to the credit agreement for the $15,000 Senior Secured Term Loan was executed thereby extending the maturity date to June 29, 2015. The initial draw under the Senior Secured Term Loan of $15,000, was made at a 3.0% discount of the face amount of the draw. Interest accrues, at the option of the Company, at a rate of 17% per annum PIK quarterly, or 14% per annum payable in cash quarterly. The $15,000 Senior Secured Term Loan was paid off December 20, 2013. The Company paid $32,918 which included $15,000 of the original term loan and $17,918 in PIK interest.

In addition to the Senior Secured PIK Notes and Senior Secured Term Loan, the Company entered into an Amended and Restated Revolving Credit Facility with the Wayzata Entities acting as administrative agent and

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11. LONG-TERM DEBT

lenders and a financial institution as the servicer. The initial maximum availability was $20,000, maturing June 29, 2014. The Senior Secured PIK Notes were amended on December 20, 2013 to extend the maturity date to December 19, 2018. On September 9, 2013, the fourth amendment to the credit agreement for the Revolving Credit Facility was executed thereby extending the maturity date to June 29, 2015. Interest was due quarterly at the bank's prime rate. Periodic draws under the Amended and Restated Revolving Credit Facility were subject to a borrowing base. The borrowing base calculation allowed advances against the underlying assets as follows: (a) 85% of eligible accounts receivable, the lesser of (1) the lesser of (a) 60% of eligible inventory or (b) 85% of net orderly liquidation value percentage of such eligible inventory or (2) $11,903, (b) the lesser of (1) $650 or (2) 85% appraised net orderly liquidation value of eligible equipment, (c) all real property. At the lender's discretion, borrowing could have exceeded the availability under the borrowing base from time to time. Over advances outstanding at any time could not have exceeded $10,000 upon approval from the Wayzata entities. The remaining availability on the borrowing base was approximately $12,000 on June 30, 2013. This revolving loan was replaced with a new revolving line on December 20, 2013.

On December 20, 2013, the Company entered into a Credit and Guaranty Agreement with Fifth Third Bank and SunTrust Bank that comprised of a $25,000 term loan commitment and a $10,000 revolving credit commitment. Initial borrowing under the term loan was $20,000 with an additional draw on February 6, 2014 for an additional $5,000. Borrowings under the Credit Agreement bear interest at the Company's option of Bank Prime or London Interbank Offered Rate plus the applicable margin, as defined in the Credit Agreement. The Credit Agreement requires quarterly principal payments and requires the Company to meet certain financial covenants that include a minimum fixed charge coverage ratio and a leverage ratio. As of June 30, 2014 the Company was compliant with all of its debt covenants. Any remaining amounts outstanding under the Agreement become due on September 20, 2018. Availability under the revolving line of credit is reduced by letters of credit. There were specified letters of credit outstanding for $1,175 at June 30, 2014. The Company had no borrowings outstanding on the revolving loan as of June 30, 2014. The net revolving loan availability as of June 30, 2014 was $8,825. As of June 30, 2014, the effective interest rate on borrowings outstanding on the Credit Agreement was 3.77%. The Credit and Guaranty Agreement also requires an excess cash flow payment to be made each fiscal year after completion of the annual audit. Commencing with the year ending June 30, 2015 the requirement to make an excess cash flow payment is subject to the Company meeting certain leverage ratios as defined in the credit agreement. The excess cash flow payment due for the year ended June 30, 2014 of $4,446 is classified in short term debt in the

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11. LONG-TERM DEBT

accompanying consolidated balance sheets. Long-term debt maturities subsequent to June 30, 2014, are as follows:

Fiscal years ending June 30,

2015	$ 8,621
2016	4,250
2017	4,750
2018	6,500
2019	41,859
Total	$ 65,980

12. INCOME TAXES

Earnings from continuing operations before income taxes and equity by jurisdiction were all in the United States except for a loss of $74 and a profit of $194 in 2014 and 2013, respectively.

For the years ended June 30, 2014 and 2013, the components of the provision for income taxes are as follows:

	Fiscal Year Ended June 30, 2014	Fiscal Year Ended June 30, 2013
Current income tax expense (benefit):		
Federal	$ 3,467	$ 193
State and other	308	29
Benefit of operating loss carryforwards	(3,680)	(258)
Total current tax expense (benefit)	95	(36)
Deferred tax expense (benefit):		
Federal	(10,639)	—
State and other	(870)	(1)
Total deferred tax expense (benefit)	(11,509)	(1)
Income tax expense (benefit)	$ (11,414)	$ (37)

As of June 30, 2013, the Company had a valuation allowance against all of its deferred tax assets based on the evaluation of positive and negative evidence available. The deferred tax liability of $5,866 at June 30, 2013 relates to indefinite lived trade names. During the fiscal year ended June 30, 2014, the Company determined it was more likely than not that the majority of the deferred tax assets will be realized due to improved financial performance and management's expectations regarding future financial performance. The valuation allowance decreased by $15,570 during the year ended June 30, 2014.

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12. INCOME TAXES

The difference between the statutory and the effective federal tax rate for the year ended June 30, 2014 and 2013 is attributable to the following:

	Fiscal Year Ended June 30, 2014	Fiscal Year Ended June 30, 2013
Statutory income tax rate	34.00%	34.00%
State taxes (net of federal income tax benefit and valuation allowance)	(8.65)	3.00
Valuation allowance	(166.86)	(38.14)
Other	(.69)	1.14
Uncertain tax positions	(2.47)	(2.29)
Permanent differences	10.59	.96
Effective income tax rate	(134.08)%	(1.33)%

As of June 30, 2014 and 2013, a summary of the significant components of the Company's deferred tax assets and liabilities was as follows:

	2014	2013
Deferred tax assets:		
Warranty reserves	$ 2,944	$ 2,953
Repurchase agreements	280	302
Other reserves	616	1,090
Deductible transaction fees	—	130
Unrecognized tax benefits	210	261
Federal net operating loss	8,061	11,504
State net operating loss	601	840
Foreign net operating loss	79	—
Valuation allowance	(199)	(15,769)
Total deferred tax assets	12,592	1,311
Deferred tax liabilities:		
Depreciation	(589)	(631)
Intangible asset basis difference	(6,355)	(6,382)
Other	(9)	(164)
Total deferred tax liabilities	(6,953)	(7,177)
Net deferred tax assets (liabilities)	$ 5,639	$ (5,866)

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12. INCOME TAXES

Deferred tax assets and liabilities are classified as current and noncurrent amounts in the accompanying consolidated balance sheets according to the classification of the related asset and liability.

	2014	2013
Current deferred tax asset	$ 3,839	$ 1,130
Noncurrent deferred tax asset (liability)	1,800	(6,996)
Net deferred tax asset (liabilities)	$ 5,639	$ (5,866)

The Company has federal net operating loss carryforwards of approximately $23,710 that expire in varying years ranging from June 30, 2030 to June 30, 2032. The Company has state net operating loss carryforwards of approximately $14,950 that expire in varying years, dependent upon tax jurisdiction, ranging from June 30, 2015 to June 30, 2032.

Unrecognized Tax Benefits

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

	2014	2013
Balance at July 1	$ 459	$ 525
Additions based on tax positions related to the current year	11	—
Additions for tax positions of prior years	—	—
Reductions for tax positions of prior years	(100)	(66)
Balance at June 30	$ 370	$ 459

Of this total, $410 and $508 as of June 30, 2014 and 2013, respectively represent the amount of unrecognized tax benefits that, if recognized, would favorably affect the effective income tax rate in future periods. The total amount of interest and penalties recorded in the consolidated statements of operations for the years ended June 30, 2014, and 2013 were a benefit of $58 and $24, respectively. The amounts accrued for interest and penalties at June 30, 2014 and 2013 were $250 and $310 respectively.

The Company and its subsidiaries are subject to US federal income tax, as well as various other income state taxes and foreign income taxes. The Company is no longer subject to examination by taxing authorities for years before June 30, 2010. The Company expects the total amount of unrecognized benefits to decrease by approximately $134 in the next twelve months.

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13. STOCK-BASED COMPENSATION

The Company recorded stock-based compensation expense for the years ended June 30, 2014 and 2013 of $2 and $23, respectively.

The MCBC Holdings, Inc. 2010 Equity Incentive Plan (stock option plan or the Plan) provides a means by which eligible employees, directors, and consultants may be given the opportunity to benefit from the increases in value of the common stock through the granting of incentive stock options, nonstatutory stock options, rights to purchase common stock, stock appreciation rights, restricted stock, restricted stock units, performance shares, and performance units. The Plan is administered by the Board of Directors of the Company which has the discretion of determining when, to whom, and the type of awards to be granted under the Plan.

A total of 119,049 Tranche 1 Options and a total of 71,427 Tranche 2 Options were granted during 2010. Options vest in 25% increments each year over a four year period beginning September 30, 2010 and if not exercised, expire on March 15, 2020.

The fair value of each option award was estimated on the date of grant using a closed form option valuation (Black-Scholes) model that uses the assumptions noted in the table below. The Company determined that it does not have sufficient information on which to base a reasonable and supportable estimate of expected volatility of its share price, because they have limited or no active stock transactions with third parties. Therefore, the Company has selected to use the calculated value method. Under this method, the Company used comparable public companies to estimate expected volatility. The Company uses historical data to estimate option exercise and post-vesting termination behavior. The risk-free interest rate for the expected term of the option is based on the U.S. Treasury yield curve in effect at the time of the grant.

No awards were granted under the Plan during the years ended June 30, 2014 or 2013 and all outstanding awards are fully vested at June 30, 2014.

MCBC HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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(Dollar amounts in thousands, except share and per share data)

13. STOCK-BASED COMPENSATION

A summary of the activity in the Plan for the year ending June 30, 2014 is as follows:

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Yrs.)	Aggregate Intrinsic Value
Outstanding at beginning of year	16,476	$ 44.87	5.7	$ 40.67
Granted	—	—	—	—
Exercised	—	—	—	—
Forfeited or expired	(3,429)	$ 44.87	—	—
Outstanding at end of year	13,047	$ 44.87	5.7	$ 40.67
Fully vested and exercisable at end of year	13,047	$ 44.87	5.7	$ 40.67

14. COMMITMENTS AND CONTINGENCIES

The Company leases equipment and warehouse space under operating lease agreements expiring through 2020. Rental expense was $293 and $416 during the years ended June 30, 2014 and 2013, respectively. Future minimum rental payments under all non-cancelable operating leases with remaining lease terms in excess of one year at June 30, 2014, are as follows:

Fiscal years ending June 30,	
2015	$ 340
2016	324
2017	215
2018	120
2019	45
and thereafter	8
Total	$ 1,052

Under certain conditions, the Company is obligated to repurchase new inventory repossessed from dealerships by financial institutions that provide credit to boat dealerships. Under the terms of these "Repurchase Agreements," the Company is obligated to repurchase inventory repossessed by these financial institutions for a period ranging from 24 months to 30 months from the date of the original sale of the products to the respective dealers. Repossession of products by the financial institutions normally occurs when a dealer goes out of business or defaults with a lender. The maximum obligation of the Company

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14. COMMITMENTS AND CONTINGENCIES

under such floor plan agreements aggregated approximately $43,792 and $40,825 as of June 30, 2014 and 2013, respectively. No units were repurchased for the years ended June 30, 2014 and 2013. The Company recorded an estimated liability of $762 and $824 as of June 30, 2014 and 2013, respectively, after giving effect to proceeds anticipated to be received from the resale of those products to alternative dealers, and taking into consideration the credit quality of the dealers.

The Company is engaged in an exclusive contract with Ilmor Marine to provide engines for its MasterCraft boats. This contract makes Ilmor Marine the only supplier to MasterCraft for in-board engines expiring June 30, 2018. The Company is obligated to purchase a minimum number of engines during each model year and penalties can be assessed if the Company does not meet the purchase requirements. The Company did not incur any penalties related to engine purchase shortfalls for the years ended June 30, 2014 and 2013, respectively. Estimated purchases under the agreement range from approximately $23,000 to $30,000 for each of the years ending June 30, 2015 thru 2018.

Future minimum purchase commitments for the remainder of the exclusive supply agreement are as follows:

Fiscal years ending June 30,		
2015	$	1,025
2016		1,066
2017		1,109
2018		1,153
Total	$	4,353

The Company is involved in certain claims and legal actions arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters is not expected to have a material adverse effect on the Company's financial condition or results of operations.

15. RELATED PARTY

In addition to the related party debt discussed in Note 11, an officer of a subsidiary of the Company is also the owner of a dealership who is a customer of the Company. This dealership purchases boats from the Company and participates in marketing and other sales events jointly with the Company. These transactions result in receivables from the dealership, sales and related costs of the boats sold, as well as payables and other charges. In addition this related party receives a management fee and other administrative fees for

MCBC HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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(Dollar amounts in thousands, except share and per share data)

15. RELATED PARTY

assistance in managing international boat sales. The schedule below identifies balances included in the consolidated balance sheets and statements of operations at June 30, 2014 and 2013.

	2014	2013
Accounts receivable	$ —	$ 2
Sales	160	544
Cost of sales	111	359
Management Fee	200	250
Accounts payable/accrued liabilities	181	95
Sales, marketing and office expenses	1,585	1,515
Interest expense (Wayzata entities — Note 11)	6,853	9,014

16. COMMON STOCK AND COMMON STOCK WARRANT

The Company has authorized 4,900,000 shares of common stock, par value of $0.01 per share. Holders of common stock are each entitled to one vote for each share held of record on all matters submitted to a vote of shareholders. Holders are entitled to receive dividends when and if declared by the board of directors. In the event of liquidation, dissolution, or winding up, holders of common stock are entitled to receive a pro rata share of remaining assets available for distribution.

On June 30, 2009, the Company issued a common stock warrant for the purchase of 100,000 common shares. The strike price is $81.60 per share and is adjusted based on the stock splits, stock dividends and certain other events or transactions. The warrant will expire in June 2019 if not exercised. The Company classifies the warrant as a liability and records the liability at the estimated fair value at each reporting date. The common stock warrant liability was $2,526 at June 30, 2014. The estimated fair value of the common stock warrant liability was determined to be insignificant at June 30, 2013.

MCBC HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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(Dollar amounts in thousands, except share and per share data)

17. EARNINGS PER SHARE

The factors used in the earnings per share computation follow:

	2014	2013
Net income	$ 19,927	$ 2,816
Weighted average common shares — basic	1,000,000	1,000,000
Dilutive effect of assumed exercises of stock options	3,884	—
Weighted average outstanding shares — diluted	1,003,884	1,000,000
Basic earnings per share	$ 19.93	$ 2.82
Diluted earnings per share	$ 19.85	$ 2.82

Stock options for 4,892 and 16,476 shares of common stock were not considered in computing diluted earnings per share for 2014 and 2013 because they were antidilutive. A common stock warrant for 100,000 shares was not considered in computing diluted earnings per share for 2014 and 2013 because they were antidilutive.

18. SEGMENT INFORMATION

The Company designs, manufactures, and markets recreational performance boats and has two operating and reportable segments: MasterCraft and Hydra-Sports. The Company's segments are defined by management's reporting structure, product brands, and distribution channels. The MasterCraft product brand consists of recreational performance boats primarily used for water skiing, wakeboarding and wake surfing, and general recreational boating. The Company distributes the MasterCraft product brand through its dealer network. The Company manufactures Hydra-Sports recreational fishing boats under a contract manufacturing agreement with Hydra-Sports Custom Boats, LLC, an unrelated third party. All sales related to the Hydra-Sports brand are to the unrelated third party. The Company's chief operating decision maker ("CODM") regularly reviews the operating performance of each product brand including measures of performance based on income from operations. The Company considers each of the product brands to be an operating segment and has further concluded that presenting disaggregated information of these two operating segments provides meaningful information as certain economic characteristics are dissimilar as well as the characteristics of the customer base served. Sales outside of North America accounted for 14.6% and 16.3% of net sales of the MasterCraft segment for the years ended June 30, 2014 and 2013, respectively. The company has no significant assets, concentration of sales to individual dealers or countries outside of North America during the years ended June 30 2014 and 2013. All sales in the Hydra-Sports segment are domestic.

MCBC HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2014 AND 2013

(Dollar amounts in thousands, except share and per share data)

18. SEGMENT INFORMATION

Management evaluates performance based on business segment operating income. The Company files a consolidated income tax return and does not allocate income taxes and other corporate level expenses including interest to operating segments.

The Company does not maintain separate balance sheets for operating segments because this information is not considered meaningful for decision making. All corporate costs are allocated to MasterCraft.

For the year ended June 30, 2014, the operating information for the reportable segments is shown as follows:

	MasterCraft	Hydra-Sports	Consolidated
Net sales	$ 163,631	$ 13,956	$ 177,587
Cost of sales	127,657	12,318	139,975
Operating income	16,971	1,623	18,594
Depreciation and amortization	2,340	132	2,472

For the year ended June 30, 2013, the operating information for the reportable segments is shown as follows:

	MasterCraft	Hydra-Sports	Consolidated
Net sales	$ 148,750	$ 13,259	$ 162,009
Cost of sales	119,509	11,794	131,303
Operating income	10,843	1,175	12,018
Depreciation and amortization	1,843	132	1,975

19. SUBSEQUENT EVENTS

On November 25, 2014, the Company executed Amendment No. 1 to its Credit Agreement which increased the senior secured term loan amount to $50,000 and requires quarterly principal payments of $1,250 beginning on March 31, 2015 and increases as follows: $1,875 on March 31, 2016, $2,500 on March 31, 2018, and $5,000 on March 31, 2019. The amendment also modified certain financial covenants. The revolving loan and term loan mature in November 2019. Approximately $44,023 of the proceeds from the additional borrowings were used to retire the outstanding senior secured PIK notes which were primarily held by related parties.

On March 13, 2015, the Company entered into an Amended and Restated Credit and Guaranty Agreement which increased the term loan commitment to $75,000 and increased the revolving credit agreement to

MCBC HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2014 AND 2013

(Dollar amounts in thousands, except share and per share data)

19. SUBSEQUENT EVENTS

$30,000. The amended term loan requires quarterly principal payments of $1,875 beginning March 31, 2015 and increase as follows: $2,812.5 on March 31, 2017, and $3,750 on March 31, 2019. In addition, the amended agreement modified interest rates and financial covenants. The Company used $44,000 of the proceeds to pay a cash dividend to common shareholders.

Management notified Hydra-Sports Custom Boats, LLC that the Company does not intend to renew the agreement to provide manufacturing services included in the Hydra-Sports segment when the current agreement expires in June 2015. There are no costs or penalties associated with the termination, and management does not anticipate the disposition of any assets related to the termination.

MCBC HOLDINGS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(Dollar amounts in thousands, except share data)

	March 29, 2015	June 30, 2014
	(Unaudited)	
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 4,283	$ 12,539
Accounts receivable — net of allowances of $120 and $137, respectively	6,575	4,406
Inventories — net	12,979	11,685
Prepaid expenses and other current assets	6,168	1,568
Income tax receivable	31	—
Deferred income taxes	—	3,839
Total current assets	30,036	34,037
Property, plant and equipment — net	13,383	12,891
Intangible assets — net	17,027	17,193
Goodwill	29,593	29,593
Deferred debt issuance costs — net	433	548
Deferred income taxes	1,019	1,800
Other	138	80
Total assets	$ 91,629	$ 96,142
LIABILITIES AND SHAREHOLDERS' DEFICIT		
CURRENT LIABILITIES:		
Accounts payable	$ 15,106	$ 13,020
Income tax payable	44	182
Accrued expenses and other current liabilities	28,759	17,601
Common stock warrant liability	7,774	2,526
Current portion of long term debt	16,598	8,621
Total current liabilities	68,281	41,950
Long-term debt, net of discount of $717 and $ — and including related party amounts of $ — and $40,364 at March 29, 2015 and June 30, 2014, respectively	67,671	57,359
Unrecognized tax positions	467	620
Total liabilities	136,419	99,929
COMMITMENTS AND CONTINGENCIES (Note 9)		
SHAREHOLDERS' DEFICIT:		
Common stock, $0.01 par value per share — authorized, 4,900,000 shares; issued and outstanding, 1,000,000 shares at March 29, 2015 and June 30, 2014, respectively	10	10
Additional paid-in capital	8,942	8,942
Accumulated deficit	(53,742)	(12,739)
Total shareholders' deficit	(44,790)	(3,787)
Total liabilities and shareholders' deficit	$ 91,629	$ 96,142

The notes form an integral part of the condensed consolidated financial statements (unaudited).

MCBC HOLDINGS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

(Dollar amounts in thousands, except share and per share data)

	Nine Months Ended	
	March 29, 2015	March 30, 2014
NET SALES	$ 159,533	$ 125,997
COST OF SALES	121,169	100,689
GROSS PROFIT	38,364	25,308
OPERATING EXPENSES:		
Selling and marketing	6,388	6,681
General and administrative	14,682	7,311
Amortization of intangible assets	166	166
Total selling, general, and administrative expenses	21,236	14,158
OPERATING INCOME	17,128	11,150
OTHER EXPENSE		
Interest expense, including related party amounts of $1,639 in 2015 and $5,835 in 2014	4,150	6,334
Change in common stock warrant fair value	5,248	1,705
INCOME BEFORE INCOME TAXES	7,730	3,111
INCOME TAX EXPENSE (BENEFIT)	4,733	(55)
NET INCOME	$ 2,997	$ 3,166
EARNINGS PER SHARE:		
Basic	$ 3.00	$ 3.17
Diluted	$ 2.82	$ 3.16
WEIGHTED AVERAGE SHARES USED FOR COMPUTATION OF:		
Basic earnings per share	1,000,000	1,000,000
Diluted earnings per share	1,063,694	1,002,700

The notes form an integral part of the condensed consolidated financial statements (unaudited).

MCBC HOLDINGS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' DEFICIT (UNAUDITED)

(Dollar amounts in thousands, except share data)

	Common Stock		Additional Paid-in	Accumulated	
	Shares	Amount	Capital	Deficit	Total
Balance — July 1, 2014	1,000,000	$ 10	$ 8,942	$ (12,739)	$ (3,787)
Dividend	—	—	—	(44,000)	(44,000)
Net Income	—	—	—	2,997	2,997
Balance — March 29, 2015	1,000,000	$ 10	$ 8,942	$ (53,742)	$ (44,790)

The notes form an integral part of the condensed consolidated financial statements (unaudited).

MCBC HOLDINGS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

(Dollar amounts in thousands)

	Nine Months Ended	
	March 29, 2015	March 30, 2014
Cash flows from operating activities		
Net income	$ 2,997	$ 3,166
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	2,303	1,772
Inventory obsolescence reserve	956	478
Noncash interest expenses:		
Paid in kind interest	1,034	4,554
Debt discount accretion	72	50
Amortization of deferred financing costs	34	—
Loss on extinguishment of debt	851	—
Change in common stock warrant fair value	5,248	1,705
Unrecognized tax benefits	(153)	(164)
Deferred income taxes	4,620	—
Net provision of doubtful accounts	(317)	(210)
Changes in assets and liabilities:		
Accounts receivable	(1,852)	1,809
Inventories	(2,250)	(352)
Prepaid expense and other assets	(4,658)	(429)
Income tax receivable	(31)	30
Accounts payable	2,086	1,625
Accrued expenses and other current liabilities	11,158	(535)
Income tax payable	(138)	111
Net cash provided by operating activities	21,960	13,610
Cash flows from investing activities		
Change in restricted cash	—	41
Purchase of fixed assets	(2,629)	(2,323)
Net cash used in investing activities	(2,629)	(2,282)
Cash flows from financing activities		
Principal from issuance of long-term debt	75,000	25,000
Principle payments on long term debt	(67,014)	(39,051)
Proceeds from revolving loan	20,000	—
Payments on revolving loan	(10,000)	—
Dividends paid	(44,000)	—
Payment of deferred financing costs	(453)	(609)
Debt discount	(1,120)	—
Net cash used in financing activities	(27,587)	(14,660)
Net change in cash and cash equivalents	(8,256)	(3,332)
Cash and cash equivalents — beginning of period	12,539	8,571
Cash and cash equivalents — end of period	$ 4,283	$ 5,239
Supplemental disclosures of cash flow information:		
Cash payments for interest	$ 1,655	$ 1,585
Cash payments for income taxes	$ 534	$ 5

The notes form an integral part of the condensed consolidated financial statements (unaudited).

MCBC HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(Dollar amounts in thousands, except share and per share data)

1.ORGANIZATION AND NATURE OF BUSINESS

MCBC Holdings, Inc. ("MCBC") was formed on January 28, 2000, as a Delaware holding company that operates through its wholly owned subsidiaries, MasterCraft Boat Company, LLC, MCBC Hydra Boats, LLC, MasterCraft Services, Inc., MasterCraft Parts Limited, and MasterCraft International Sales Administration, Inc. MCBC and its subsidiaries collectively are referred to herein as the "Company".

The Company is a designer and manufacturer of premium inboard tournament ski boats and luxury performance V-drive runabouts under the MasterCraft brand and high-end saltwater fishing boats under the Hydra-Sports brand. The Company also leases a parts warehouse in the United Kingdom to expedite service, primarily to dealers and customers in the European Union.

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

The Company's fiscal year begins July 1 and ends June 30, with the interim quarterly reporting periods consisting of thirteen weeks. Therefore, the quarter end will not always coincide with the date of the end of the calendar month.

The information furnished in the condensed consolidated financial statements includes normal recurring adjustments and reflects all adjustments, which are, in the opinion of management, necessary for a fair presentation of the results of operations and statements of financial position for the interim periods presented. Certain information and footnote disclosures normally included in the consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and the applicable rules and regulations of the U.S. Securities and Exchange Commission ("SEC") for financial information. Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to such rules and regulations. We believe that the disclosures are adequate to prevent the information presented from being misleading when read in conjunction with our fiscal 2014 consolidated financial statements and the notes thereto. The June 30, 2014 condensed consolidated balance sheet data was derived from the audited financial statements but does not include all disclosures required by U.S. GAAP for complete financial statements. However, management believes that the disclosures are adequate to make the information presented not misleading. These condensed consolidated financial statements should be read in conjunction with the Company's consolidated financial statements and notes thereto for each of the two years ended June 30, 2014 and June 30, 2013.

Unless otherwise indicated, all amounts are in thousands except share and per share amounts.

The unaudited condensed consolidated financial statements have been prepared on the same basis as the Company's audited consolidated financial statements and, in the opinion of management, reflect all adjustments considered necessary to present fairly the Company's financial position as of March 29, 2015 and results of its operations, statement of shareholders' deficit and cash flows for the nine months then

MCBC HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(Dollar amounts in thousands, except share and per share data)

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

ended. All adjustments are of a normal recurring nature. Our interim operating results for the nine months ended March 29, 2015 are not necessarily indicative of the results to be expected in future operating quarters.

There have been no changes in the Company's significant accounting policies for the nine months ended March 29, 2015 as compared with the significant accounting policies described in the Company's audited consolidated financial statements for the financial year ended June 30, 2014.

Note 3 to the consolidated financial statements for the year ended June 30, 2014, describes the significant accounting policies and estimates used in preparation of the consolidated financial statements. There have also been no significant changes in our critical accounting estimates during the nine months ended March 29, 2015.

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

Reclassification — Certain reclassifications have been made in the condensed consolidated financial statements for the period ended March 30, 2014 to conform to the 2014 presentation.

Recently Issued Accounting Standards — In May 2014, the FASB and International Accounting Standards Board jointly issued new principles-based accounting guidance for revenue recognition that will supersede virtually all existing revenue guidance. The core principle of this guidance is that an entity should recognize revenue 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 and services. To achieve the core principle, the guidance establishes the following five steps: 1) identify the contract(s) with a customer, 2) identify the performance obligation in the contract, 3) determine the transaction price, 4) allocate the transaction price to the performance obligations in the contract, and 5) recognize revenue when (or as) the entity satisfies a performance obligation. The guidance also details the accounting treatment for costs to obtain or fulfill a contract. Lastly, disclosure requirements have been enhanced to provide sufficient information to enable users of financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. In April 2015, the FASB voted to propose to defer the effective date one year from the original effective date for annual reporting periods beginning after December 15, 2016 to December 15, 2017, including interim periods within that reporting period. Early adoption is not permitted. We are currently evaluating the impact this new guidance is expected to have on our financial position or results of operations and related disclosures.

In April 2015, the FASB issued ASU No. 2015-03, "Interest — Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs" related to the presentation requirements for debt

MCBC HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(Dollar amounts in thousands, except share and per share data)

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

issuance costs and debt discount and premium. ASU 2015-03 requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The recognition and measurement guidance for debt issuance costs are not affected by ASU 2015-03. ASU 2015-03 is effective for fiscal years beginning after December 15, 2015 and interim periods within those fiscal years. Early adoption of the amendments in ASU 2015-03 is permitted for financial statements that have not been previously issued. The Company is currently assessing the impact that adopting this new accounting guidance will have on its consolidated financial statements and note disclosures.

3. INVENTORIES

Inventories at March 29, 2015 and June 30, 2014, consisted of the following:

	March 29, 2015	June 30, 2014
Raw materials and supplies	$ 6,580	$ 4,957
Work in process	3,400	2,602
Finished goods	3,759	4,798
Obsolescence reserve	(760)	(672)
Total inventories	$ 12,979	$ 11,685

4. PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets at March 29, 2015 and June 30, 2014, consisted of the following:

	March 29, 2015	June 30, 2014
Prepaid photo shoot	$ 426	$ 542
Insurance	4,255	531
Trade show deposits	20	121
Other	1,467	374
Total prepaid expenses and other current assets	$ 6,168	$ 1,568

MCBC HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(Dollar amounts in thousands, except share and per share data)

5. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities at March 29, 2015 and June 30, 2014, consisted of the following:

	March 29, 2015	June 30, 2014
Warranty	$ 11,024	$ 8,033
Self-insurance	884	899
Compensation and related accruals	2,463	3,189
Inventory repurchase contingent obligation	1,097	762
Interest	1,227	580
Dealer incentives	3,434	1,996
Bonus and other transaction costs	6,049	—
Other	2,581	2,142
Total accrued expenses and other current liabilities	$ 28,759	$ 17,601

The accrued bonus and other transaction costs includes $5,729 related to management bonuses for successfully closing the March 2015 debt refinancing described in Note 7. These expenses are reflected within general and administrative expenses on the statement of operations.

6. FAIR VALUE MEASUREMENTS

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

Level 1 — Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2 — Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 — Significant unobservable inputs that reflect a company's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

When determining the fair value measurements for assets or liabilities required or permitted to be recorded at and/or marked to fair value, the Company considers the principal or most advantageous market in which it

MCBC HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(Dollar amounts in thousands, except share and per share data)

6. FAIR VALUE MEASUREMENTS

would transact and considers assumptions that market participants would use when pricing the asset or liability. When possible, the Company looks to active and observable markets to price identical assets. When identical assets are not traded in active markets, the Company looks to market observable data for similar assets.

The following tables summarize the basis used to measure certain financial assets and liabilities at fair value on a recurring basis in the consolidated balance sheets:

The Company classifies the common stock warrant within Level 3 because they are valued using valuation techniques using certain inputs that are unobservable in the market. Liabilities, measured at fair value on a recurring basis include the following as of March 29, 2015 and June 30, 2014:

	March 29, 2015 Fair Value Measurements Using		
	Level 1	Level 2	Level 3
Liability — common stock warrant	$ —	$ —	$ 7,774

	June 30, 2014 Fair Value Measurements Using		
	Level 1	Level 2	Level 3
Liability — common stock warrant	$ —	$ —	$ 2,526

The Company uses an option pricing model to estimate the fair value of the warrant. Key inputs used in valuing the Company's warrant include the Company's stock price (estimated using a combination of the income and market approach), the Company's stock price volatility, risk-free interest rate, and exercise price of the warrant. The estimated expected volatility was based on the volatility of common stock of a group of comparable, publicly traded companies. The increase in the amount of the warrant liability during the nine month period ending March 29, 2015, is primarily due to the Company's improved financial performance.

MCBC HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(Dollar amounts in thousands, except share and per share data)

6. FAIR VALUE MEASUREMENTS

The following table shows the reconciliation from the beginning to the ending balance for the Company's common stock warrant liability measured at fair value on a recurring basis using significant unobservable inputs (i.e. Level 3) for the nine months ended March 29, 2015 and the year ended June 30, 2014:

	March 29, 2015	June 30, 2014
Beginning balance	$ 2,526	$ —
Change in common stock warrant fair value	5,248	2,526
Ending balance	$ 7,774	$ 2,526

The Company estimated the common stock warrant using an option pricing model with the following assumptions at March 29, 2015 and June 30, 2014:

	March 29, 2015	June 30, 2014
Expected term (in years)	1.75	3
Risk-free rate	0.48%	0.86%
Expected volatility	55.37%	66.21%
Dividend rate	0.00%	0.00%

MCBC HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(Dollar amounts in thousands, except share and per share data)

7. LONG-TERM DEBT

Long-term debt outstanding at March 29, 2015 and June 30, 2014 was as follows:

	March 29, 2015	June 30, 2014
Revolving Loan due November 2019	$ 10,000	$ —
Floating Rate Notes due October 2014, plus interest at six-month LIBOR, plus a margin of 6.375%	—	425
Senior Secured PIK Notes due December 2018, $30,000 face amount plus PIK interest of $12,305 at June 30, 2014, and interest at 10% per annum payable in kind quarterly	—	42,305
Senior Secured Term Loan due November 2019, plus interest at an applicable rate plus LIBOR or Prime rate	75,000	23,250
Total long-term debt	85,000	65,980
Less debt discount	(731)	—
Less current portion	(16,598)	(8,621)
Long-term debt — less current portion	$ 67,671	$ 57,359

Total amounts outstanding to entities controlled by Wayzata Investment Partners LLC, a related party and controlling shareholder, under the Senior Secured PIK Notes totaled $— and $40,364 as of March 29, 2015 and June 30, 2014, respectively.

On June 30, 2009, the various entities controlled by Wayzata Investment Partners LLC (the "Wayzata Entities") exchanged all of their 2014 Notes for (1) 100% of the New Common Stock of MCBC and (2) $30,000 of Senior Secured PIK Notes secured by second-priority liens on substantially all of the Company's assets. The Senior Secured PIK Notes were issued in the aggregate principal amount of $30,000, due September 2014, with interest to be paid in kind at a rate of 10% per annum. The Company also issued a $15,000 Senior Secured Term Loan, due June 2014, to the Wayzata entities. On September 9, 2013, the fourth amendment to the credit agreement for the $15,000 Senior Secured Term Loan was executed thereby extending the maturity date to June 29, 2015. The initial draw under the Senior Secured Term Loan of $15,000, was made at a 3.0% discount of the face amount of the draw. Interest accrues, at the option of the Company, at a rate of 17% per annum PIK quarterly, or 14% per annum payable in cash quarterly. The $15,000 Senior Secured Term Loan was paid off December 20, 2013, as well as $17,918 in PIK interest.

In addition to the Senior Secured PIK Notes and Senior Secured Term Loan, the Company entered into an Amended and Restated Revolving Credit Facility with the Wayzata entities acting as administrative agent and lenders and a financial institution as the servicer. The initial maximum availability was $20,000, maturing June 29, 2014. The Senior Secured PIK Notes were amended on December 20, 2013 to extend the maturity

MCBC HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(Dollar amounts in thousands, except share and per share data)

7. LONG-TERM DEBT

date to December 19, 2018. On September 9, 2013, the fourth amendment to the credit agreement for the Revolving Credit Facility was executed thereby extending the maturity date to June 29, 2015. Interest was due quarterly at the bank's prime rate. Periodic draws under the Amended and Restated Revolving Credit Facility were subject to a borrowing base. The borrowing base calculation allowed advances against the underlying assets as follows: (a) 85% of eligible accounts receivable, the lesser of (1) the lesser of (a) 60% of eligible inventory or (b) 85% of net orderly liquidation value percentage of such eligible inventory or (2) $11,903, (b) the lesser of (1) $650 or (2) 85% appraised net orderly liquidation value of eligible equipment, (c) all real property. At the lender's discretion, borrowing could have exceeded the availability under the borrowing base from time to time. Over advances outstanding at any time could not have exceeded $10,000 upon approval from the Wayzata entities.

On December 20, 2013, the Company entered into a Credit and Guaranty Agreement with a syndicate of banks led by Fifth Third Bank that comprised of a $25,000 term loan commitment and a $10,000 revolving loan. Initial borrowing under the term loan was $20,000 with an additional draw on February 6, 2014 for an additional $5,000. Borrowings under the Credit Agreement bear interest at the Company's option of Bank Prime or London Interbank Offered Rate plus the applicable margin, as defined in the Credit Agreement. The Credit Agreement requires quarterly principal payments and requires the Company to meet certain financial covenants that include a minimum fixed charge coverage ratio and a leverage ratio. The Company deferred $609 of debt issuance costs related to the transaction. As of June 30, 2014 the Company was compliant with all of its debt covenants. Any remaining amounts outstanding under the Agreement become due on September 20, 2018. Availability under the revolving line of credit is reduced by letters of credit. There were specified letters of credit outstanding for $1,175 at June 30, 2014. The Company had no borrowings outstanding on the revolving loan pertaining to the Credit and Guaranty Agreement as of June 30, 2014. The net revolving loan availability as of June 30, 2014 was $8,825. As of June 30, 2014, the effective interest rate on borrowings outstanding on the Credit and Guaranty Agreement was 3.77%.

On November 25, 2014, the Company amended its Credit and Guaranty Agreement to increase the term loan commitment from $25,000 to $50,000, modify quarterly principal payments, and extend the maturity date to November 2019. The proceeds of the debt were used (in addition to cash flow from operations) to extinguish $44,023 of the Wayzata Senior Secured PIK Notes, including accrued PIK interest of $684. Transaction costs associated with the amendment included an original issue discount of $588. On March 13, 2015, the Company entered into an Amended and Restated Credit and Guaranty Agreement which increased the term loan commitment from $50,000 to $75,000 and increased the revolving loan to $30,000. The Company initially borrowed $20,000 on the revolving loan and repaid $10,000 during March 2015. The amended term loan requires quarterly principal payments of $1,875 beginning March 31, 2015, and increasing as follows: $2,813 on March 31, 2016 and $3,750 on March 31, 2019. Transaction costs associated with the amendment included an original issue discount of $532 and deferred debt issuance costs of $453. The Company had borrowings of $10,000 outstanding on the revolving loan as of March 29, 2015. Availability under the revolving line of credit is reduced by letters of credit. There were specified letters of credit

MCBC HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(Dollar amounts in thousands, except share and per share data)

7. LONG-TERM DEBT

outstanding for $1,175 at March 29, 2015. The net revolving loan availability as of March 29, 2015 was $18,825. As of March 29, 2015, the effective interest rate on borrowings outstanding on the Credit Agreement was 4.201%. The March 2015 amended agreement also modified interest rates and financial covenants. As of March 29, 2015 the Company was in compliance with all of its debt covenants. The Company used $44,000 of the proceeds to pay a cash dividend to common shareholders.

The Credit and Guaranty Agreement also requires an excess cash flow payment to be made each fiscal year after completion of the annual audit. Commencing with the year ending June 30, 2015 the requirement to make an excess cash flow payment is subject to the Company meeting certain leverage ratios as defined in the credit agreement. The estimated excess cash flow payment due for the year ended June 30, 2015 is $9,098 and the actual excess cash flow payment for the year ended June 30, 2014 was $4,446. The estimated excess cash flow payment is classified in the current portion of long term debt in the accompanying consolidated balance sheets.

8. INCOME TAXES

Our provision for income taxes as a percentage of pretax earnings ("effective tax rate") is based on a current estimate of the annual effective income tax rate adjusted to reflect the impact of discrete items. The tax benefit for the nine months ended March 30, 2014 is primarily due to changes in the valuation allowance and to the reduction in the liability for uncertain tax positions.

During the nine months ended March 29, 2015, the effective tax rate was 61.2 percent. The rate for the nine months ended March 29, 2015, was higher than the federal statutory rate primarily due to the permanent differences relating to the change in fair value of the common stock warrant.

9. COMMITMENTS AND CONTINGENCIES

Under certain conditions, the Company is obligated to repurchase new inventory repossessed from dealerships by financial institutions that provide credit to boat dealerships. Under the terms of these "Repurchase Agreements," the Company is obligated to repurchase inventory repossessed by these financial institutions for a period ranging from 24 months to 30 months from the date of the original sale of the products to the respective dealers. Repossession of products by the financial institutions normally occurs when a dealer goes out of business or defaults with a lender.

The Company is engaged in an exclusive contract with Ilmor Marine to provide engines for its MasterCraft boats. This contract makes Ilmor Marine the only supplier to MasterCraft for in-board engines expiring June 30, 2018. The Company is obligated to purchase a minimum number of engines during each model year and penalties can be assessed if the Company does not meet the purchase requirements. The Company has not incurred any penalties related to engine purchase shortfalls under the agreement.

MCBC HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(Dollar amounts in thousands, except share and per share data)

9. COMMITMENTS AND CONTINGENCIES

The Company is involved in certain claims and legal actions arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters is not expected to have a material adverse effect on the Company's financial condition or results of operations.

10. RELATED PARTY

The Company incurred interest expense on notes payable to related parties (Note 7) of $1,639 and $5,835 for the nine months ended March 29, 2015 and March 30, 2014, respectively. The Company also paid dividends on March 13, 2015 to related parties of $41,981.

In addition to the related party debt, an officer of a subsidiary of the Company was also the owner of a dealership that is a customer of the Company. This dealership purchases boats from the Company and participates in marketing and other sales events jointly with the Company. These transactions resulted in receivables from the dealership, sales and related costs of the boats sold, as well as payables and other charges. In addition this related party received a management fee and other administrative fees for assistance in managing international boat sales. The schedule below identifies balances included in the consolidated balance sheet at June 30, 2014 and the statements of operations for the nine months ended March 30, 2014. Effective July 1, 2014, the individual is no longer an officer of the Company and therefore is no longer considered a related party.

	2014
Sales	$ 120
Cost of sales	83
Management fee	150
Accounts payable/accrued liabilities	136
Sales, marketing and office expenses	1,189

11. EARNINGS PER SHARE

The difference between the basic weighted average shares outstanding and the diluted weighted average shares outstanding for all periods reported are the effect of dilutive stock options and warrants calculated using the treasury stock method. The dilutive shares for the nine month period ended March 29, 2015 were 63,694. The dilutive shares for the nine months ended March 30, 2014 were 2,700. For the nine months ended March 30, 2014, 116,476 shares of common stock were excluded from the calculation of diluted loss per share because their effect would be antidilutive. There were no anti-dilutive option or warrant shares excluded from the dilutive shares outstanding for the nine months ended March 29, 2015.

MCBC HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(Dollar amounts in thousands, except share and per share data)

12. SEGMENT INFORMATION

The Company designs, manufactures, and markets recreational performance boats and has two operating and reportable segments: MasterCraft and Hydra-Sports. The Company's segments are defined by management's reporting structure, product brands, and distribution channels. The MasterCraft product brand consists of recreational performance boats primarily used for water skiing, wakeboarding and wake surfing, and general recreational boating. The Company distributes the MasterCraft product brand through its dealer network. The Company manufactures Hydra-Sports recreational fishing boats under a contract manufacturing agreement, which expires June 30, 2015 with Hydra-Sports Custom Boats, LLC, an unrelated third party. The Company has no intention of extending the agreement past June 30, 2015. All sales related to the Hydra-Sports brand are to the unrelated third party. The Company's chief operating decision maker ("CODM") regularly reviews the operating performance of each product brand including measures of performance based on income from operations. The Company considers each of the product brands to be an operating segment and has further concluded that presenting disaggregated information of these two operating segments provides meaningful information as certain economic characteristics are dissimilar as well as the characteristics of the customer base served. Sales outside of North America accounted for 9.5% and 12.7% of net sales of the MasterCraft segment for the nine months ended March 29, 2015 and March 30, 2014, respectively. The company has no significant assets, concentration of sales to individual dealers or countries outside of North America during the nine months ended March 29, 2015 and March 30, 2014. All sales in the Hydra-Sports segment are domestic.

Management evaluates performance based on business segment operating income. The Company files a consolidated income tax return and does not allocate income taxes and other corporate level expenses including interest to operating segments.

The Company does not maintain separate balance sheets for operating segments because this information is not considered meaningful for decision making.

For the nine months ended March 29, 2015, the operating information for the reportable segments is shown as follows (in thousands):

	Nine Months Ended March 29, 2015		
	MasterCraft	Hydra-Sports	Consolidated
Net sales	$ 149,158	$ 10,375	$ 159,533
Cost of sales	112,213	8,956	121,169
Operating income	15,490	1,638	17,128
Depreciation and amortization	2,204	99	2,303

MCBC HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(Dollar amounts in thousands, except share and per share data)

12. SEGMENT INFORMATION

For the nine months ended March 30, 2014, the operating information for the reportable segments is shown as follows (in thousands):

	Nine Months Ended March 30, 2014		
	MasterCraft	Hydra-Sports	Consolidated
Net sales	$ 115,753	$ 10,244	$ 125,997
Cost of sales	91,711	8,978	100,689
Operating income	9,940	1,210	11,150
Depreciation and amortization	1,673	99	1,772

MasterCraft

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Common Stock

Shares

MCBC HOLDINGS, INC.

Prospectus

Baird | Raymond James | Wells Fargo Securities

KeyBanc Capital Markets | Wunderlich

Through and including , 2015 (the 25th day after the date of this prospectus), all dealers that effect transaction in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealer's obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

, 2015

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PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

The following table sets forth all expenses to be paid by MCBC Holdings, Inc., other than underwriting discounts and commissions, upon the completion of this offering. All amounts shown are estimates except for the SEC registration fee, the Financial Industry Regulatory Authority ("FINRA") filing fee, and the NASDAQ listing fee.

	Amount to be Paid
SEC registration fee	11,620
FINRA filing fee	15,500
NASDAQ listing fee	*
Printing and engraving expenses	*
Legal fees and expenses	*
Accounting fees and expenses	*
Transfer agent and registrar fees	*
Miscellaneous expenses	*
Total	*

* To be filed by amendment

Item 14. Indemnification of Directors and Officers.

Section 145 of the Delaware General Corporation Law authorizes a corporation's board of directors to grant, and authorizes a court to award, indemnity to officers, directors, and other corporate agents.

Upon completion of this offering, as permitted by Section 102(b)(7) of the Delaware General Corporation Law, MCBC Holdings, Inc.'s amended and restated certificate of incorporation will include provisions that eliminate the personal liability of its directors and officers for monetary damages for breach of their fiduciary duty as directors and officers.

In addition, as permitted by Section 145 of the Delaware General Corporation Law, the amended and restated certificate of incorporation and amended and restated by-laws of MCBC Holdings, Inc. will provide that:

- MCBC Holdings, Inc. shall indemnify its directors and officers for serving MCBC Holdings, Inc. in those capacities or for serving other business enterprises at MCBC Holdings, Inc.'s request, to the fullest extent permitted by Delaware law. Delaware law provides that a corporation may indemnify such person if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of MCBC Holdings, Inc. and, with respect to any criminal proceeding, had no reasonable cause to believe such person's conduct was unlawful.

- MCBC Holdings, Inc. may, in its discretion, indemnify employees and agents in those circumstances where indemnification is permitted by applicable law.

- MCBC Holdings, Inc. is required to advance expenses, as incurred, to its directors and officers in connection with defending a proceeding, except that such director or officer shall undertake to repay such advances if it is ultimately determined that such person is not entitled to indemnification.

- MCBC Holdings, Inc. will not be obligated pursuant to the amended and restated by-laws to indemnify a person with respect to proceedings initiated by that person, except with respect to proceedings authorized by MCBC Holdings, Inc.'s board of directors or brought to enforce a right to indemnification.

- The rights conferred in the amended and restated certificate of incorporation and amended and restated by-laws are not exclusive, and MCBC Holdings, Inc. is authorized to enter into indemnification agreements with its directors, officers, employees, and agents and to obtain insurance to indemnify such persons.

- MCBC Holdings, Inc. may not retroactively amend the by-law provisions to reduce its indemnification obligations to directors, officers, employees, and agents.

MCBC Holdings, Inc.'s policy is to enter into separate indemnification agreements with each of its directors and officers that provide the maximum indemnity allowed to directors and executive officers by Section 145 of the Delaware General Corporation Law and also to provide for certain additional procedural protections. MCBC Holdings, Inc. also maintains directors and officers insurance to insure such persons against certain liabilities.

These indemnification provisions and the indemnification agreements entered into between MCBC Holdings, Inc. and its officers and directors may be sufficiently broad to permit indemnification of MCBC Holdings, Inc.'s officers and directors for liabilities (including reimbursement of expenses incurred) arising under the Securities Act.

The underwriting agreement to be filed as Exhibit 1.1 to this registration statement will provide for indemnification by the underwriters of MCBC Holdings, Inc. and MasterCraft Boat Company LLC and its officers and directors for certain liabilities arising under the Securities Act and otherwise.

Item 15. Recent Sales of Unregistered Securities.

We have not sold or granted unregistered securities in a transaction that was exempt from the requirements of the Securities Act in the last three years.

Item 16. Exhibits and Financial Statement Schedules.

(a) Exhibits.

The exhibit index attached hereto is incorporated by reference.

(b) Financial Statement Schedules.

All financial statement schedules are omitted because the information called for is not required or is shown either in the consolidated financial statements or in the notes thereto.

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 SEC 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.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, MCBC Holdings, Inc. has duly caused this registration statement on Form S-1 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Vonore, State of Tennessee on the 25th day of June, 2015.

MCBC HOLDINGS, INC.

By: /s/ TERRY MCNEW

Terry McNew
President and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement on Form S-1 has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ TERRY MCNEW Terry McNew	President and Chief Executive Officer (Principal Executive Officer) and Director	June 25, 2015
/s/ TIMOTHY M. OXLEY Timothy M. Oxley	Chief Financial Officer (Principal Financial and Accounting Officer), Treasurer and Secretary	June 25, 2015
* Christopher Keenan	Director	June 25, 2015
* Patrick J. Halloran	Director	June 25, 2015
* Joseph Deignan	Director	June 25, 2015
* Frederick A. Brightbill	Director	June 25, 2015
* Christopher A. Twomey	Director	June 25, 2015
* Donald C. Campion	Director	June 25, 2015

*By: /s/ TERRY MCNEW

Terry McNew
Attorney-in-fact

EXHIBIT INDEX

Exhibit Number	Description
1.1*	Form of Underwriting Agreement
3.1*	Form of Amended and Restated Certificate of Incorporation of MCBC Holdings, Inc., to be in effect upon the completion of this offering made under this Registration Statement
3.2*	Form of Amended and Restated By-laws of MCBC Holdings, Inc., to be in effect upon the completion of this offering made under this Registration Statement
4.1*	Form of common stock certificate of MCBC Holdings, Inc.
4.2	Warrant to Purchase Common Stock of MCBC Holdings, Inc. dated June 30, 2009
5.1*	Opinion of Latham & Watkins LLP
10.1*	Form of Registration Rights Agreement
10.2#	MCBC Holdings, Inc. 2010 Equity Incentive Plan
10.3#	MCBC Holdings, Inc. Management Incentive Plan
10.4†#	2015 Incentive Award Plan
10.5#	Employment Agreement between MasterCraft Boat Company LLC and Timothy M. Oxley dated October 3, 2007
10.6#	Employment Agreement between MasterCraft Boat Company and Terry McNew dated July 26, 2012
10.7	Amended and Restated Credit and Guaranty Agreement among MasterCraft Boat Company, LLC, MasterCraft Services, Inc., MCBC Hydra Boats LLC, MasterCraft International Sales Administration, Inc. as borrowers and other credit parties, various lenders and Fifth Third Bank as the agent and L/C issuer and lender dated March 13, 2015
10.8	Amended and Restated Security Agreement among MasterCraft Boat Company, LLC, MasterCraft Services, Inc., MCBC Hydra Boats, LLC and MasterCraft International Sales Administration, Inc. and other grantors and Fifth Third Bank as agent dated March 13, 2015
10.9*	Form of Indemnification Agreement to be entered into between MCBC Holdings, Inc. and certain of its directors and officers, to be effective upon the closing of this offering
10.10*#	Form of Restricted Stock Agreement (employee)
10.11*#	Senior Executive Incentive Bonus Plan
10.12*#	Form of Option Agreement (employee)
10.13*#	Form of Restricted Stock Agreement (director)
16.1†	Letter from Crowe Horwath LLP re Change in Certifying Accountant
21.1	List of subsidiaries of MCBC Holdings, Inc.
23.1†	Consent of BDO USA, LLP, independent registered public accounting firm
23.2*	Consent of Latham & Watkins LLP (included in Exhibit 5.1)
24.1†	Power of Attorney (included in the signature page to this Registration Statement)

* To be filed by amendment.

† Previously filed.

\# Indicates management contract of compensatory plan.

Exhibit 4.2

EXECUTION VERSION

Warrant No. 1 June 30, 2009

WARRANT TO PURCHASE COMMON STOCK
OF
MCBC HOLDINGS, INC.

THIS WARRANT AND THE UNDERLYING SECURITIES ISSUABLE UPON EXERCISE OF THIS WARRANT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE ASSIGNED EXCEPT (1) PURSUANT TO A REGISTRATION STATEMENT WITH RESPECT TO SUCH SECURITIES THAT IS EFFECTIVE UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT RELATING TO THE DISPOSITION OF SECURITIES AND (2) IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS.

THE SALE, ASSIGNMENT, PLEDGE, ENCUMBRANCE OR OTHER TRANSFER OF THIS WARRANT AND THE UNDERLYING SECURITIES IS SUBJECT TO THE TERMS AND CONDITIONS SET FORTH IN THE AMENDED AND RESTATED CERTIFICATE OF INCORPORATION (AS MAY BE AMENDED AND IN EFFECT FROM TIME TO TIME, THE "CERTIFICATE OF INCORPORATION") OF MCBC HOLDINGS, INC. (THE "COMPANY") AND THE STOCKHOLDERS AGREEMENT AMONG THE COMPANY AND THE STOCKHOLDERS SIGNATORY THERETO (AS MAY BE AMENDED AND IN EFFECT FROM TIME TO TIME, THE "STOCKHOLDERS AGREEMENT"). A COPY OF THE CERTIFICATE OF INCORPORATION AND STOCKHOLDERS AGREEMENT MAY BE OBTAINED UPON WRITTEN REQUEST TO THE SECRETARY OF THE COMPANY.

MCBC Holdings, Inc., a Delaware corporation (the "**Company**"), hereby certifies that, for value received, **MCBC Acquisition, LLC,** a Delaware limited liability company (the "**Initial Holder**", and together with its successors and assigns and any transferees of this Warrant, and their successors and assigns, the "**Holder**"), is entitled, subject to the terms and conditions set forth in this warrant (this "**Warrant**"), to purchase from the Company, at any time or times on or after the date hereof, but not after 5:00 P.M., New York City time on June 30, 2019 (the "**Expiration Date**"), 100,000 duly authorized, validly issued, fully paid, nonassessable shares of Common Stock (as defined below) (the "**Warrant Shares**"), which shall be adjusted or readjusted from time to time as provided in this Warrant, at an initial purchase price per share equal to $81.60 (the "**Initial Warrant Price**"), which shall be adjusted or readjusted from time to time as provided in this Warrant (as adjusted, the "**Warrant Price**").

This Warrant evidences the right to purchase an aggregate of 100,000 shares of the Company's common stock, par value $0.01 per share (the "**Common Stock**"), subject to adjustment as provided herein and therein. All capitalized terms used herein and not otherwise defined herein, either within the text in which it first appears or in Section 5.16.

Section 1. Exercise; Exchange of Warrant

1.1. ***Manner of Exercise; Exchange.***

(a) Exercise. The Holder may exercise this Warrant, in whole or in part (except as to a fractional share), at any time and from time to time during normal business hours on any Business Day on or prior to the Expiration Date, by (i) delivering to the Company a written notice, in the form attached hereto as Exhibit A (the "**Exercise Notice**"), duly executed by the Holder, specifying the number of Warrant Shares (without giving effect to any adjustment thereto) to be issued to the Holder as a result of such exercise, (ii) delivering to the Company a joinder to the Stockholders Agreement (as defined in Section 4.2), (iii) surrendering this Warrant to the Company, properly endorsed by the Holder (or if this Warrant has been destroyed, stolen or has otherwise been misplaced, by delivering to the Company an affidavit of loss duly executed by the Holder), and (iv) by tendering payment for the shares of Common Stock designated by the Exercise Notice in lawful money of the United States in the form of cash, bank or certified check made payable to the order of the Company, or by wire transfer of immediately available funds, or by the cancellation of indebtedness of the Company owed to the Holder, or in any combination thereof, of an amount equal to the product of (A) the Initial Warrant Price and (B) the number of Warrant Shares (without giving effect to any adjustment thereof) as to which this Warrant is being exercised.

(b) Net Exchange. The Holder may, in lieu of exercising or converting this Warrant pursuant to the terms of Section 1.1(a), elect to exchange this Warrant, in whole or in part (except as to a fractional share), at any time and from time to time during normal business hours on any Business Day on or prior to the Expiration Date by (i) delivering to the Company a written notice, in the form attached hereto as Exhibit B (the "**Exchange Notice**"), duly executed by the Holder, specifying the number of Warrant Shares (without giving effect to any adjustment thereto) to be issued to the Holder as a result of such exchange, (ii) delivering to the Company a joinder to the Stockholders Agreement and (iii) surrendering this Warrant to the Company, properly endorsed by the Holder (or if this Warrant has been destroyed, stolen or has otherwise been misplaced, by delivering to the Company an affidavit of loss duly executed by the Holder), and the Holder shall thereupon been entitled to receive the number of Warrant Shares equal to the product of (A) the number of Warrant Shares issuable upon exercise of this Warrant (or, if only a portion of this Warrant is being exercised, issuable upon the exercise of such portion) for cash, determined as provided in Section 2, and (B) a fraction, the numerator of which is the Fair Market Value per share of Common Stock at the time of such exercise *minus* the Warrant Price in effect at the time of such exercise, and the denominator of which is the Fair Market Value per share of Common Stock at the time of such exercise, such number of shares so issuable upon such exchange to be rounded up or down to the nearest whole number of shares of Common Stock.

(c) The "exchange" of this Warrant pursuant to Section 1.1(b) is intended to qualify as a recapitalization within the meaning of Section 368(a)(1)(E) of the Code.

(d) For all purposes of this Warrant (other than this Section 1.1), any reference herein to the "exercise" of this Warrant shall be deemed to include a reference to the exchange of this Warrant into Common Stock in accordance with the terms of Section 1.1(b),

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and any reference to an "Exercise Notice" shall be deemed to include a reference to an Exchange Notice in accordance with the terms of Section 1.1(b).

1.2. ***When Exercise Effective***. Each exercise of this Warrant shall be deemed to have been effected immediately prior to the close of business on the Business Day on which this Warrant shall have been surrendered to the Company as provided in Section 1.1, and at such time the Person or Persons in whose name or names any certificate or certificates for shares of Common Stock shall be issuable upon such exercise as provided in Section 1.3 shall be deemed to have become the Holder or Holders of record thereof.

1.3. ***Delivery of Stock Certificates Upon Exercise***. As soon as practicable after exercise of this Warrant in accordance with this Section 1, but in no event later than two (2) Business Days after such exercise, the Company shall at its expense cause to be issued in the name of and delivered to the Holder or, subject to Section 4 of this Warrant, as the Holder may direct: (a) a certificate or certificates for the number of Warrant Shares, determined as provided in Section 2 of this Warrant, to which the Holder shall be entitled upon such exercise and, (b) unless this Warrant has expired or has been exercised in full, a new Warrant (or Warrants) substantially in the form of, and on the terms in, this Warrant, for the number of Warrant Shares remaining following such exercise (without giving effect to any adjustment thereto), and shall be subject to adjustment as provided for in this Warrant as of the date hereof.

1.4. ***Fractional Interests***. The Company shall not be required to issue fractional shares of Common Stock on the exercise or conversion of Warrants. If more than one Warrant shall be presented for exercise in full or conversion at the same time by the same Holder, the number of full shares of Common Stock which shall be issuable upon the exercise thereof shall be computed on the basis of the aggregate number of shares of Common Stock purchasable on exercise or conversion (as applicable) of all of the Warrants so presented. If any fraction of a share of Common Stock would, except for the provisions of this Section 1.4, be issuable on the exercise or conversion of any Warrants (or specified portion thereof), the Company shall pay to the Holder an amount in cash equal to the product of (i) such fraction of a share of Common Stock and (ii) the excess of (x) the Fair Market Value of a share of Common Stock for the day the Warrant was presented for exercise pursuant to Section 1 over (y) the Exercise Price.

Section 2. Adjustments to Warrant Price and Warrant Shares ***General***. The number of Warrant Shares that the Holder shall be entitled to receive upon exercise of this Warrant shall be determined by multiplying the number of Warrant Shares which would otherwise (but for the provisions of this Section 2) be issuable upon such exercise, as designated by the Holder in the Exercise Notice, by a fraction, (i) the numerator of which shall be the Initial Warrant Price, and (ii) the denominator of which shall be Warrant Price in effect on the date of such exercise.

2.2. ***Adjustments to Warrant Price***.

(a) Subdivision or Combination of Common Stock. If the Company shall at any time after the date hereof subdivide its outstanding shares of Common Stock into a greater number of shares, by any stock split, stock dividend or otherwise, (other than a subdivision upon a merger or consolidation or sale to which Section 2.2(e) applies or a stock split effected by

means of a stock dividend or distribution to which Section 2.2(c)(i) applies), then the Warrant Price in effect immediately prior to such subdivision shall be proportionately reduced, and, conversely, if the Company shall at any time after the date hereof combine its outstanding shares of Common Stock into a smaller number of shares (by any reverse stock split or otherwise), then the Warrant Price in effect immediately prior to such combination shall be proportionately increased.

(b) Reorganization or Reclassification. If any reorganization or reclassification of the capital stock of the Company (other than any such reclassification in connection with a merger or consolidation or sale to which Section 2.2(e) applies) shall be effected in such a way that holders of Common Stock shall be entitled to receive stock, securities or assets with respect to or in exchange for Common Stock, then, as a condition of such reorganization or reclassification, lawful and adequate provisions shall be made whereby the Holder shall thereupon have the right to receive, upon the basis and upon the terms and conditions specified herein and in lieu of the Warrant Shares immediately theretofore receivable upon the exercise of this Warrant in full, as the case may be, such shares of stock, securities or assets as may be issued or payable with respect to or in exchange for a number of outstanding shares of such Common Stock equal to the number of shares of such Common Stock immediately theretofore receivable upon such exercise of this Warrant in full had such reorganization or reclassification not taken place, and in any such case appropriate provisions shall be made with respect to the rights and interests of the Holder to the end that the provisions hereof (including, without limitation, provisions for adjustments of the Warrant Price) shall thereafter be applicable, as nearly as may be, in relation to any shares of stock, securities or assets thereafter deliverable upon the exercise of such conversion rights.

(c) Dividends and Distributions.

(i) Stock Dividends. If the Company, at any time or from time to time after the date hereof, shall declare or make, or fix a record date for the determination of holders of Common Stock entitled to receive, a dividend or make any other distribution upon any stock of the Corporation payable in Common Stock, Options or Convertible Securities, the Warrant Price in effect immediately prior to such action shall be proportionately adjusted so that the Holder of the Warrant may receive the aggregate number and kind of shares of capital stock of the Company which such Holder would have owned immediately following such action if such warrant had been exercised immediately prior to such action.

(ii) Other Dividends and Distributions. If the Company at any time or from time to time after the date hereof makes or issues, or fixes a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable in debt securities or other property of the Company (including, without limitation, cash, other than cash dividends or cash distributions payable out of capital surplus or regular quarterly cash dividends distributed to all holders of Common Stock, in each instance, in an amount not to exceed $5,000,000 per calendar year (with a carryover or accumulation from the prior year permitted for unused amounts in the prior calendar year (for avoidance of doubt, the amount for any calendar year would not exceed $10,000,000)), then with the consent of the holders of at least 66 2/3% of the Warrant Shares issuable upon exercise of all outstanding Warrants (the "**Consenting Warrant Holders**"), the Warrant Price shall be reduced to an amount equal to the

difference between (A) the Warrant Price immediately prior to such dividend or distribution and (B) the lesser of (x) the Fair Market Value of such debt securities or other property that are distributed, as determined in good faith by the Board of Directors of the Company (the "**Board of Directors**") or (y) an amount determined by the Consenting Warrant Holders.

(d) Issuances. Except as provided in Section 2.2(d)(v) and except in the case of an event described in Section 2.2(a), if at any time after the date hereof the Company issues or sells, or is, in accordance with this Section 2.2(d), deemed to have issued or sold, any shares of Common Stock for a

consideration per share less than the then Fair Market Value of such shares of Common Stock, then, upon such issuance or sale (or deemed issuance or sale), the then current Warrant Price shall be reduced to the price determined multiplying such Warrant Price by a fraction, (A) the numerator of which shall be (1) the number of shares of Common Stock Deemed Outstanding immediately prior to such issuance or sale plus (2) the number of shares of Common Stock which the aggregate consideration received or to be received by the Company for the total number of additional shares of Common Stock so issued would purchase at such Warrant Price; and (B) the denominator of which shall be the number of shares of Common Stock Deemed Outstanding immediately prior to such issuance or sale plus the number of such additional shares of Common Stock so issued.

For purposes of this Section 2.2(d), the following shall also be applicable:

(i) Issuance of Options. If the Company, at any time after the date hereof, in any manner, grants any warrants or other rights to subscribe for or to purchase, or any options to purchase: (A) shares of Common Stock or (B) any security convertible into or exercisable or exchangeable for Common Stock (such warrants, rights or options being called "**Options**" and such convertible or exercisable or exchangeable stock or securities being called "**Convertible Securities**"), in each case for consideration per share (determined as provided in this paragraph and in Section 2.2(d)(iv)) less than the then Fair Market Value of a share of Common Stock, whether or not such Options are immediately exercisable, then the total maximum number of shares of Common Stock issuable upon the exercise of such Options, or upon conversion or exchange of the total maximum amount of such Convertible Securities issuable upon exercise of such Options, shall be deemed to have been issued as of the date of granting of such Options, at a price per share equal to the amount determined by dividing (A) the total amount, if any, received or receivable by the Company as consideration for the issuance of such Options, *plus* the minimum aggregate amount of additional consideration payable to the Company upon the exercise of all such Options, *plus*, in the case of such Options that relate to Convertible Securities, the minimum aggregate amount of additional consideration, if any, payable upon the issuance or sale of such Convertible Securities and upon the conversion or exchange of Convertible Securities, by (B) the total maximum number of shares of Common Stock deemed to have been so issued. Except as otherwise provided in Section 2.2(d)(iii), no adjustment of the Warrant Price shall be made upon the actual issuance of such Common Stock or of such Convertible Securities upon exercise of such Options or upon the actual issuance of such Common Stock upon conversion or exchange of such Convertible Securities.

(ii) Issuance of Convertible Securities. If the Company, at any time after the date hereof, in any manner, issues or sells any Convertible Securities for consideration per share (determined as provided in this paragraph and in Section 2.2(d)(iv)) less than the then

current Fair Market Value of such shares of Common Stock, whether or not the right to exchange or convert any such Convertible Securities is immediately exercisable, then the total maximum number of shares of Common Stock issuable upon conversion or exchange of all such Convertible Securities shall be deemed to have been issued as of the date of the issuance or sale of such Convertible Securities, at a price per share equal to the amount determined by dividing (A) the total amount, if any, received or receivable by the Company as consideration for the issuance or sale of such Convertible Securities, *plus* the minimum aggregate amount of additional consideration, if any, payable to the Company upon the conversion or exchange thereof, by (B) the total maximum number of shares of Common Stock deemed to have been so issued; provided, however, that (1) except as otherwise provided in Section 2.2(d)(iii), no adjustment of the Warrant Price shall be made upon the actual issuance of such Common Stock upon conversion or exchange of such Convertible Securities and (2) if any such issuance or sale of such Convertible Securities is made upon exercise of any Options to purchase any such Convertible Securities, no further adjustment of the Warrant Price shall be made by reason of such issuance or sale.

(iii) Change in Option Price or Conversion Rate. If a change occurs in (A) the maximum number of shares of Common Stock issuable in connection with any Option referred to in Section 2.2(d)(i) or any Convertible Securities referred to in Section 2.2(d)(i) or (ii), (B) the purchase price provided for in any Option referred to in Section 2.2(d)(i), (C) the additional consideration, if any, payable upon the conversion or exchange of any Convertible Securities referred to in Section 2.2(d)(i) or (ii), or (D) the rate at which Convertible Securities referred to in Section 2.2(d)(i) or (ii) are convertible into or exchangeable for Common Stock (in each case, other than in connection with an event described in Section 2.2(d)(vi)), then the Warrant Price in effect at the time of such event shall be readjusted to the Warrant Price that would have been in effect at such time had such Options or Convertible Securities that remain outstanding provided for such changed maximum number of shares, purchase price, additional consideration or conversion rate, as the case may be, at the time initially granted, issued or sold. Upon the termination of any such Option or any such right to convert or exchange such Convertible Securities, the Warrant Price then in effect hereunder shall be increased to the Warrant Price that would have been in effect at the time of such termination had such Option or Convertible Securities, to the extent outstanding immediately prior to such termination (i.e., to the extent that fewer than the number of shares of Common Stock deemed to have been issued in connection with such Option or Convertible Securities were actually issued), never been issued or been issued at such higher price, as the case may be.

(iv) Consideration for Stock. In case any shares of Common Stock are issued or sold, or deemed issued or sold, for cash, the consideration received therefor shall be deemed to be the amount received or to be received by the Company therefor (determined with respect to deemed issuances and sales in connection with Options and Convertible Securities in accordance with clause (A) of Section 2.2(d)(i)) determined in the manner set forth below in this Section 2.2(d)(iv). If any shares of Common Stock are issued or sold, or deemed issued or sold, for a consideration other than cash, the amount of the consideration other than cash received by the Company shall be deemed to be the Fair Market Value of such consideration received or to be received by the Company (determined with respect to deemed issuances and sales in connection with Options and Convertible Securities in accordance with clause (A) of Section 2.2(d)(i)) as determined in good faith by the Board of Directors. If any Options are

issued in connection with the issuance and sale of other securities of the Company, together comprising one integral transaction in which no specific consideration is allocated to such Options by the parties thereto, such Options shall be deemed to have been issued for such consideration as determined in good faith by the Board of Directors.

(v) Common Stock Deemed Outstanding. The term "**Common Stock Deemed Outstanding**" shall mean the sum of (A) the number of shares of Common Stock outstanding on the date of determination, *plus* (B) all shares of Common Stock issuable upon conversion or exchange of Options, Warrants and Convertible Securities outstanding immediately prior to the date of determination shall be deemed to be outstanding, and (C) the number of shares of Common Stock deemed issuable upon conversion or exchange of such outstanding convertible securities shall be determined without giving effect to any adjustments to the conversion or exchange price or conversion or exchange rate of such convertible securities resulting from the issuance of additional shares of Common Stock that is the subject of this calculation.

(vi) Certain Issues of Common Stock Excepted. Notwithstanding anything herein to the contrary, no adjustment to the Warrant Price shall be made in the case of an issuance from and after the date hereof of (A) shares of Common Stock upon exercise of this Warrant; (B) shares of Common

Stock or options or other rights therefor to directors, officers, employees or consultants of the Company in connection with their service as directors of the Company, their employment by the Company or their retention as consultants by the Company, in each case authorized by the Board of Directors and issued pursuant to the Company's equity incentive plan; provided, however, that the Warrant Price shall be adjusted in the case of an issuance of shares of Common Stock or options or other rights therefor, in each case, for consideration per share less than the then Fair Market Value of a share of Common Stock to partners or employees of, or Persons providing consulting or advisory services exclusively to, Wayzata Investment Partners, LLC; (C) shares of Common Stock issued or issuable by reason of a dividend, stock split, split-up or other distribution on shares of Common Stock that is covered by Sections 2.2(a) through 2.2(c) above and (D) shares of Common Stock, Convertible Securities or Options or other rights therefor in connection with bona fide, arms' length bank financings, corporate partnering transactions, equipment leases or acquisitions of businesses or intellectual property rights on terms approved by the Board of Directors; provided that such transactions are primarily for purposes other than equity financing.

(e) Adjustment for Merger or Consolidation, etc.

(i) Subject to Section 2.3, in connection with any merger or consolidation of the Company with or into another corporation (or other legal entity), or any sale of all or substantially all of the assets of the Company to another corporation (or other legal entity or person), this Warrant shall thereafter be exercisable (or shall be converted into a security that shall be exercisable) for the kind and amount of shares of stock or other securities or property to which a Holder of the number of shares of Common Stock of the Company deliverable upon the exercise of this Warrant in full would have been entitled upon such merger, consolidation, or asset sale (and any distribution of assets to stockholders following such asset sale); and, in such case, appropriate adjustment (as determined in good faith by the Board of Directors) shall be made in the application of the provisions in Section 2.2 set forth with respect

to the rights and interests thereafter of the Holder, to the end that the provisions set forth in Section 2.2 (including provisions with respect to changes in and other adjustments of the Warrant Price) shall thereafter be applicable, as nearly as possible, in relation to any shares of stock or other securities or property thereafter deliverable upon the exercise of this Warrant. Notwithstanding anything to the contrary contained herein, each Holder shall have the right to elect to exercise the Warrant immediately prior to or simultaneously with the consummation of such merger, consolidation, or asset sale in accordance with the provisions of Section 1, if applicable, instead of giving effect to the provisions contained in this Section 2.2(e) with respect to the Warrants held by such Holders.

(ii) The Company shall not effect any such consolidation, merger or sale, unless prior to or simultaneously with the consummation thereof the successor (if other than the Company) resulting from such consolidation or merger or the person purchasing such assets shall assume by written instrument executed and delivered to the Holder, the obligation to deliver to the Holder such shares, securities or assets as, in accordance with the foregoing provisions, the Holder may be entitled to receive upon the exercise of this Warrant (or the security into which such Warrant is to be converted in connection with the consummation of such transaction) to the extent that such Warrant remains outstanding after such transaction. In any event, the successor corporation (if other than the Company) resulting from such consolidation or merger or the corporation purchasing such assets shall be deemed to assume such obligation to deliver to such Holder such shares of stock, securities or assets even in the absence of a written instrument assuming such obligation to the extent such assumption occurs by operation of law.

2.3. ***Redemption of Warrants.***Notwithstanding anything in this Warrant to the contrary and subject to Section 2.3(c) below, this Warrant is subject to redemption at the Company's option at any time prior to the Expiration Date, in whole or from time to time in part, during the 30 day period beginning on the effective date of any Subject Transaction, at the Redemption Price.The Redemption Price shall be paid as follows:

(i) In cash, in the event that the Subject Transaction with respect to which the Company asserts the right to exercise its option to redeem this Warrant is an all cash transaction; or

(ii) In stock or other securities, in the event that the Subject Transaction with respect to which the Company asserts the right to exercise its option to redeem this Warrant is a non-cash transaction; or

(iii) In both cash and stock or other securities, in appropriate proportions, in the event that the Subject Transaction with respect to which the Company asserts the right to exercise its option to redeem this Warrant is a transaction involving consideration to the Company or its stockholders in the form of both cash and securities.

For the avoidance of doubt, in any redemption transaction under this Section 2.3 the Redemption Price received by the Holder shall consist of the same kind of consideration and in the same proportion of kinds of consideration as the other holders of Common Stock.

(c) In the event that a Subject Transaction with respect to which the Company asserts the right to exercise its option to redeem this Warrant is a transaction including consideration to the Company or its stockholders other than in the form of cash, such non-cash consideration shall have the value determined in good faith by the Board of Directors (which determination shall be conclusive).

(d) In the event that the Subject Transaction with respect to which the Company has the right to exercise its option to redeem this Warrant is an all cash transaction and the Fair Market Value per share of Common Stock is less than the Warrant Price of the Warrant, then this Warrant shall not be redeemed by the Company and it shall immediately be cancelled on the effective date of the Subject Transaction.

2.4. ***Notice of Redemption and Selection.***At least ten (10) days but not more than twenty (20) days before a Redemption Date, the Company shall cause to be mailed a notice of redemption by first class mail to each Holder of this Warrant to be redeemed, at such Holder's last address as it appears in this Warrant. The notice shall identify this Warrant to be redeemed and shall state:

(i) the Redemption Date;

(ii) the Redemption Price;

(iii) in the event that this Warrant is to be redeemed in part only, the portion thereof to be redeemed and that, on and after the Redemption Date, upon surrender of such Warrant, a new Warrant in number equal to the unredeemed portion thereof will be issued; and

(iv) that this Warrant must be surrendered to the Company to collect the Redemption Price.

(b) Once notice of redemption is mailed, this Warrant shall become due and payable on the Redemption Date and at the Redemption Price. Upon surrender to the Company, such Warrant shall be paid at the Redemption Price.

(c) Notwithstanding the foregoing, if the Subject Transaction is not consummated, then any notices mailed under this Section 2.4 shall be deemed void, no redemption shall take place and this Warrant shall remain outstanding.For purposes of Sections 2.3 and 2.4, capitalized terms used but not otherwise defined in this Warrant shall have the meanings set forth below: "**Net Exercise Value**" of a Warrant on any date shall be the positive difference, if any, on such date between the Fair Market Value per share of Common Stock and the Warrant Price of the Warrant

(ii) "**Redemption Date**" when used with respect to redemption of this Warrant shall mean the date fixed for such redemption by or pursuant to this Warrant.

(iii) "**Redemption Price**" of a Warrant which the Company has elected to redeem pursuant to Section 2.3 shall be: (X) $0.01 per Warrant, if on the effective date of the Subject Transaction with respect to which the Company asserts the right to

exercise its option to redeem the Warrant, the Fair Market Value per share of Common Stock is less than the Warrant Price of this Warrant, or (Y) the greater of (A) $0.01 per Warrant or (B) the Net Exercise Value of this Warrant, if on the effective date of the Subject Transaction with respect to which the Company asserts the right to exercise its option to redeem this Warrant the Fair Market Value per share of Common Stock is greater than this Warrant Price of this Warrant

(iv) "**Subject Transaction**" shall mean any one of the following transactions (other than in transactions, directly or indirectly, with a Person or entity that is controlled by an Affiliate of the Company): (i) the sale of all or substantially all of the Company's assets, (ii) the sale of all or substantially all of the Company's then outstanding Common Stock, or (iii) a merger or consolidation by the Company with or into another corporation in which the holders of the common stock of the Company immediately prior to the merger are not holders, directly or indirectly, of at least 50% of the common stock of the surviving corporation immediately after the merger.

Section 3. Covenants of the Company

3.1. The Company covenants and agrees with the Holder, that, so long as this Warrant or any Warrant Shares shall be outstanding:

(a) the Company will deliver to the Holder:

(i) Quarterly Financial Statements. Within forty-five (45) days after the end of each of the first three fiscal quarters for the Company and its consolidated subsidiaries, unaudited quarterly financial statements for the quarterly period then ended and the comparable period in the prior year (excluding notes thereto and narratives), and the Holder may furnish such information to its stockholders, members and/or partners.

(ii) Annual Financial Statements. Within one hundred twenty (120) days after the end of each fiscal year, audited financial statements for the Company and its consolidated subsidiaries for such year (including notes thereto but excluding narratives), together with a copy of the audit report of the Company's independent public accountants, and the Holder may furnish such information to its stockholders, members and/or partners.

(iii) Other Information. If requested by the Stockholders under the Stockholders Agreement, the Company shall provide the Holder with the information required by Rule 144A(d)(4) under the Securities Act of 1933, as amended (the "**Securities Act**"), and the Holder may furnish such information to its stockholders, members and/or partners; provided, however, that in no event shall (y) any financial information required to be furnished pursuant to this Warrant be required to include any information required by, or to be prepared or approved in accordance with, or otherwise be subject to, any provision of Section 404 of the Sarbanes-Oxley Act of 2002 or any rules, regulations, or accounting guidance adopted pursuant or related to that section or (z) any financial information be required to be furnished to any competitor of the Company.

(b) all shares of Common Stock that may be issued upon the exercise of the rights represented by this Warrant shall, upon issuance, be duly authorized, validly issued, fully paid and nonassessable;

(c) during the period within which this Warrant may be exercised, it will at all times have authorized and reserved a sufficient number of shares of Common Stock to provide for the exercise of rights represented by this Warrant;

(d) it shall not, transfer any of its assets, nor shall it permit any of its subsidiaries to transfer any of their assets, to any stockholder of the Company or any Affiliate of any stockholder of the Company, and the Company shall not permit any of its subsidiaries to issue any equity securities (or securities convertible into equity securities or any other rights to acquire equity securities) except to the Company; and

(e) it shall not, by amendment to its certificate of incorporation (whether by way of merger, operation of law, or otherwise) or through any reorganization, recapitalization, transfer of assets, consolidation, merger, dissolution, issuance or sale of securities, agreement or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Company and shall at all times in good faith assist in the carrying out of all the provisions of this Warrant and in the taking of all such action as may be necessary or appropriate in order to protect the rights of the Holder against impairment as if the Holder was a stockholder of the Company entitled to the benefit of fiduciary duties afforded to stockholders under Delaware law. Any successor to the Company shall agree in writing, as a condition to such succession, to carry out and observe the obligations of the Company hereunder with respect to this Warrant.

Section 4. Restrictions on Transfer

4.1. ***Transfers.*** Prior to a Qualified Public Offering this Warrant may only be transferred by the Holder to an Affiliate of the Holder and/or to any of the Holder's beneficial owners. Subject to the preceding sentence, this Warrant may be subdivided and transferred in multiple parts. In the event this Warrant in subdivided and transferred in part to one or more persons or entities, each such transferee shall be deemed to be a Holder hereunder (and together, each such

Holder, together with the Initial Holder, are referred to herein collectively as the "**Holders**") and shall be deemed to hold a Warrant exercisable for such number of Warrant Shares as shall be specified in the instrument of transfer (and together, each such Warrant, together with this Warrant, are referred to herein collectively as the "**Warrants**").

42. **Transfer Restriction.** Notwithstanding anything to the contrary set forth in this Warrant, in no event shall any holder of Warrants have the right to transfer any Warrants or any Warrant Shares or other securities exercised or exercisable thereunder if, as a result of such transfer, any class of equity securities would (assuming the exercise of all outstanding Warrants, Options and Convertible Securities) be held of record by more than four hundred fifty (450) persons or otherwise in circumstances that the Board of Directors determines in good faith could require the Company to file reports under the Securities Exchange Act of 1934, as amended, if it is not otherwise subject to such requirements. Furthermore, in no event shall any Holder have the right to transfer any Warrants or any Warrant Shares exercised or exercisable thereunder,

unless (i)(x) such transfer is pursuant to an effective registration statement under the Securities Act and has been registered under all applicable state securities or "blue sky" laws or (y) unless waived by the Company in writing, such Holder shall have furnished the Company with an opinion of counsel, which opinion of counsel shall be reasonably satisfactory to the Company, to the effect that no such registration is required because of the availability of an exemption from registration under the Securities Act and all applicable state securities or "blue sky" laws.

4.3. ***Restrictive Legend*****.** The Warrant Shares issuable upon exercise thereof, are subject to certain restrictions on transfer as set forth in the Stockholders Agreement dated as of June 30, 2009, by and among the Company and the stockholders party thereto (as the same may be amended from time to time, the "**Stockholders Agreement**"). Each certificate representing shares of Common Stock issued upon exercise of this Warrant shall be stamped or otherwise imprinted with a legend in substantially the form as follows:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE ASSIGNED EXCEPT (1) PURSUANT TO A REGISTRATION STATEMENT WITH RESPECT TO SUCH SECURITIES WHICH IS EFFECTIVE UNDER THE SECURITIES ACT OR TO AN AVAILABLE EXEMPTION FROM REGISTRATION UNDER THE ACT RELATING TO THE DISPOSITION OF SECURITIES AND (2) IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS.

THE SECURITIES REPRESENTED HEREBY ARE SUBJECT TO THE PROVISIONS OF A CERTAIN STOCKHOLDERS AGREEMENT, DATED AS OF JUNE 30, 2009, INCLUDING CERTAIN RESTRICTIONS ON TRANSFER SET FORTH THEREIN. A COMPLETE AND CORRECT COPY OF SUCH AGREEMENT IS AVAILABLE FOR INSPECTION AT THE PRINCIPAL OFFICE OF THE COMPANY AND WILL BE FURNISHED UPON WRITTEN REQUEST AND WITHOUT CHARGE TO ANY STOCKHOLDER OF THE COMPANY AND ANY REGISTERED HOLDER OF THIS WARRANT.

THE SALE, ASSIGNMENT, PLEDGE, ENCUMBRANCE OR OTHER TRANSFER OF THE SECURITIES IS SUBJECT TO THE TERMS AND CONDITIONS SET FORTH IN THE AMENDED AND RESTATED CERTIFICATE OF INCORPORATION (AS MAY BE AMENDED AND IN EFFECT FROM TIME TO TIME, THE "CERTIFICATE OF INCORPORATION") OF THE COMPANY. A COPY OF THE CERTIFICATE OF INCORPORATION MAY BE OBTAINED UPON WRITTEN REQUEST TO THE SECRETARY OF THE COMPANY.

Section 5. Miscellaneous

5.1. ***Notice of Adjustments***.

(a) In each case of any adjustment or readjustment in the Warrant Price and the Warrant Shares issuable upon exercise of this Warrant, the Company shall promptly thereafter compute such adjustment or readjustment in accordance with the terms of this Warrant and provide written report thereof certified by the Chief Financial Officer of the Company to the Holders stating the number of Warrant Shares and the Warrant Price, after giving effect to such adjustment or readjustment, and setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based.

(b) The Company shall, within (10) days of receipt of a written request by the Holder or Holders holding Warrants representing at least 66 2/3% of the Warrant Shares issuable upon exercise of all outstanding Warrants, cause independent certified public accountants of recognized national standing, which my be the regular auditors of the Company, selected by the Company to verify such computations reported pursuant to Section 5.1(a), other than any computation that pursuant to the provisions of this Warrant are to be determined reasonably and in good faith by the Board of Directors. The Company shall promptly prepare, and remit to the Holders, a copy of such independent accountant's report setting forth such adjustment or readjustment, showing in reasonable detail the method of calculation thereof and the facts upon which such adjustment or readjustment is based, including a statement of:

(i) the consideration received or to be received by the Company for any shares of Common Stock, Options, or Convertible Securities issued or sold or deemed to have been issued;

(ii) the Common Stock Deemed Outstanding; and

(iii) the Warrant Price in effect immediately prior to such issuance or sale and as adjusted or readjusted.

Such report shall be conclusive evidence (absent manifest error) of the correctness of the matters set forth therein.

(c) The Company shall also keep copies of all such reports generated pursuant to this Section 5.1 at its principal offices and will cause the same to be available for inspection at such offices during normal business hours by the Holders any prospective transferee of a holder.

5,2. ***Notice of Certain Events*****.** In case at any time:

(a) the Company shall pay any dividend upon, or make any distribution in respect of, its stock;

(b) the Company shall propose to register any of its equity securities under the Securities Act in connection with a public offering;

(c) there shall be any proposed any capital reorganization, or reclassification of the capital stock, of the Company, or consolidation or merger of the Company with, or sale of all or substantially all of its assets or stock to, another person or entity, including, without limitation, a Subject Transaction;

(d) any Qualified Public Offering or other public offering; or

(e) there shall be a voluntary or involuntary dissolution, liquidation or winding up of the Company;

then, in any one or more of said cases, the Company shall give notice to the Holders of the date on which (i) the books of the Company shall close or a record shall be taken for such dividend, distribution or subscription rights, or (ii) such public offering, reorganization, reclassification, consolidation, merger, sale, dissolution, liquidation or winding up shall take place, as the case may be. Such notice shall be given not less than ten (10) days prior to the record date or the date on which the transfer books of the Company are to be closed in respect thereto in the case of an action specified in clause (a) and at least twenty (20) days prior to the action in question in the case of an action specified in clauses (b) through (e).

5.3. ***Abandonment*****.** Notwithstanding anything contained herein, at any time during the term of this Warrant, upon delivery of written notice from the Consenting Warrant Holders to the Company, some or all of the Warrant may be abandoned and deemed to be cancelled by the Company.

5.4. ***Notice*****.** Any notice that is required or provided to be given under this Warrant shall be deemed to have been sufficiently given and received for all purposes when delivered in writing by hand, telecopy, telex or other method of facsimile, or five (5) days after being sent by certified or registered mail, postage and charges prepaid, return receipt requested, or two (2) days after being sent by overnight delivery providing receipt of delivery, to the following addresses: if to the Company MCBC Holdings, Inc., 100 Cherokee Cove Drive, Facsimile: (423) 884-6797, or at any other address designated by the Company, to Holder; if to Holder, MCBC Acquisition LLC, c/o Charlesbank Capital Partners, 200 Clarendon Street, 54th Floor, Boston, MA 02116, Attn: Tami Nason, General Counsel, Facsimile: (617) 619-5402, or at any other address designated by Holder to the Company in writing.

5.5. ***No Change in Warrant Terms on Adjustment*****.** Irrespective of any adjustment in the Warrant Price or the number of shares of Common Stock, this Warrant, whether theretofore or thereafter issued or reissued, may continue to express the same price and number of shares of Common Stock as are stated herein and the Warrant Price and such number of Common Stock shares specified herein shall be deemed to have been so adjusted.

5.6. ***Issuance and Transfer Taxes*****.** The issuance of certificates for shares of Common Stock upon any exercise of this Warrant shall be made without charge to Holder for any issuance tax in respect thereto; provided, that the Company shall not be required to pay any tax that may be payable in respect of any transfer involved in the issuance and delivery of any certificate in a name other than that of Holder or upon any transfer of this Warrant.

5.7. ***Exchange of Warrant.*** This Warrant is exchangeable at no cost to the Holder upon the surrender hereof by Holder at such office or agency of the Company, for a new warrant of like tenor representing in the aggregate the right to subscribe for and purchase the number of shares that may be subscribed for and purchased hereunder from time to time after giving effect to all the provisions hereof, each of such new warrants to represent the right to subscribe for and

purchase such number of shares as shall be designated by said Holder hereof at the time of such surrender.

5.8. ***Lost, Stolen, Mutilated or Destroyed Warrant*****.** If this Warrant is lost, stolen, mutilated or destroyed, the Company shall at no cost to the Holder, on such terms as to indemnity of otherwise as it may in its discretion impose (which shall not include the posting of any bond), issue a new warrant of like denomination and tenor as this Warrant so lost, stolen, mutilated or destroyed. Any such new warrant shall constitute an original contractual obligation of the Company, whether or not the allegedly lost, stolen, mutilated or destroyed Warrant shall be at any time enforceable by anyone.

5.9. ***Governing Law*****.** This Warrant shall be deemed to be a contract made under, and shall be construed in accordance with, the laws of the State of New York, without giving effect to conflict of laws principles thereof.

5.10. ***Section Headings; Construction*****.** The descriptive headings in this Warrant have been inserted for convenience only and shall not be deemed to limit or otherwise affect the construction of any provision thereof or hereof. The parties have participated jointly in the negotiation and drafting of this Warrant and the other agreements, documents and instruments executed and delivered in connection herewith with counsel sophisticated in investment transactions. In the event an ambiguity or question of intent or interpretation arises, this Warrant shall be construed as if drafted jointly by the parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Warrant and the agreements, documents and instruments executed and delivered in connection herewith.

5.11. ***Consent to Jurisdiction*****.** This Agreement shall be deemed to be a contract made under, and shall be construed in accordance with, the laws of the State of New York, without giving effect to conflict of laws principles thereof. Each of the parties hereto hereby consents to the exclusive jurisdiction of the federal and state courts located in the State of New York for any claim, suit or proceeding arising under this Agreement and/or the transactions contemplated hereby, each party hereto hereby further consents to personal jurisdiction, service of process and venue in any such New York federal or state court.

5.12. ***Remedies; Severability*****.** Notwithstanding Section 5.11, it is specifically understood and agreed that any breach of the provisions of this Warrant by any person subject hereto will result in irreparable injury to the other parties hereto, that the remedy at law alone will be an inadequate remedy for such breach, and that, in addition to any other remedies which they may have, such other parties may enforce their respective rights by actions for specific performance (to the extent permitted by law). Whenever possible, each provision of this Warrant shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Warrant shall be deemed prohibited or invalid under such applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, and such prohibition or invalidity shall not invalidate the remainder of such provision or the other provisions of this Warrant.

5.13. ***Integration.*** This Warrant, including the exhibits referred to herein, constitute the entire agreement and supersede all other prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof.

5.14. ***No Rights or Liabilities as Stockholder.*** Except as expressly set forth herein, nothing contained in this Warrant shall be construed as conferring upon Holder any rights as a stockholder of the Company or as imposing any obligation on Holder to purchase any securities or as imposing any liabilities on Holder as a stockholder of the Company, whether such obligation or liabilities are asserted by the Company or creditors of the Company.

5.15. ***Waivers and Consents; Amendments.***

(a) For the purposes of this Warrant and all documents executed pursuant hereto, no course of dealing between or among any of the parties hereto and no delay on the part of any party hereto in exercising any rights hereunder or thereunder shall operate as a waiver of the rights hereof or thereof. No covenant or provision hereof may be waived otherwise than by a written instrument signed by the party or parties so waiving such covenant or other provision contemplated herein.

(b) No amendment to this Warrant may be made without the written consent of the Company and the Holder or Holders holding Warrants representing at least a majority of the Warrant Shares issuable upon exercise of all outstanding Warrants.

5.16. ***Assignment.*** This Agreement shall not be assignable by the Company, other than pursuant to a merger or consolidation transaction, without the written consent of Holders holding Warrants representing at least 66 2/3% of the Warrant Shares issuable upon exercise of all outstanding Warrants. For the avoidance of doubt, neither this provision nor any other provision of this Warrant is intended to, nor shall such provisions, give the Holders any consent rights over a Subject Transaction or any other transaction involving the Company.

5.17. ***Certain Definitions.*** The following terms as used in this Warrant shall have the following meanings:

(a) An "**Affiliate**" means any person that directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with the first mentioned person. A person shall be deemed to control another person if such first person possesses directly or indirectly the power to direct, or cause the direction of, the management and policies of the second person, whether through the ownership of voting securities, by contract or otherwise.

(b) "**Business Day**" means any day other than a Saturday or a Sunday or a day on which commercial banking institutions in New York City, New York are authorized or obligated by law or executive order to be closed. Any reference to "days" (unless Business Days are specified) shall mean calendar days.

(c) "**Code**" means the Internal Revenue Code of 1986, as amended.

(d) "**Fair Market Value**" means either (i) the Market Price, if any, of a share of Common Stock or (ii) if no Market Price exists, the value (which shall not take into effect any illiquidity or any minority discounts) of a share of Common Stock as determined in good faith by the Board of Directors.

(e) "**Market Price**" of any security means the value determined in accordance with the following provisions:

(i) if such security is listed on a national securities exchange registered under the Exchange Act, a price equal to the average of the closing sales prices for such security on such exchange for each day during the twenty (20) consecutive trading days immediately preceding the date in question; and

(ii) not so listed, and such security is quoted on NASDAQ, a price equal to the average of the closing bid and asked prices for such security quoted on such system each day during the twenty (20) consecutive trading days immediately preceding the date in question..

(f) "**Qualified Public Offering**" shall have the meaning set forth in the Stockholders Agreement.

5.18. ***Other Definitional Provisions.***

(a) Except as otherwise specified herein, all references herein:

(i) to any person other than the Company, shall be deemed to include such person's successors and assigns;

(ii) to the Company shall be deemed to include the Company's successors; and

(iii) to any applicable law defined or referred to herein, shall be deemed references to such applicable law as the same may have been or may be amended or supplemented from time to time.

(b) When used in this Warrant, the words "herein", "hereof and "hereunder", and words of similar import, shall refer to this Warrant as a whole and not to any provision of this Warrant, and the words "Section" and "Exhibit" shall refer to Sections of, and Exhibits to, this Warrant unless otherwise specified.

(c) Whenever the context so requires the neuter gender includes the masculine or feminine, and the singular number includes the plural, and vice versa.

IN WITNESS WHEREOF, the Company has caused this Warrant to be executed by its duly authorized officer as of the date first written above.

MCBC HOLDINGS, INC.

By: /s/ John Dorton
Name: John Dorton
Title: President and Chief Executive Officer

ATTEST:

By: /s/ Thomas King
Name: Thomas King
Title: Chief Financial Officer

[*Signature Page to Warrant*]

IN WITNESS WHEREOF, the Company has caused this Warrant to be executed by its duly authorized officer as of the date first written above.

MCBC HOLDINGS, INC.

By: /s/ John Dorton
Name: John Dorton
Title: President and Chief Executive Officer

ATTEST:

By: /s/ Thomas King
Name: Thomas King
Title: Chief Financial Officer

[*Signature Page to Warrant*]

IN WITNESS WHEREOF, the Company has caused this Warrant to be executed by its duly authorized officer as of the date first written above.

MCBC HOLDINGS, INC.

By: /s/ John Dorton
Name: John Dorton
Title: President and Chief Executive Officer

ATTEST:

By: /s/ Thomas King
Name: Thomas King
Title: Chief Financial Officer

[*Signature Page to Warrant*]

EXHIBIT A
FORM OF EXERCISE NOTICE

[To be executed only upon exercise of this Warrant pursuant to Section 1.1(a)]

To MCBC Holdings, Inc.

The undersigned registered Holder of the within Warrant hereby irrevocably exercises such Warrant for, and purchases thereunder, (1) shares of the Common Stock and herewith makes payment of $ therefor, and requests that the certificates for such shares be issued in the name of, and delivered to , whose address is .

Dated: ______________________ ______________________

(Signature must conform in all respects to name of Holder as specified on the face of Warrant)

(Street Address)

(City) (State) (Zip Code)

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(1) Insert here the number of shares called for on the face of this Warrant (or, in the case of a partial exercise, the portion thereof as to which this Warrant is being exercised), in either case without making any adjustment for Additional Shares of Common Stock or any other stock or other securities or property or cash which, pursuant to the adjustment provisions of this Warrant, may be delivered upon exercise. In the case of a partial exercise, a new Warrant or Warrants will be issued and delivered in accordance with the terms of the Warrant, representing the unexercised portion of the Warrant, to the Holder surrendering the Warrant.

EXHIBIT B
FORM OF EXCHANGE NOTICE

[To be executed only upon net exchange of this Warrant pursuant to Section 1.1(b)]

To MCBC Holdings, Inc.

The undersigned registered Holder of the within Warrant hereby irrevocably exchanges such Warrant with respect to (2) shares of the Common Stock which such Holder would be entitled to receive upon the exercise hereof, and requests that the certificates for such shares be issued in the name of, and delivered to , whose address is .

Dated: ____________________

(Signature must conform in all respects to name of Holder as specified on the face of Warrant

(Street Address)

(City) (State) (Zip Code)

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(2) Insert here the number of shares called for on the face of this Warrant (or, in the case of a partial exercise, the portion thereof as to which this Warrant is being exercised),in either case without making any adjustment for Additional Shares of Common Stock or any other stock or other securities or property or cash which, pursuant to the adjustment provisions of this Warrant, may be delivered upon exercise. In the case of a partial exercise, a new Warrant or Warrants will be issued and delivered in accordance with the terms of the Warrant, representing the unexercised portion of the Warrant, to the Holder surrendering the Warrant.

Exhibit 10.2

MCBC HOLDINGS, INC.
2010 EQUITY INCENTIVE PLAN

1. Purposes.

(a) Eligible Award Recipients. The persons eligible to receive Awards are the Employees, Directors and Consultants of MCBC Holdings, Inc., a Delaware corporation (the "***Company***"), and its Affiliates.

(b) Available Awards. The purpose of the Plan is to provide a means by which eligible Employees, Directors and Consultants may be given an opportunity to benefit from increases in value of the Common Stock through the granting of the following Awards: (i) Incentive Stock Options, (ii) Nonstatutory Stock Options, (iii) rights to purchase Common Stock, (iv) Stock Appreciation Rights ("***SARs***"), (v) Restricted Stock, (vii) Restricted Stock Units, (vii) Performance Shares, and (viii) Performance Units.

(c) General Purpose. The Company, by means of the Plan, seeks to retain the services of the group of persons eligible to receive Awards, to secure and retain the services of new members of this group and to provide incentives for such persons to exert maximum efforts for the success of the Company and its Affiliates.

2. Definitions.

(a) "Affiliate" means any parent or subsidiary of the Company; provided, that, with respect to Incentive Stock Options, the term shall only mean "parent corporation" and "subsidiary corporation" as defined in Sections 424(e) and 424(f) of the Code and with respect to any "stock right" within the meaning of Section 409A of the Code, such affiliate must qualify as a "service recipient" within the meaning of Section 409A of the Code and in applying Section 1563(a)(1), (2) and (3) of the Code for purposes of determining a controlled group of corporations under Section 414(b) of the Code and in applying Treasury Regulation Section 1.414(c)-2 for purposes of determining trades or businesses (whether or not incorporated) that are under common control for purposes of Section 414(c) of the Code, the language "at least 50 percent" is used instead of "at least 80 percent;" and further, provided, that, for purposes of the Plan and any Awards, Wayzata Opportunities Fund II, L.P., Wayzata Recovery Fund, LLC, Wayzata Opportunities Fund Offshore II, L.P., Wayland Distressed Opportunities Fund I-C, LLC and any other funds managed by Wayzata Investment Partners LLC shall not be deemed an Affiliate of the Company.

(b) "Award" means any award granted under the Plan.

(c) "Award Agreement" means a written agreement between the Company and a Participant evidencing the terms and conditions of an individual Award. Each Award Agreement shall be subject to the terms and conditions of the Plan and need not be identical.

(d) "Board" means the Board of Directors of the Company.

(e) "Cause" means, (i) the Participant's failure to substantially perform the duties set forth in the Plan or any agreement with the Company (other than any such failure resulting from the Participant's Disability); (ii) the Participant's failure to carry out, or comply with, in any respect any lawful directive of the Board; (iii) the Participant's commission at any time of any act or omission that results in, or may reasonably be expected to result in, a conviction, plea of no contest, plea of nolo contendere, or imposition of unajudicated probation for any felony or crime involving moral turpitude; (iv) the Participant's unlawful use (including being under the influence) or possession of illegal drugs on the Company's premises or while performing the Participant's duties and responsibilities; (v) the Participant's commission at any time of any act of fraud, embezzlement, misappropriation, misconduct, conversion of assets of the Company, or breach of fiduciary duty against the Company (or any predecessor thereto or successor thereof); (vi) the Participant's breach of any agreement with the Company (including without limitation, any breach of the restrictive covenants of any agreement); (vii) the Participant's neglect of the duties or services the Participant is to provide to the Company and/or the Participant's negligent acts or omissions or intentional conduct, any of which results in harm to the Company; or (viii) the Participant's willful misconduct or violation of Company policy. The Board or Committee, in its sole and absolute discretion, shall determine all matters and questions relating to whether a Participant has been discharged for Cause.

(f) "Change in Control" means a "change in control event" as defined in Treasury Regulations Section 1.409A-3(i)(5) and any interpretative guidance promulgated under Section 409A of the Code.

(g) "Code" means the Internal Revenue Code of 1986, as amended, and any successor thereto. Reference in the Plan to any section of the Code shall be deemed to include any regulations or other interpretative guidance under such section, and any amendments or successor provisions to such section, regulations or guidance.

(h) "Committee" means the Board, unless and until another committee of one or more members of the Board is appointed by the Board in accordance with Section 3(c).

(i) "Common Stock" means the common stock of the Company, no par value per share.

(j) "Company" means MCBC Holdings, Inc., a Delaware corporation.

(k) "Consultant" means any person, including an advisor, (i) engaged by the Company or an Affiliate to render consulting or advisory services and who is compensated for such services or (ii) who is a member of the Board of Directors of an Affiliate.

(l) "Continuous Service" means that the Participant's service with the Company or an Affiliate, whether as an Employee, Director or Consultant, is not interrupted or terminated (other than pursuant to a leave approved by the Company which specifically provides that such leave shall not result in a termination of Continuous Service). The Participant's Continuous Service shall not be deemed to have terminated or been interrupted merely because of a change in the capacity in which the Participant renders service to the Company or an Affiliate as an Employee, Consultant or Director or a change in the entity for which the Participant renders such

service, provided that there is no interruption or termination of the Participant's Continuous Service. For example, a change in status from an Employee of the Company to a Consultant of an Affiliate or to a Director will not constitute an interruption or termination of Continuous Service. The Committee, in its sole and absolute discretion, may determine whether Continuous Service shall be considered interrupted or terminated.

(m) "Covered Employee" means any key Employee who is or may become a "Covered Employee," as defined in Section 162(m) of the Code, or any successor statute, and who is designated, either as an individual Employee or class of Employees, by the Committee within the shorter of (i) ninety (90) days after the beginning of the Performance Period, or (ii) after twenty-five percent (25%) of the Performance Period has elapsed, as a "Covered Employee" under this Plan for such applicable Performance Period.

(n) "Director" means a member of the Board.

(o) "Disability" means the failure of any Participant to perform his duties due to physical or mental incapacity, as determined by the Committee.

(p) "Effective Date" means February 12, 2010.

(q) "Employee" means any person employed by the Company or an Affiliate.

(r) "Exchange Act" means the Securities Exchange Act of 1934, as amended.

(s) "Fair Market Value" per share as of a particular date shall mean the last reported sale price (on the day immediately preceding such date) of the Common Stock on the New York Stock Exchange or any other national automated quotation system or securities exchange upon which price quotations for the Company's Common Stock are regularly available ("***Exchange***"); provided, however, that prior to an Initial Public Offering, Fair Market Value per share shall mean, as of any date, the fair market value on such date as determined in good faith by the Board in compliance with Section 409A of the Code.

(t) "Grant Price" means the price established at the time of grant of a Stock Appreciation Right, used to determine whether there is any payment due upon the exercise of the Stock Appreciation Right.

(u) "Incentive Stock Option" means an Option intended to qualify as an incentive stock option within the meaning of Section 422 of the Code.

(v) "Initial Public Offering" means the consummation of the first public offering of the Company's Common Stock pursuant to a registration statement (other than on Form S-8 or successor forms) filed with, and declared effective by, the SEC.

(w) "Non-Employee Director" means a Director who meets the criteria to qualify as a "non-employee director" within the meaning of Rule 16b-3, and an "outside director" within the meaning of Section 162(m) of the Code, and who also meets the criteria of any applicable Exchange.

(x) "Nonstatutory Stock Option" means an Option that is not intended to qualify as an Incentive Stock Option.

(y) "Officer" means (i) before an Initial Public Offering, any person designated by the Company as an officer and (ii) on and after an Initial Public Offering, a person who is an officer of the Company within the meaning of Section 16 of the Exchange Act.

(z) "Option" means an Incentive Stock Option or a Nonstatutory Stock Option.

(aa) "Option Agreement" means a written agreement between the Company and an Optionee evidencing the terms and conditions of an individual Option grant. Each Option Agreement shall be subject to the terms and conditions of the Plan and need not be identical.

(bb) "Optionee" means a person holding an Option granted pursuant to the Plan.

(cc) "Participant" means a person holding an Award granted pursuant to the Plan.

(dd) "Performance Goal" means those goals determined by the Committee applicable to any performance-based award under the Plan which may be based on any one or a combination of the following performance criteria: revenue, earnings before interest, taxes, depreciation and amortization ("EBITDA"), funds from operations, funds from operations per share, operating income, pre or after tax income, cash available for distribution, cash available for distribution per share, net earnings, earnings per share, return on equity, return on assets, share price performance, improvements in the Company's attainment of expense levels, and implementing or completion of critical projects, exit value per share, or improvement in cashflow (before or after tax). A Performance Goal may be measured over a Performance Period on a periodic, annual, cumulative or average basis and may be established on a corporate-wide basis or established with respect to one or more operating units, divisions, subsidiaries, acquired businesses, minority investments, partnerships or joint ventures. Unless otherwise determined by the Committee by no later than the earlier of the date that is ninety (90) days after the commencement of the Performance Period or the day prior to the date on which twenty-five percent (25%) of the Performance Period has elapsed, the Performance Goals will be determined by not accounting for a change in GAAP during a Performance Period.

(ee) "Performance Period" means the period of time during which the Performance Goals must be met in order to determine the degree of payout and/or vesting with respect to an Award.

(ff) "Performance Share" means Common Stock granted pursuant to Section 9 of this Plan.

(gg) "Performance Unit" means an Award granted pursuant to a Participant pursuant to Section 9 of this Plan, except no Common Stock is actually awarded to the Participant on the date of grant.

(hh) "Plan" means the MCBC Holdings, Inc. 2009 Equity Incentive Plan, as amended from time to time.

(ii) "Restricted Stock" means Common Stock granted pursuant to Section 7 of this Plan, prior to the lapse of any restrictions thereon.

(jj) "Restricted Stock Unit" means an Award granted to a Participant pursuant to Section 7 of this Plan, except no Common Stock is actually awarded to the Participant on the date of grant.

(kk) "Rule 16b-3" means Rule 16b-3 promulgated under the Exchange Act or any successor to Rule 16b-3, as in effect from time to time.

(ll) "SEC" means the Securities and Exchange Commission.

(mm) "Securities Act" means the Securities Act of 1933, as amended.

(nn) "Stockholders' Agreement" means the Stockholders' Agreement dated June 30, 2009 by and between the Company and the persons on the signature pages thereof, as amended from time to time.

(oo) "Stock Appreciation Right" or "SAR" means a right to receive the excess of the Fair Market Value of a share of Common Stock over the Grant Price.

(pp) "Ten Percent Stockholder" means a person who owns (or is deemed to own pursuant to Section 424(d) of the Code) stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or of any of its Affiliates.

3. Administration.

(a) Administration. The Plan shall be administered by the Committee.

(b) Powers of Committee. The Committee shall have the power, subject to, and within the limitations of, the express provisions of the Plan:

(i) To determine from time to time which of the persons eligible under the Plan shall be granted Awards; when and how each Award shall be granted; what type or combination of types of Award shall be granted; the terms and provisions of each Award Agreement and each Option Agreement; the provisions of each Award granted (which need not be identical), including the time or times when a person shall be permitted to receive Common Stock pursuant to an Award; and the number of shares of Common Stock with respect to which an Award shall be granted to each such person.

(ii) To construe and interpret the Plan and Awards granted under it, and to establish, amend and revoke rules and regulations for its administration. The Committee, in the exercise of this power, may correct any defect, omission or inconsistency in the Plan or in any Award Agreement, in a manner and to the extent it shall deem necessary or expedient to make the Plan fully effective.

(iii) Generally, to exercise such powers and to perform such acts as the Board deems necessary or expedient to promote the best interests of the Company which are not in conflict with the provisions of the Plan.

(c) Delegation to Committee.

(i) General. The entire Board may comprise the Committee or the Board may delegate administration of the Plan to a Committee or Committees of one (1) or more members of the Board, and the term "Committee" shall apply to any person or persons to whom such authority has been delegated. Furthermore, unless one or more Committees has been appointed by the Board, any reference to the Committee in the Plan shall mean the Board. If administration is delegated to a Committee, the Committee shall have, in connection with the administration of the Plan, the powers theretofore possessed by the Board, including the power to delegate to a subcommittee any of the administrative powers the Committee is authorized to exercise (and references in this Plan to the Board shall thereafter be to the Committee or subcommittee), subject, however, to such resolutions, not inconsistent with the provisions of the Plan, as may be adopted from time to time by the Board. The Board may abolish the Committee at any time and re-vest in the Board all powers relating to the administration of the Plan.

(ii) Committee Composition when Common Stock is Publicly Traded. At such time as the Common Stock is publicly traded, in the discretion of the Board, the Committee may consist solely of two or more Non-Employee Directors. Within the scope of such authority, the Board or the Committee may: (1) delegate to a committee of one or more members of the Board who are not "outside directors" within the meaning of Section 162(m) of the Code the authority to grant Awards to eligible persons who are either (a) not then Covered Employees and are not expected to be Covered Employees at the time of recognition of income resulting from such Award, or (b) not persons with respect to whom the Company wishes to comply with Section 162(m) of the Code; or (2) delegate to a committee of one or more members of the Board who are not "non-employee directors" within the meaning of Rule 16b-3, the authority to grant Awards to eligible persons who are not then subject to Section 16 of the Exchange Act.

(d) Effect of Committee's Decision. All determinations, interpretations and constructions made by the Committee in good faith shall not be subject to review by any person and shall be final, binding and conclusive on all persons. Members of the Committee and any officer or employee of the Company or any Affiliate acting at the direction of, or on behalf of, the Committee shall not be personally liable for any action or determination taken or made in good faith with respect to the Plan, and shall, to the maximum extent permitted by law, be fully indemnified by the Company with respect to any such action or determination.

4. Shares Subject to the Plan.

Subject to the provisions of Section 13 hereof, the Common Stock that may be issued pursuant to Awards shall not exceed in the aggregate two hundred thousand (200,000) shares of Common Stock; provided, that, no more than two hundred thousand (200,000) shares shall be subject to Incentive Stock Options. If any Award shall for any reason expire or otherwise terminate, in whole or in part, without having been exercised in full, the shares of Common Stock not acquired under such Award shall revert to and again become available for issuance

under the Plan. The shares of Common Stock subject to the Plan may be unissued shares or reacquired shares, bought on the market or otherwise.

5. Eligibility.

(a) Eligibility for Specific Awards. Awards may be granted to Employees, Directors and Consultants; provided, that, only Employees may be granted Incentive Stock Options.

(b) Ten Percent Stockholders. A Ten Percent Stockholder shall not be granted an Incentive Stock Option unless the exercise price of such Option is at least one hundred ten percent (110%) of the Fair Market Value of the Common Stock at the date of grant and the Option is not exercisable after the expiration of five (5) years from the date of grant.

(c) Section 162(m) Limitation. Subject to the provisions of Section 13 of this Plan, no Employee shall be eligible to be granted Awards covering, in the aggregate, more than one hundred thousand (100,000) shares of Common Stock during any calendar year. This Section 5(c) shall not apply prior to an Initial Public Offering and, following an Initial Public Offering, this Section 5(c) shall not apply until (i) the earliest of: (1) the first material modification of the Plan (including any increase in the number of shares of Common Stock reserved for issuance under the Plan in accordance with Section 4); (2) the issuance of all of the shares of Common Stock reserved for issuance under the Plan; (3) the expiration of the Plan; or (4) the first meeting of stockholders at which Directors are to be elected that occurs after the close of the third (3rd) calendar year following the calendar year in which the first registration of an equity security under Section 12 of the Exchange Act occurred; or (ii) such other date required by Section 162(m) of the Code.

(d) Consultants.

(i) Prior to an Initial Public Offering, a Consultant shall not be eligible for the grant of an Award if, at the time of grant, either the offer or the sale of the Company's securities to such Consultant is not exempt under Rule 701 of the Securities Act ("***Rule 701***") because of the nature of the services that the Consultant is providing to the Company, or because the Consultant is not a natural person, or as otherwise provided by Rule 701, unless the Company determines that such grant need not comply with the requirements of Rule 701 and will satisfy another exemption under the Securities Act as well as comply with the securities laws of all other relevant jurisdictions.

(ii) From and after an Initial Public Offering, a Consultant shall not be eligible for the grant of an Award if, at the time of grant, a Form S-8 Registration Statement under the Securities Act ("***Form S-8***") is not available to register either the offer or the sale of the Company's securities to such Consultant because of the nature of the services that the Consultant is providing to the Company, or because the Consultant is not a natural person, or as otherwise provided by the rules governing the use of Form S-8, unless the Company determines both (i) that such grant (A) shall be registered in another manner under the Securities Act (e.g., on a Form S-3 Registration Statement) or (B) does not require registration under the Securities Act in

order to comply with the requirements of the Securities Act, if applicable, and (ii) that such grant complies with the securities laws of all other relevant jurisdictions.

(iii) Rule 701 and Form S-8 generally are available to consultants and advisors only if: (i) they are natural persons; (ii) they provide bona fide services to the issuer, its parent, its majority-owned subsidiaries or majority-owned subsidiaries of the issuer's parent; and (iii) the services are not in connection with the offer or sale of securities in a capital-raising transaction, and do not directly or indirectly promote or maintain a market for the issuer's securities.

6. Option Provisions.

Each Option shall be in such form and shall contain such terms and conditions as the Committee shall deem appropriate. All Options shall be separately designated Incentive Stock Options or Nonstatutory Stock Options at the time of grant, and, if certificates are issued, a separate certificate or certificates will be issued for shares of Common Stock purchased on exercise of each type of Option. Notwithstanding the foregoing, the Company shall have no liability to any Participant or any other person if an Option designated as an Incentive Stock Option fails to qualify as such at any time. The provisions of separate Options need not be identical, but each Option shall include (through incorporation of provisions hereof by reference in the Option or otherwise) the substance of each of the following provisions:

(a) Term. Subject to the provisions of Section 5(b) regarding Ten Percent Stockholders, no Option shall be exercisable after the expiration of ten (10) years from the date it was granted.

(b) Exercise Price. Subject to the provisions of Section 5(b) regarding Ten Percent Stockholders, the exercise price of each Option shall be established by the Committee; provided, that, the exercise price shall be no less than one hundred percent (100%) of the Fair Market Value of the Common Stock subject to the Option on the date the Option is granted.

(c) Consideration. The purchase price of Common Stock acquired pursuant to an Option shall be paid, to the extent permitted by applicable statutes and regulations, either (i) in cash or by check at the time the Option is exercised, or (ii) at the sole discretion of the Committee: (1) by delivery or attestation of ownership of shares of Common Stock having a Fair Market Value equal to the aggregate exercise price at the time of exercise or (2) in any other form of legal consideration that may be acceptable to the Committee, including, without limitation, a "cashless" exercise program established with a broker following an Initial Public Offering. Unless otherwise specifically provided in the Option, the purchase price of Common Stock acquired pursuant to an Option that is paid by delivery to the Company of other Common Stock (or attestation of ownership thereof) acquired, directly or indirectly, from the Company, shall be paid only by shares of the Common Stock of the Company that have been held for more than six (6) months (or such longer or shorter period of time required to avoid a charge to earnings for financial accounting purposes).

(d) Transferability of an Incentive Stock Option. An Incentive Stock Option shall not be transferable except by will or by the laws of descent and distribution and shall be

exercisable during the lifetime of the Optionee only by the Optionee. Notwithstanding the foregoing, the Optionee may, by delivering written notice to the Company, in a form satisfactory to the Company, designate a third party who, in the event of the death of the Optionee, shall thereafter be entitled to exercise the Option.

(e) **Transferability of a Nonstatutory Stock Option.** A Nonstatutory Stock Option shall be transferable to the extent provided in the Option Agreement. If the Nonstatutory Stock Option does not provide for transferability, then the Nonstatutory Stock Option shall not be transferable except by will or by the laws of descent and distribution and shall be exercisable during the lifetime of the Optionee only by the Optionee. Notwithstanding the foregoing, the Optionee may, by delivering written notice to the Company, in a form satisfactory to the Company, designate a third party who, in the event of the death or incapacity of the Optionee, shall thereafter be entitled to exercise the Option.

(f) **Vesting.** The total number of shares of Common Stock subject to an Option may, but need not, vest and become exercisable in periodic installments that may, but need not, be equal. The Option may be subject to such other terms and conditions on the time or times when it may be exercised (which may be based on performance or other criteria) as the Board or Committee may deem appropriate. The vesting provisions of individual Options may vary. Unless otherwise provided in the Award Agreement, the Option will become vested and exercisable in the following manner: twenty-five percent (25%) of the shares subject to the Option will vest on September 30, 2010, and with an additional twenty-five percent (25%) of the shares subject to the Option vesting each September 30th in 2011, 2012 and 2013. The provisions of this Section 6(f) are subject to any Option provisions governing the minimum number of shares of Common Stock as to which an Option may be exercised. No Option may be exercised for a fraction of a share of Common Stock.

(g) **Termination of Continuous Service.** Unless otherwise provided in an Option Agreement, in the event an Optionee's Continuous Service terminates (other than upon the Optionee's death or Disability), the Optionee may exercise his or her Option (to the extent that the Optionee was entitled to exercise such Option as of the date of termination) but only within such period of time ending on the earlier of (i) the date which is thirty (30) days following the termination of the Optionee's Continuous Service, or (ii) the expiration of the term of the Option as set forth in the Option Agreement; provided, however, that if the termination of Continuous Service is by the Company for Cause, or if the Optionee voluntarily terminates his Continuous Service for any reason, then all outstanding Options (whether or not vested) shall immediately terminate and cease to be exercisable. If, after termination, the Optionee does not exercise his or her Option within the time specified in the Option Agreement, the Option shall terminate.

(h) **Extension of Termination Date.** An Optionee's Option Agreement may also provide that if the exercise of the Option following the termination of the Optionee's Continuous Service (other than upon the Optionee's death or Disability) would be prohibited at any time solely because the issuance of shares of Common Stock would violate the registration requirements under the Securities Act, then the Option shall terminate on the earlier of: (i) the expiration of the term of the Option set forth in Section 6(a); or (ii) the expiration of a period of thirty (30) days after the termination of the Optionee's Continuous Service during which the exercise of the Option would not be in violation of such registration requirements; provided,

however, that this Section 6(h) shall not apply if the Optionee's Continuous Service is terminated by the Company for Cause or if the Optionee voluntarily terminates his Continuous Service for any reason.

(i) **Disability of Optionee.** Unless otherwise provided in an Option Agreement, in the event that an Optionee's Continuous Service terminates as a result of the Optionee's Disability, the Optionee may exercise his or her Option (to the extent that the Optionee was entitled to exercise such Option as of the date of termination), but only within such period of time ending on the earlier of: (i) the date which is twelve (12) months following the date of such termination; or (ii) the expiration of the term of the Option as set forth in the Option Agreement. If, after termination, the Optionee does not exercise his or her Option within the time specified herein, the Option shall terminate.

(j) **Death of Optionee.** Unless otherwise provided in an Option Agreement, in the event an Optionee's Continuous Service terminates as a result of the Optionee's death, then the Option may be exercised (to the extent the Optionee was entitled to exercise such Option as of the date of death) by the Optionee's estate, by a person who acquired the right to exercise the Option by bequest or inheritance or by a person designated to exercise the Option upon the Optionee's death, but only within the period ending on the earlier of: (i) the date which is twelve (12) months following the date of death: or (ii) the expiration of the term of such Option as set forth in the Option Agreement. If, after death, the Option is not exercised within the time specified herein, the Option shall terminate.

(k) **Right of Repurchase.** The Option Agreement may, but need not, include a provision whereby the Company may elect, prior to an Initial Public Offering, to repurchase all or any part of the vested shares of Common Stock acquired by the Optionee pursuant to the exercise of the Option. The Company will not exercise its repurchase option until at least six (6) months (or such longer or shorter period of time required to avoid a charge to earnings for financial accounting purposes) have elapsed following exercise of the Option unless the Board otherwise specifically provides in the Option Agreement.

(l) **Right of First Refusal.** The Option Agreement may, but need not, include a provision whereby the Company may elect, prior to an Initial Public Offering, to exercise a right of first refusal following receipt of notice from the Optionee of the intent to transfer all or any part of the shares of Common Stock received upon the exercise of the Option.

7. **Restricted Stock and Restricted Stock Unit Awards/Stock Purchases.**

(a) **Restricted Stock and Restricted Stock Units.**

(i) The Committee may from time to time award Restricted Stock and Restricted Stock Units under the Plan to eligible Participants, subject to such conditions, restrictions and contingencies as the Committee shall determine. Shares of Restricted Stock may not be sold, assigned, transferred or otherwise disposed of, or pledged or hypothecated as collateral for a loan or as security for the performance of any obligation or for any other purpose, until such shares have vested (the ***"Restricted Period"***) and thereafter only in compliance with the Stockholders' Agreement. The Committee may define the Restricted Period in terms of the

passage of time or in any other manner it deems appropriate. The Committee may alter or waive at any time any term or condition of Restricted Stock or Restricted Stock Units that is not mandatory under the Plan. Unless otherwise determined by the Committee or provided for in an Award Agreement, upon termination of a Participant's Continuous Service with the Company for any reason prior to the end of the Restricted Period, the Restricted Stock or Restricted Stock Units for which the Restricted Period has not lapsed shall be forfeited and the Participant shall have no right with respect to the Award. Except as restricted under the terms of the Plan and any Award Agreement, any Participant awarded Restricted Stock shall have all the rights of a stockholder including, without limitation, the right to

receive dividends and to vote the Restricted Stock. A Participant shall have no voting rights with respect to any Restricted Stock Units granted hereunder. If a share certificate is issued in respect of Restricted Stock, the certificate shall be registered in the name of the Participant, but shall be held by the Company for the account of the Participant until the end of the Restricted Period.

(ii) All or part of Awards of Restricted Stock and Restricted Stock Units may also be granted as Awards of Performance Shares and Performance Units under Section 9.

(b) **Stock Purchases.** The Committee may authorize eligible individuals to purchase Common Stock at a price above, equal to or below the Fair Market Value of the shares at the time of grant. Any such offer may be subject to the conditions and terms the Committee may impose, including the requirement that the individuals agree to be bound by the terms of the Stockholders' Agreement as a condition to the purchase. The Company may make loans available to eligible individuals in connection with the purchase of shares of Common Stock, as the Committee, in its discretion, may determine. The terms and conditions of any such loans shall be determined by the Committee, in its sole discretion.

8. Stock Appreciation Rights.

The Committee shall have the authority to award SARs. Subject to the following conditions, SARs may be granted in tandem with another Award, in addition to another Award, or freestanding and unrelated to another Award. A SAR granted in addition to another Award may be granted either at the same time as such other Award or at a later time.

(a) **Grant Price.** The Grant Price of a SAR shall be determined by the Committee; provided, however, that the Grant Price shall not be less than 100% of the Fair Market Value on the date of grant.

(b) **Other Terms and Conditions.** The Committee may impose such conditions or restrictions on the exercise of any SAR as it shall deem appropriate.

(c) **Term.** The term of a SAR granted under the Plan shall be determined by the Committee, in its sole discretion, provided, however, no SAR shall be exercisable later than the tenth (10th) anniversary date of its grant.

9. Performance Shares and Performance Units.

The Committee shall have authority to grant Performance Shares and Performance Units which shall vest upon the achievement of Performance Goals.

(a) **Terms and Conditions.** Subject to the terms of the Plan, the Committee shall establish at the time a Performance Share or Performance Unit Award is granted the Performance Period (which shall not be less than one year), the Performance Goals pursuant to which a Participant may earn and be entitled to a payment under such Performance Share or Performance Unit Award, and the schedule or schedules setting forth the portion of the Performance Share or Performance Unit Award which will be earned or forfeited based on the degree of achievement, or lack thereof, of the Performance Goals at the end of the relevant Performance Period. During any Performance Period, the Committee shall have authority to adjust the Performance Goals in such manner as the Committee, in its sole discretion, deems appropriate with respect to such Performance Period, provided, however, to the extent such adjustment affects Awards to Covered Employees, they shall be prescribed in a form that meets the requirements of Code Section 162(m) for deductibility. Only a Committee comprising two or more "outside directors" (as defined pursuant to Code Section 162(m)) may grant Awards to Covered Employees.

(b) **Payment of Awards.** Performance Share and Performance Unit compensation payments may be paid in a lump sum, in cash, shares of Common Stock, or in any combination thereof, following the close of the Performance Period. No payment may be made hereunder to a Covered Employee until the Committee certifies that the Performance Goals have been met.

10. Covenants of the Company.

(a) **Availability of Shares.** During the terms of the Awards, the Company shall keep available at all times the number of shares of Common Stock required to satisfy such Awards.

(b) **Securities Law Compliance.** The Company shall seek to obtain from each regulatory commission or agency having jurisdiction over the Plan such authority as may be required to grant Awards and to issue and sell shares of Common Stock upon exercise of the Awards; provided, however, that this undertaking shall not require the Company to register under the Securities Act or any state securities laws the Plan, any Award or any Common Stock issued or issuable pursuant to any such Award. If, after reasonable efforts, the Company is unable to obtain from any such regulatory commission or agency the authority which counsel for the Company deems necessary for the lawful issuance and sale of Common Stock under the Plan, the Company shall be relieved from any liability for failure to issue and sell Common Stock upon exercise of such Awards unless and until such authority is obtained.

11. Use of Proceeds from Stock.

Proceeds from the sale of Common Stock pursuant to Awards shall constitute general funds of the Company.

12. Miscellaneous.

(a) **Acceleration of Exercisability and Vesting.** The Committee shall have the power to accelerate the time at which an Award may first be exercised or the time during which an Award or any part thereof will vest in accordance with the Plan, notwithstanding the provisions in the Award stating the time at which it may first be exercised or the time during which it will vest.

(b) **Stockholder Rights.** Subject to Section 7 of this Plan, no Participant shall be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares of Common Stock subject to such Award unless and until such Participant has satisfied all requirements for exercise of the Award pursuant to its terms.

(c) **No Employment or other Service Rights.** Nothing in the Plan or any instrument executed or Award granted pursuant thereto shall confer upon any Participant any right to continue to serve the Company or an Affiliate in the capacity in effect at the time the Award was granted or shall affect the right of the Company or an Affiliate to terminate: (i) the employment of an Employee with or without notice and with or without Cause; (ii) the service of a Consultant pursuant to the terms of such Consultant's agreement with the Company or an Affiliate; or (iii) the service of a Director pursuant to the Bylaws of the Company or the Bylaws or Operating Agreement of an Affiliate, as applicable, and any applicable provisions of the corporate law of the state in which the Company or the Affiliate is incorporated, as the case may be.

(d) **Incentive Stock Option $100,000 Limitation.** To the extent that the aggregate Fair Market Value (determined at the time of grant) of Common Stock with respect to which Incentive Stock Options are exercisable for the first time by any Optionee during any calendar year (under all plans of the Company and its Affiliates) exceeds one hundred thousand dollars ($100,000), the Options or portions thereof which exceed such limit (according to the order in which they were granted) shall be treated as Nonstatutory Stock Options.

(e) **Investment Assurances.** The Company may require a Participant, as a condition of exercising or acquiring Common Stock under any Award: (i) to give written assurances satisfactory to the Company as to the Participant's knowledge and experience in financial and business matters and/or to employ a purchaser representative reasonably satisfactory to the Company who is knowledgeable and experienced in financial and business matters and that he or she is capable of evaluating, alone or together with the purchaser representative, the merits and risks of exercising the Award; and (ii) to give written assurances satisfactory to the Company stating that the Participant is acquiring Common Stock subject to the Award for the Participant's own account and not with any present intention of selling or otherwise distributing the Common Stock. The foregoing requirements, and any assurances given pursuant to such requirements, shall be inoperative if (1) the issuance of the shares of Common Stock upon the exercise or acquisition of Common Stock under the Award has been registered under a then currently effective registration statement under the Securities Act or (2) as to any particular requirement, a determination is made by counsel for the Company that such requirement need not be met in the circumstances under the then applicable securities laws. The Company may, upon advice of counsel to the Company, place legends on stock certificates issued under the Plan as such counsel deems necessary or appropriate in order to comply with applicable securities laws, including, but not limited to, legends restricting the transfer of the Common Stock.

(f) **Withholding Obligations.** To the extent provided by the terms of an Award Agreement, the Participant may satisfy any federal, state or local tax withholding obligation relating to the exercise or acquisition of Common Stock under an Award by any of the following means (in addition to the Company's right to withhold from any compensation paid to the Participant by the Company) or by a combination of such means: (i) tendering a cash payment; (ii) authorizing the Company to withhold shares of Common Stock from the shares of Common

Stock otherwise issuable to the Participant as a result of the exercise or acquisition of Common Stock under the Award; provided, however, that no shares of Common Stock are withheld with a value exceeding the minimum amount of tax required to be withheld by law; or (iii) delivering to the Company owned and unencumbered shares of Common Stock not acquired from the Company.

13. **Adjustments Upon Changes in Stock.**

(a) **Capitalization Adjustments.** In the event of any dividend or other distribution (whether in the form of cash, Common Stock, other securities, or other property), recapitalization, reclassification, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, liquidation, dissolution, or sale, transfer, exchange or other disposition of all or substantially all of the assets or stock of the Company, or exchange of Common Stock or other securities of the Company, issuance of warrants or other rights to purchase Common Stock or other securities of the Company, or other similar corporate transaction or event (an ***"Event"***), and in the Committee's opinion, such event affects the Common Stock such that an adjustment is determined by the Committee to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan or with respect to an Award, then the Committee shall, in such manner as it may deem equitable, including, without limitation, adjust any or all of the following: (i) the number and kind of shares of Common Stock (or other securities or property) with respect to which Awards may be granted or awarded; (ii) the number and kind of shares of Common Stock (or other securities or property) subject to outstanding Awards; and (iii) the grant or exercise price with respect to any Award. Any such adjustments made to an Incentive Stock Option shall be made in accordance with Section 424(a) of the Code and any adjustment to any other Award that is subject to Section 409A of the Code shall be made in accordance with Section 409A of the Code unless otherwise determined by the Committee in its sole discretion. The Committee determination under this Section 13(a) shall be final, binding and conclusive.

(b) **Termination of Awards.** Unless otherwise provided in an Award Agreement, upon the occurrence of an Event or similar corporate event or transaction in which outstanding Awards are not to be assumed or otherwise continued following such an Event or similar corporate event or transaction, the Committee may, in its discretion, terminate any outstanding Award without a Participant's consent and (i) provide for the purchase of any such Award for an amount of cash equal to the amount that could have been attained upon the exercise of such Award or realization of the Participant's rights had such Award been currently exercisable or payable or fully vested or the replacement of such Award with other rights or property selected by the Committee in its sole discretion and/or (ii) provide that such Award shall be exercisable (whether or not vested) as to all shares covered thereby for at least ten (10) days prior to such Event, or similar corporate event or transaction.

(c) **Change in Control.** Except to the extent otherwise provided in a Participant's Award Agreement, notwithstanding any other provision of the Plan to the contrary, in the event of a Change in Control and as of the date such Change in Control is determined to have occurred:

(i) Any Options and SARs outstanding as of the date of the Change in Control, and which are not then exercisable and vested, shall become fully exercisable and vested.

(ii) The restrictions applicable to any Restricted Stock or Restricted Stock Unit Award as of the date of the Change in Control which is not performance based shall lapse and such Restricted Stock or Restricted Stock Unit shall become free of all restrictions and become fully vested and transferable.

(iii) As of the date of the Change in Control, the restrictions applicable to any Performance Share or Performance Unit Award shall become free of all restrictions and become fully vested and transferable.

In addition to the Committee's authority conferred by the Plan, in order to maintain the Participants' rights in the event of any Change in Control, the Board, as constituted before such Change in Control, is hereby authorized, and has sole discretion, as to any Award, either at the time such Award is made hereunder or any time thereafter, to take any one or more of the following actions: (i) provide for the purchase of any such Award for an amount of cash equal to the amount that could have been attained upon the exercise of such Award or realization of the Participant's rights had such Award been currently exercisable or payable; (ii) make such adjustment to any such Award then outstanding as the Board deems appropriate to reflect such Change in Control; or (iii) cause any such Award then outstanding to be assumed, or new rights substituted therefor, by the acquiring or surviving corporation after such Change in Control. The Board may, in its discretion, include such further provisions and limitations in any Award Agreement, as it may deem equitable and in the best interests of the Company.

(d) **Future Transactions.** The existence of the Plan, the Award Agreement and the Awards granted hereunder shall not affect or restrict in any way the right or power of the Company or the stockholders of the Company to make or authorize any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, any merger or consolidation of the Company, any issue of stock or of options, warrants or rights to purchase stock or of bonds, debentures, preferred or prior preference stocks whose rights are superior to or affect the Common Stock or the rights thereof or which are convertible into or exchangeable for Common Stock, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise. In addition, the Committee may amend this Section 13 to comply with Revised FAS 123 in a manner which will avoid increases in compensation expenses.

14. Amendment of the Plan and Awards.

(a) **Amendment of Plan.** Subject to this Section 14, the Board at any time, and from time to time, may amend the Plan. However, except as provided in Section 13 relating to adjustments upon changes in Common Stock, no amendment shall be effective unless approved by the stockholders of the Company to the extent stockholder approval is necessary to satisfy any applicable law or any requirements of a national automated quotation system or securities exchange.

(b) **Stockholder Approval.** The Board may, in its sole discretion, submit any other amendment to the Plan for stockholder approval, including, but not limited to, amendments to the Plan intended to satisfy the requirements of Section 162(m) of the Code and the regulations thereunder regarding the exclusion of performance-based compensation from the limit on corporate deductibility of compensation paid to certain executive officers.

(c) **Contemplated Amendments.** It is expressly contemplated that the Board may amend the Plan in any respect the Board deems necessary or advisable to provide eligible Employees with the maximum benefits provided or to be provided under the provisions of the Code and the regulations promulgated thereunder relating to Incentive Stock Options and/or to bring the Plan and/or Incentive Stock Options granted under it into compliance therewith.

(d) **No Impairment of Rights.** The rights under any Award granted before amendment of the Plan shall not be impaired by any amendment of the Plan unless (i) the Company requests the consent of the Participant and (ii) the Participant consents in writing.

(e) **Amendment of Awards.** The Board at any time, and from time to time, may amend the terms of any one or more Awards; provided, however, that unless otherwise provided in any Award Agreement, the rights under any Award shall not be impaired by any such amendment unless (i) the Company requests the consent of the Participant and (ii) the Participant consents in writing. Notwithstanding the foregoing sentence, any amendments made under Section 13 of the Plan shall not be deemed to impair Participant rights under any Award.

15. Termination or Suspension of the Plan.

(a) **Plan Term.** The Committee may suspend or terminate the Plan at any time. Unless sooner terminated, the Plan shall terminate on the day before the tenth (10th) anniversary of the Effective Date. No Awards may be granted under the Plan while the Plan is suspended or after it is terminated.

(b) **No Impairment of Rights.** Unless otherwise provided in any Award Agreement, suspension or termination of the Plan shall not impair rights and obligations under any Award granted while the Plan is in effect except with the written consent of the Participant.

16. Effective Date of Plan.

The Plan shall become effective as of the Effective Date, but no Award shall be exercised unless and until the Plan has been approved by the stockholders of the Company, which approval shall be within twelve (12) months before or after the date the Plan is adopted by the Board.

17. Choice of Law.

The law of the State of Tennessee shall govern all questions concerning the construction, validity and interpretation of this Plan, without regard to such state's conflict of law rules.

18. Other Agreements.

Notwithstanding the above, the Committee may require, as a condition to the grant of and/or the receipt of Common Stock under an Award, that the Participant execute lock-up, stockholder or other agreements, including the Stockholders' Agreement, as it may determine in its sole and absolute discretion.

19. Section 409A of the Code.

To the extent applicable, this Plan is intended to comply with Section 409A of the Code and the Committee shall interpret and administer the Plan in accordance therewith. In addition, any provision in this Plan document that is determined to violate the requirements of Section 409A shall be void and without effect.

* * *

As adopted by the Shareholders of MCBC Holdings, Inc. by unanimous Written Consent dated February 10, 2010 and by unanimous vote of the Board of Directors of MCBC Holdings, Inc. at a regular meeting of the Board on February 12, 2010.

By: /s/ John R. Dorton
John R. Dorton, President & CEO

MCBC Holdings, Inc.
2010 Equity Incentive Compensation Plan

Stock Options to be Granted

The incentive stock options (ISOs) to be granted to the Participants pursuant to the 2010 Equity Incentive Compensation Plan of MCBC Holdings, Inc. for shares of Common Stock in MCBC Holdings, Inc. are to be granted in two tranches, with both tranches being granted simultaneously. The difference between the two tranches is not the time of issuance or the vesting schedule, but rather the Exercise Price (strike price) for each tranche.

The Tranche 1 Options will have an Exercise Price of $22.00, whereas the Exercise Price for the Tranche 2 Options will be $83.00.

All of the Options (Tranche 1 and Tranche 2) are to have a vesting schedule such that 25% of the Options shall vest at the time of each of the following vesting dates: September 30, 2010, September 30, 2011, September 30, 2012 and September 30, 2013.

There are a total of eleven (11) individuals who are to be granted Options. A total of 119,049 Tranche 1 Options are to be granted, and a total of 71,427 Tranche 2 Options are to be granted. The Participants who are to be granted Options and the number of Tranche 1 and Tranche 2 Options to be granted to each Participant are as follows:

Participant	Tranche 1 Stock Options	Tranche 2 Stock Options
John R. Dorton*	58,036	34,821
Scott A. Crutchfield*	28,869	17,321
Craig S. Davis	11,310	6,786
Scott Wood	4,167	2,500
Ritchie Anderson	4,167	2,500
Ian P. Birdsall*	3,274	1,964
Timothy M. Oxley	2,202	1,321
Parker Stair	2,143	1,286
Matt McDevitt	1,905	1,143
David A. Kirkland	1,786	1,071
Greg Stanley	1,190	714
Total Options Granted:	**119,049**	**71,427**

*These individuals already have a Non-Competition Agreement in place with MasterCraft Boat Company, LLC (“MasterCraft”) that also applies to MasterCraft’s affiliates. Dorton and Crutchfield have non-competition provisions in their Employment Agreements with MasterCraft, and Birdsall has a non-competition provision in his company’s Consulting Services Agreement with MasterCraft that applies to his company and to Birdsall individually.

confidential
Michelle Purdy
Latham & Watkins
Jun 19, 2015 23:56

MasterCraft
FY2014 Management Incentive Plan

Total Bonus Pool = $860,101
Minimum EBITDA must be achieved before any Bonus payouts are made
Pool Distribution (see attached Total Comp worksheet):
KPOs and associated payouts per attached worksheets; KPOs are paid out based on attainment of individual KPOs and do not scale with EBITDA.
EBITDA and Cash Flow are calculated after total bonus (Plan is self funding)

EBITDA Metric
EBITDA = EBITDA as defined per BOD
Minimum EBITDA = $ 12,189,000
Target EBITDA = $ 14,340,000
Payout percentages per schedule below, with interim amounts interpolated on a straight-line basis
Above Target payout percentages based on ratio per schedule between "Target" and "High", interpolated on a straight-line basis up to a maximum payout of 200%

Cash Flow Metric
CASH FLOW = cash flow before financing activities
Minimum CF = $ 7,657,650
Target CF = $ 9,009,000
Payout percentages per schedule below, with interim amounts interpolated on a straight-line basis
Above Target payout percentages based on ratio per schedule between "Target" and "High", interpolated on a straight-line basis up to a maximum payout of 200%

EBITDA

	EBITDA	% of EBITDA Target	EBITDA before EBITDA bonus	Bonus	Bonus Award %	Incremental Bonus $$	Incremental Bonus/Increment at EBITDA
Minimum	$ 12,189,000	85.0%	$ 12,339,518	$ 150,518	50.0%	$ (150,518)	
	$ 12,859,109	89.7%	$ 13,056,518	$ 197,409	65.6%	$ (103,626)	6.54%
	$ 13,529,217	94.3%	$ 13,773,518	$ 244,300	81.2%	$ (56,735)	6.54%
Target	$ 14,340,000	100.0%	$ 14,641,035	$ 301,035	100.0%	$ -	6.54%
	$ 16,633,698	116.0%	$ 17,031,035	$ 397,337	132.0%	$ 96,302	4.03%
	$ 18,927,396	132.0%	$ 19,421,035	$ 493,639	164.0%	$ 192,604	4.03%
High	$ 21,510,000	150.0%	$ 22,112,071	$ 602,071	200.0%	$ 301,035	4.03%
Actual	$ 21,573,231	150.4%	$ 22,175,302	$ 602,071	200.0%		

Cash Flow

	CF	% of CF Target	Bonus	Percent of Target	Incremental Bonus $$	Incremental Bonus/Incr. FCF
Minimum	$ 7,657,650	85.0%	$ 150,518	50.0%	$ (150,518)	
	$ 8,108,100	90.0%	$ 200,690	66.7%	$ (100,345)	11.14%
	$ 8,558,550	95.0%	$ 250,863	83.3%	$ (50,173)	11.14%
Target	$ 9,009,000	100.0%	$ 301,035	100.0%	$ -	11.14%
	$ 10,510,500	116.7%	$ 401,381	133.3%	$ 100,345	6.68%
	$ 12,012,000	133.3%	$ 501,726	166.7%	$ 200,690	6.68%
High	$ 13,513,500	150.0%	$ 602,071	200.0%	$ 301,035	6.68%
Actual	$ 20,136,000	223.5%	$ 602,071	200.0%		

Actual performance	
CF	20,136,000
EBITDA before all bonus accrual	23,035,403
Actual KPO payout	258,030
Actual CF payout	602,071
	-
EBITDA before EBITDA bonus	22,175,302

<--Enter actual Cash Flow performance here
<--Enter actual EBITDA before all bonus accrual here

Bonus $$$'s at Target	EBITDA	CF	KPOs		Total	Salary	Bonus %
McNew	$ 113,750	$ 113,750	$ 97,500	-	325,000	325,000	100.0%
Chittum	$ 36,750	$ 36,750	$ 31,500	-	105,000	210,000	50.0%
Oxley	$ 36,855	$ 36,855	$ 31,590	-	105,300	210,600	50.0%
Janosek	$ 17,763	$ 17,763	$ 15,225	-	50,750	145,000	35.0%
Ekern	$ 16,538	$ 16,538	$ 14,175	-	47,250	135,000	35.0%
Kirkland	$ 19,107	$ 19,107	$ 16,377	-	54,590	136,475	40.0%
Poulin	$ 28,000	$ 28,000	$ 24,000	-	80,000	160,000	50.0%
Nellis	$ 5,950	$ 5,950	$ 5,100	-	17,000	85,000	20.0%
Stanley	$ 17,574	$ 17,574	$ 15,063	-	50,211	125,528	40.0%
Franklin	$ 8,750	$ 8,750	$ 7,500	-	25,000	100,000	25.0%
Total 2014 Bonus Pool at Target	301,035	301,035	258,030	-	860,101	1,633,603	

KPO % Ach.
100.0%
100.0%
100.0%
100.0%
100.0%
100.0%
100.0%
100.0%
100.0%
70.0%

Actual

EBITDA	CF	KPOs	QC	Total	% of Target
$ 227,500	227,500	97,500	-	$ 552,500	170.0%
$ 73,500	73,500	31,500	-	$ 178,500	170.0%
$ 73,710	73,710	31,590	-	$ 179,010	170.0%
$ 35,525	35,525	15,225	-	$ 86,275	170.0%
$ 33,075	33,075	14,175	-	$ 80,325	170.0%
$ 38,213	38,213	16,377	-	$ 92,803	170.0%
$ 56,000	56,000	24,000	-	$ 136,000	170.0%
$ 11,900	11,900	5,100	-	$ 28,900	170.0%
$ 35,148	35,148	15,063	-	$ 85,359	170.0%
$ 17,500	17,500	5,250	-	$ 40,250	161.0%
602,071	602,071	255,780	-	$ 1,459,922	169.7%

Total Bonus Pool (incl. KPOs and QC) -- EBITDA vs. CF

		EBITDA						
		12,189,000	12,859,109	13,529,217	14,340,000	16,633,698	18,927,396	21,510,000
Cash Flow	7,657,650	559,066	605,957	652,848	709,583	805,885	902,187	1,010,619
	8,108,100	609,238	656,130	703,021	759,756	856,058	952,360	1,060,791
	8,558,550	659,411	706,302	753,194	809,929	906,230	1,002,532	1,110,964
	9,009,000	709,583	756,475	803,366	860,101	956,403	1,052,705	1,161,137
	10,510,500	809,929	856,820	903,711	960,446	1,056,748	1,153,050	1,261,482
	12,012,000	910,274	957,165	1,004,056	1,060,791	1,157,093	1,253,395	1,361,827
	13,513,500	1,010,619	1,057,510	1,104,402	1,161,137	1,257,438	1,353,740	1,462,172

Represents payout at cut-in (assuming full KPO attainment)

Represents max payout ----> 170.0%

confidential
Michelle Purdy
Latham & Watkins
Jun 19, 2015 23:56

Exhibit 10.5

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (the "Agreement") by and between MASTERCRAFT BOAT COMPANY, LLC, a Delaware limited liability company (the "Company") and TIM OXLEY (the "Executive") is made as of October 3, 2007, and shall become effective as of the Effective Date (as defined below).

The Company wishes to employ the Executive, and the Executive wishes to accept such employment, on the terms and conditions set forth in this Agreement.

Accordingly, the Company and the Executive hereby agree as follows:

1. Employment, Duties and Acceptance.

1.1 Employment, Duties. The Company hereby employs the Executive for the Term (as defined in Section 2.1), to render exclusive and full-time services to the Company as Vice President of Business Performance or in such other executive position as may be mutually agreed upon by the Company and the Executive, and to perform such other duties consistent with such position as may be assigned to the Executive by the Board of Directors or any officer of the Company senior to the Executive.

1.2 Acceptance. The Executive hereby accepts such employment and agrees to render the services described above. During the Term, the Executive agrees to serve the Company faithfully and to the best of the Executive's ability, to devote the Executive's entire business time, energy and skill to such employment, and to use the Executive's best efforts, skill and ability to promote the Company's interests. The Executive further agrees to accept election, and to serve during all or any part of the Term, as an officer or director of the Company, MCBC Holdings, Inc., a Delaware corporation and the parent of the Company ("Holdings"), and of any subsidiary or affiliate of the Company or Holdings, without any compensation therefor other than that specified in this Agreement, if elected to any such position by the shareholders or by the Board of Directors of the Company, Holdings or of any subsidiary or affiliate, as the case may be.

1.3 Location. The duties to be performed by the Executive hereunder shall be performed primarily at the office of the Company in Vonore, Tennessee, subject to reasonable travel requirements on behalf of the Company.

2. Term of Employment.

2.1 The Term. This Agreement shall become effective as of October 3, 2007 (the "Effective Date"), the closing date of the transactions contemplated by that certain Stock Purchase Agreement (the "Stock Purchase Agreement"), dated as of August 10, 2007, by and among MCBC Holdings, Inc., MasterCraft Holdings, LLC, the principal persons named therein and MCBC Acquisition Corporation, and shall continue until July 1, 2008. On July 1, 2008, and on July 1 of each year thereafter, the term of this Agreement shall automatically be renewed for one (1) additional year unless sooner terminated in accordance with Section 4 (the initial term, together with any renewals thereof, are hereinafter referred to as the "Term"). In the event that

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the transactions contemplated by the Stock Purchase Agreement do not close for any reason, this Agreement shall be null and void and of no force or effect.

2.2 Special Curtailment. The Term shall end earlier than the termination date provided in Section 2.1 if sooner terminated pursuant to Section 4.

3. Compensation; Benefits.

3.1 Salary. As compensation for all services to be rendered pursuant to this Agreement, the Company agrees to pay the Executive during the Term a base salary, payable in accordance with the Company's payroll policy, at the annual rate of not less than One Hundred Sixty-Two Thousand Five Hundred dollars ($162,500), less such deduction or amounts to be withheld as required by applicable law and regulations (the "Base Salary"). The Company agrees that the Company shall review the Executive's Base Salary annually. In the event that the Company, in its sole discretion, from time to time determines to increase the Base Salary, such increased amount shall, from and after the effective date of the increase, constitute "Base Salary" for purposes of this Agreement. In the event that during the first fiscal year of the Term, the Company changes its fiscal year end from June 30 of each year, the compensation committee of the Board of Directors of the Company will review the Executive's compensation arrangements with the Executive at that time.

3.2 Incentive Bonus. In addition to the amounts to be paid to the Executive pursuant to Section 3.1, the Executive will be eligible to participate in the Company's Incentive Bonus Plan (Management Compensation Package) and to receive an annual bonus based on annual performance targets ("Key Performance Objectives") set by the Company and approved by the Board of Directors of the Company. A copy of the Key Performance Objectives summary for the Executive relating to the Management Compensation Package is attached hereto as Exhibit A.

3.3 Business Expenses. The Company shall pay or reimburse the Executive for all reasonable expenses actually incurred or paid by the Executive during the Term in the performance of the Executive's services under this Agreement, upon presentation of expense statements or vouchers or such other supporting information as the Company customarily may require of its officers provided, however, that the maximum amount available for such expenses during any period may be fixed in advance by the Chairman or Vice Chairman of the Board of Directors, the President or the Board of Directors.

3.4 Vacation. During the Term, the Executive shall be entitled to a vacation period or periods of three (3) weeks taken in accordance with the vacation policy of the Company during each year of the Term. Up to one (1) week of vacation may be carried forward to the next year; otherwise, vacation time not used by the end of a year shall be forfeited.

3.5 Fringe Benefits. During the Term, the Executive shall be entitled to all benefits for which the Executive shall be eligible under any 401(k) plan, group insurance or other so-called "fringe" benefit plan which the Company provides to its employees generally.

3.6 Additional Benefits. During the Term, the Executive shall be entitled to such other benefits as are specified in Appendix I to this Agreement.

4. Termination.

4.1 Death. If the Executive shall die during the Term, the Term shall terminate and no further amounts or benefits shall be payable hereunder, except that the Executive's legal representatives shall be entitled to receive the greater of (i) continued payments in an amount equal to sixty percent (60%) of the Base Salary, in the manner specified in Section 3.1, until the first anniversary of the date of termination and (ii) the amount provided by insurance in such event as may be provided by the Company, if applicable.

4.2 Disability. If during the Term the Executive shall become physically or mentally disabled, whether totally or partially, such that the Executive is unable to perform the Executive's services hereunder for (i) a period of six (6) consecutive months or (ii) for shorter periods aggregating six (6) months during any twelve (12) month period, the Company may at any time after the last day of the six (6) consecutive months of disability or the day on which the shorter periods of disability shall have equaled an aggregate of six (6) months, by written notice to the Executive (but before the Executive has recovered from such disability), terminate the Term and no further amounts or benefits shall be payable hereunder, except that the Executive shall be entitled to receive the greater of (i) continued payments in an amount equal to sixty (60%) of the Base Salary, in the manner specified in Section 3.1 until the first anniversary of the date of termination and (ii) the amount provided by insurance in such event as may be provided by the Company, if applicable. If the Executive shall die before receiving all payments to be made by the Company in accordance with the foregoing, such payments shall be made to a beneficiary designated by the Executive on a form prescribed for such purpose by the Company, or in the absence of such designation to the Executive's legal representative.

4.3 Cause; Resignation. In the event of (i) gross neglect by the Executive of the Executive's duties hereunder, (ii) conviction of the Executive of any felony, (iii) conviction of the Executive of any lesser crime or offense involving the property of the Company, Holdings, or any of their respective subsidiaries (the "Subsidiaries") or affiliates (the "Affiliates"), (iv) willful misconduct by the Executive in connection with the performance of any material portion of the Executive's duties hereunder, (v) breach by the Executive of any material provision of this Agreement or the Company's Code of conduct as in effect from time to time or any other conduct on the part of the Executive which would make the Executive's continued employment by the Company materially prejudicial to the best interests of the Company, the Company may at any time by written notice to the Executive terminate the Term and, upon such termination, this Agreement shall terminate and the Executive shall be entitled to receive no further amounts or benefits hereunder, except any as shall have been earned to the date of such termination, provided that in the case of clause (i), the Executive shall be entitled to written notice from the Company upon the first occurrence of such breach and sixty (60) days to cure such deficiency. In the event the Executive resigns his position with the Company, the Executive shall give the Company sixty (60) days prior notice whereupon the Term shall terminate and the Executive shall be entitled to receive no further amounts or benefits hereunder, except any as shall have been earned to the date of such termination.

4.4 Company Breach; Termination Without Cause. In the event of breach of any material provision of this Agreement by the Company which breach shall remain uncured by the Company for a period of ten (10) days following the Company's receipt of a written notice from

the Executive specifying such breach, the Executive shall be entitled to terminate the Term upon sixty (60) days' prior written notice to the Company. Upon such termination, or in the event the Company terminates the Term or this Agreement other than pursuant to the provisions of Sections 4.1, 4.2 or 4.3, and subject to the following sentence, the Company shall continue to provide the Executive (i) payments of Base Salary, in the manner and amount specified in Section 3.1 and (ii) fringe benefits and additional benefits in the manner and amounts specified in Sections 3.5 and 3.6 for a period of one (1) year from the date of termination (in each case, as in effect immediately prior to such termination) (the "Damage Period"). Notwithstanding the foregoing, the Company's obligations pursuant to this Section 4.4 are subject to (i) the Executive's execution of a valid and irrevocable release of any and all claims against Holdings, the Company and their respective subsidiaries and affiliates in a form reasonably satisfactory to the Company, and (ii) the Executive's duty to mitigate damages by seeking other employment provided, however, that the Executive shall not be required to accept a position of lesser importance or of substantially different character than the position held with the Company immediately prior to the effective date of termination or in a location outside of the Knoxville, Tennessee metropolitan area. To the extent that the Executive shall earn compensation during the Damage Period (without regard to when such compensation is paid), the Base Salary payments to be made by the Company pursuant to this Section 4.4 shall be correspondingly reduced. For purposes of clause (i) of this Section 4.4 only, Base Salary shall mean one hundred fifty percent (150%) of the Base Salary, which modification shall be in lieu of any bonus that may be due or payable to the Executive, whether or not such bonus has accrued.

4.5 Litigation Expenses. Except as provided for in Section 5.7, if the Company and the Executive become involved in any action, suit or proceeding relating to the alleged breach of this Agreement by the Company or the Executive, and if a judgment in such action, suit or proceeding is rendered in favor of the Executive, the Company shall reimburse the Executive for all expenses (including reasonable attorneys' fees) incurred by the Executive in connection with such action, suit or proceeding.

5. Protection of Confidential Information; Non-Competition.

5.1 Confidentiality and Non-Disclosure Covenant. In view of the fact that the Executive's work for the Company will bring the Executive into close contact with many confidential affairs of the Company not readily available to the public, and plans for future developments, the Executive agrees:

5.1.1 To keep and retain in the strictest confidence all confidential matters of the Company, Holdings, MCBC Acquisition Corporation, and MCBC Acquisition, LLC, including, without limitation, "know how", trade secrets, customer lists, pricing policies, operational methods, technical processes, formulae, inventions and research projects, other business affairs of the Company, and any information whatsoever concerning any director, officer, employee or agent of the Company or their respective family members learned by the Executive heretofore or hereafter, and not to disclose them to anyone outside of the Company, either during or after the Executive's duties hereunder or with the Company's express written consent. The foregoing prohibitions shall include, without limitation, directly or indirectly publishing (or causing, participating in, assisting or providing any statement, opinion or information in connection with the publication of) any diary, memoir, letter, story, photograph, interview, article, essay, account

or description (whether fictionalized or not) concerning any of the foregoing, publication being deemed to include any presentation or reproduction of any written, verbal or visual material in any communication medium, including any book, magazine, newspaper, theatrical production or movie, or television or radio programming or commercial; and

5.1.2 To deliver promptly to the Company on termination of the Executive's employment by the Company, or at any time the Company may so request, all memoranda, notes, records, reports, manuals, drawings, blueprints and other documents (and all copies thereof) relating to the Company's business and all property associated therewith, which the Executive may then possess or have under the Executive's control.

5.2 Non-Competition and Non-Solicitation Covenants.

5.2.1 Non-Competition. During the Term and for a period of two (2) years following the date of termination, the Executive shall not, directly or indirectly, engage (whether as owner, operator, manager, employee, officer, director, consultant, advisor, representative or otherwise) anywhere in the world in any business that competes with the business of the Company and/or its Subsidiaries as now conducted or conducted at the date of termination.

5.2.2 Non-Solicitation. During the Term and for a period of one (1) year following the date of termination, the Executive shall not, directly or indirectly, (i) solicit or attempt to induce any supplier or customer of the Company or any of its Subsidiaries into any business relationship that will adversely affect the Company and/or its Subsidiaries, or (ii) solicit for the purpose of offering employment to (whether as an employee, consultant, agent, independent contractor or otherwise), or hire (whether as an employee, consultant, agent, independent contractor or otherwise) any employees or consultants of the Company or any of its Subsidiaries, or any persons who were employees or consultants of the Company or any of its Subsidiaries during the six (6) month period preceding the date of termination.

5.3 Company Remedies. If the Executive commits a breach, or threatens to commit a breach, of any of the provisions of Section 5.1 or 5.2 hereof, the Company shall have the following rights and remedies:

5.3.1 The right and remedy to have the provisions of this Agreement specifically enforced by any court having equity jurisdiction, it being acknowledged and agreed that any such breach or threatened breach will cause irreparable injury to the Company and that money damages will not provide an adequate remedy to the Company; and

5.3.2 The right and remedy to require the Executive to account for and pay over to the Company all compensation, profits, monies, accruals, increments or other benefits (collectively "Benefits") derived or received by the Executive as the result of any transactions constituting a breach of any of the provisions of Section 5.1 or 5.2 and the Executive hereby agrees to account for and pay over such Benefits to the Company.

Each of the rights and remedies enumerated above shall be independent of the other, and shall be severally enforceable, and all of such rights and remedies shall be in addition to, and not in lieu of, any other rights and remedies available to the Company under law or in equity.

5.4 Severability. If any of the covenants contained in Section 5.1 or 5.2 or any part thereof, hereafter are construed to be invalid or unenforceable, the same shall not affect the remainder of the covenant or covenants, which shall be given full effect, without regard to the invalid portions.

5.5 Judicial Modification of Covenants. If any of the covenants contained in Sections 5.1 or 5.2 or any part thereof, are held to be unenforceable because of the duration of such provision or the area covered thereby, the parties agree that the court making such determination shall have the power to reduce the duration and/or area of such provision and, in its reduced form, said provision shall then be enforceable.

5.6 Jurisdiction. The parties hereto intend to and hereby confer jurisdiction to enforce the covenants contained in Section 5.1 and 5.2 upon the courts of any state within the geographical scope of such covenants. In the event that courts of any one (1) or more of such states shall hold such covenants wholly unenforceable by reason of the breadth of such covenants or otherwise, it is the intention of the parties hereto that such determination not bar or in any way affect the Company's right to the relief provided above in the courts of any other states within the geographical scope of such covenants as to breaches of such covenants in such other respective jurisdictions, the above covenants as they relate to each state being for this purpose severable into diverse and independent covenants.

5.7 Payment of Expenses in Actions to Enforce. In the event that any action, suit or other proceeding in law or in equity is brought to enforce the covenants contained in Sections 5.1 and 5.2 or to obtain money damages for the breach thereof, and such action results in the award of a judgment for money damages or in the granting of any injunction in favor of the Company, all expenses (including reasonable attorneys' fees) of the Company in such action, suit or other proceeding shall (on demand of the Company) be paid by Executive. In the event the Company fails to obtain a judgment for money damages or an injunction in favor of the Company, all expenses (including reasonable attorneys' fees) of the Executive in such action, suit or other proceeding shall (on demand of the Executive) be paid by the Company.

6. Inventions and Patents.

6.1 Inventions are Company Property. The Executive agrees that all processes, technologies and inventions (collectively, "Inventions"), including new contributions, improvements, ideas and discoveries, whether patentable or not, conceived, developed, invented or made by him during the Term shall belong to the Company, provided that such Inventions grew out of the Executive's work with the Company or any of its Subsidiaries or Affiliates, are related in any manner to the business (commercial or experimental) of the Company or any of its Subsidiaries or Affiliates or are conceived or made on the Company's time or with the use of the Company's facilities or materials. The Executive shall further: (a) promptly disclose such Inventions to the Company; (b) assign to the Company, without additional compensation, all patent and other rights to such Inventions for the United States and foreign countries; (c) sign all papers necessary to carry out the foregoing; and (d) give testimony in support of the Executive's inventorship.

6.2 Inventions Disclosed After Termination of Employment. If any Invention is described in a patent application or is disclosed to third parties, directly or indirectly, by the Executive within two (2) years after the termination of the Executive's employment by the Company, it is to be presumed that the Invention was conceived or made during the Term.

6.3 Prior Inventions. The Executive agrees that the Executive will not assert any rights to any Invention as having been made or acquired by the Executive prior to the date of this Agreement, except for Inventions, if any, disclosed to the Company in writing prior to the date hereof.

7. Intellectual Property.

The Company shall be the sole owner of all the products and proceeds of the Executive's services hereunder, including, but not limited to, all materials, ideas, concepts, formats, suggestions, developments, arrangements, packages, programs and other intellectual properties that the Executive may acquire, obtain, develop or create in connection with and during the Term, free and clear of any claims by the Executive (or anyone claiming under the Executive) of any direct application to the business operation and activities of a water craft manufacturer (other than the Executive's right to receive payments hereunder). The Executive shall, at the request of the Company, execute such assignments, certificates or other instruments as the Company may from time to time deem necessary or desirable to evidence, establish, maintain, perfect, protect, enforce or defend its right, title or interest in or to any such properties.

8. Indemnification.

The Company will indemnify the Executive, to the maximum extent permitted by applicable law, against all costs, charges and expenses incurred or sustained by the Executive in connection with any action, suit or proceeding to which the Executive may be made a party by reason of the Executive being an officer, director or employee of the Company or of any subsidiary or affiliate of the Company.

9. Notices.

All notices, requests, consents and other communications required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given if delivered personally, sent by overnight courier or mailed first class, postage prepaid, by registered or certified mail (notices mailed shall be deemed to have been given on the date mailed), as follows (or to such other address as either party shall designate by notice in writing to the other in accordance herewith):

If to the Company, to:

MasterCraft Boat Company, LLC
100 Cherokee Cove
Vonore, TN 37885

Attn: Chief Executive Officer

If to the Executive, to:

10. General.

10.1 Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of New York applicable to agreements made and to be performed entirely in New York.

10.2 Headings. The section headings contained herein are for reference purposes only and shall not in any manner affect the meaning or interpretation of this Agreement.

10.3 Entire Agreement. This Agreement sets forth the entire agreement and understanding of the parties relating to the subject matter hereof, and as of the Effective Date supersedes all prior agreements, arrangements and understandings, written or oral, relating to the subject matter hereof. No representation, promise or inducement has been made by either party that is not embodied in this Agreement, and neither party shall be bound by or liable for any alleged representation, promise or inducement not so set forth.

10.4 Assignment. This Agreement, and the Executive's rights and obligations hereunder, may not be assigned by the Executive. The Company may assign its rights, together with its obligations, hereunder (i) to any affiliate or (ii) to third parties in connection with any sale, transfer or other disposition of all or substantially all of its business or assets. In any event, the obligations of the Company hereunder shall be binding on its successors or assigns, whether by merger, consolidation or acquisition of all or substantially all of its business or assets.

10.5 Amendment; Waiver. This Agreement may be amended, modified, superseded, cancelled, renewed or extended and the terms or covenants hereof may be waived, only by a written instrument executed by both of the parties hereto, or in the case of a waiver, by the party waiving compliance. The failure of either party at any time or times to require performance of any provision hereof shall in no manner affect the right at a later time to enforce the same. No waiver by either party of the breach of any term or covenant contained in this Agreement, whether by conduct or otherwise, in any one or more instances, shall be deemed to be, or construed as, a further or continuing waiver of any such breach, or a waiver of the breach of any other term or covenant contained in this Agreement.

11. Subsidiaries and Affiliates.

As used herein, the term "subsidiary" shall mean any corporation or other business entity controlled directly or indirectly by the corporation or other business entity in question, and the term "affiliate" shall mean and include any corporation or other business entity directly or indirectly controlling, controlled by or under common control with the corporation or other business entity in question.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

THE COMPANY:

MASTERCRAFT BOAT COMPANY, LLC.

By: /s/ John Dorton
Name: John Dorton
Title: CEO

EXECUTIVE

/s/ Tim Oxley
Tim Oxley

Signature Page to Oxley Employment Agreement

APPENDIX I

Additional Benefits:

Automobile: The Company will provide to the Executive a Company owned or leased automobile or, at the Executive's election, a car allowance, in either case in accordance with the Company's policy for providing automobiles for executives, which will be comparable to that which is currently provided to the Executive by the Company.

EXHIBIT A

2008 PERFORMANCE OBJECTIVES

Tim Oxley

OBJECTIVE	ACTIONS NECESSARY FOR ACHIEVEMENT	MEASUREMENT CRITERIA	QUARTERLY TARGETS/ACTUAL Q1	Q2	Q3	Q4	YEAR END	% OF BONUS
Develop a budget modeling system for developing the '09 fiscal year management and bank plans	Use trend analysis, advanced modeling, and cross functional tools to assist in creating a new business plan budgeting process.	CEO/Board Approval			x			25%
Strengthen dealer communications and loyalty	Participate in the 20 Group Meetings. Schedule, host and maintain action lists for the Dealer Advisory Board.	CEO Approval					x	25%
Achieve departmental budget adherence for sales, intl sales, marketing, transportation and D/E.	Develop budget tracking systems. Work with departmental leaders on monthly budget reviews.	CEO Approval/Year End Financials					Due	25%
Achieve $3,500mrn contribution from international business activities.	Monitor International sales, marketing and service program to reduce risks and increase contribution opportunities.	Monthly reports					x	25%

All KPOs are contingent on Sr. Manager adhering to departmental budget(s) and the company achieving "budget" EBITDA levels at year end. Must be employed by company at time of Bonus pay out.

**AMENDMENT TO
EMPLOYMENT AGREEMENT**

This AMENDMENT TO EMPLOYMENT AGREEMENT, dated December 16, 2008, is by and between MASTERCRAFT BOAT COMPANY, LLC, a Delaware limited liability company (the "Company"), and TIM OXLEY (the "Executive").

WHEREAS, the Company and the Executive entered into an employment agreement made as of October 3, 2007 (the "Agreement"); and

WHEREAS, the parties desire to amend the Agreement to comply with and meet the requirements of the provisions of Section 409A of the Internal Revenue Code of 1986, as amended.

NOW, THEREFORE, the Company and the Executive, each intending to be legally bound hereby, do mutually covenant and agree as follows:

1. Section 3.2 of the Agreement is hereby amended by adding the following immediately after the first sentence thereof:

"Such bonus, if any, will be payable within fifteen (15) days after the Company's receipt of its audited consolidated financial statements from its independent accountants for the fiscal year to which such bonus, if any, relates; provided, however that such bonus, if any, will be paid prior to March 15th of the

fiscal year immediately following the fiscal year to which such bonus, if any, relates. By way of example, any bonus earned with respect to the fiscal year ending on June 30, 2009 would be payable within fifteen (15) days after the Company's receipt of its audited consolidated financial statements from its independent accountants for the fiscal year ending on June 30, 2009; provided, however that such bonus, if any, will be paid prior to March 15, 2010."

2. Section 4.1 of the Agreement is hereby amended by adding the following immediately after the last sentence thereof:

"Any payments made pursuant to clause (i) above shall commence on the first payroll date which is on or immediately after the Executive's death; provided that, solely for purposes of Section 409A of the Internal Revenue Code of 1986, as amended (the 'Code'), each installment payment is considered a separate payment."

3. Section 4.2 of the Agreement is hereby amended by adding the following immediately after the last sentence thereof:

"Any payments made pursuant to clause (i) above shall commence on the first payroll date which is on or immediately after the date of termination; provided that, solely for purposes of Section 409A of the Code, each installment payment is considered a separate payment."

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4. Section 4.3 of the Agreement is hereby amended by deleting the phrase "except any as shall have been earned to the date of such termination" in its entirety and replacing it with the following:

"except any as shall have been earned to the date of such termination, which shall be paid within thirty (30) days of such termination"

5. Section 4.4 of the Agreement is hereby amended by deleting the phrase "ten (10)" in the first sentence thereof and replacing it with the following:

"thirty (30)"

6. Section 4.4 of the Agreement is hereby further amended by deleting clause (i) in the second sentence thereof and replacing it with the following:

"(i) payments of Base Salary, in the manner and amount specified in Section 3.1, commencing on the first payroll date which is on or immediately after the 30th day following the date of termination, provided that, solely for purposes of Section 409A of the Code, each installment payment is considered a separate payment and"

7. Section 4.4 of the Agreement is hereby further amended by deleting clause (i) in the third sentence thereof and replacing it with the following:

"(i) the Executive's, execution of a valid and irrevocable release of any and all claims against Holdings, the Company and their respective subsidiaries and affiliates in a form reasonably satisfactory to the Company, such release to be effective within thirty (30) days following the date of termination and"

8. The Agreement is hereby further amended by adding a new Section 12 immediately after Section 11 thereof as follows:

"12. Section 409A.

12.1 The parties intend that this Agreement will be administered in accordance with Section 409A of the Code. To the extent that any provision of this Agreement is ambiguous as to its compliance with Section 409A of the Code, the provision shall be read in such a manner so that all payments hereunder comply with Section 409A of the Code. The parties agree that this Agreement may be amended, as reasonably requested by either party, and as may be necessary to fully comply with Section 409A of the Code and all related rules and regulations in order to preserve the payments and benefits provided hereunder without additional cost to either part.

12.2 The Company makes no representation or warranty and shall have no liability to Executive or any other person if any provisions of this Agreement are determined to constitute deferred compensation subject to Section 409A of the Code but do not satisfy an exemption from, or the conditions of, such Section.

12.3 All in-kind benefits provided and expenses eligible for reimbursement under this Agreement shall be provided by the Company or incurred by the Executive during the time periods set forth in this Agreement. All reimbursements shall be paid as soon as administratively practicable, but in no event shall any reimbursement be paid after the last day of the taxable year following the taxable year in which the expense was incurred. The amount of in-kind benefits provided or reimbursable expenses incurred in one taxable year shall not affect the in-kind benefits to be provided or the expenses eligible for reimbursement in any other taxable year. Such right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit."

9. The Agreement otherwise remains in full force and effect as to all other provisions under said Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first above written.

MASTERCRAFT BOAT COMPANY, LLC

By: /s/ John Dorton
Name: John Dorton
Title: President & CEO

/s/ Tim Oxley
Tim Oxley

Exhibit 10.6

EXECUTION COPY

Employment Agreement

This Employment Agreement (the "Agreement"), effective as of July 26, 2012 (the "Effective Date"), is made by and between Terry D. McNew (the "Executive") and MasterCraft Boat Company, LLC, a Delaware limited liability company (together with any of its subsidiaries and affiliates as may employ the Executive from time to time, and any successor(s) thereto, the "Company").

RECITALS

A. The Company desires to assure itself of the services of the Executive by engaging the Executive to perform services under the terms hereof.

B. The Executive desires to provide services to the Company on the terms herein provided.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and of the respective covenants and agreements set forth below the parties hereto agree as follows:

1. **Certain Definitions**.

(a) "Affiliate" shall mean, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with, such Person.

(b) "Agreement" shall have the meaning set forth in the preamble hereto.

(c) "Annual Base Salary" shall have the meaning set forth in Section 3(a).

(d) "Annual Bonus" shall have the meaning set forth in Section 3(b).

(e) "Board" shall refer to the applicable governing body of the Company (including the Board of Directors of MCBC Holdings, Inc.).

(f) "Cause" shall mean: (i) the Executive's material failure to substantially perform the duties set forth herein (other than any such failure resulting from the Executive's Disability); (ii) the Executive's material failure to carry out, or comply with, in any material respect any lawful directive of the Board; (iii) the Executive's commission at any time of any act or omission that results in, or may reasonably be expected to result in, a conviction, plea of no contest, plea of nolo contendere, or imposition of unadjudicated probation for any felony or crime involving moral turpitude; (iv) the Executive's unlawful use (including being under the influence) or possession of illegal drugs on the Company's premises or while performing the Executive's duties and responsibilities hereunder; (v) the Executive's commission at any time of any act of fraud, embezzlement, misappropriation, misconduct, conversion of assets of the Company, or breach of fiduciary duty against the Company (or any predecessor thereto or successor thereof); or (vi) the Executive's material breach of this Agreement or other agreements with the Company

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(including, without limitation, any breach of the restrictive covenants of any such agreement); and which, in the case of clauses (i), (ii) and (vi), continues beyond fifteen (15) days after the Company has provided the Executive written notice of such failure or breach (to the extent that, in the reasonable judgment of the Board, such failure or breach can be cured by the Executive). Whether or not an event giving rise to "Cause" occurs will be determined by the Board in its sole discretion.

(g) "Code" shall mean the Internal Revenue Code of 1986, as amended.

(h) "Company" shall, except as otherwise provided in Section 6(k), have the meaning set forth in the preamble hereto.

(i) "Company Employee" shall have the meaning set forth in Section 6(b).

(j) "Competitive Product" shall have the meaning set forth in Section 6(a).

(k) "Date of Termination" shall mean (i) if the Executive's employment is terminated due to the Executive's death, the date of the Executive's death; (ii) if the Executive's employment is terminated due to the Executive's Disability, the date determined pursuant to Section 4(a)(ii); (iii) if the Executive's employment is terminated pursuant to Section 4(a)(iii)-(iv), the date indicated in the Notice of Termination; and (iv) if the Executive's employment is terminated pursuant to Section 4(a)(v), the date indicated in the Notice of Termination or the date specified by the Company pursuant to Section 4(b), whichever is earlier.

(l) "Disability" shall mean the Executive's inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or that can be expected to last for a continuous period of not less than six (6) months.

(m) "Effective Date" shall have the meaning set forth in the preamble hereto.

(n) "Executive" shall have the meaning set forth in the preamble hereto.

(o) "Installment Payments" shall have the meaning set forth in Section 5(b)(i).

(p) "MIP" shall have the meaning set forth in Section 3(c).

(q) "Notice of Termination" shall have the meaning set forth in Section 4(b).

(r) “Person” shall mean any individual, natural person, corporation (including any non-profit corporation), general partnership, limited partnership, limited liability partnership, joint venture, estate, trust, company (including any company limited by shares, limited liability company or joint stock company), incorporated or unincorporated association, governmental authority, firm, society or other enterprise, organization or other entity of any nature.

(s) “Proprietary Information” shall have the meaning set forth in Section 6(e).

(t) “Restricted Period” shall mean the eighteen (18) month period immediately following the Date of Termination, provided however that if the Executive continues to be employed by the Company subsequent to the termination of this Agreement, the “Restricted Period” shall mean the eighteen (18) month period immediately following the day upon which the Executive is no longer employed by the Company.

(u) “Section 409A” shall mean Section 409A of the Code and the Department of Treasury regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the Effective Date.

(v) “Severance Payment” shall have the meaning set forth in Section 5(b).

(w) “Severance Period” shall have the meaning set forth in Section 5(b).

(x) “Solicit” shall have the meaning set forth in Section 6(b).

(y) “Term” shall have the meaning set forth in Section 2(b).

(z) “Monroe County Metropolitan Area” shall refer to the area that is within sixty (60) miles of the Company’s headquarters in Vonore, Tennessee.

2. **Employment**.

(a) In General. The Company shall employ the Executive and the Executive shall enter the employ of the Company, for the period set forth in Section 2(b), in the position set forth in Section 2(c), and upon the other terms and conditions herein provided.

(b) Term of Employment. The term of employment under this Agreement (the “Term”) shall commence on August 13, 2012 (or such other date mutually agreed upon in writing by the parties) and terminate on the Date of Termination.

(c) Position and Duties. During the Term, the Executive: (i) shall serve as President and Chief Executive Officer of the Company, with responsibilities, duties and authority customary for such position, subject to direction by the Board; (ii) shall serve as a director on the Board of Directors of MCBC Holdings, Inc.; (iii) shall report directly to the Board; (iv) shall devote substantially all the Executive’s working time and efforts to the business and affairs of the Company and its subsidiaries; and (iv) agrees to observe and comply with the Company’s rules and policies as adopted by the Company from time to time.

(d) Work Location. During the Term, the primary place for performance of the Executive’s duties and responsibilities shall be the Company’s headquarters in Vonore, Tennessee. The Executive agrees to relocate his permanent residence to the Monroe County Metropolitan Area within six (6) months of the Effective Date and that such relocation shall be a condition of the Executive’s employment under this Agreement. The Executive further acknowledges that his position may require business travel from time to time.

3. **Compensation and Related Matters**.

(a) Annual Base Salary. During the Term, the Executive shall receive a base salary at a rate of $325,000 per annum, which shall be paid in accordance with the customary payroll practices of the Company, subject to annual review by the Board in its sole discretion (the “Annual Base Salary”).

(b) Annual Bonus. With respect to each fiscal year that ends during the Term, commencing with fiscal year 2013, the Executive shall be eligible to receive an annual cash bonus (the “Annual Bonus”), with a target Annual Bonus equal to one-hundred percent (100%) of the Executive’s Annual Base Salary, based upon annual performance targets established by the Board in consultation with the Executive. Each such Annual Bonus shall be payable on such date as is determined by the Board in its sole discretion. Notwithstanding the foregoing, no bonus shall be payable with respect to any fiscal year unless the Executive remains continuously employed with the Company during the period beginning on the commencement date of the Term and ending on the applicable bonus payment date.

(c) Management Incentive Plan Participation. The Company intends to adopt a Management Incentive Plan for certain management employees of the Company (as amended from time to time, the “MIP”). As soon as reasonably practicable after the Effective Date, the Company shall adopt the MIP and confer Executive with the right to receive up to four and one-half percent (4.5%) of the value received by the Company in a sale transaction in excess of thirty-five million dollars ($35,000,000). A separate award agreement will be issued by the Board pursuant to which Executive will be granted such right, subject to the terms and conditions thereof and of the MIP which will be the definitive agreements on this subject matter.

(d) Benefits. The Executive shall be eligible to participate in employee benefit plans, programs and arrangements of the Company, as in effect from time to time (such plans may include health care, dental, vision, prescription, flexible spending, short-term and long-term disability, life insurance and 401(k) plans, programs and arrangements). Executive will be immediately eligible for such benefits to the extent possible under the particular plans, programs and arrangements of the Company.

(e) Vacation. During the Term, the Executive shall be eligible to take four (4) weeks of paid vacation per year (vacation for calendar year 2012 shall be prorated based on the number of days that the Executive is employed by the Company during calendar year 2012). Unused and accrued vacation does not roll over to the next calendar year. That is, if the Executive does not use all four (4) weeks of vacation in any given year, he may not use any of that unused vacation time the following or any other year.

(f) Business Expenses. During the Term, the Company shall reimburse the Executive for all reasonable travel and other business expenses incurred by the Executive in the performance of the Executive's duties to the Company in accordance with the Company's applicable expense reimbursement policies and procedures.

4. **Termination**. The Executive's employment hereunder may be terminated by the Company or the Executive, as applicable, under the following circumstances:

(a) Circumstances

(i) Death. The Executive's employment hereunder shall terminate upon the Executive's death.

(ii) Disability. If the Executive incurs a Disability, the Company may give the Executive written notice of its intention to terminate the Executive's employment. In that event, the Executive's employment with the Company shall terminate, effective on the later of the thirtieth (30th) day after receipt of such notice by the Executive or the date specified in such notice; provided that within the thirty (30)-day period following receipt of such notice, the Executive shall not have returned to full-time performance of the Executive's duties hereunder.

(iii) Termination for Cause. The Company may terminate the Executive's employment for Cause.

(iv) Termination without Cause. The Company may terminate the Executive's employment without Cause.

(v) Resignation. The Executive may resign from the Executive's employment for any reason or no reason.

(b) Notice of Termination. Any termination of the Executive's employment by the Company or by the Executive under this Section 4 (other than a termination pursuant to Section 4(a)(i) above) shall be communicated by a written notice to the other party hereto (a "Notice of Termination"): (i) indicating the specific termination provision in this Agreement relied upon, (ii) in the case of a termination pursuant to Sections 4(a)(ii) or (iii), setting forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated, and (iii) specifying a Date of Termination (which, if submitted by the Executive, shall be at least ninety (90) days following the date of such notice); provided, however, that a Notice of Termination delivered by the Company pursuant to Section 4(a)(ii) shall not be required to specify a Date of Termination, in which case the Date of Termination shall be determined pursuant to Section 4(a)(ii); and provided, further, that in the event that the Executive delivers a Notice of Termination to the Company, the Company may, in its sole discretion, accelerate the Date of Termination to any date that occurs following the date of the Company's receipt of such Notice of Termination (even if such date is prior to the date specified in such Notice of Termination). A Notice of Termination submitted by the Company (other than a Notice of Termination under Section 4(a)(ii)) may provide for a Date of Termination on the date the Executive receives the Notice of Termination, or any date thereafter elected by the Company in its sole discretion. The failure by the Company to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Cause shall not waive any right of the Company hereunder or preclude the Company from asserting such fact or circumstance in enforcing the Company's rights hereunder.

5. **Company Obligations Upon Termination of Employment**.

(a) In General. Upon a termination of the Executive's employment for any reason, the Executive (or the Executive's estate) shall be entitled to receive: (i) any portion of the

Executive's Annual Base Salary through the Date of Termination not theretofore paid, (ii) any expenses owed to the Executive under Section 3(f), and (iii) any amount arising from the Executive's participation in, or benefits under, any employee benefit plans, programs or arrangements under Section 3(d), which amounts shall be payable in accordance with the terms and conditions of such employee benefit plans, programs or arrangements. Except as otherwise set forth in Section 5(b) below, the payments and benefits described in this Section 5(a) shall be the only payments and benefits payable in the event of the Executive's termination of employment for any reason.

(b) Severance Payment. In the event of the Executive's termination of employment under the circumstances described below, then, in addition to the payments and benefits described in Section 5(a) above, the Company shall, during the twelve (12) month period immediately following the Date of Termination (the "Severance Period"), pay to the Executive an amount (the "Severance Payment") calculated and paid as described below:

(i) If the Executive's employment shall be terminated by the Company without Cause pursuant to Section 4(a)(iv), then the Severance Payment shall be an amount equal to the Executive's Annual Base Salary. Subject to the provisions of Section 8, the Severance Payment shall be paid in equal installments during the Severance Period, at the same time and in the same manner as the Annual Base Salary would have been paid had the Executive remained in active employment during the Severance Period, in accordance with the Company's normal payroll practices in effect on the Date of Termination. For purposes of Section 409A (including, without limitation, for purposes of Section 1.409A-2(b)(2)(iii) of the Department of Treasury Regulations), the Executive's right to receive the Severance Payment in the form of installment payments (the "Installment Payments") shall be treated as a right to receive a series of separate payments and, accordingly, each Installment Payment shall at all times be considered a separate and distinct payment. In addition, to the extent the Executive shall earn compensation during the Severance Period (without regard to when such compensation is paid), the Severance Payment to be made by the Company pursuant to this Section 5(b)(i) shall be correspondingly reduced. In order to implement the provisions of this Section 5(b)(i), the Executive shall notify the Company of any subsequent employment during the Severance Period and provide the Company with information regarding the Executive's compensation.

(ii) In addition, if the Executive's employment shall be terminated by the Company without Cause pursuant to Section 4(a)(iv), then to the extent the Executive or any of the Executive's dependents may be covered under the terms of any medical or dental plans of the Company for active employees immediately prior to the Date of Termination, provided the Executive is eligible for and elects coverage under the health care continuation rules of COBRA, the Company shall provide the Executive and those dependents with coverage for the duration of the Severance Period, and such coverage shall be equivalent to the coverage received while the Executive was employed with the Company, with Executive required to pay the same amount as the Executive would pay if the Executive continued in employment with the Company during such period; provided, however, that such coverage shall be provided only to the extent that it does not result in any additional tax or other penalty being imposed on the Company or violate any

nondiscrimination requirements then applicable with respect to the Company's plans. The coverages under this Section 5(b)(ii) may be procured directly by the Company apart from, and outside of the terms of the respective plans, provided that the Executive and the Executive's dependents comply with all of the terms of the substitute medical or dental plans, and provided, further, that the cost to the Company shall not exceed the cost for continued COBRA coverage based on the cost sharing set forth above in this Section 5(b)(ii). Notwithstanding anything to the contrary contained herein, in the event the Executive or any of the Executive's dependents become eligible for coverage under the terms of any other medical and/or dental plan of a subsequent employer with plan benefits that are comparable to Company plan benefits during the Severance Period, the Company's obligations under this Section 5(b)(ii) shall cease with respect to the eligible Executive and/or dependent. In order to implement the provision of this Section 5(b)(ii), the Executive shall notify the Company of any subsequent employment during the Severance Period and provide the Company with information regarding medical and/or dental coverage available.

(iii) The payments and benefits described in Section 5(b) shall be in lieu of notice or any other severance payments or benefits to which the Executive might otherwise be entitled. Notwithstanding anything herein to the contrary, (A) no portion of the payments or benefits described in clauses (i) and (ii) shall be paid or provided unless, on or prior to the thirtieth (30th) day following the Date of Termination, the Executive timely executes a general waiver and release of claims agreement in the Company's customary form (which release shall be delivered by the Company to the Executive within seven (7) days after the Date of Termination) and such release shall not have been revoked by the Executive prior to the expiration of the period (if any) during which any portion of such release is revocable under applicable law, and (B) as of the first date on which the Executive violates any covenant contained in Section 6, any remaining portion of the payments or benefits described in clauses (i) and (ii) shall thereupon be forfeited.

(iv) The provisions of this Section 5 shall supersede in their entirety any severance payment provisions in any severance plan, policy, program or other arrangement maintained by the Company.

6. **Restrictive Covenants**.

(a) The Executive hereby agrees that, during the Term and the Restricted Period, the Executive shall not, directly or indirectly engage in, have any interest in (including, without limitation, through the investment of capital or lending of money or property), or manage, operate or otherwise render any services to, any Person (whether on his own or in association with others, as a principal, director, officer, employee, agent, representative, partner, member, security holder, consultant, advisor, independent contractor, owner, investor, participant or in any other capacity) that engages in (either directly or through any subsidiary or affiliate thereof) any business or activity (i) relating to the design, development, manufacture, engineering, building, assembly, marketing, supply, sale or provision of a "Competitive Product" (as defined below) anywhere in the world, or (ii) which the Company engages in or has taken active steps to engage in or acquire. For purposes of this Agreement, the term "Competitive Product" shall mean any product or component thereof, product line or service that has been, is being or during

the Term may be designed, developed, manufactured, engineered, built, assembled, marketed, supplied, sold or provided by any Person other than the Company and that is of the same general type, performs a similar function, or is used for the same general purpose as a Company product or component thereof, product line or service (including, without limitation, ski and/or wakeboard tow boats). Notwithstanding the foregoing, the Executive shall be permitted to acquire a passive stock or equity interest in such a business; provided that such stock or other equity interest acquired is not more than five percent (5%) of the outstanding interest in such business.

(b) The Executive hereby agrees that, during the Term and the Restricted Period, the Executive shall not, directly or indirectly, either for himself or on behalf of any other Person, (i) "Solicit" (as defined below) any Person who was employed by the Company at any time during the twenty-four (24) month period immediately prior to the Date of Termination or who thereafter becomes employed by the Company (a "Company Employee"), or (ii) participate in any way in a decision to hire a Company Employee. For purposes of this Agreement, the term "Solicit" shall mean to recruit, offer, induce, or otherwise persuade (or to assist or encourage any other Person to do so), directly or indirectly, a Company Employee to terminate his or her employment with the Company and/or to perform services for the Executive or for any other Person, whether as a principal, director, officer, employee, agent, representative, partner, member, security holder, consultant, advisor, independent contractor, owner, investor, participant or in any other capacity.

(c) The Executive hereby agrees that, during the Term and the Restricted Period, the Executive shall not, directly or indirectly, either for himself or on behalf of any other Person, (i) call upon, accept business from, or solicit the business of any Person who is or who had been at any time during the twenty-four (24) month period immediately prior to the Date of Termination, a customer, supplier or vendor of the Company (provided that the Executive may so contact any such supplier or vendor where such contact does not relate to the design, development, manufacture, engineering, building, assembly, marketing, supply, sale or provision of a Competitive Product) or (ii) divert business, supplies, services or materials from, or otherwise interfere with, the Company's business relationship with any of the Company's customers, suppliers or vendors. The Executive further agrees that if any such customer, supplier or vendor contacts the Executive during the Term or the Restricted Period in respect of doing business with the Executive, the Executive will advise such customer, supplier or vendor of the restrictions on his ability to do business with such customer, supplier or vendor contained herein.

(d) The Executive shall not at any time, directly or indirectly, use or purport to authorize any Person to use any name, mark, logo, trade dress or identifying words or images which are the same as or similar to those used at any time by the Company in connection with any product or service, whether or not such use would relate to a Competitive Product.

(e) Except as the Executive reasonably and in good faith determines to be required in the faithful performance of the Executive's duties hereunder or in accordance with Section 6(g), the Executive shall, during the Term and after the Date of Termination, maintain in confidence and shall not directly or indirectly, use, disseminate, disclose or publish, or use for the Executive's benefit or the benefit of any other Person, any confidential or proprietary information or trade secrets of or relating to the Company, including, without limitation,

information with respect to the Company's operations, processes, protocols, products, inventions, business practices, finances, principals, vendors, suppliers, customers, potential customers, marketing methods, costs, prices, contractual relationships, regulatory status, compensation paid to employees or other terms of employment ("<u>Proprietary Information</u>"), or deliver to any other Person, any document, record, notebook, computer program or similar repository of or containing

any such Proprietary Information. The Executive's obligation to maintain and not use, disseminate, disclose or publish, or use for the Executive's benefit or the benefit of any other Person, any Proprietary Information after the Date of Termination will continue so long as such Proprietary Information is not, or has not by legitimate means become, generally known and in the public domain (other than by means of the Executive's direct or indirect disclosure of such Proprietary Information) and continues to be maintained as Proprietary Information by the Company. The parties hereby stipulate and agree that as between them, the Proprietary Information identified herein is important, material and affects the successful conduct of the businesses of the Company (and any successor or assignee of the Company).

(f) Upon termination of the Executive's employment with the Company for any reason, the Executive will promptly deliver to the Company (i) all correspondence, drawings, manuals, letters, notes, notebooks, reports, programs, plans, proposals, financial documents, or any other documents that are Proprietary Information, including all physical and digital copies thereof, and (ii) all other Company property (including, without limitation, any personal computer or wireless device and related accessories, keys, credit cards and other similar items) which is in his possession, custody or control.

(g) The Executive may respond to a lawful and valid subpoena or other legal process but shall give the Company the earliest possible notice thereof, and shall, as much in advance of the return date as possible, make available to the Company and its counsel the documents and other information sought, and shall assist such counsel in resisting or otherwise responding to such process.

(h) The Executive agrees not to disparage the Company, any of its products or practices, or any of its directors, officers, agents, representatives, equity holders or affiliates, either orally or in writing, at any time; provided that the Executive may confer in confidence with the Executive's legal representatives and make truthful statements as required by law.

(i) Prior to accepting other employment or any other service relationship during the Restricted Period, the Executive shall provide a copy of this Section 6 to any recruiter who assists the Executive in obtaining other employment or any other service relationship and to any employer or other Person with which the Executive discusses potential employment or any other service relationship.

(j) In the event the terms of this Section 6 shall be determined by any court of competent jurisdiction to be unenforceable by reason of its extending for too great a period of time or over too great a geographical area or by reason of its being too extensive in any other respect, it will be interpreted to extend only over the maximum period of time for which it may be enforceable, over the maximum geographical area as to which it may be enforceable, or to the maximum extent in all other respects as to which it may be enforceable, all as determined by

such court in such action. Any breach or violation by the Executive of the provisions of this Section 6 shall toll the running of any time periods set forth in this Section 6 for the duration of any such breach or violation.

(k) As used in this Section 6, the term "Company" shall include the Company, its parent and related entities, and any of its direct or indirect subsidiaries.

7. **Injunctive Relief**. The Executive recognizes and acknowledges that a breach of the covenants contained in Section 6 will cause irreparable damage to the Company and its goodwill, the exact amount of which will be difficult or impossible to ascertain, and that the remedies at law for any such breach will be inadequate. Accordingly, the Executive agrees that in the event of a breach of any of the covenants contained in Section 6, in addition to any other remedy which may be available at law or in equity, the Company will be entitled to specific performance and injunctive relief. In the event action is brought by the Company to enforce the provisions of Section 6, if the Company prevails in such action or if there is no prevailing party in such action, then the Executive shall pay, or shall promptly reimburse the Company for, the costs incurred by the Company in such action (including attorneys' fees and expenses). The provisions of Section 6 and Section 7 of this Agreement shall survive any expiration or termination of this Agreement.

8. **Section 409A**.

(a) General. The parties hereto acknowledge and agree that, to the extent applicable, this Agreement shall be interpreted in accordance with, and incorporate the terms and conditions required by, Section 409A. Notwithstanding any provision of this Agreement to the contrary, in the event that the Company determines that any amounts payable hereunder will be immediately taxable to the Executive under Section 409A, the Company reserves the right to (without any obligation to do so or to indemnify the Executive for failure to do so) (i) adopt such amendments to this Agreement or adopt such other policies and procedures (including amendments, policies and procedures with retroactive effect) that it determines to be necessary or appropriate to preserve the intended tax treatment of the benefits provided by this Agreement, to preserve the economic benefits of this Agreement and to avoid less favorable accounting or tax consequences for the Company and/or (ii) take such other actions it determines to be necessary or appropriate to exempt the amounts payable hereunder from Section 409A or to comply with the requirements of Section 409A and thereby avoid the application of penalty taxes thereunder. Notwithstanding anything herein to the contrary, no provision of this Agreement shall be interpreted or construed to transfer any liability for failure to comply with the requirements of Section 409A from the Executive or any other individual to the Company or any of its affiliates, employees or agents.

(b) Separation from Service under Section 409A. Notwithstanding anything herein to the contrary: (i) no termination or other similar payments and benefits hereunder shall be payable unless the Executive's termination of employment constitutes a "separation from service" within the meaning of Section 1.409A-1(h) of the Department of Treasury Regulations; (ii) if the Executive is deemed at the time of the Executive's separation from service to be a "specified employee" for purposes of Section 409A(a)(2)(B)(i) of the Code, to the extent delayed commencement of any portion of any termination or other similar payments and benefits to which the Executive may be entitled hereunder (after taking into account all exclusions applicable to such payments or benefits under Section 409A) is required in order to avoid a

prohibited distribution under Section 409A(a)(2)(B)(i) of the Code, such portion of such payments and benefits shall not be provided to the Executive prior to the earlier of (x) the expiration of the six (6) month period measured from the date of the Executive's "separation from service" with the Company (as such term is defined in the Department of Treasury Regulations issued under Section 409A) or (y) the date of the Executive's death; provided that upon the earlier of such dates, all payments and benefits deferred pursuant to this Section 8(b)(ii) shall be paid in a lump sum to the Executive, and any remaining payments and benefits due hereunder shall be provided as otherwise specified herein; (iii) the determination of whether the Executive is a "specified employee" for purposes of Section 409A(a)(2)(B)(i) of the Code as of the time of the Executive's separation from service shall be made by the Company in accordance with the terms of Section 409A (including, without limitation, Section 1.409A-l(i) of the Department of Treasury Regulations and any successor provision thereto); (iv) to the extent

that any installment payments under this Agreement are deemed to constitute "nonqualified deferred compensation" within the meaning of Section 409A, for purposes of Section 409A (including, without limitation, for purposes of Section 1.409A-2(b)(2)(iii) of the Department of Treasury Regulations), each such payment that the Executive may be eligible to receive under this Agreement shall be treated as a separate and distinct payment; (v) to the extent that any reimbursements or corresponding in-kind benefits provided to the Executive under this Agreement are deemed to constitute "deferred compensation" under Section 409A, such reimbursements or benefits shall be provided reasonably promptly, but in no event later than December 31 of the year following the year in which the expense was incurred, and in any event in accordance with Section 1.409A-3(i)(1)(iv) of the Department of Treasury Regulations; and (vi) the amount of any such payments or expense reimbursements in one calendar year shall not affect the expenses or in-kind benefits eligible for payment or reimbursement in any other calendar year, other than an arrangement providing for the reimbursement of medical expenses referred to in Section 105(b) of the Code, and the Executive's right to such payments or reimbursement of any such expenses shall not be subject to liquidation or exchange for any other benefit.

9. **Assignment and Successors**. The Company may assign its rights and obligations under this Agreement to any entity, including any successor to all or substantially all the assets of the Company, by merger or otherwise, and may assign or encumber this Agreement and its rights hereunder as security for indebtedness of the Company and its affiliates. The Executive may not assign the Executive's rights or obligations under this Agreement to any individual or entity. This Agreement shall be binding upon and inure to the benefit of the Company, the Executive and their respective successors, assigns, personnel and legal representatives, executors, administrators, heirs, devisees, and legatees, as applicable.

10. **Governing Law**. This Agreement shall be governed, construed, interpreted and enforced in accordance with the substantive laws of the State of Tennessee, without reference to the principles of conflicts of law of Tennessee or any other jurisdiction, and where applicable, the laws of the United States.

11. **Validity**. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

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12. **Notices**. Any notice, request, claim, demand, document and other communication hereunder to any party hereto shall be effective upon receipt (or refusal of receipt) and shall be in writing and delivered personally or sent by facsimile, by overnight delivery or by certified or registered mail, postage prepaid, to the following address (or at any other address as any party hereto shall have specified by notice in writing to the other party hereto):

If to the Company:

MasterCraft Boat Company, LLC
100 Cherokee Cove Drive
Vonore, TN 37885
Attn: General Counsel
Facsimile: (423) 884-2222

with copies to:

Wayzata Investment Partners LLC
701 East Lake Street, Suite 300
Wayzata, MN 55391
Attn: General Counsel
Facsimile: (952) 345-8901

If to the Executive, at the address set forth on the signature page hereto.

13. **Counterparts**. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original, but all of which together will constitute one and the same Agreement.

14. **Entire Agreement**. The terms of this Agreement (together with any other agreements and instruments contemplated hereby or referred to herein) are intended by the parties hereto to be the final expression of their agreement with respect to the employment of the Executive by the Company and may not be contradicted by evidence of any prior or contemporaneous agreement. The parties hereto further intend that this Agreement shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever may be introduced in any judicial, administrative, or other legal proceeding to vary the terms of this Agreement.

15. **Amendments; Waivers**. This Agreement may not be modified, amended, or terminated except by an instrument in writing, signed by the Executive and a duly authorized officer of the Company and approved the Board, which expressly identifies the amended provision of this Agreement. By an instrument in writing similarly executed and approved by the Board, the Executive or a duly authorized officer of the Company may waive compliance by the other party or parties hereto with any provision of this Agreement that such other party was or is obligated to comply with or perform; provided, however, that such waiver shall not operate as a waiver of, or estoppel with respect to, any other or subsequent failure to comply or perform. No failure to exercise and no delay in exercising any right, remedy, or power hereunder shall preclude any other or further exercise of any other right, remedy, or power provided herein or by law or in equity.

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16. **No Inconsistent Actions**. The parties hereto shall not voluntarily undertake or fail to undertake any action or course of action inconsistent with the provisions or essential intent of this Agreement. Furthermore, it is the intent of the parties hereto to act in a fair and reasonable manner with respect to the interpretation and application of the provisions of this Agreement.

17. **Construction**. This Agreement shall be deemed drafted equally by both of the parties hereto. Its language shall be construed as a whole and according to its fair meaning. Any presumption or principle that the language is to be construed against any party hereto shall not apply. The headings in this Agreement are only for convenience and are not intended to affect construction or interpretation. Any references to paragraphs, subparagraphs, sections or subsections are to those parts of this Agreement, unless the context clearly indicates to the contrary. Also, unless the context clearly indicates to the contrary, (a) the plural includes the singular and the singular includes the plural; (b) "and" and "or" are each used both conjunctively and disjunctively; (c) "any," "all," "each," or "every" means "any and all," and "each and every"; (d) "includes" and "including" are each "without limitation"; (e) "herein," "hereof," "hereunder" and other similar compounds of

the word “here” refer to the entire Agreement and not to any particular paragraph, subparagraph, section or subsection; and (f) all pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural as the identity of the entities or persons referred to may require.

18. **Enforcement**. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws effective during the term of this Agreement, such provision shall be fully severable; this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a portion of this Agreement; and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Agreement. Furthermore, in lieu of such illegal, invalid or unenforceable provision there shall be added automatically as part of this Agreement a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

19. **Withholding**. The Company shall be entitled to withhold from any amounts payable under this Agreement, any federal, state, local or foreign withholding or other taxes or charges which the Company is required to withhold. The Company shall be entitled to rely on an opinion of counsel if any questions as to the amount or requirement of withholding shall arise.

20. **Absence of Conflicts**. The Executive hereby represents (i) that from and after the Effective Date the performance of the Executive’s duties contemplated hereunder will not breach any other agreement to which the Executive is a party and (ii) that Executive has provided the Company with true and correct copies of any agreements to which Executive is a party that could reasonably be construed so as to limit the performance of the Executive’s duties hereunder. To the extent requested by the Company, the Executive shall provide evidence reasonably satisfactory to the Company that demonstrates the Executive’s ability to perform his duties hereunder without breaching any other agreement to which the Executive may be a party.

21. **Executive Acknowledgement**. The Executive acknowledges that the Executive has read and understands this Agreement, is fully aware of its legal effect, has not acted in reliance upon

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any representations or promises made by the Company other than those contained in writing herein, and has entered into this Agreement freely based on the Executive’s own judgment.

22. **Survival**. Neither the expiration or termination of the Term nor the termination of the Executive’s employment with the Company shall impair the rights or obligations of any party hereto which shall have accrued prior to such expiration or termination (including, without limitation, the Company’s right to enforce the restrictive covenants contained in Section 6 subsequent to the expiration or termination of the Term or the termination of the Executive’s employment with the Company).

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first above written.

COMPANY:

MasterCraft Boat Company, LLC
By: MCBC Holdings, Inc., its sole Member

By: /s/ Christopher Keenan
Name: Christopher Keenan
Title: Director

EXECUTIVE:

/s/ Terry D. McNew
Terry D. McNew, individually

Residence Address:

____

____

____

Signature Page to the
Employment Agreement for Terry McNew

Exhibit 10.7

EXECUTION VERSION

AMENDED AND RESTATED
CREDIT AND GUARANTY AGREEMENT

Among

MASTERCRAFT BOAT COMPANY, LLC,
MASTERCRAFT SERVICES, INC.,
MCBC HYDRA BOATS, LLC
and
MASTERCRAFT INTERNATIONAL SALES ADMINISTRATION, INC.
as Borrowers
and

the other Credit Parties

Various Lenders
From Time to Time Party Hereto

and

FIFTH THIRD BANK,
an Ohio banking corporation,
as Agent and L/C Issuer and Lender

Dated as of MARCH 13, 2015

FIFTH THIRD BANK,
as Lead Arranger and Sole Book Runner

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AMENDED AND RESTATED
CREDIT AND GUARANTY AGREEMENT

This Amended and Restated Credit and Guaranty Agreement is entered into as of March 13, 2015, by and among **MASTERCRAFT BOAT COMPANY, LLC**, a Delaware limited liability company ("*MasterCraft*"), **MASTERCRAFT SERVICES, INC.**, a Tennessee corporation ("*Services*"), **MCBC HYDRA BOATS, LLC**, a Tennessee limited liability company ("*Hydra*"), **MASTERCRAFT INTERNATIONAL SALES ADMINISTRATION, INC.**, a Delaware corporation ("*Sales Administration*"), and each other Person that becomes a "Borrower" hereunder pursuant to a Joinder Agreement (collectively, "*Borrowers*" and, individually, each a "*Borrower*"), **MCBC HOLDINGS, INC.**, a Delaware corporation "*Holdings*"), as a Guarantor, the other Credit Parties named herein from time to time, the various institutions from time to time party to this Agreement, as Lenders, and **FIFTH THIRD BANK**, an Ohio banking corporation, as Agent and L/C Issuer.

RECITALS

WHEREAS, Borrowers and Holdings and Agent and the Lenders entered into that certain Credit and Guaranty Agreement dated as of December 20, 2013 (as amended, the "*Original Loan Agreement*"), which provided for Revolving Loans, Term Loans and other credit accommodations in an aggregate original principal amount of $60,000,000;

WHEREAS, in connection with the Original Loan Agreement, the parties thereto entered into that certain Security Agreement dated as of April 13, 2012 (the "*Original Security Agreement*"), and other ancillary Loan Documents;

WHEREAS, each of Borrowers and Holdings have requested that Agent and the Lenders (i) increase the Revolving Loans, Term Loans and other credit accommodations under the Original Loan Agreement to an aggregate principal amount of $105,000,000 consisting of Revolving Credit Commitments in the aggregate amount of $30,000,000 and Term Loan Commitments in the aggregate amount of $75,000,000, and (ii) make certain other modifications and amendments to the Original Loan Agreement, all as set forth in this Agreement;

WHEREAS, the Obligations of the Credit Parties under this Agreement, as continued from the Original Loan Agreement, shall continue to be secured by the Collateral pursuant to the Original Security Agreement, as set forth in the Amended and Restated Security Agreement, and the other Collateral Documents and Loan Documents entered into in connection with the Original Loan Agreement, as may be amended and restated pursuant to this Agreement; and

NOW, THEREFORE, in consideration of any Loans (including any Loans by renewal or extension) heretofore and hereafter made to Borrowers by Agent and/or Lenders, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Credit Parties, the parties agree as follows:

SECTION 1

DEFINITIONS; INTERPRETATION.

Section 1.1 Definitions. The following terms when used herein shall have the following meanings:

"*ACH*" is defined in Section 2.15(a) hereof.

"*Acquired Business*" means the entity or assets acquired by any Credit Party or a Subsidiary in an Acquisition, whether before or after the date hereof.

"*Acquisition*" means any transaction or series of related transactions for the purpose of or resulting, directly or indirectly, in (a) the acquisition of all or substantially all of the assets of a Person, or of any business or division of a Person, (b) the acquisition of in excess of 50% of the capital stock, partnership interests, membership interests or equity of any Person (other than a Person that is a Subsidiary), or otherwise causing any Person to become a Subsidiary, or (c) a merger or consolidation or any other combination with another Person (other than a Person that is a Subsidiary).

"*Adjusted LIBOR*" means, for any Borrowing of Eurodollar Loans, a rate per annum equal to the quotient of (i) LIBOR, divided by (ii) one *minus* the Reserve Percentage.

"*Administrative Questionnaire*" means an Administrative Questionnaire in a form supplied by the Agent to the Lenders.

"*Affiliate*" means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified. Notwithstanding the foregoing, no portfolio company of Sponsor or its Affiliates (other than the Credit Parties and their Subsidiaries) shall be deemed an Affiliate of any Credit Party.

"*Affiliated Lender*" is defined in Section 10.08(g) hereof.

"*Agent*" means Fifth Third Bank, an Ohio banking corporation, in its capacity as administrative agent for itself and the other Lenders and any successor pursuant to Section 9.7 hereof.

"*Agreement*" means this Amended and Restated Credit and Guaranty Agreement, as the same may be amended, modified, restated or supplemented from time to time pursuant to the terms hereof.

"*Amendment No. 1*" means that Amendment No. 1 to Credit and Guaranty Agreement, dated as of November 25, 2014, by and among the Credit Parties and the Agent, as the same may be amended, modified, supplemented or restated from time to time.

"*Applicable Advance Multiple*" means 1.50.

"*Applicable Loans*" is defined in Section 10.08(g) hereof.

"*Applicable Margin*" means, with respect to Loans, Reimbursement Obligations, and the Commitment Fees and L/C Fees payable under Section 2.13 hereof, until the first Pricing Date, the rates per annum shown opposite Level I below, and thereafter from one Pricing Date to the next the Applicable Margin means the rates per annum determined in accordance with the following schedule:

LEVEL	SENIOR LEVERAGE RATIO FOR SUCH PRICING DATE	APPLICABLE MARGIN FOR BASE RATE LOANS:	APPLICABLE MARGIN FOR EURODOLLAR LOANS:	APPLICABLE MARGIN FOR COMMITMENT FEE: [SEE ALSO SECTION 2.13(A) RE INCREASE TO 0.50% UPON IPO]
I	***Greater than 2.75 to 1.0 1.0***	***2.00%***	***4.00%***	***0.35%***
II	***Equal to or less than 2.75 to 1.0, but greater than 2.50 to 1.0***	***1.50%***	***3.50%***	***0.35%***
III	***Equal to or less than 2.5 to 1.0,***	***1.25%***	***3.25%***	***0.35%***

	but greater than or equal to 2.00 to 1.0			
IV	***Less than 2.00 to 1.0***	***1.00%***	***3.00%***	***0.35%***

For purposes hereof, the term "*Pricing Date*" means, for any fiscal quarter of the Credit Parties and their Subsidiaries ending on or after September 30, 2015, the date on which the Agent is in receipt of Borrowers' and their Subsidiaries' most recent financial statements for the fiscal quarter then ended, pursuant to Section 6.1 hereof. The Applicable Margin shall be established based on the Senior Leverage Ratio for the most recently completed fiscal quarter, and the Applicable Margin established on a Pricing Date shall remain in effect until the next Pricing Date. If the Credit Parties have not delivered their financial statements by the date such financial statements (and, in the case of the year-end financial statements, audit report) are required to be delivered under Section 6.1 hereof, until such financial statements and audit report are delivered, the Applicable Margin shall be the highest Applicable Margin (*i.e.*, the Senior Leverage Ratio shall be deemed to be greater than or equal to 2.75 to 1.0). If the Credit Parties subsequently deliver such financial statements before the next Pricing Date, the Applicable Margin established by such late-delivered financial statements shall take effect from the date of delivery until the next Pricing Date. In all other circumstances, the Applicable Margin established by such financial statements shall be in effect from the Pricing Date that occurs immediately after the end of the fiscal quarter covered by such financial statements until the next Pricing Date. Each determination of the Applicable Margin made by the Agent in accordance with the foregoing shall be conclusive and binding on the Credit Parties and the Lenders absent manifest error.

Without limitation of any other provision of this Agreement, or any other remedy available to Agent or the Lenders under any of the Loan Documents, to the extent that any financial statements delivered pursuant to Section 6.1 or any information contained in any certificate delivered pursuant to Section 6.1 shall be incorrect in any material manner and Borrower Representative shall deliver to the Agent corrected financial statements or other corrected information in an executed certificate ("*Correction Certificate*"), Agent may recalculate the Applicable Margin based upon such corrected information and, upon written notice thereof to the Borrower Representative, all Loans shall bear interest based upon such recalculated Applicable Margin retroactively from the date of the delivery of the erroneous financial statements or other erroneous information in question. Any additional amounts payable as a result of such retroactive application that are attributable to prior periods shall be due and payable by Borrower Representative upon delivery to Agent of the Correction Certificate.

"*Applicable Percentage*" means, with respect to any Revolving Lender, the percentage of the total Revolving Credit Commitments represented by such Revolving Lender's Revolving Credit Commitment; provided that if the Revolving Credit Commitments have terminated or expired, the Applicable Percentages shall be determined based upon the Revolving Credit Commitments most recently in effect, giving effect to any assignments.

"*Application*" is defined in Section 2.3(b) hereof.

"*Approved Fund*" means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"*Assignment and Assumption*" means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 10.8), and accepted by the Agent, in substantially the form of Exhibit F attached hereto or any other form approved by the Agent.

"*Authorized Representative*" means those Persons shown on the list of officers or other authorized individuals provided by the Credit Parties pursuant to Section 3.2 hereof or on any update of any such list provided by the Credit Parties to the Agent, or any further or different officers or authorized individuals of the Credit Parties so named by any Authorized Representative of the Credit Parties in a written notice to the Agent.

"*Banking Services Obligations*" means the liability of any Credit Party or any Subsidiary owing to any of the Lenders, or any Affiliates of such Lenders, arising out of (a) the execution or processing of electronic transfers of funds by automatic clearing house (ACH) transfer, return items, overdrafts, interstate depository network services, wire transfer or otherwise to or from the deposit accounts of any Credit Party or any Subsidiary now or hereafter maintained with any of the Lenders or their Affiliates, (b) the acceptance for deposit or the honoring for payment of any check, draft or other item with respect to any such deposit accounts, (c) credit card and purchasing card services provided to any Credit Party by a Lender while such Person is a Lender hereunder, and (d) any other deposit, disbursement, and cash management services afforded to any Credit Party or any Subsidiary by any of such Lenders or their Affiliates.

"*Bankruptcy Code*" shall mean the United States Bankruptcy Code, 11 U.S.C. §101 et seq., as in effect from time to time, and any successor statute thereto.

"*Base Rate*" means for any day the greatest of: (a) the rate of interest last quoted by The Wall Street Journal (or such other national publication selected by the Agent) from time to time as the "prime rate" as in effect on such day, with any change in the Base Rate resulting from a change in said prime rate to be effective as of the date of the relevant change in said prime rate (it being acknowledged that such rate may not be the Agent's best or lowest rate), (b) the sum of (x) the Federal Funds Rate, *plus* (y) 1/2 of 1% and (c) the sum of (x) the Adjusted LIBOR that would be applicable to a Eurodollar Loan with a 1 month Interest Period advanced on such day (or, if such day is not a Business Day, the immediately preceding Business Day) *plus* (y) one percent (1.00%).

"*Base Rate Loan*" means a Loan bearing interest at a rate specified in Section 2.4(a) hereof.

"*Borrower(s)*" means, individually and collectively, jointly and severally (a) as of the Original Closing Date and the Restatement Closing Date, (i) MasterCraft, (ii) Services, (iii) Hydra; and (iv) Sales Administration, and (b) each other Person that becomes a "Borrower" hereunder pursuant to a Joinder Agreement after the Restatement Closing Date.

"*Borrower Representative*" is defined in Section 12.1 hereof; and as of the Original Closing Date and Restatement Closing Date is MasterCraft.

"*Borrowing*" means the total of Loans of a single type advanced, continued for an additional Interest Period, or converted from a different type into such type by the Lenders under a Credit on a single date and, in the case of Eurodollar Loans, for a single Interest Period. Borrowings of Loans are made and maintained ratably from each of the Lenders under a Credit according to their Percentages of such Credit. A Borrowing is "*advanced*" on the day the Lenders advance funds comprising such Borrowing to Borrower Representative, is "*continued*" on the date a new Interest Period for the same type of Loans commences

for such Borrowing, and is "*converted*" when such Borrowing is changed from one type of Loans to the other, all as requested by Borrower Representative pursuant to Section 2.5(a) hereof. Borrowings of Swing Loans are made by the Agent in accordance with the procedures set forth in Section 2.11 hereof.

"*Business Day*" means any day (other than a Saturday or Sunday) on which banks are not authorized or required to close in Tennessee, Ohio or Illinois and, if the applicable Business Day relates to the advance or continuation of, or conversion into, or payment of a Eurodollar Loan, any day on which banks are dealing in Dollar deposits in the interbank Eurodollar market in London, England.

"*Capital Expenditures*" means, with respect to any Person for any period, the aggregate amount of all expenditures (whether paid in cash or accrued as a liability) by such Person during that period for the acquisition or leasing (pursuant to a Capital Lease) of fixed or capital assets or additions to property, plant, or equipment (including replacements, capitalized repairs, and improvements) which should be capitalized on the balance sheet of such Person in accordance with GAAP, 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 any lease of Property which in accordance with GAAP is classified as a capital lease.

"*Capitalized Lease Obligation*" means, for any Person, the amount of the liability shown on the balance sheet of such Person in respect of a Capital Lease determined in accordance with GAAP.

"*Cash Collateralize*" means, to pledge and deposit with or deliver to the Agent, (a) for the benefit of one or more of the L/C Issuers or Lenders, as collateral for L/C Obligations or obligations of Lenders to fund participations in respect of L/C Obligations, cash or deposit account balances in the Minimum Collateral Amount or, if the Agent and each L/C Issuer shall agree in their sole discretion, other credit support, in each case pursuant to documentation in form and substance reasonably satisfactory to the Agent and L/C Issuer, or (b) for the benefit of any Lender that has provided Banking Services Obligations. "*Cash Collateral*" shall have a meaning correlative to the foregoing and shall include the proceeds of such cash collateral and other credit support.

"*Cash Equivalents*" shall mean, as to any Person: (a) investments in direct obligations of the United States of America or of any agency or instrumentality thereof whose obligations constitute full faith and credit obligations of the United States of America, provided that any such obligations shall mature within one (1) year of the date of issuance thereof; (b) investments in commercial paper rated at least P-1 by Moody's and at least A-1 by S&P maturing within ninety (90) days from the date of issuance thereof; (c) investments in certificates of deposit issued by any Lender or by any United States commercial bank having capital and surplus of not less than $250,000,000 which have a maturity of one year or less; (d) investments in repurchase obligations with a term of not more than seven (7) days for underlying securities of the types described in clause (a) above entered into with any bank meeting the qualifications specified in clause (c) above, provided all such agreements require physical delivery of the securities securing such repurchase agreement, except those delivered through the Federal Reserve Book Entry System; and (e) investments in money market funds that invest solely, and which are restricted by their respective charters to invest solely, in investments of the type described in the immediately preceding subsections (a), (b), (c), and (d) above; and (f) other short term liquid investments approved in writing by the Agent.

"*CERCLA*" means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. §§9601 *et seq.,* and any future amendments.

"*Change in Law*" means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request,

rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

"*Change of Control*" means (a) prior to an IPO, the failure of (i) Sponsor Entities to directly or indirectly own and have voting control of at least fifty percent (50%) or more of the issued and outstanding voting Equity Interests of Holdings, (ii) Sponsor Entities to possess the right to elect or approve a majority of the board of directors (or similar governing body) of Holdings, or (iii) Holdings to own and have voting control, directly or indirectly, of one hundred percent (100%) of the issued and outstanding voting Equity Interests of Borrowers and (b) on or after an IPO, (i) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), excluding the Sponsor Entities, shall become, or obtain rights (whether by means or warrants, options or otherwise) to become, the "beneficial owner" (as defined in Rules 13(d) 3 and 13(d) 5 under the Exchange Act), directly or indirectly, of more than twenty-five percent (25%) of the outstanding Equity Interests of Borrowers or (ii) during any period of 12 consecutive months ending after such IPO (for the avoidance of doubt, such 12 month period, if applicable, shall include the period prior to the effectiveness of such IPO), individuals who at the beginning of any such 12 month period constituted the board of directors of Borrowers (together with any new directors whose election by such board was approved by a vote of a majority of the directors then still in office who were either directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the board of directors then in office of Borrowers.

"*Class*" means when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are Revolving Loans, Term Loans or Swing Loans.

"*Closing Date Transactions*" means, collectively, the closing and consummation of the financings contemplated by this Agreement as of the Restatement Closing Date, including the Restatement Closing Date Dividend.

"*Code*" means the Internal Revenue Code of 1986, as amended.

"*Collateral*" means all properties, rights, interests, and privileges from time to time subject to the Liens granted to the Agent for the benefit of the Lenders, or any security trustee therefor, by the Collateral Documents, but in no event shall include any Excluded Assets or Excluded Vehicles.

"*Collateral Access Agreement*" is defined in the Security Agreement.

"*Collateral Account*" is defined in Section 7.4(b) hereof.

"*Collateral Documents*" means the Mortgages, the Security Agreement, the Collateral Access Agreements, and all other mortgages, deeds of trust, security agreements, pledge agreements, account control agreements, assignments, financing statements and other documents as shall from time to time secure or relate to the Obligations, the Rate Management Obligations, and the Banking Services Obligations, or any part thereof.

"*Collection Account*" is defined in Section 2.15(a) hereof.

"*Commitment Fee*" is defined in Section 2.13(a) of this Agreement.

"*Commitments*" means the Revolving Credit Commitments, and the Term Loan Commitments.

"*Commodity Exchange Act*" means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

"*Communications*" has the meaning set forth in Section 10.6(d)(ii).

"*Compliance Certificate*" is defined in Section 6.1(d) of this Agreement.

"*Connection Income Taxes*" means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

"*Contingent Obligation*" shall mean as to any Person, any obligation of such Person guaranteeing or intended to guarantee any Indebtedness ("*primary obligations*") of any other Person (the "*primary obligor*") in any manner, whether directly or indirectly, including, without limitation, any obligation of such Person, whether or not contingent, (i) to purchase any such primary obligation or any Property constituting direct or indirect security therefor, (ii) to advance or supply funds (x) for the purchase or payment of any such primary obligation or (y) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (iv) otherwise to assure or hold harmless the holder of such primary obligation against loss in respect thereof; *provided*, *however,* that the term Contingent Obligation shall not include endorsements of instruments for deposit or collection in the ordinary course of business. The amount of any Contingent Obligation shall be deemed to be an amount equal to the stated or determinable amount of the primary obligation in respect of which such Contingent Obligation is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof (assuming such Person is required to perform thereunder) as determined by such Person in good faith; provided, that with respect to Floorplan Repurchase Obligations, the amount of such Contingent Obligations shall be determined in accordance with GAAP.

"*Contras*" is defined in the definition of "Eligible Account".

"*Control*" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise

voting power, by contract or otherwise. "*Controlling*" and "*Controlled*" have meanings correlative thereto.

"*Control Agreement*" is defined in the Security Agreement.

"*Controlled Disbursement Account*" is defined in Section 2.15(a) hereof.

"*Controlled Group*" means all members of a controlled group of corporations, all trades or businesses (whether or not incorporated) under common control and all members of an affiliated service group which, together with any Credit Party, are treated as a single employer under Section 414 of the Code. Notwithstanding the foregoing, no portfolio company of Sponsor or its Affiliates (other than the Credit Parties and their Subsidiaries) shall be deemed part of a Controlled Group.

"*Credit*" means any of the Revolving Credit and the Term Credit.

"*Credit Event*" means the advancing of any Loan, the continuation of or conversion into a Eurodollar Loan, or the issuance of, or extension of the expiration date or increase in the amount of, any Letter of Credit.

"*Credit Parties*" means each Borrower and each Guarantor a party to this Agreement.

"*Curable Financial Covenant*" means each of, and collectively, (a) the Total Leverage Ratio financial covenant under Section 6.22(a) for each Curable Test Period, and (b) the Fixed Charge Coverage Ratio financial covenant under Section 6.22(b) for each Curable Test Period.

"*Curable Test Period*" is defined in Section 7.7(a) hereof.

"*Cure Amount*" is defined in Section 7.7(a) hereof.

"*Cure Date*" means with respect to the Curable Test Periods ending on the last day of the fiscal month of each of March, June, September and December of each fiscal year, the tenth (10th) Business Day after the date on which the applicable Cure Notice is delivered to Agent pursuant to, and in accordance

with, Section 7.7(a) of this Agreement.

"*Cure Notice*" is defined in Section 7.7(a) hereof.

"*Cure Right*" is defined in Section 7.7(a) hereof.

"*Damages*" means all damages including, without limitation, punitive damages, liabilities, costs, expenses, losses, judgments, diminutions in value, fines, penalties, demands, claims, cost recovery actions, lawsuits, administrative proceedings, orders, response actions, removal and remedial costs, compliance costs, investigation expenses, consultant fees, reasonable and documented attorneys' and paralegals' fees and litigation expenses.

"*Debtor Relief Laws*" means the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium,

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rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect.

"*Default*" means any event or condition the occurrence of which would, with the passage of time or the giving of notice, or both, constitute an Event of Default.

"*Defaulting Lender*" means, subject to Section 8.7(b), any Lender that (a) has failed to (i) fund all or any portion of its Loans within three Business Days of the date such Loans were required to be funded hereunder unless such Lender notifies the Agent and Borrower Representative in writing that such failure is the result of such Lender's determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to the Agent, any L/C Issuer, any Swing Line Lender or any other Lender any other amount required to be paid by it hereunder (including in respect of its participation in Letters of Credit or Swing Loans) within two Business Days of the date when due, (b) has notified Borrower Representative, the Agent or any L/C Issuer or any Swing Line Lender in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender's obligation to fund a Loan hereunder and states that such position is based on such Lender's determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three Business Days after written request by the Agent or Borrower Representative, to confirm in writing to the Agent and Borrower Representative that it will comply with its prospective funding obligations hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Agent and Borrower Representative), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, or (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 8.7(b)) upon delivery of written notice of such determination to Borrower Representative, the L/C Issuer, each Swing Line Lender and each Lender.

"*Disposition*" means the sale, lease, conveyance or other disposition of Property, other than sales or other dispositions expressly permitted under Sections 6.13 hereof (other than clause (h) thereof).

"*Dollars*" and "*$*" each means the lawful currency of the United States of America.

"*Domestic Subsidiary*" means any Subsidiary that is organized under the laws of any political subdivision of the United States.

"*EBITDA*" means as to the Credit Parties and their Subsidiaries on a consolidated basis, with reference to any period, without duplication, Net Income for such period *plus* the sum of all amounts deducted in arriving at such Net Income for such period: (a) Interest Expense for such period, (b) tax expense (including without limitation, federal, state, local and foreign income taxes) paid or accrued for such period, (c) all distributions paid to the equity holders of Borrowers for income tax liabilities attributable to their allocated share of Borrowers' taxable income for such period, (d) amounts attributable to depreciation and amortization expense for such period, (e) non-recurring fees, costs and expenses for such period incurred in connection with entering into (i)this Agreement, the other Loan Documents and the transactions contemplated thereby on the Restatement Closing Date in an aggregate amount not to exceed $1,700,000, and (ii) Amendment No. 1 in an aggregate amount not to exceed $675,000, (f) noncash charges for such period (including, without limitation, stock-based compensation expense, currency translations, impairment charges and gains or losses on asset dispositions), (g) fees and reimbursed expenses paid to Sponsor, Sponsor Entities and independent directors during such period for advisory and board management services in an aggregate amount not to exceed $250,000 in any fiscal year, (h) all other extraordinary or non-recurring expenses and losses for such period in an amount reasonably acceptable to Agent, (i) non-recurring fees, costs and expenses during such period incurred in connection with any Permitted Acquisition, permitted disposition, permitted equity issuance and/or permitted investment, in each case, whether or not consummated, and (j) the Management Bonus Payments. With respect to any period during which any Permitted Acquisition has occurred, for purposes of determining compliance with the financial covenants set forth in Section 6.22, EBITDA shall be calculated with respect to such period on a pro forma basis (provided, that any pro forma adjustments included therein shall have been approved by the Agent, in its reasonable discretion) using the historical audited financial statements of any business so acquired and the financial statements of Holdings and its Subsidiaries which shall be reformulated as if such Permitted Acquisition, 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).

"*Eligible Assignee*" means any Person that meets the requirements to be an assignee under Section 10.8(b)(iii), (v) and (vi) (subject to such consents, if any, as may be required under Section 10.8(b)(iii)).

“*Environmental Claim*” means any investigation, notice, violation, demand, allegation, action, suit, injunction, judgment, order, consent decree, penalty, fine, lien, proceeding or claim (whether administrative, judicial or private in nature) arising (a) pursuant to, or in connection with an actual or alleged violation of, any Environmental Law, (b)in connection with any Hazardous Material, (c) from any abatement, removal, remedial, corrective or response action in connection with a Hazardous Material, Environmental Law or order of a Governmental Authority, issued pursuant to any Environmental Law, or (d) from any actual or alleged damage,

injury, threat or harm to health, environmental safety, natural resources or the environment from any Hazardous Material.

“*Environmental Law*” means any current or future Legal Requirement pertaining to (a) the protection of health, safety and the indoor or outdoor environment, (b) the conservation, management or use of natural resources and wildlife, (c) the protection or use of surface water or groundwater, (d)the management, manufacture, possession, presence, use, generation, transportation, treatment, storage, disposal, Release, threatened Release, abatement, removal, remediation or handling of, or exposure to, any Hazardous Material or (e) pollution (including any Release to air, land, surface water or groundwater), and any amendment, rule, regulation, order or directive issued thereunder.

“*Equity Interests*” shall mean, with respect to any Person, all shares, interests, participations or other equivalents (however designated, whether voting or non-voting) of such Person’s capital, including equity appreciation rights, 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 or any other equivalent of such ownership interest.

“*ERISA*” means the Employee Retirement Income Security Act of 1974, as amended, or any successor statute thereto.

“*ERISA Affiliate*” means any trade or business (whether or not incorporated) under common control with Borrower within the meaning of Section 414(b) or (c) of the Code (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the Code).

“*ERISA Event*” means (a) a “reportable event” within the meaning of Section 4043 of ERISA (excluding those for which the thirty (30) day notice period has been waived as of the date hereof) with respect to a Pension Plan; (b) the withdrawal of Borrower or any ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which such entity was a “substantial employer” as defined in Section 4001(a)(2) of ERISA or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (c) a complete or partial withdrawal by Borrower or any ERISA Affiliate from a Multiemployer Plan or notification that a Multiemployer Plan is in reorganization; (d) the filing of a notice of intent to terminate, the treatment of a Pension Plan amendment as a termination under Section 4041 or 4041A of ERISA; (e) the institution by the PBGC of proceedings to terminate a Pension Plan under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan; (f) the determination that any Pension Plan is considered an at-risk plan or a plan in endangered or critical status within the meaning of Sections 430, 431 and 432 of the Code or Sections 303, 304 and 305 of ERISA; or (g) the imposition of any material liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon Borrower or any ERISA Affiliate.

“*Eurodollar Loan*” means a Loan bearing interest at the rate specified in Section 2.4(b) hereof.

“*Event of Default*” means any event or condition identified as such in Section 7.1 hereof.

“*Event of Loss*” means, with respect to any Property, any of the following: (a) any loss, destruction or damage of such Property or (b) any condemnation, seizure, or taking, by exercise of the power of eminent domain or otherwise, of such Property, or confiscation of such Property or the requisition of the use of such Property.

“*Excess Availability*” shall mean, as of any date of determination by Agent, the Revolving Loan Availability in each case as of the close of business on such date and assuming, for purposes of calculation, that all accounts payable which remain unpaid more than sixty (60) days after the due dates thereof as the close of business on such date are treated as additional Revolving Loans outstanding on such date.

“*Excess Cash Flow*” shall mean, for each of the Credit Parties’ Fiscal Years, the EBITDA for such period (excluding any pro forma adjustments to EBITDA as a result of any Permitted Acquisition (but, in any case, including the actual EBITDA generated by the Person acquired in connection with the Permitted Acquisition during any period, from the date of the consummation of the Permitted Acquisition to the end of the applicable measurement period)), minus cash taxes (including, without limitation, foreign, federal, state and local income taxes paid during such period of the Credit Parties, including, without limitation, Permitted Tax Distributions made in cash during such period, minus actual principal and scheduled interest payments made with respect to Indebtedness during such period (including, without limitation, those principal payments required to be paid pursuant to Section 2.7(a) and (b) hereof), minus all Capital Expenditures (other than Capital Expenditures financed with the proceeds of purchase money indebtedness or capitalized lease obligations to the extent permitted under this Agreement) by the Credit Parties during such period, minus unfinanced consideration paid in such period with respect to any Permitted Acquisition including earnout payments, minus all cash items added back to EBITDA, excluding any Management Bonus Payments.

“*Excess Interest*” is defined in Section 10.16 hereof.

“*Exchange Act*” means the Securities Exchange Act of 1934, as amended from time to time, and any successor statute.

“*Excluded Assets*” is defined in Section 4.1.

“*Excluded Subsidiary*” means, as of the Original Closing Date and the Restatement Closing Date, Parts.

“*Excluded Swap Obligation*” means, with respect to any guarantor of a Swap Obligation, including the grant of a security interest to secure the guaranty of such Swap Obligation, any Swap Obligation if, and to the extent that, such Swap Obligation is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such guarantor’s failure for any reason to constitute an “eligible contract participant” as defined in the Commodity Exchange Act and the regulations thereunder at the time the

guaranty or grant of such security interest becomes effective with respect to such Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall

apply only to the portion of such Swap Obligation that is attributable to swaps for which such Swap Obligation or security interest is or becomes illegal.

"*Excluded Taxes*" 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, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) 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 (ii) that are Other Connection Taxes, (b) 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 (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by Borrower Representative under Section 8.6(b)) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 8.5, 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, (c) Taxes attributable to such Recipient's failure to comply with Section 8.5(g) and (d) any U.S. federal withholding Taxes imposed under FATCA.

"*Excluded Vehicles*" is defined in Section 4.1.

"*Facilities*" means the Revolving Credit, and Term Credit.

"*FATCA*" means Sections 1471 through 1474 of the 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 Code.

"*Federal Funds Rate*" means for any day the rate determined by the Agent to be the average (rounded upward, if necessary, to the next higher 1/100 of 1%) of the rates per annum quoted to the Agent at approximately 10:00 a.m. (Eastern time) (or as soon thereafter as is practicable) on such day (or, if such day is not a Business Day, on the immediately preceding Business Day) by two or more Federal funds brokers selected by the Agent for sale to the Agent at face value of Federal funds in the secondary market in an amount equal or comparable to the principal amount owed to the Agent for which such rate is being determined.

"*Fee Letters*" is defined in Section 2.13(c).

"*Fifth Third*" means Fifth Third Bank, an Ohio banking corporation, in its individual capacity and any successor thereof.

"*Fixed Charge Coverage Ratio*" means, as of the date of determination thereof, the ratio of (a) EBITDA for such period minus (i) unfinanced Capital Expenditures for such period (for the avoidance of doubt, exclusive of Capital Expenditures financed with the proceeds of purchase money Indebtedness or Capital Leases to the extent permitted pursuant to Section 6.11 hereof), (ii) income taxes paid in cash for such period, and (iii) distributions paid in cash to the

equity holders of the Credit Parties for income tax liabilities attributable to their allocated share of taxable income for such period including Permitted Tax Distributions, to (b) Fixed Charges, in each case, for the four fiscal quarters then ended.

"*Fixed Charges*" means, with reference to any period, for the Credit Parties and their Subsidiaries on a consolidated basis, without duplication, the sum of (a) all scheduled payments of principal actually made during such period with respect to Indebtedness of the Credit Parties and their Subsidiaries, plus (b) the cash portion of any Interest Expense for such period.

"*Floorplan Repurchase Obligations*" means repurchase obligations of the Credit Parties pursuant to the floorplan financing arrangements of the Credit Parties.

"*Foreign Lender*" means (a) if a Borrower is a U.S. Person, a Lender that is not a U.S. Person, and (b) if a Borrower is not a U.S. Person, a Lender that is resident or organized under the laws of a jurisdiction other than that in which such Borrower is resident for tax purposes.

"*Foreign Subsidiary*" means any Subsidiary that is not a Domestic Subsidiary.

"*Fronting Exposure*" means, at any time there is a Defaulting Lender, (a) with respect to any L/C Issuer, such Defaulting Lender's Applicable Percentage of the outstanding L/C Obligations with respect to Letters of Credit issued by such L/C Issuer other than L/C Obligations as to which such Defaulting Lender's participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof, and (b) with respect to any Swing Line Lender, such Defaulting Lender's Applicable Percentage of outstanding Swing Loans made by such Swing Line Lender other than Swing Loans as to which such Defaulting Lender's participation obligation has been reallocated to other Lenders.

"*Fund*" means any Person (other than a natural Person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its activities.

"*Funding Account*" is defined in Section 2.5(d) hereof.

"*GAAP*" means generally accepted accounting principles set forth from time to time in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board (or agencies with similar functions of comparable stature and authority within the U.S. accounting profession), which are applicable to the circumstances as of the date of determination.

"*Governmental Authority*" means the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"*Guarantied Obligations*" is defined in Section 11.1 hereof.

"*Guarantors*" means, collectively, each Person who now or hereafter guarantees payment or performance of the whole or any part of the Obligations. Each Borrower hereunder is a Guarantor of the Obligations of the other Borrowers hereunder pursuant to Section 11 hereof. As of the Original Closing Date and the Restatement Closing Date, Holdings is the only non-Borrower Guarantor.

"*Guaranty*" and "*Guaranties*" means Section 11 of this Agreement and each separate guaranty, in form and substance reasonably satisfactory to the Agent, delivered by any Guarantor.

"*Hazardous Material*" means any substance, chemical, compound, product, solid, gas, liquid, waste, byproduct, pollutant, contaminant or material which is listed, identified, classified or regulated as "hazardous" or "toxic" or words of like import pursuant to an Environmental Law, including without limitation, asbestos, polychlorinated biphenyls and petroleum (including crude oil or any fraction thereof).

"*Holdings*" means MCBC Holdings, Inc., a Delaware corporation and a Guarantor hereunder.

"*Hostile Acquisition*" means the acquisition of the capital stock or other Equity Interests of a Person through a tender offer or similar solicitation of the owners of such capital stock or other Equity Interests which has not been approved (prior to such acquisition) by resolutions of the Board of Directors of such Person or by similar action if such Person is not a corporation, or, if such acquisition has been so approved, as to which such approval has not been withdrawn

"*Hydra*" means MCBC Hydra Boats, LLC, a Tennessee limited liability company and a Borrower hereunder.

"*Indebtedness*" means for any Person (without duplication) (a) all indebtedness of such Person for borrowed money, whether current or funded, or secured or unsecured, (b) all indebtedness for the deferred purchase price of Property or services, it being understood that the term "Indebtedness" shall not include (i) trade payables or (ii) accrued expenses, in each case arising in the ordinary course of business, (c) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to Property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of a default are limited to repossession or sale of such Property), (d) all indebtedness secured by a purchase money mortgage or other Lien to secure all or part of the purchase price of Property subject to such mortgage or Lien, (e) all obligations under leases which shall have been or must be, in accordance with GAAP, recorded as Capital Leases in respect of which such Person is liable as lessee, (f) any liability in respect of bankers acceptances or letters of credit, (g) any indebtedness, whether or not assumed, secured by Liens on Property acquired by such Person at the time of acquisition thereof, (h) all obligations under any so-called "synthetic lease" transaction entered into by such Person, (i) all obligations under any so-called "asset securitization" transaction entered into by such Person, (j) earnouts, seller notes and similar deferred purchase rice payment obligations of such Person, (k) all Contingent Obligations with respect to liabilities which otherwise constitute "Indebtedness" and (1) all equity securities of

such Person subject to repurchase or redemption prior to the Maturity Date (other than in connection with a Change of Control).

"*Indemnified Taxes*" means (a) 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 Loan Document and (b) to the extent not otherwise described in (a), Other Taxes.

"*Indemnitee*" has the meaning set forth in Section 10.11.

"*Information*" is defined in Section 10.21 hereof.

"*Intellectual Property*" means (i) the names of the Credit Parties and all fictional business names, trading names, registered and unregistered trademarks, service marks, and applications thereof; (b) all patents, patent applications, and inventions and discoveries that may be patentable;(c) all copyrights in both published and unpublished works; and (d) all know-how, trade secrets, confidential information, customer lists, software, technical information, data, process technology, plans, drawings and blue prints, all of the foregoing being owned, used, and/or licensed by Borrowers and the other Credit Parties (or any one or more of them).

"*Interest Expense*" means, with reference to any period, the sum of all interest charges (including fees incurred with respect to letters of credit and imputed interest charges with respect to Capitalized Lease Obligations and all amortization of debt discount and expense) of the Credit Parties and their Subsidiaries for such period determined on a consolidated basis in accordance with GAAP.

"*Interest Period*" means, with respect to Eurodollar Loans, the period commencing on the date a Borrowing of Loans is advanced, continued or created by conversion and ending: (a) in the case of a Eurodollar Loan, 1, 2, 3 or 6 months thereafter; *provided, however,* that:

(i) no Interest Period with respect to any portion of the Term Loans shall extend beyond the final maturity date of the Term Loans;

(ii) no Interest Period with respect to any portion of the Term Loans consisting of Eurodollar Loans shall extend beyond a date on which Borrowers are required to make a scheduled payment of principal on such Term Loans, unless the sum of (a) the aggregate principal amount of Term Loans that are Base Rate Loans plus (b) the aggregate principal amount of Term Loans that are Eurodollar Loans with Interest Periods expiring on or before such date equals or exceeds the principal amount to be paid on the Term Loans on such payment date;

(iii) whenever the last day of any Interest Period would otherwise be a day that is not a Business Day, the last day of such Interest Period shall be extended to the next succeeding Business Day, *provided* that, if such extension would cause the last day of an Interest Period for a Borrowing of Eurodollar Loans to occur in the following calendar month, the last day of such Interest Period shall be the immediately preceding Business Day; and

(iv) for purposes of determining an Interest Period for a Borrowing of Eurodollar Loans, a month means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month; *provided, however,* that if there is no numerically corresponding day in the month in which such an Interest Period is to end or if such an Interest Period begins on the last Business Day of a calendar month, then such Interest Period shall end on the last Business Day of the calendar month in which such Interest Period is to end.

"*IPO*" means a primary public offering (other than a public offering pursuant to a registration statement on Form S-8 (or any successor form)) of the common stock of Holdings or any IPO Issuer or any Credit Party (or a corporate successor of any of the foregoing) pursuant to an effective registration statement filed with the SEC in accordance with the Securities Act (whether alone or in conjunction with a secondary public offering).

"*IPO Issuer*" means any Person who directly or indirectly holds 100% of the Equity Interests of Holdings or any Credit Party and is the issuer in an IPO.

"IRS" means the United States Internal Revenue Service.

"*Joinder Agreement*" means an agreement pursuant to which a new Credit Party becomes a party to this Agreement, substantially in form of Exhibit G.

"*L/C Fee*" is defined in Section 2.13(b) of this Agreement.

"*L/C Issuer*" means Fifth Third, in its capacity as issuer of Letters of Credit hereunder and any successor L/C Issuer.

"*L/C Obligations*" means the aggregate undrawn face amounts of all outstanding Letters of Credit (including all automatic increases provided for in such Letters of Credit, whether or not any such automatic increase has become effective) and all unpaid Reimbursement Obligations.

"*L/C Sublimit*" means $3,000,000, as reduced pursuant to the terms hereof.

"*Legal Requirement*" means any treaty, convention, statute, law, regulation, ordinance, license, permit, governmental approval, injunction, judgment, order, consent decree or other requirement of any Governmental Authority.

"*Lenders*" means the Persons listed on Schedule 1 and any other Person that shall have become party hereto pursuant to an Assignment and Assumption, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption. Unless the context requires otherwise, the term "Lenders" includes the Revolving Lenders, the Term Lenders and the Swing Line Lenders. In addition to the foregoing, for the purpose of identifying the Persons entitled to share in the Collateral and the Proceeds thereof under, and in accordance with the provisions of, this Agreement and the Collateral Documents, the term "Lender" shall include Affiliates of a Lender to which any permitted Rate Management Obligations or Banking Services Obligations is owed.

"*Lending Office*" is defined in Section 8.6 hereof.

"*Letter of Credit*" is defined in Section 2.3(a) hereof.

"*LIBOR*" means, for an Interest Period for a Borrowing of Eurodollar Loans, (a) the LIBOR Index Rate for such Interest Period, if such rate is available, and (b) if the LIBOR Index Rate cannot be determined, the arithmetic average of the rates of interest per annum (rounded upwards, if necessary, to the nearest 1/100 of 1%) at which deposits in Dollars in immediately available funds are offered to the Administrative Agent at 11:00 a.m. (London, England time) 2 Business Days before the beginning of such Interest Period by 3 or more major banks in the interbank eurodollar market selected by the Administrative Agent for delivery on the first day of and for a period equal to such Interest Period and in an amount equal or comparable to the principal amount of the Eurodollar Loan scheduled to be made by the Administrative Agent as part of such Borrowing; provided that if LIBOR shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

"*LIBOR Index Rate*" means, for any Interest Period for any Borrowing of Eurodollar Loans, the rate per annum (rounded upwards, if necessary, to the next higher one hundred-thousandth of a percentage point) for deposits in Dollars for a period equal to such Interest Period, which appears on the Reuters Screen LIBOR01 Page as of 11:00 a.m. (London, England time) on the day two (2) Business Days before the commencement of such Interest Period.

"*Lien*" means any deed of trust, mortgage, lien, security interest, pledge, charge or encumbrance of any kind in respect of any Property, including the interests of a vendor or lessor under any conditional sale, Capital Lease or other title retention arrangement.

"*Loan*" means any Revolving Loan, Term Loan or Swing Loan, whether outstanding as a Base Rate Loan or Eurodollar Loan as permitted hereunder, each of which is a "*type*" of Loan hereunder.

"*Loan Documents*" means this Agreement, the Notes, the Applications, the Collateral Documents, the Guaranties, the Rate Management Agreements, Banking Services Obligations agreements, any Subordination Agreement, and each other agreement, instrument or document to be delivered hereunder or thereunder or otherwise in connection therewith, other than Hedge Agreements.

"*Management Bonus Payments*" is defined in Section 5.7 hereof.

"*MasterCraft*" means MasterCraft Boat Company, LLC, a Delaware limited liability company, a Subsidiary of Holdings, and a Borrower and Borrower Representative hereunder.

"*Material Adverse Effect*" means (a) a material adverse change in, or material adverse effect upon, the operations, business, Property, or financial condition of the Credit Parties and their Subsidiaries taken as a whole, (b) a material impairment of the ability of the Credit Parties and their Subsidiaries taken as a whole to perform their obligations under any Loan Document or (c) a material adverse effect upon (i) the legality, validity, binding effect or enforceability against any Credit Party or any Subsidiary of any Loan Document or the rights and remedies of the Agent and the Lenders thereunder or (ii) the perfection or priority of any Lien granted under any Collateral Document, other than as a direct result of an action, inaction or failure of the Agent or any Lender.

"*Material Contract*" means, with respect to any Person, each contract or agreement (a) to which such Person is a party involving aggregate consideration payable to or by such Person of $2,000,000 or more in any year or (b) contracts involving Floorplan Repurchase Obligations in excess of $1,500,000, or (c) any other contract, agreement, permit or license, written or oral, of such Person as to which the breach, nonperformance, cancellation or failure to renew by any party thereto, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

"*Material Plan*" is defined in Section 7.1(h) hereof.

"*Maturity Date*" means November 26, 2019.

"*Maximum Liability*" is defined in Section 11.

"*Maximum Rate*" is defined in Section 10.16 hereof.

"*Minimum Collateral Amount*" means, at any time, with respect to Cash Collateral consisting of cash or deposit account balances, an amount equal to 103% of the Fronting Exposure of all L/C Issuers with respect to Letters of Credit issued and outstanding at such time.

"*Moody's*" means Moody's Investors Service, Inc.

"*Mortgages*" means, collectively, each Mortgage and Security Agreement with Assignment of Rents and Open-End Mortgage and Security Agreement with Assignment of Rents between any Credit Party and the Agent relating to such Credit Party's real property, fixtures and interests in real property owned as of the Original Closing Date and Restatement Closing Date and commonly known as 100 Cherokee Cove Drive, Monroe County, Vonore Tennessee 37885 and any other mortgages or deeds of trust delivered to the Agent pursuant to Section 4.2 hereof, as the same may be amended, modified, supplemented or restated from time to time.

"*Multiemployer Plan*" means any employee benefit plan of the type described in Section 4001(a)(3) of ERISA, to which Borrower or any ERISA Affiliate makes or is obligated to make contributions, or during the preceding five (5) plan years, has made or been obligated to make contributions.

"*Multiple Employer Plan*" means a Plan which has two or more contributing sponsors (including Borrower or any ERISA Affiliate) at least two of whom are not under common control, as such a plan is described in Section 4064 of ERISA

"*Net Cash Proceeds*" means, as applicable, (a) with respect to any Disposition by a Person, cash and cash equivalent proceeds received by or for such Person's account, net of (i) reasonable direct costs relating to such Disposition (ii) sale, use or other transactional taxes paid or payable by such Person as a direct result of such Disposition, (iii) the amount of any Indebtedness secured by any Permitted Lien on any asset which is required to be and is, repaid in connection with such sale or disposition, and (iv) reasonable amounts held in escrow or otherwise held as a reserve against any liabilities under any indemnification obligations associated with such Disposition, (b) with respect to any Event of Loss of a Person, cash and

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cash equivalent proceeds received by or for such Person's account (whether as a result of payments made under any applicable insurance policy therefor or in connection with condemnation proceedings or otherwise), net of reasonable direct costs incurred in connection with the collection of such proceeds, awards or other payments, and (c) with respect to any offering of equity securities of a Person or the issuance of any Indebtedness by a Person, cash and cash equivalent proceeds received by or for such Person's account, net of (i) reasonable legal, underwriting, and other fees and expenses incurred as a direct result thereof and (ii) taxes paid or payable by such Person as a direct result of such offering or issuance.

"*Net Income*" means, with reference to any period, the net income (or net loss) of the Credit Parties and their Subsidiaries for such period computed on a consolidated basis in accordance with GAAP; *provided* that, there shall be excluded from Net Income (a) the net income (or net loss) of any Person accrued prior to the date it becomes a Subsidiary of, or has merged into or consolidated with, any Credit Party or another Subsidiary, except to the extent that the Credit Parties have delivered either (i) the financial statements of the Acquired Business for such period, which financial statements shall have been audited by an independent accounting firm reasonably satisfactory to the Agent or otherwise in a form reasonably acceptable to Agent, or (ii) a quality of earnings report of the Acquired Business covering such period, which quality of earnings report is in a form reasonably satisfactory to Agent, and the Agent agrees to the inclusion of such net income (or net loss) of such Person and (b) the net income (or net loss) of any Person (other than a Subsidiary) in which any Credit Party or any Subsidiary has an Equity Interest in, except to the extent of the amount of dividends or other distributions actually paid to any Credit Party or any Subsidiary during such period, (c) gains and losses or charges relating to the disposition of assets (other than the sale of inventory in the ordinary course of business), (d) gains and losses or charges relating to discontinued operations, (e) extraordinary gains and losses or charges, and (f) the impact of any purchase accounting treatment or changes in accounting principles.

"*Non-Consenting Lender*" means any Lender that does not approve any consent, waiver or amendment that (i) requires the approval of all affected Lenders in accordance with the terms of Section 10.9 and (ii) has been approved by the Required Lenders.

"*Non-Defaulting Lender*" means, at any time, each Lender that is not a Defaulting Lender at such time.

"*Non-Paying Guarantor*" is defined in Section 11.10.

"*Notes*" means and includes the Revolving Notes, the Term Notes and the Swing Note.

"*Obligations*" means all obligations of any Borrower to pay principal and interest on the Loans, all Reimbursement Obligations owing under the Applications, all fees and charges payable hereunder, and all other payment obligations (monetary (including post-petition interest, allowed or not) or otherwise) of any Credit Party or any Subsidiary of any Credit Party arising under or in relation to any Loan Document, all Rate Management Obligations permitted hereunder, and all Banking Services Obligations, in each case whether now existing or hereafter arising, due or to become due, direct or indirect, absolute or contingent, and howsoever

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evidenced, held or acquired. Notwithstanding the foregoing, the term Obligations shall exclude any Excluded Swap Obligation.

"*Original Closing Date*" means December 20, 2013.

"*Original Loan Agreement*" is defined in the Recitals hereto.

"*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 solely 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 Loan Document, or sold or assigned an interest in any Loan or Loan 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 Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 8.6).

"*Outstanding Indebtedness*" is defined in Section 1.5 hereof.

"*Outstanding Revolving Loans*" is defined in Section 1.5 hereof.

"*Outstanding Term Loans*" is defined in Section 1.5 hereof.

"*Participant*" has the meaning assigned to such term in clause (d) of Section 10.8.

"*Participant Register*" has the meaning specified in clause (d) of Section 10.8.

"*Participating Interest*" is defined in Section 2.3(d) hereof.

"*Participating Lender*" is defined in Section 2.3(d) hereof.

"*Parts*" means MasterCraft Parts, Ltd., a United Kingdom private limited company, a wholly-owned Subsidiary of Holdings, and an Excluded Subsidiary hereunder.

"*PATRIOT ACT*" is defined in Section 5.24(b) hereof.

"*Paying Guarantor*" is defined in Section 11.10 hereof.

"*Payment in Full*" means, as of any date of determination, that (a) the Obligations and the Guarantied Obligations (in each case, other than contingent indemnification obligation and reimbursement obligations in respect of which no claim for payment has yet been asserted by the Person entitled thereto, and Banking Services Obligations not then due and owing), as applicable, are fully paid and satisfied, (b) all Letters of Credit have been cancelled and returned to the L/C Issuer or either (i) replaced by an irrevocable letter of credit, on terms acceptable to

the L/C Issuer, issued by a financial institution acceptable to the L/C Issuer, or (ii) Cash Collateralized, in each case, in an amount at least equal to 103% of the L/C Obligations, as of such date and on terms satisfactory to the L/C Issuer, and (c) the Commitments and this Agreement are terminated.

"*PBGC*" means the Pension Benefit Guaranty Corporation or any Person succeeding to any or all of its functions under ERISA.

"*Pension Act*" means the Pension Protection Act of 2006.

"*Pension Funding Rules*" means the rules of the Code and ERISA regarding minimum required contributions (including any installment payment thereof) to Pension Plans and set forth in, with respect to plan years ending prior to the effective date of the Pension Act, Section 412 of the Code and Section 302 of ERISA, each as in effect prior to the Pension Act and, thereafter, Section 412, 430, 431, 432 and 436 of the Code and Sections 302, 303, 304 and 305 of ERISA.

"*Pension Plan*" means any employee pension benefit plan (including a Multiple Employer Plan or a Multiemployer Plan) that is maintained or is contributed to by Borrower and any ERISA Affiliate and is either covered by Title IV of ERISA or is subject to the minimum funding standards under Section 412 of the Code.

"*Percentage*" means for any Lender its Applicable Percentage, Term Loan Percentage; and where the term "*Percentage*" is applied on an aggregate basis (including, without limitation, Section 9.6 hereof), such aggregate percentage shall be calculated by aggregating the separate components of the Applicable Percentage, Term Loan Percentage, and expressing such components on a single percentage basis.

"*Permitted Acquisition*" means (i) any Acquisition pursuant to which Agent and Required Lenders grant their prior written consent (which consent may be granted or withheld in each Person's sole and absolute discretion) or (ii) any Acquisition with respect to which all of the following conditions shall have been satisfied (unless otherwise approved in writing by Required Lenders):

(a) not less than twenty (20) Business Days prior to the anticipated consummation thereof, Agent shall have received written notice of a proposed Acquisition and, to the extent available (or, if later, promptly after they become available) copies of all material Acquisition documents (with appropriate updated drafts thereof to be delivered to Agent promptly following the general distribution thereof);

(b) Agent shall have received *pro forma* financial statements and a *pro forma* Compliance Certificate demonstrating that, after giving effect to such Acquisition, and on a trailing twelve (12) month basis, the Credit Parties and their Subsidiaries shall have (i) a Senior Leverage Ratio and a Total Leverage Ratio equal to or less than the Senior Leverage Ratio and Total Leverage Ratio, respectively, required by Sections 6.23(a) and (b), respectively, for the most recent measurement period, and (ii) a Fixed Charge Coverage Ratio equal to or greater than the Fixed Charge Coverage Ratio required by Section 6.23(c) for the most recent measurement period;

(c) following receipt of the notice and other materials described in the preceding clause (a), upon the reasonable request of Agent, Borrower shall promptly provide to Agent (and Agent shall promptly provide copies to the Lenders) (i) historical financial statements of the applicable target(s) for the most recent twelve (twelve (12) months prior to such Acquisition for which such financial statements are available and (ii) all material due diligence and other material background materials made available to any Credit Party with respect to the entity or assets to be acquired in such Acquisition, including without limitation, additional financial statements and environmental reports, together with such other material information as Agent may reasonably request;

(d) no Default or Event of Default shall exist prior to, or as the result of, such Acquisition;

(e) no more than three (3) Permitted Acquisitions shall be completed in a fiscal year of the Credit Parties;

(f) at any time the Total Leverage Ratio is greater than 2.00 to 1.0 on a *pro forma* basis after giving effect to a proposed Acquisition, the Total Consideration for Permitted Acquisitions shall not exceed $10,000,000 for any one Permitted Acquisition or $20,000,000 in the aggregate for all Permitted Acquisitions during the term of the Credit Agreement;

(g) the proposed Acquired Business must have generated zero or positive EBITDA (with adjustments limited to shareholder distributions, owners' compensation and pro forma cost structure/headcount adjustments and other adjustments as may be agreed by Agent and Borrower Representative) in the preceding year;

(h) after giving effect to the proposed Acquisition, Borrowers shall have *pro forma* Revolving Loan Availability of at least $5,000,000;

(i) the Acquired Business is in the same or similar line of business as Borrowers and has its primary operations in the United States (and, if an entity is being acquired, such entity is organized under the laws of a state of the United States);

(j) the Permitted Acquisition shall not be a Hostile Acquisition;

(k) contemporaneously with the closing of such Permitted Acquisition, Agent shall be granted a first priority perfected security interest (subject to Permitted Liens) in all assets of the Acquired Business and, if any entity is to be acquired, to the extent required by this Agreement (i) the Equity Interests of such Acquired Business shall be pledged to Agent, (ii) such entity shall become a Guarantor or Borrower (as determined by Agent), and (iii) such entity shall execute and deliver to Agent a joinder agreement to this Agreement and the Security Agreement and such other documents and instruments as reasonably required by Agent and the Lenders; and

(l) Borrower Representative shall certify the satisfaction of the foregoing conditions on or prior to the date such Acquisition is consummated.

"*Permitted Discretion*" means a determination made in good faith and in the exercise of commercially reasonable (from the perspective of a secured lender) credit judgment.

"*Permitted Lien*" is defined in Section 6.12 hereof.

"*Permitted Refinancing Indebtedness*" means, with respect to any Indebtedness, any extensions, renewals or refinancing of any such Indebtedness (as used in the definition, the refinancing Indebtedness); provided, that (a) the principal amount of such Indebtedness is not increased at the time of extension, renewal or refinancing except by an amount equal to a reasonable premium or other reasonable amount paid, and fees and expenses reasonably incurred, in connection with such refinancing and by an amount equal to any existing commitments unutilized thereunder; (b) the refinancing Indebtedness is on the whole and in all material respects on terms no less favorable (as adjusted for current market conditions) to the Credit Parties than such Indebtedness; (c) the weighted average life to maturity of the refinancing Indebtedness is greater than the weighted average life to maturity of such Indebtedness; (d) if such Indebtedness is (i) Subordinated Debt, the refinancing Indebtedness is subordinated to the Obligations to the same extent that such Indebtedness is subordinated to the Obligations; or (ii) unsecured, such refinancing Indebtedness shall be unsecured; and (e) the refinancing Indebtedness is incurred by the same Person or Persons (or their successor(s)) that initially incurred (including, without limitation, by Guaranty) such Indebtedness.

"*Permitted Tax Distributions*" means, for so long as any Borrower (i) is treated as a disregarded entity of which Holdings is the sole owner for U.S. federal income tax purposes or (ii) is a corporation that files consolidated, combined, unitary or similar tax returns with Holdings for U.S. federal (or state and local) income tax purposes, cash distributions by such Borrower to Holdings in amounts sufficient to permit Holdings to pay federal, state and local income taxes (including estimated taxes) then due and payable, to the extent such taxes are attributable to income or gain of such Borrower or any Subsidiary of such Borrower.

"*Person*" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"*Plan*" means any employee pension benefit plan covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code that either (a) is maintained by a member of the Controlled Group for employees of a member of the Controlled Group or (b) is a Multiemployer Plan (as defined in Section 4001(a)(3) of ERISA) or any other arrangement under which more than one employer makes contributions and to which a member of the Controlled Group is then making or accruing an obligation to make contributions or has within the preceding five (5) plan years made contributions.

"*Post-Closing Agreement*" means that certain Post-Closing Agreement between the Credit Parties and Agent dated as of the Restatement Closing Date.

"*Premises*" means the real property owned or leased by any Credit Party or any Subsidiary, including, without limitation, the real property and improvements thereon owned by any Credit Party or any Subsidiary subject to the Lien of the Mortgages or any other Collateral Documents.

"*Proceeding*" is defined in Section 10.08(g) hereof.

"*Property*" means, as to any Person, all types of real, personal, tangible, intangible or mixed property owned by such Person whether or not included in the most recent balance sheet of such Person and its Subsidiaries under GAAP.

"*Qualified ECP Guarantor*" shall mean, in respect of any Swap Obligation, each Credit Party that has total assets exceeding $10,000,000 at the time such Swap Obligation is incurred or such other Person as constitutes an "eligible contract participant" under the Commodity Exchange Act or any regulations promulgated thereunder and can cause another Person to qualify as an "eligible contract participant" at such time by entering into a keepwell, support or other agreement as contemplated by Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

"*Rate Management Agreement*" means any agreement, device or arrangement providing for payments which are related to fluctuations of interest rates, exchange rates, forward rates, or equity prices, including, but not limited to, dollar-denominated or cross-currency interest rate exchange agreements, forward currency exchange agreements, interest rate cap or collar protection agreements, forward rate currency or interest rate options, puts and warrants, and any agreement pertaining to equity derivative transactions (e.g., equity or equity index swaps, options, caps, floors, collars and forwards), including without limitation any ISDA Master Agreement between the Credit Parties (or any one or more of them) and Agent, any Lender, or any Affiliate of Agent or any Lender, and any schedules, confirmations and documents and other confirming evidence between the parties confirming transactions thereunder, all whether now existing or hereafter arising, and in each case as amended, modified or supplemented from time to time.

"*Rate Management Obligations*" means any and all obligations of any Borrower to Agent, any Lender, or any Affiliate of Agent or any Lender, whether absolute, contingent or otherwise and howsoever and whensoever (whether now or hereafter) created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor), under or in connection with (i) any and all Rate Management Agreements, and (ii) any and all cancellations, buy-backs, reversals, terminations or assignments of any Rate Management Agreement.

"*RCRA*" means the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976 and Hazardous and Solid Waste Amendments of 1984, 42 U.S.C. §§6901 *et seq*., and any future amendments.

"*Recipient*" means (a) the Agent, (b) any Lender and (c) any L/C Issuer, as applicable.

"*Register*" is defined in Section 10.8(c) hereof.

"*Reimbursement Obligation*" is defined in Section 2.3(c) hereof.

"*Related Parties*" means, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person's Affiliates.

"*Release*" shall mean any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, disposing or migration into the environment.

"*Remittances*" means all checks, drafts, money orders, electronic funds transfers, and other items and all cash and other remittances of every kind due any Borrower on its Accounts or other Collateral.

"*Required Lenders*" means, at any time, Lenders having Total Credit Exposures representing more than 50% of the Total Credit Exposures of all Lenders; *provided*, *however*, (a) if there are two (2) Lenders (not including Affiliated Lenders), Required Lenders shall mean both Lenders, (b) if there are three (3) Lenders (not including Affiliated Lenders), Required Lenders shall mean Lenders (not including Affiliated Lenders) having Total Credit Exposures representing at least 66 2/3% of the Total Credit Exposures of all Lenders, and (c) Lenders that are Affiliates of one another shall be considered as one Lender. The Total Credit Exposure of any Defaulting Lender shall be disregarded in determining Required Lenders at any time.

"*Required Revolving Lenders*" means, at any time, Revolving Lenders having Total Credit Exposures representing more than 50% of the Total Credit Exposures of all Revolving Lenders; *provided*, *however*, (a) if there are two (2) Revolving Lenders (not including Affiliated Lenders), Required Lenders shall mean both Revolving Lenders, (b) if there are three (3) Revolving Lenders (not including Affiliated Lenders), Required Lenders shall mean Revolving Lenders (not including Affiliated Lenders) having Total Credit Exposures representing at least 66 2/3% of the Total Credit Exposures of all Revolving Lenders, and (c) Revolving Lenders that are Affiliates of one another shall be considered as one Revolving Lender. The Total Credit Exposure of any Defaulting Lender shall be disregarded in determining Required Revolving Lenders at any time.

"*Reserve Percentage*" means, for any Borrowing of Eurodollar Loans, the daily average for the applicable Interest Period of the maximum rate, expressed as a decimal, at which reserves (including, without limitation, any supplemental, marginal, and emergency reserves) are imposed during such Interest Period by the Board of Governors of the Federal Reserve System (or any successor) on "*eurocurrency liabilities*", as defined in such Board's Regulation D (or in respect of any other category of liabilities that includes deposits by reference to which the interest rate on Eurodollar Loans is determined or any category of extensions of credit or other assets that include loans by non-United States offices of any Lender to United States residents), subject to any amendments of such reserve requirement by such Board or its successor, taking into account any transitional adjustments thereto. For purposes of this definition, the Eurodollar Loans shall be deemed to be "*eurocurrency liabilities*" as defined in Regulation D without benefit or credit for any prorations, exemptions or offsets under Regulation D.

"*Responsible Officer*" means each of the chief executive officer, the president, the treasurer, the comptroller, the chief financial officer and principal accounting officer of a Credit Party or Borrower Representative, as applicable, or any other officer or individual having substantially the same authority and responsibility.

"*Restatement Closing Date*" means March 13, 2015.

"*Restatement Closing Date Dividend*" is defined in Section 5.7 hereof.

"*Restricted Payment*" means (a) any dividend or other distribution, direct or indirect, on account of any shares (or equivalent) of any class of capital stock or other Equity Interest of any Credit Party or any of its Subsidiaries, now or hereafter outstanding, (b) any redemption, retirement, sinking fund or similar payment,

purchase or other acquisition for value, direct or indirect, of any shares (or equivalent) of any class of capital stock or other Equity Interest of any Credit Party or any of its Subsidiaries, now or hereafter outstanding, (c) 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 or other Equity Interest of any Credit Party or any of its Subsidiaries, now or hereafter outstanding, (d) any payment or prepayment of principal of, premium, if any, or interest on, redemption, purchase, retirement, defeasance, sinking fund or similar payment with respect to, any Subordinated Debt (if any) of any Credit Party or any of its Subsidiaries, (e) any payment from any Credit Party to an owner of its Equity Interests not expressly permitted by Section 6.15, and (f) the payment by any Credit Party or any of its Subsidiaries of any management, advisory or consulting fee to any Person or the payment of any extraordinary salary, bonus or other form of compensation to any Person who is directly or indirectly a significant partner, shareholder, owner or executive officer of any such Person, including, without limitation, pursuant to any management fee agreements.

"*Reuters Screen LIBOR01 Page*" means the display designated as the "LIBOR01 Page" on the Reuters Service (or such other page as may replace the LIBOR01 Page on that service or such other service as may be nominated by the ICE Benchmark Administration as the information vendor for the purpose of displaying ICE Benchmark Administration Interest Settlement Rates for U.S. Dollar deposits ("*ICE LIBOR*") or such other commercially available source providing quotations of ICE LIBOR as designated by the Administrative Agent from time to time).

"*Revolving Credit*" means the credit facility for making Revolving Loans, and Swing Loans and issuing Letters of Credit described in Sections 2.2, 2.3 and 2.11 hereof.

"*Revolving Credit Commitment*" means, as to any Lender, the obligation of such Lender to make Revolving Loans and to participate in Swing Loans and Letters of Credit issued for the account of Borrowers hereunder in an aggregate principal or face amount at any one time outstanding not to exceed the amount set forth opposite such Lender's name on Schedule 1 attached hereto and made a part hereof, as the same may be reduced, increased or otherwise modified at any time or from time to time pursuant to the terms hereof. Borrowers and the Lenders acknowledge and agree that the Revolving Credit Commitments of the Lenders aggregate $30,000,000 on the Restatement Closing Date.

"*Revolving Credit Exposure*" means, as to any Revolving Lender at any time, the aggregate principal amount at such time of its outstanding Revolving Loans and such Revolving Lender's participation in L/C Obligations and Swing Loans at such time.

"*Revolving Credit Termination Date*" means the Maturity Date or such earlier date on which the Revolving Credit Commitments are terminated in whole pursuant to Section 2.10, 7.2 or 7.3 hereof.

"*Revolving Lender*" means, as of any date of determination, a Lender with a Revolving Credit Commitment or, if the Revolving Credit Commitments have terminated or expired, a Lender with Revolving Credit Exposure

"*Revolving Loan*" is defined in Section 2.2 hereof and, as so defined, includes a Base Rate Loan or a Eurodollar Loan, each of which is a "*type*" of Revolving Loan hereunder.

"*Revolving Loan Availability*" means, as at any time, an amount, in Dollars, equal to:

(a) an amount equal to the lesser of: (i) the then existing Revolving Loan Limit based upon the most recent Compliance Certificate and (ii)the then effective total Revolving Credit Commitment;

less (b) the aggregate outstanding principal amount of all Revolving Loans and Swing Loans; and

less (c) the then existing L/C Obligations.

"*Revolving Loan Limit*" means, as of any date of calculation, the product of (a) EBITDA multiplied by (b) the Applicable Advance Multiple as of such date. For purposes of calculating the Revolving Loan Limit as of any date of calculation, EBITDA shall be calculated for the twelve (12) month period ending on the date most recently ended for which financial statements described in Section 6.1(a) of the Credit Parties and their Subsidiaries on a consolidated basis were delivered to Agent.

"*Revolving Note*" is defined in Section 2.12(d) hereof.

"*S&P*" means Standard & Poor's Ratings Services Group, a division of The McGraw-Hill Companies, Inc.

"*Sales Administration*" means MasterCraft International Sales Administration, Inc., a Delaware corporation.

"*Security Agreement*" means that certain Amended and Restated Security Agreement dated as of the Restatement Closing Date by and among the Credit Parties and the Agent, as the same may be amended, modified, supplemented or restated from time to time.

"*Senior Funded Debt*" means, at any time the same is to be determined, the aggregate of all Indebtedness of the Credit Parties and their Subsidiaries at such time determined on a consolidated basis in accordance with GAAP other than (i) Subordinated Debt of the Credit Parties and their Subsidiaries, and (ii) Floorplan Repurchase Obligations, as of such date.

"*Senior Leverage Ratio*" means, as of the date of determination thereof, the ratio of (a) Senior Funded Debt as of such date to (b) EBITDA for the period of four fiscal quarters then ended.

"*Services*" means MasterCraft Services, Inc., a Tennessee corporation, a Subsidiary of MasterCraft, and a Borrower hereunder.

"*Settlement*" is defined in Section 2.11(d) hereof.

"*Settlement Date*" is defined in Section 2.11(d) hereof.

"*Sponsor*" means Wayzata Investment Partners LLC, a Delaware limited liability company.

"*Sponsor Entities*" means, individually and collectively, each Affiliate of Sponsor.

"*Subordinated Debt*" shall mean, collectively, all Indebtedness of any Credit Party or any Subsidiary that is subordinated to the Obligations pursuant to a Subordination Agreement or the terms thereof in a manner reasonably satisfactory to the Required Lenders, and contains terms, including, without limitation, payment terms, reasonably satisfactory to the Agent.

"*Subordinated Debt Documents*" shall mean, collectively, any and all instruments, documents and agreements executed and/or delivered in connection with any Subordinated Debt, in each case as amended, restated, supplemented or otherwise modified from time to time in accordance with the terms of the applicable Subordination Agreement.

"*Subordination Agreements*" shall mean, individually and collectively, all subordination agreements, intercreditor agreements, consent and similar agreements among any Credit Party, the Agent or any Lender and any holder of Indebtedness, whether entered into on or prior to the date hereof or from time to time hereafter, together with all modifications, amendments and restatements of any of the foregoing.

"*Subsidiary*" means, as to any particular parent corporation or organization, any other corporation or organization more than 50% of the outstanding Voting Stock of which is at the time directly or indirectly owned by such parent corporation or organization or by any one or more other entities which are themselves subsidiaries of such parent corporation or organization. Unless the context otherwise requires, the term "*Subsidiary*" means a Subsidiary of any Borrower and any direct or indirect Subsidiaries of any of the foregoing.

"*Swap Obligation*" means any Rate Management Obligation that constitutes a "swap" within the meaning of section 1a(47) of the Commodity Exchange Act, as amended from time to time.

"*Swing Line*" means the credit facility for making one or more Swing Loans described in Section 2.11 hereof.

"*Swing Line Lender*" means Fifth Third, in its capacity as lender of Swing Loans hereunder and any successor Swing Line Lender hereunder.

"*Swing Line Sublimit*" means $10,000,000, as reduced pursuant to the terms hereof.

"*Swing Loan*" and "*Swing Loans*" each is defined in Section 2.11 hereof.

"*Swing Note*" is defined in Section 2.12(d) hereof.

"*Taxes*" 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.

"*Term Credit*" means the credit facility for the Term Loans described in Section 2.1(a) hereof.

"*Term Lender*" means, as of any date of determination, a Lender with a Term Loan Commitment.

"*Term Loan*" is defined in Section 2.1 hereof and, as so defined, includes aBase Rate Loan or a Eurodollar Loan as permitted hereunder, each of which is a "*type*" of Loan hereunder.

"*Term Loan Commitment*" means, as to any Term Lender, the obligation of such Lender to make its Term Loan on the Restatement Closing Date, in the principal amount not to exceed the amount set forth opposite such Lender's name on Schedule 1 attached hereto and made a part hereof, as of such date. The Term Loan Commitments of the Term Lenders aggregate $75,000,000 as of the Restatement Closing Date. After advancing the Term Loan, each reference to a Term Loan Commitment of a Term Lender shall refer to such Term Lender's Term Loan Percentage.

"*Term Loan Percentage*" means, for each Term Lender, the percentage of the Term Loan Commitments represented by such Term Lender's Term Loan Commitment or, if the Term Loan Commitments have been terminated or have expired, the percentage held by such Term Lender of the aggregate principal amount of all Term Loans then outstanding.

"*Term Note*" is defined in Section 2.12 hereof.

"*Total Consideration*" means, with respect to an Acquisition, the total sum (but without duplication) of (a) cash paid (or to be paid as an earn-out) in connection with any Acquisition, plus (b) indebtedness payable to the seller in connection with such Acquisition, plus (c) the fair market value of any equity securities, including any warrants or options therefor, delivered in connection with any Acquisition, plus (d) the amount of indebtedness assumed in connection with such Acquisition.

"*Total Credit Exposure*" means, as to any Lender at any time, the Unused Revolving Credit Commitments, Revolving Credit Exposure and outstanding Term Loans of such Lender at such time.

"*Total Funded Debt*" means, at any time the same is to be determined, the aggregate of all Indebtedness of the Credit Parties and their Subsidiaries at such time (other than Floorplan Repurchase Obligations) determined on a consolidated basis in accordance with GAAP.

"*Total Leverage Ratio*" means, as of the date of determination thereof, the ratio of (a) Total Funded Debt to (b) EBITDA for the period of four fiscal quarters then ended.

"*UCC*" is defined in Section 1.2 hereof.

"*United States*" and "*U.S.*" means United States of America.

"*Unliquidated Obligations*" means, at any time, any Obligations (or portion thereof) that are contingent in nature or unliquidated, including any Secured Obligation that is: (i) an obligation to reimburse a bank for drawings not yet made under a letter of credit issued by it; (ii) any other obligation (including any guarantee) that is contingent in nature; or (iii) an obligation to provide collateral to secure any of the foregoing types of obligations.

"*Unused Revolving Credit Commitments*" means, at any time, the difference between the Revolving Credit Commitments then in effect and the aggregate outstanding principal amount of Revolving Loans and L/C Obligations; *provided* that Swing Loans outstanding from time to time shall be deemed to reduce the Unused Revolving Credit Commitment of the Agent (but for the avoidance of doubt, no other Lender) for purposes of computing the Commitment Fee under Section 2.13(a) hereof.

"*U.S. Borrower*" means any Borrower that is a U.S. Person.

"*U.S. Person*" means any Person that is a "United States person" as defined in Section 7701(a)(30) of the Code.

"*U.S. Tax Compliance Certificate*" has the meaning assigned to such term in Section 8.5(g)(ii).

"*Voting Stock*" of any Person means capital stock or other Equity Interests of any class or classes (however designated) having ordinary power for the election of directors or other similar governing body of such Person (including, without limitation, general partners of a partnership), other than stock or other Equity Interests having such power only by reason of the happening of a contingency.

"*Wholly-Owned Subsidiary*" means, at any time, any Subsidiary of which all of the issued and outstanding shares of capital stock (other than directors' qualifying shares as required by law) or other Equity Interests are owned by any one or more of Holdings and Holdings' other Wholly-Owned Subsidiaries at such time.

"*Withholding Agent*" means any Credit Party and the Agent.

Section 1.2 Interpretation. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person's successors and assigns, (c) the words "herein," "hereof and "hereunder," and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular

provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, (e) any reference to any law or regulation herein shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (f) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights. All references to time of day herein are references to Cincinnati, Ohio, time unless otherwise specifically provided. Where the character or amount of any asset or liability or item of income or expense is required to be determined or any consolidation or other accounting computation is required to be made for the purposes of this Agreement, it shall be done in accordance with GAAP except where such principles are inconsistent with the specific provisions of this Agreement. All terms that are used in this Agreement without definition and which are defined in the Uniform Commercial Code of the State of Illinois as in effect from time to time ("*UCC*") shall have the same meanings herein as such terms are defined in the UCC, unless this Agreement shall otherwise specifically provide.

Section 1.3 Change in Accounting Principles. All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP, as in effect from time to time. If, after the date of this Agreement, there shall occur any change in GAAP from those used in the preparation of the financial statements referred to in Section 5.3 hereof and such change shall result in a change in the method of calculation of any financial covenant, standard or term found in this Agreement, either Borrower Representative or the Required Lenders may by notice to the Lenders and Borrower Representative, respectively, require that the Lenders and Borrower Representative negotiate in good faith to amend such covenants, standards, and term so as equitably to reflect such change in accounting principles, with the desired result being that the criteria for evaluating the financial condition of Credit Parties and their Subsidiaries shall be the same as if such change had not been made. No delay by Borrower Representative or the Required Lenders in requiring such negotiation shall limit their right to so require such a negotiation at any time after such a change in accounting principles. Until any such covenant, standard, or term is amended in accordance with this Section 1.3, financial covenants shall be computed and determined in accordance with GAAP in effect prior to such change in accounting principles. Without limiting the generality of the foregoing, Credit Parties shall neither be deemed to be in compliance with any financial covenant hereunder nor out of compliance with any financial covenant hereunder if such state of compliance or noncompliance, as the case may be, would not exist but for the occurrence of a change in accounting principles after the date hereof. Notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made, without giving effect to any election under Statement of Financial Accounting Standards 159 (Codification of Accounting Standards 825-10) to value any Indebtedness or other liabilities of any Credit Party or any Subsidiary at "fair value", as defined therein. If at any time after the Restatement Closing Date, any obligations of the Credit Parties that would not have constituted Indebtedness as of the Restatement Closing Date are recharacterized as Indebtedness in accordance with any relevant changes in GAAP, such recharacterized obligations shall not be considered Indebtedness for all purposes hereunder.

Section 1.4 Financial Covenant Calculations. The parties hereto acknowledge and agree that, for purposes of all calculations made in determining compliance for any applicable period with the financial covenants set forth in Section 6.7 and for purposes of determining the Applicable Margin, (i) after consummation of any Permitted Acquisition, (A) income statement items and other balance sheet items (whether positive or negative) attributable to the target acquired in such transaction shall be included in such calculations to the extent relating to such applicable period (including by adding any cost saving synergies

associated with such Permitted Acquisition in a manner reasonably satisfactory to the Agent), subject to adjustments mutually acceptable to Borrowers and the Agent and (B) Indebtedness of a target which is retired in connection with a Permitted Acquisition shall be excluded from such calculations and deemed to have been retired as of the first day of such applicable period and (ii) after any Disposition permitted by Section 6.8), (A) income statement items, cash flow statement items and balance sheet items (whether positive or negative) attributable to the property or assets disposed of shall be excluded in such calculations to the extent relating to such applicable period, subject to adjustments mutually acceptable to Borrowers and the Agent and (B) Indebtedness that is repaid with the proceeds of such Disposition shall be excluded from such calculations and deemed to have been repaid as of the first day of such applicable period.

Section 1.5 Outstanding Obligations. Each of the Credit Parties acknowledges and confirms that as of the Restatement Closing Date, Borrowers are indebted to the Lenders without defense, set-off or counter-claim under the Original Loan Agreement in the principal amount of (i) $25,000,000 in respect of the 2013 Term Loan and $25,000,000 in respect of the 2014 Term Loan, advanced in connection with the Original Loan Agreement (the "*Outstanding Term Loan*"), and (ii) $0.00, the amount of the Revolving Loans outstanding on the Restatement Closing Date in connection with the Original Loan Agreement (the "*Outstanding Revolving Loans*" and together with the Outstanding Term Loan, the "*Outstanding Indebtedness*"). This Agreement amends and restates the Original Loan Agreement, and the Outstanding Indebtedness shall be deemed to constitute a Loan hereunder. The execution and delivery of this Agreement and the other Loan Documents, however, does not evidence or represent a refinancing, repayment, accord and/or satisfaction or novation of the Outstanding Indebtedness. All of Lenders' obligations to Borrowers with respect to Loans to be made concurrently herewith (including the Outstanding Indebtedness, which is deemed to have been made on the Restatement Closing Date) or after the date hereof are set forth in this Agreement. All Liens and security interests previously granted to Agent, for the benefit of itself and the Lenders, pursuant to the Original Loan Agreement and/or the loan documents entered into in connection therewith, as applicable, are acknowledged and reconfirmed and remain in full force and effect and are not intended to be released, replaced or impaired.

SECTION 2

THE CREDIT FACILITIES.

Section 2.1 Term Loan Commitments. Each Term Lender severally and not jointly agrees, subject to the terms and conditions hereof, to make a loan (each individually a "*Term Loan*" and, collectively, the "*Term Loans*") in Dollars to Borrowers in the amount of such Lender's Term Loan Commitment; provided, however, that (x) the Outstanding Term Loan shall be deemed to constitute a portion of the Term Loans and any Lender holding any portion of the

Outstanding Term Loan on the Restatement Closing Date shall be required to fund only its Term Loan Percentage of the Term Loans minus such Lender's term loan percentage (calculated for purposes in accordance with the terms of the Original Loan Agreement) of the Outstanding Term Loan on the Restatement Closing Date and (y) immediately following the Restatement Closing Date and at any time required thereafter, in connection with the increase in the Term Loan Commitment pursuant to this Agreement, the Term Lenders shall purchase and sell outstanding Term Loans among themselves such that after giving effect to such sales, the Term Loans held by each Term Lender equals its Term Loan Percentage for Term Loans. Other than the Outstanding Term Loan, the Term Loan shall be advanced in a single Borrowing on the Restatement Closing Date. As provided in Section 2.5(a), and subject to the terms hereof, Borrowers may elect that all or any part of the Term Loan be outstanding as Base Rate Loans or Eurodollar Loans. No amount of the Term Loan may be reborrowed once it is repaid.

Section 2.2 Revolving Credit Commitments. The Outstanding Revolving Loans shall be deemed to constitute an initial Revolving Loan on the Restatement Closing Date. Immediately following the increase in the Revolving Credit Commitment pursuant to this Agreement and at any time required thereafter, the Revolving Lenders shall purchase and sell outstanding Revolving Loans among themselves such that after giving effect to such sales, the Revolving Loans held by each Revolving Lender equals its Applicable Percentage for Revolving Loans. Prior to the Revolving Credit Termination Date, each Revolving Lender severally and not jointly agrees, subject to the terms and conditions hereof, to make revolving loans (each individually a *"Revolving Loan"* and, collectively, the *"Revolving Loans"*) in Dollars to Borrowers from time to time up to the amount of such Lender's Revolving Credit Commitment in effect at such time; *provided, however,* that no such Revolving Loan shall result in (a) such Lender's Revolving Credit Exposure exceeding such Lender's Revolving Credit Commitment or (b) the aggregate Revolving Credit Exposures of all Revolving Lenders exceeding the lesser of (x) the total Revolving Credit Commitments and (y) the Revolving Loan Limit. Subject to the terms and conditions of this Agreement, Revolving Loans shall be made against the Revolving Loan Limit, subject to the provisions of Section 2.11(b) (Overadvances). The Revolving Loan Limit shall be determined by Agent based upon the EBITDA of the Credit Parties as set forth on the most recent Compliance Certificate delivered to Agent in accordance with Section 6.1(d) hereof and such other information as may be available to Agent. If at any time the outstanding Revolving Loans exceed either the Revolving Loan Limit or the aggregate Revolving Credit Commitments, the outstanding L/C Obligations and the outstanding Swing Loans, Borrowers shall immediately, and without the necessity of demand by Agent, pay to Agent such amount as may be necessary to eliminate such excess and Agent shall apply such payment as follows (i) to any outstanding Swing Loans, (ii) to outstanding Revolving Loans, and (iii) to Cash Collateralize outstanding L/C Obligations. Each Borrowing of Revolving Loans shall be made ratably by the Revolving Lenders in proportion to their respective Applicable Percentages. As provided in Section 2.5(a), and subject to the terms hereof, Borrower Representative may elect that each Borrowing of Revolving Loans be either Base Rate Loans or Eurodollar Loans. Revolving Loans may be repaid and reborrowed before the Revolving Credit Termination Date, subject to the terms and conditions thereof.

Section 2.3 Letters of Credit.

(a) *General Terms*. Subject to the terms and conditions hereof, as part of the Revolving Credit, the L/C Issuer shall issue commercial and standby letters of credit (each a "*Letter of Credit*") for the account of Borrowers' in an aggregate undrawn face amount up to the L/C Sublimit; *provided, however,* no such Letter of Credit shall result in (a) such Lender's Revolving Credit Exposure exceeding such Lender's Revolving Credit Commitment or (b) the aggregate Revolving Credit Exposures of all Lenders exceeding the lesser of (x) the total Revolving Credit Commitments and (y) the Revolving Loan Limit. Each Lender shall be obligated to reimburse the L/C Issuer for such Lender's Applicable Percentage of the amount of each drawing under a Letter of Credit and, accordingly, each Letter of Credit shall constitute usage of the Revolving Credit Commitment of each Lender pro rata in an amount equal to its Applicable Percentage of the L/C Obligations then outstanding.

(b) *Applications*. At any time before the Revolving Credit Termination Date, the L/C Issuer shall, at the request of Borrower Representative, issue one or more Letters of Credit in Dollars, in form and substance acceptable to the L/C Issuer, with expiration dates no later than the earlier of (i) 12 months from the date of issuance (or which are cancelable not later than 12 months from the date of issuance and each renewal), or (ii) the Revolving Credit Termination Date, in an aggregate face amount as set forth above, upon the receipt of a duly executed application for the relevant Letter of Credit in the form then customarily prescribed by the L/C Issuer for the Letter of Credit requested (each an "*Application*"), provided that any Letter of Credit may provide by its terms for the automatic renewal thereof for additional 12 month periods, but in no event beyond the Maturity Date unless such Letter of Credit is Cash Collateralized in an amount equal to 103% of the L/C Obligations pursuant to documentation reasonably satisfactory to the Agent in which case such Letter of Credit shall expire no

later than the date that is 15 days prior to the first anniversary of the Revolving Credit Termination Date. If any Letter of Credit when issued would extend beyond the Maturity Date, Borrowers shall deliver to the Agent on the date such Letter of Credit is issued, Cash Collateral in an amount equal to 103% of the L/C Obligations pursuant to documentation reasonably satisfactory to the Agent and any L/C Issuer if not the Agent. Notwithstanding anything contained in any Application to the contrary: (x) Borrowers shall pay fees in connection with each Letter of Credit as set forth in Section 2.13(b) hereof, and (y) if the L/C Issuer is not timely reimbursed for the amount of any drawing under a Letter of Credit on the date such drawing is paid, Borrowers' obligation to reimburse such L/C Issuer for the amount of such drawing shall bear interest (which each Borrower hereby promises to pay) from and after the date such drawing is paid at a rate per annum equal to the sum of 2.0% plus the Applicable Margin plus the Base Rate from time to time in effect (computed on the basis of a year of 365 or 366 days, as the case may be, and the actual number of days elapsed). Without limiting the foregoing, the L/C Issuer's obligation to issue, amend or extend the expiration date of a Letter of Credit is subject to the terms or conditions of this Agreement (including the conditions set forth in Section 3.1 and the other terms of this Section 2.3).

(c) *The Reimbursement Obligations*. Subject to Section 2.3(b) hereof, the obligation of Borrowers to reimburse the L/C Issuer for all drawings under a Letter of Credit (a "*Reimbursement Obligation*") shall be governed by the Application related to such Letter of Credit and this Agreement, except that reimbursement shall be made on the date when each

drawing is to be paid if Borrower Representative has been informed of such drawing by such L/C Issuer on or before 11:00 a.m. (Eastern time) on the date when such drawing is to be paid or, if notice of such drawing is given to Borrower Representative after 11:00 a.m. (Eastern time) on the date when such drawing is to be paid, by the next succeeding Business Day, in immediately available funds at the Agent's principal office in Cincinnati, Ohio or such other office as the Agent may designate in writing to Borrower Representative, and the Agent shall thereafter cause to be distributed to such L/C Issuer such amount(s) in like funds; *provided* that Borrower Representative shall be deemed to have requested, subject to the conditions to borrowing set forth in this Agreement, that such Reimbursement Obligation be financed with a Base Rate Revolving Loan in an equivalent amount and, to the extent so financed, Borrowers' obligation to make such payment shall be discharged and replaced by the resulting Base Rate Revolving Loan; *provided* that Borrower Representative shall be deemed to have requested, subject to the conditions to borrowing set forth in this Agreement, that such Reimbursement Obligation be financed with a Base Rate Revolving Loan in an equivalent amount and, to the extent so financed, Borrowers' obligation to make such payment shall be discharged and replaced by the resulting Base Rate Revolving Loan. If Borrowers do not make any such reimbursement payment on the date due and the Participating Lenders fund their participations in the manner set forth in Section 2.3(d) below, then all payments thereafter received by the Agent in discharge of any of the relevant Reimbursement Obligations shall be distributed in accordance with Section 2.3(d) below. In addition, for the benefit of the Agent, the L/C Issuer and each Lender, each Borrower agrees that, notwithstanding any provision of any Application, its obligations under this Section 2.3(c) and each Application shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement and the Applications, under all circumstances whatsoever, including without limitation (i) any lack of validity or enforceability of any Loan Document; (ii) any amendment or waiver of or any consent to departure from all or any of the provisions of any Loan Document; (iii) the existence of any claim, set-off, defense or other right any Borrower may have at any time against a beneficiary of a Letter of Credit (or any Person for whom a beneficiary may be acting), the Agent, any L/C Issuer, any Lender or any other Person, whether in connection with this Agreement, another Loan Document, the transaction related to the Loan Document or any unrelated transaction; (iv) any statement or any other document presented under a Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; (v) payment by the Agent or a L/C Issuer under a Letter of Credit against presentation to the Agent or a L/C Issuer of a draft or certificate that does not comply with the terms of the Letter of Credit, *provided* that the Agent's or L/C Issuer's determination that documents presented under the Letter of Credit comply with the terms thereof did not constitute gross negligence or willful misconduct of the Agent or L/C Issuer; or (vi) any other act or omission to act or delay of any kind by the Agent or a L/C Issuer, any Lender or any other Person or any other event or circumstance whatsoever that might, but for the provisions of this Section 2.3(c), constitute a legal or equitable discharge of any Borrower's obligations hereunder or under an Application; *provided* that the foregoing shall not be construed to excuse any L/C Issuer from liability to any Borrower to the extent of any direct damages (as opposed to consequential damages, claims in respect of which are hereby waived by each Credit Party to the extent permitted by applicable law) suffered by any Credit Party that are caused by such L/C Issuer's failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that,

in the absence of bad faith, gross negligence or willful misconduct on the part of the L/C Issuer (as determined by a final non-appealable decision of a court of competent jurisdiction), such L/C Issuer shall be deemed to have exercised care in each such determination. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter of Credit, the L/C Issuer may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit.

(d) *The Participating Interests*. Each Lender (other than the Lender acting as L/C Issuer) severally and not jointly agrees to purchase from the L/C Issuer, and such L/C Issuer hereby agrees to sell to each such Lender (a "*Participating Lender*"), an undivided participating interest (a "*Participating Interest*") to the extent of its Applicable Percentage in each Letter of Credit issued by, and each Reimbursement Obligation owed to, such L/C Issuer. Upon any Borrower's failure to pay any Reimbursement Obligation on the date and at the time required, or if any L/C Issuer is required at any time to return to any Borrower or to a trustee, receiver, liquidator, custodian or other Person any portion of any payment of any Reimbursement Obligation, each Participating Lender shall, not later than the Business Day it receives a certificate in the form of Exhibit A attached hereto from such L/C Issuer (with a copy to the Agent) to such effect, if such certificate is received before 1:00 p.m. (Eastern time), or not later than 1:00 p.m. (Eastern time) the following Business Day, if such certificate is received after such time, pay to the Agent for the account of such L/C Issuer an amount equal to such Participating Lender's Applicable Percentage of such unpaid Reimbursement Obligation together with interest on such amount accrued from the date such L/C Issuer made the related payment to the date of such payment by such Participating Lender at a rate per annum equal to: (i) from the date such L/C Issuer made the related payment to the date two (2) Business Days after payment by such Participating Lender is due hereunder, the Federal Funds Rate for each such day and (ii) from the date two (2) Business Days after the date such payment is due from such Participating Lender to the date such payment is made by such Participating Lender, the Base Rate in effect for each such day. Each such Participating Lender shall, after making its appropriate payment, be entitled to receive its Applicable Percentage of each payment received in respect of the relevant Reimbursement Obligation and of interest paid thereon, with the L/C Issuer retaining its Applicable Percentage thereof as a Lender hereunder.

The several obligations of the Participating Lenders to the L/C Issuers under this Section 2.3 shall be absolute, irrevocable and unconditional under any and all circumstances and shall not be subject to any set-off, counterclaim or defense to payment which any Participating Lender may have or has had against any Borrower, any L/C Issuer, the Agent, any Lender or any other Person. Without limiting the generality of the foregoing, such obligations shall not be affected by any Default or Event of Default or by any reduction or termination of the Revolving Credit Commitment of any Lender, and each payment by a Participating Lender under this Section 2.3 shall be made without any offset, abatement, withholding or reduction whatsoever.

(e) *Indemnification*. The Participating Lenders shall, to the extent of their respective Applicable Percentages, indemnify the L/C Issuer (to the extent not reimbursed by any Borrower) against any cost, expense (including reasonable counsel fees and disbursements),

claim, demand, action, loss or liability (except such as result from such L/C Issuer's gross negligence or willful misconduct as determined by a final non-appealable decision of a court of competent jurisdiction) that such L/C Issuer may suffer or incur in connection with any Letter of Credit issued by it. The obligations of the Participating Lenders under this Section 2.3(e) and all other parts of this Section 2.3 shall survive termination of this Agreement and of all Applications, Letters of Credit, and all drafts and other documents presented in connection with drawings thereunder.

(f) *Manner of Requesting a Letter of Credit*. Borrower Representative shall provide at least three (3) Business Days' advance written notice to the Agent (or such lesser notice as the Agent and the L/C Issuer may agree in their sole discretion) of each request for the issuance of a Letter of Credit, each such notice to be accompanied by a properly completed and executed Application for the requested Letter of Credit and, in the case of an extension or amendment or an increase in the amount of a Letter of Credit, a written request therefor, in a form acceptable to the Agent and the L/C Issuer, in each case, together with the fees called for by this Agreement. The Agent shall promptly notify the L/C Issuer of the Agent's receipt of each such notice and such L/C Issuer shall promptly notify the Agent and the Lenders of the issuance of a Letter of Credit.

Section 2.4 Applicable Interest Rates.

(a) *Base Rate Loans*. Each Base Rate Loan made or maintained by a Lender shall bear interest (computed on the basis of a year of 365 or 366 days, as the case may be, and the actual days elapsed) on the unpaid principal amount thereof from the date such Loan is advanced or created by conversion from a Eurodollar Loan until maturity (whether by acceleration or otherwise) at a rate per annum equal to the sum of the Applicable Margin plus the Base Rate from time to time in effect, payable in arrears on the last Business Day of each month and at maturity (whether by acceleration or otherwise).

(b) *Eurodollar Loans*. Each Eurodollar Loan made or maintained by a Lender shall bear interest during each Interest Period it is outstanding (computed on the basis of a year of 360 days and actual days elapsed) on the unpaid principal amount thereof from the date such Loan is advanced, continued or created by conversion from a Base Rate Loan until maturity (whether by acceleration or otherwise) at a rate per annum equal to the sum of the Applicable Margin plus the Adjusted LIBOR applicable for such Interest Period, payable in arrears on the last day of the Interest Period and at maturity (whether by acceleration or otherwise), provided that if the applicable Interest Period is longer than three (3) months, interest shall be payable on that day that is ninety (90) days after the commencement of such Interest Period.

(c) *Default Rate*. While any Event of Default exists or after acceleration, Borrowers shall pay interest (after as well as before entry of judgment thereon to the extent permitted by law) on the principal amount of all overdue amounts hereunder at a rate per annum equal to:

(i) for any Base Rate Loan (including any Swing Loan), the sum of two percent (2.0%) per annum plus the Applicable Margin plus the Base Rate from time to time in effect; and

(ii) for any Eurodollar Loan, the sum of two percent (2.0%) per annum plus the rate of interest in effect thereon at the time of such default until the end of the Interest Period applicable thereto and, thereafter, at a rate per annum equal to the sum of two percent (2.0%) plus the Applicable Margin for Base Rate Loans plus the Base Rate from time to time in effect;

provided, however, that in the absence of acceleration, any increase in interest rates pursuant to this Section shall be made at the election of the Agent, acting at the request or with the consent of the Required Lenders, with written notice to Borrower Representative. While any Event of Default exists or after acceleration, accrued interest shall be paid on demand of the Agent at the request or with the consent of the Required Lenders.

(d) *Rate Determinations*. The Agent shall determine each interest rate applicable to the Loans and the Reimbursement Obligations hereunder, and its determination thereof shall be conclusive and binding except in the case of demonstrable error.

Section 2.5 Manner of Borrowing Loans and Designating Applicable Interest Rates; Funding.

(a) *Notice to the Agent*. Borrower Representative shall give notice to the Agent by no later than 12:00 p.m. (Noon) (Eastern time): (x) at least three (3) Business Days before the date on which Borrower Representative requests the Lenders to advance a Borrowing of Eurodollar Loans and (y) on the date Borrower Representative requests the Lenders to advance a Borrowing of Base Rate Loans. The Loans included in each Borrowing shall bear interest initially at the type of rate specified in such notice. Thereafter, with respect to all such Loans, Borrower Representative may from time to time elect to change or continue the type of interest rate borne by each Borrowing or, subject to Section 2.6 hereof, a portion thereof, as follows: (i) if such Borrowing is of Eurodollar Loans, on the last day of the Interest Period applicable thereto, Borrower Representative may continue part or all of such Borrowing as Eurodollar Loans or convert part or all of such Borrowing into Base Rate Loans or (ii) if such Borrowing is of Base Rate Loans, on any Business Day, Borrower Representative may convert all or part of such Borrowing into Eurodollar Loans for an Interest Period or Interest Periods specified by Borrower Representative. Borrower Representative shall give all such notices requesting the advance, continuation or conversion of a Borrowing to the Agent by telephone or telecopy (which notice shall be irrevocable once given and, if by telephone, shall be promptly confirmed in writing), substantially in the form attached hereto as Exhibit B (Notice of Borrowing) or Exhibit C (Notice of Continuation/Conversion), as applicable, or in such other form acceptable to the Agent. Notice of the continuation of a Borrowing of Eurodollar Loans for an additional Interest Period or of the conversion of part or all of a Borrowing of Base Rate Loans into Eurodollar Loans must be given by no later than 1:00 p.m. (Eastern time) at least three (3) Business Days before the date of the requested continuation or conversion. All notices concerning the advance, continuation or conversion of a Borrowing shall specify the date of the requested advance, continuation or conversion of a Borrowing (which shall be a Business Day), the amount of the requested Borrowing to be advanced, continued or converted, the type of Loans to comprise such new, continued or converted Borrowing and, if such Borrowing is to be comprised of Eurodollar Loans, the Interest Period applicable thereto. Each Borrower agrees that the Agent may rely on any such telephonic or telecopy notice given by any Person the Agent

in good faith believes is an Authorized Representative of Borrower Representative without the necessity of independent investigation (each Borrower hereby indemnifies the Agent from any liability or loss ensuing from such reliance other than any liability or loss incurred as a result of Agent's gross negligence or willful misconduct as determined by a final non-appealable decision of a court of competent jurisdiction) and, in the event any such notice by telephone conflicts with any written confirmation, such telephonic notice shall govern if the Agent has acted in reliance thereon. Notwithstanding anything to the contrary set forth in this Agreement, Swing Loans shall be Base Rate Loans and may not be converted or continued.

(b) *Notice to the Lenders*. The Agent shall give prompt telephonic or telecopy notice to each Lender of any notice from Borrower Representative received pursuant to Section 2.5(a) above and, if such notice requests the Lenders to make Eurodollar Loans, the Agent shall give notice to Borrower Representative and each Lender of the interest rate applicable thereto promptly after the Agent has made such determination.

(c) *Borrower Representative's Failure to Notify; Automatic Continuations and Conversions*. If Borrower Representative fails to give proper notice of the continuation or conversion of any outstanding Borrowing of Eurodollar Loans before the last day of its then current Interest Period within the period required by Section 2.5(a) or, whether or not such notice has been given, one or more of the conditions set forth in Section 3.1 for the continuation or conversion of a Borrowing of Eurodollar Loans would not be satisfied, and such Borrowing is not prepaid in accordance with Section 2.8(a), such Borrowing shall automatically be converted into a Borrowing of Base Rate. In the event Borrower Representative fails to give notice pursuant to Section 2.5(a) of a Borrowing equal to the amount of a Reimbursement Obligation and has not notified the Agent by 1:00 p.m. (Eastern time) on the day such Reimbursement Obligation becomes due that it intends to repay such Reimbursement Obligation through funds not borrowed under this Agreement, Borrower Representative shall be deemed to have requested a Borrowing of Base Rate Loans (or, at the option of the Agent, under the Swing Line) under the Revolving Credit on such day in the amount of the Reimbursement Obligation then due, which Borrowing shall be applied to pay the Reimbursement Obligation then due.

(d) *Disbursement of Loans*. Not later than 3:00 p.m. (Eastern time) on the date of any requested advance of a new Borrowing, subject to Section 3 hereof, each Lender shall make available its Loan comprising part of such Borrowing in funds immediately available at the principal office of the Agent in Cincinnati, Ohio. The Agent shall make the proceeds of each new Borrowing available to Borrower Representative by deposit into a non-interest bearing, disbursement funding account maintained at the Agent (the "*Funding Account*"); *provided* that Base Rate Revolving Loans made to finance the reimbursement of a Reimbursement Obligation shall be remitted by the Agent to the L/C Issuer.

(e) *Funding by Lenders; Presumption by Agent*. Unless the Agent shall have received notice from a Lender (x) in the case of Base Rate Loans, four (4) hours prior to the proposed time of such Borrowing and (y) otherwise, prior to the proposed date of any Borrowing that such Lender will not make available to the Agent such Lender's share of such Borrowing, the Agent may assume that such Lender has made such share available on such date in accordance with Section 2.5 and may, in reliance upon such assumption, make available to Borrowers a corresponding amount. In such event, if a Lender has not in fact made its share of

the applicable Borrowing available to the Agent, then the applicable Lender and Borrowers severally agree to pay to the Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to Borrowers to but excluding the date of payment to the Agent, at (i) in the case of a payment to be made by such Lender, the greater of the Federal Funds Rate and a rate determined by the Agent in accordance with banking industry rules on interbank compensation, and (ii) in the case of a payment to be made by Borrowers, the interest rate applicable to Base Rate Loans. If Borrowers and such Lender shall pay such interest to the Agent for the same or an overlapping period, the Agent shall promptly remit to Borrower Representative the amount of such interest paid by Borrowers for such period. If such Lender pays its share of the applicable Borrowing to the Agent, then the amount so paid shall constitute such Lender's Loan included in such Borrowing. Any payment by Borrowers shall be without prejudice to any claim Borrowers may have against a Lender that shall have failed to make such payment to the Agent.

(f) For the purposes of calculating interest and fees, determining Revolving Loan Availability and the amount of Eligible Accounts, all Remittances and other proceeds of Accounts and other Collateral deposited into any collection account shall be credited (conditional on final collection) against the Obligations as set forth in Section 2.15 hereof and the then Eligible Accounts as funds become collected and available in accordance with Agent's designated funds availability policies from time to time in effect. For the avoidance of doubt, on the Restatement Closing Date, the Agent's designated funds availability policy is as follows: the Agent shall, (i) within two (2) Business Days after receipt by the Agent at its identified collection office of checks, (ii) within one (1) Business Day of receipt by the Agent at its identified collection office of cash by ACH or other immediately available funds, and (iii) within the same Business Day upon receipt by the Agent at its identified collection office of cash by wire transfer, apply the whole or any part of such collections or Proceeds against the Revolving Loans and Swing Loans and other Obligations in accordance with the terms and conditions of this Agreement.

Section 2.6 Minimum Borrowing Amounts; Maximum Eurodollar Loans. Each Borrowing of Base Rate Loans advanced under a Credit shall be in an amount not less than $500,000 (other than Swing Loans) or such greater amount that is an integral multiple of $50,000. Each Borrowing of Eurodollar Loans advanced, continued or converted under a Credit shall be in an amount equal to $1,000,000 or such greater amount that is an integral multiple of $100,000. Without the Agent's consent, there shall not be more than six (6) Borrowings of Eurodollar Loans outstanding at any one time.

Section 2.7 Maturity of Loans.

(a) *Scheduled Payments of Term Loans*. Borrowers shall make principal payments on the Term Loans in consecutive quarterly installments on the last Business Day of each March, June, September, and December in each year, in the amounts set forth below for each corresponding quarter; it being further agreed that a final payment comprised of all principal and interest not sooner paid on the Term Loans, shall be due and payable on the Maturity Date. Each principal payment on the Term Loans shall be applied to the Term Lenders holding the Term Loans pro rata based upon their Term Loan Percentages.

Quarter	Term Loan Principal Installment Amount	Principal Installment Percentage
03/31/2015	$ 1,875,000.00	2.50%
06/30/2015	$ 1,875,000.00	2.50%
09/30/2015	$ 1,875,000.00	2.50%
12/31/2015	$ 1,875,000.00	2.50%
03/31/2016	$ 1,875,000.00	2.50%

06/30/2016	$	1,875,000.00	2.50%
09/30/2016	$	1,875,000.00	2.50%
12/31/2016	$	1,875,000.00	2.50%
03/31/2017	$	2,812,500.00	3.75%
06/30/2017	$	2,812,500.00	3.75%
09/30/2017	$	2,812,500.00	3.75%
12/31/2017	$	2,812,500.00	3.75%
03/31/2018	$	2,812,500.00	3.75%
06/30/2018	$	2,812,500.00	3.75%
09/30/2018	$	2,812,500.00	3.75%
12/31/2018	$	2,812,500.00	3.75%
03/31/2019	$	3,750,000.00	5.00%
06/30/2019	$	3,750,000.00	5.00%
09/30/2019	$	3,750,000.00	5.00%
11/26/2019		*the then outstanding principal balance*	

(b) *Revolving Loans*. Each Revolving Loan, both for principal and interest, shall mature and become due and payable by Borrowers on the Revolving Credit Termination Date.

Section 2.8 Prepayments.

(a) *Voluntary*. Borrowers may prepay without premium or penalty (except as set forth in Section 8.1 below) and in whole or in part any Borrowing of Eurodollar Loans at any time upon three (3) Business Days' prior notice by Borrower Representative to the Agent or, in the case of a Borrowing of Base Rate Loans, notice delivered by Borrower Representative to the Agent no later than 10:00 a.m. (Eastern time) on the date of prepayment, such prepayment to be made by the payment of the principal amount to be prepaid and, in the case of any Term Loans or Eurodollar Loans, accrued interest thereon to the date fixed for prepayment plus any amounts due the Lenders under Section 8.1; *provided, however,* Borrowers may not partially repay a Borrowing (i) if such Borrowing is of Base Rate Loans, in a principal amount less than $500,000, (ii) if such Borrowing is of Eurodollar Loans, in a principal amount less than $1,000,000, and (iii) in each case, unless such Borrowing is in an amount such that the minimum amount required for a Borrowing pursuant to Section 2.6 remains outstanding. Any such voluntary prepayments of the Term Loan shall be applied against the remaining installments of principal of the Term Loan on a pro rata basis until the Term Loan is repaid in full.

(b) *Mandatory*.

(i) If any Credit Party or any Subsidiary shall at any time or from time to time make or agree to make a Disposition or shall suffer an Event of Loss resulting in Net Cash Proceeds in excess of $250,000 individually or on a cumulative basis in any fiscal year of Credit Parties, then (x) Borrower Representative shall promptly notify the Agent of such proposed Disposition or Event of Loss (including the amount of the estimated Net Cash Proceeds to be received by such Credit Party or such Subsidiary in respect thereof) and (y) promptly (and in any event within five (5) Business Days) upon receipt by any Credit Party or the Subsidiary of the Net Cash Proceeds of such Disposition or such Event of Loss, Borrowers shall prepay the Obligations in an aggregate amount equal to 100% of the amount of all such Net Cash Proceeds in excess of $250,000; *provided* that in the case of each Disposition and Event of Loss, if Borrower Representative states in its notice of such event that the applicable Credit Party or Subsidiary intends to invest or reinvest, as applicable, within one hundred eighty (180) days of the applicable Disposition or receipt of Net Cash Proceeds from an Event of Loss, the Net Cash Proceeds thereof in similar like-kind assets, then so long as no Default or Event of Default then exists, Borrowers shall not be required to make a mandatory prepayment under this Section in respect of such Net Cash Proceeds to the extent such Net Cash Proceeds are either (x) actually invested or reinvested or (y) committed to be invested or reinvested, in each case as described in Borrower Representative's notice with such 180-day period. Promptly after the end of such 180-day period, Borrower Representative shall notify the Agent whether such Credit Party or such Subsidiary has invested or reinvested such Net Cash Proceeds as described in Borrower Representative's notice, and to the extent such Net Cash Proceeds have not been so invested or reinvested, Borrowers shall promptly prepay the Obligations in the amount of such Net Cash Proceeds not so invested or reinvested. The amount of each such prepayment shall be applied first to any outstanding Overadvances, then to the outstanding Term Loans until paid in full (applied on a pro rata basis over the remaining principal amortization payments thereof), and, then to (in the order determined by Agent but without a reduction in Revolving Credit Commitments) the Revolving Loans, Swing Loans, Reimbursement Obligations.

(ii) If after the Restatement Closing Date (x) there shall occur an IPO involving Holdings or any IPO Issuer or any other Credit Party, or (y) any Credit Party or any Subsidiary shall issue any new equity securities (other than (a) equity securities issued in connection with the exercise of employee stock options, (b) equity securities issued in connection with the exercise of the Cure Right, (c) equity securities issued by a Subsidiary to another Credit Party, (d) equity securities sold to management and/or any employees of any Credit Party or any Subsidiary or (e) equity securities issued in connection with any capital contributions by Holdings or incur or assume any Indebtedness (other than that permitted by Section 6.11 hereof), then in each such case Borrower Representative shall promptly notify the Agent of the estimated Net Cash Proceeds of such issuance, incurrence or assumption to be received by or for the account of such Credit Party or such Subsidiary in respect thereof. On the date of receipt of the proceeds of any IPO, or otherwise promptly (and in any event within five (5) Business Days) upon receipt by such Credit Party or such Subsidiary of Net Cash Proceeds of such

issuance, incurrence or assumption (other than an IPO) Borrowers shall prepay the Obligations in the amount of such Net Cash Proceeds. The amount of each such prepayment shall be applied first to any outstanding Overadvances, then to the outstanding Term Loans until paid in full (applied on a pro rata basis over the remaining principal amortization payments thereof), and, then to (in the order determined by Agent but without a reduction in Revolving Credit Commitments) the Revolving Loans, Swing Loans and Reimbursement Obligations. Each Credit Party acknowledges that its performance hereunder shall not limit the rights and remedies of the Lenders for any breach of Section 6.11 or any other terms of this Agreement.

(iii) No later than five (5) Business Days after the earlier of (a) receipt by Agent of the audited financial statements required by Section 6.1(b) hereof and (b) the due date of the delivery of the audited financial statements required by Section 6.1(b) hereof, beginning with the fiscal year ending June 30, 2014, Borrowers shall prepay the then-outstanding Loans by an amount equal to 50% of Excess Cash Flow of Credit Parties and their Subsidiaries for the most recently completed fiscal year of Credit Parties; *provided, however,* that, commencing with the fiscal year ending June 30, 2015, if the Senior Leverage Ratio (determined as of the last day of such fiscal year and any fiscal year thereafter by reference to the Compliance Certificate delivered together with the financial statements delivered pursuant to Section 6.1(b) for such fiscal year) is less than 1.25:1.00, Borrowers shall not be required to make a prepayment of

Excess Cash Flow for such fiscal year. The amount of each such prepayment shall be applied first to the outstanding Term Loan until paid in full (applied on a pro rata basis over the remaining principal amortization payments thereof) and then to the Revolving Loans until paid in full, and, then to (in the order determined by Agent but without a reduction in Revolving Credit Commitments) the Revolving Loans, Swing Loans, Reimbursement Obligations, without any reduction in commitments. Any voluntary prepayments of principal of the Term Loans and, solely to the extent accompanied by a permanent reduction on commitments, the Revolving Loans, made during any year shall reduce, by the amount of such voluntary prepayments, the amount required to be paid by Borrowers under this Section 2.8(b)(iii) during the year immediately subsequent to the year such voluntary prepayments were made; *provided* that, the amount required to be paid under this Section 2.8(b)(iii) shall not in any event be reduced to less than zero, and no such voluntary prepayments shall reduce payments required to be made under this Section 2.8(b)(iii) in any year following the year immediately subsequent to the year such voluntary payments were made.

(iv) Borrowers shall, (A) on each date the Revolving Credit Commitments are reduced pursuant to Section 2.10, prepay the Revolving Loans, Swing Loans, Reimbursement Obligations and, if necessary, Cash Collateralize the L/C Obligations by the amount, if any, necessary to reduce the amount of the aggregate Revolving Credit Exposures of all Lenders then outstanding to the amount of the Revolving Credit Commitments or the amounts to which the Revolving Credit Commitments have been so reduced and (B)on each date the aggregate amount of Revolving Credit Exposures of all Lenders then outstanding exceeds the lesser of (x) the Revolving Loan Limit as determined based on the most recent Compliance Certificate (plus any Overadvances pursuant to Section 2.11(b)) and (y) the total Revolving Credit

Commitments, prepay the Revolving Loans, Swing Loans, Reimbursement Obligations and, if necessary, Cash Collateralize the L/C Obligations and repay any Overadvances then due and payable pursuant to Section 2.11(b), in an amount equal to such excess.

(v) Borrowers shall pay to the Agent when and as received by Borrowers and as a mandatory prepayment of the Obligations, a sum equal to the Cure Amount determined in accordance with Credit Parties' exercise of Cure Rights pursuant to and in accordance with Section 7.7 hereof. The prepayment shall be applied unless otherwise agreed by the Agent (x) 100% of such Cure Amount first to any outstanding Overadvances, then to the Term Loan, ratably, each such ratable amount to be applied against the remaining installments of principal of the Term Loan in the inverse order of their maturities, and thereafter to repay outstanding principal of the Revolving Loans (without a concomitant reduction in the Revolving Credit Commitments), and (y) if no Overandvances are outstanding and if the Term Loan, and Revolving Loans are paid in full, thereafter against the other Obligations, in such order as the Agent determines.

(vi) Unless Borrower Representative otherwise directs, prepayments of Loans under this Section 2.8(b) shall be applied first to Borrowings of Base Rate Loans until payment in full thereof with any balance applied to Borrowings of Eurodollar Loans in the order in which their Interest Periods expire. Each prepayment of Loans under this Section 2.8(b) shall be made by the payment of the principal amount to be prepaid and, in the case of any Term Loans, Swing Loans or Eurodollar Loans, accrued interest thereon to the date of prepayment together with any amounts due the Lenders under Section 8.1. Each prefunding of L/C Obligations shall be made in accordance with Section 7.4.

(c) *Notice of Prepayment*. The Agent will promptly advise each Lender of any notice of prepayment it receives from Borrower Representative, and in the case of any partial prepayment, such prepayment shall be applied to the remaining amortization payments on the relevant Loans in accordance with this Section 2.8.

Section 2.9 Place and Application of Payments. All payments of principal of and interest on the Loans and the Reimbursement Obligations, and of all other Obligations payable by Borrowers under this Agreement and the other Loan Documents, shall be made by Borrowers to the Agent by no later than 2:00 p.m. (Eastern time) on the due date thereof at the office of the Agent in Cincinnati, Ohio (or such other location as the Agent may designate to Borrower Representative) for the benefit of the Lender or Lenders entitled thereto. Any payments received after such time shall be deemed to have been received by the Agent on the next Business Day. All such payments shall be made in Dollars, in immediately available funds at the place of payment, in each case without set-off or counterclaim. The Agent will promptly thereafter cause to be distributed like funds relating to the payment of principal or interest on Loans and on Reimbursement Obligations in which the Lenders have purchased Participating Interests ratably to the Lenders and like funds relating to the payment of any other amount payable to any Lender to such Lender, in each case to be applied in accordance with the terms of this Agreement. Unless the Agent shall have received notice from Borrower Representative prior to the date on which any payment is due to the Agent for the account of the Lenders or the L/C Issuers hereunder that Borrowers will not make such payment, the Agent may assume that Borrowers have made such payment on such date in accordance herewith and may, in reliance upon such

assumption, distribute to the Lenders or the L/C Issuers, as the case may be, the amount due. In such event, if Borrowers have not in fact made such payment, then each of the Lenders or the L/C Issuers, as the case may be, severally agrees to repay to the Agent forthwith on demand the amount so distributed to such Lender or L/C Issuer, with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Agent, at the greater of the Federal Funds Rate and a rate determined by the Agent in accordance with banking industry rules on interbank compensation.

Anything contained herein to the contrary notwithstanding, (x) pursuant to the exercise of remedies under Sections 7.2 and 7.3 hereof or (y) after written instruction by the Required Lenders after the occurrence and during the continuation of an Event of Default, all payments and collections received in respect of the Obligations and all proceeds of the Collateral received, in each instance, by the Agent or any of the Lenders shall be remitted to the Agent and distributed as follows:

(a) *first,* to the payment of any outstanding costs and expenses incurred by the Agent, and any security trustee therefor, in monitoring, verifying, protecting, preserving or enforcing the Liens on the Collateral, in protecting, preserving or enforcing rights under the Loan Documents, and in any event all costs and expenses of a character which Credit Parties have agreed to pay the Agent under Section 10.11 hereof (such funds to be retained by the Agent for its own account unless it has previously been reimbursed for such costs and expenses by the Lenders, in which event such amounts shall be remitted to the Lenders to reimburse them for payments theretofore made to the Agent);

(b) *second*, to the payment of principal and interest on the Swing Loans until paid in full;

(c) *third*, to payment of re-imbursible costs and expenses of the Lenders (other than Agent);

(d) *fourth*, to the payment of any outstanding interest and fees due under the Loan Documents to be allocated pro rata in accordance with the aggregate unpaid amounts owing to each holder thereof;

(e) *fifth*, to the payment of principal on the Loans (other than Swing Loans), unpaid Reimbursement Obligations, together with amounts to be held by the Agent as collateral security for any outstanding L/C Obligations pursuant to Section 7.4 hereof (until the Agent is holding an amount of cash equal to the then outstanding amount of all such L/C Obligations), and Rate Management Obligations, the aggregate amount paid to, or held as collateral security for, the Lenders and, in the case of Rate Management Obligations, their Affiliates to be allocated pro rata in accordance with the aggregate unpaid amounts owing to each holder thereof;

(f) *sixth* to the payment of Banking Services Obligations and Rate Management Obligations;

(g) *seventh*, to the payment of all other unpaid Obligations and all other indebtedness, obligations, and liabilities of Credit Parties and their Subsidiaries secured by the

Collateral Documents to be allocated pro rata in accordance with the aggregate unpaid amounts owing to each holder thereof; and

(h) *eighth*, to Borrowers or whoever else may be lawfully entitled thereto; provided that in respect of the foregoing, no payments by a Guarantor and no proceeds of Collateral of a Guarantor shall be applied to any Excluded Swap Obligation of such Guarantor.

Excluded Swap Obligations with respect to any Guarantor shall not be paid with amounts received from such Guarantor or such Guarantor's assets, but appropriate adjustments shall be made with respect to payments from other Credit Parties to preserve the allocation to Obligations otherwise set forth above in this Section.

Notwithstanding the foregoing, Rate Management Obligations and Banking Services Obligations shall be excluded from the application described above if the Agent has not received written notice that describes in detail the Rate Management Obligations and Banking Services Obligations to be secured by the Collateral, together with such supporting documentation as the Agent may request, from the applicable Lender (other than Fifth Third). Any such Person not a party to this Agreement that has given the notice contemplated by the preceding sentence shall, by such notice, be deemed to have acknowledged and accepted the appointment of the Agent pursuant to the terms of Section 9 for itself and its Affiliates as if a "Lender" party hereto.

No Rate Management Agreement or agreement in respect of Banking Services Obligations will create (or be deemed to create) in favor of any Person that is a party thereto any rights in connection with the management or release of any Collateral or of the obligations of any Borrower or any other Credit Party under the Loan Documents, except as expressly provided herein or in the other Loan Documents. By accepting the benefits of the Collateral, each such Person shall be deemed to have appointed the Agent as its agent and agreed to be bound by the Loan Documents as a holder of the Obligations, subject to the limitations set forth in this Section 2.9. Furthermore, it is understood and agreed that each such Person, in their capacity as such, shall not have any right to notice of any action or to consent to, direct or object to any action hereunder or under any of the other Loan Documents or otherwise in respect of the Collateral (including the release or impairment of any Collateral, or to any notice of or consent to any amendment, waiver or modification of the provisions hereof or of the other Loan Documents) other than in its capacity as a Lender and, in any case, only as expressly provided herein.

Section 2.10 Commitment Terminations. Borrower Representative shall have the right at any time and from time to time, upon three (3) Business Days' prior written notice to the Agent, to terminate the Revolving Credit Commitments in whole or in part, any partial termination to be (i) in an amount not less than $500,000 or any greater amount that is an integral multiple of $100,000 and (ii) allocated ratably among the Lenders in proportion to their respective Applicable Percentages, *provided* that the Revolving Credit Commitments may not be reduced to an amount less than the amount of the aggregate Revolving Credit Exposures of all Lenders then outstanding. Any termination of the Revolving Credit Commitments below the L/C Sublimit then in effect shall reduce the L/C Sublimit by a like amount. Any termination of the Revolving Credit Commitments below the Swing Line Sublimit then in effect shall reduce the Swing Line Sublimit by a like amount. The Agent shall give prompt notice to each Lender of

any such termination of the Revolving Credit Commitments. Any termination of the Commitments pursuant to this Section 2.10 may not be reinstated.

Section 2.11 Swing Loans.

(a) *Generally*. The Agent and the Lenders agree that in order to facilitate the administration of this Agreement and the other Loan Documents, promptly after Borrower Representative requests a Base Rate Revolving Loan, the Agent and the applicable Swing Line Lender may elect to have the terms of this Section 2.11(a) apply to such Borrowing request by such Swing Line Lender advancing, on behalf of the Lenders and in the amount requested, same day funds (each such Loan made solely by a Swing Line Lender pursuant to this Section 2.11(a) is referred to in this Agreement as a "*Swing Loan*") to Borrowers on the applicable Borrowing date to the Funding Account, with settlement among the Lenders as to the Swing Loans to take place on a periodic basis as set forth in Section 2.11(d). Each Swing Loan shall be subject to all the terms and conditions applicable to other Base Rate Loans funded by the Lenders, except that all payments thereon shall be payable to a Swing Line Lender solely for its own account. In addition, each Borrower hereby authorizes Agent in its capacity as a Swing Line Lender to, and such Swing Line Lender shall, subject to the terms and conditions set forth herein (but without any further written notice required), not later than 1:00 p.m. (Eastern time), on each Business Day, make available to Borrowers by means of a credit to the Funding Account, the proceeds of a Swing Loan to the extent necessary to pay items to be drawn on the Controlled Disbursement Account that Business Day; provided that, if on any Business Day there is insufficient borrowing capacity to permit such Swing Line Lender to make available to Borrowers a Swing Loan in the amount necessary to pay all items to be so drawn on any the Controlled Disbursement Account on such Business Day, then Borrowers shall be deemed to have requested a Base Rate Revolving Loan pursuant to Section 2.2 in the amount of such deficiency to be made on such Business Day. The aggregate amount of Swing Loans outstanding at any time shall not exceed the Swing Line Sublimit. No Swing Line Lender shall make any Swing Loan if the requested Swing Loan exceeds Revolving Loan Availability (before giving effect to such Swing Loan). All Swing Loans shall be Base Rate Borrowings.

(b) *Overadvances*. Any provision of this Agreement to the contrary notwithstanding, at the request of Borrower Representative, the Lenders, with the consent of the Required Lenders, may (but shall have no obligation to do so), make Revolving Loans to Borrower, in amounts that exceed the Revolving Loan Limit (any such excess Revolving Loans are herein referred to collectively as "*Overadvances*"); *provided* that, no Overadvance shall result in an Event of Default due to Borrowers' failure to comply with Section 2.8(b)(iv) for so long as such Overadvance remains outstanding in accordance with the terms of

this Section 2.11(b), but solely with respect to the amount of such Overadvance. In addition, Overadvances may be made even if the condition precedent set forth in Section 3.1(c) has not been satisfied. All Overadvances shall constitute Base Rate Borrowings. Such Overadvances shall be limited to an aggregate amount not to exceed $2,000,000 at any time, and no Overadvance shall cause any Lender's Revolving Credit Exposure to exceed its Revolving Credit Commitment. Each Overadvance, both principal and interest, shall mature and become payable by Borrowers on the earlier of (i) the Revolving Credit Termination Date, (ii) the 120th day after such Overadvance is made, and (iii) demand by the Required Lenders.

(c) *Participation*. Upon the making of a Swing Loan (whether before or after the occurrence of an Event of Default and regardless of whether a Settlement has been requested with respect to such Swing Loan), each Lender shall be deemed, without further action by any party hereto, to have unconditionally and irrevocably purchased from each Swing Line Lender, without recourse or warranty, an undivided interest and participation in such Swing Loan in proportion to its Applicable Percentage of the Revolving Credit Commitment. Each Swing Line Lender may, at any time, require the Lenders to fund their participations. From and after the date, if any, on which any Lender is required to fund its participation in any Swing Loan purchased hereunder, such Swing Line Lender shall promptly distribute to such Lender, such Lender's Applicable Percentage of all payments of principal and interest and all proceeds of Collateral received by such Swing Line Lender in respect of such Swing Loan.

(d) *Settlement*. Each Swing Line Lender shall request settlement (a "*Settlement*") with the Lenders on at least a weekly basis or on any date that such Swing Line Lender elects, by notifying the Lenders of such requested Settlement by facsimile, telephone, or e-mail no later than 12:00 noon Eastern time on the date of such requested Settlement (the "*Settlement Date*"). Each Lender (other than a Swing Line Lender with respect to its Swing Loans) shall transfer the amount of such Lender's Applicable Percentage of the outstanding principal amount of the applicable Loan with respect to which Settlement is requested to such Swing Line Lender, to such account of such Swing Line Lender as such Swing Line Lender may designate, not later than 2:00 p.m., Eastern time, on such Settlement Date. Settlements may occur during the existence of an Event of Default and whether or not the applicable conditions precedent set forth in Section 3.1 have then been satisfied. Such amounts transferred to such Swing Line Lender shall be applied against the amounts of such Swing Line Lender's Swing Loans and, together with each Swing Line Lender's Applicable Percentage of such Swing Loan, shall constitute Revolving Loans of such Lenders, respectively. If any such amount is not transferred to such Swing Line Lender by any Lender on such Settlement Date, such Swing Line Lender shall be entitled to recover from such Lender on demand such amount, together with interest thereon, as specified in Section 2.5.

Section 2.12 Evidence of Indebtedness.

(a) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of Borrowers to such Lender resulting from each Loan made by such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(b) The Agent shall also maintain accounts in which it will record (i) the amount of each Loan made hereunder, the type thereof and, with respect to Eurodollar Loans, the Interest Period with respect thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from Borrowers to each Lender hereunder and (iii) the amount of any sum received by the Agent hereunder from Borrowers and each Lender's share thereof.

(c) The entries maintained in the accounts maintained pursuant to paragraphs (a) and (b) above shall *be prima facie* evidence of the existence and amounts of the Obligations therein recorded; *provided, however,* that the failure of the Agent or any Lender to maintain such

accounts or any error therein shall not in any manner affect the obligation of any Borrower to repay the Obligations in accordance with their terms.

(d) The Loans may be evidenced by a promissory note or notes in the forms of Exhibit D-1 (in the case of its Term Loan and referred to herein as a "*Term Note*"), , D-2 (in the case of its Revolving Loans and referred to herein as a "*Revolving Note*"), or D-3 (in the case of its Swing Loans and referred to herein as a "*Swing Note*"), as applicable (the Term Notes, Revolving Notes and Swing Note being hereinafter referred to collectively as the "*Notes*" and individually as a "*Note*"). Upon request, Borrowers shall prepare, execute and deliver to each Lender a Note payable to the order of such Lender in the amount of the Term Loan, or Revolving Credit Commitment, or Swing Line Sublimit, as applicable. The Loans evidenced by such Note or Notes and interest thereon shall at all times (including after any assignment pursuant to Section 10.8) be represented by one or more Notes payable to the payee named therein or any assignee pursuant to Section 10.8, except to the extent that any such Lender or assignee subsequently returns any such Note for cancellation and requests that such Loans once again be evidenced as described in subsections (a) and (b) above.

Section 2.13 Fees.

(a) *Revolving Credit Commitment Fee*. Borrowers shall pay to the Agent for the ratable account of the Lenders according to their Applicable Percentages a commitment fee ("*Commitment Fee*") at the rate per annum equal to the Applicable Margin (computed on the basis of a year of 360 days and the actual number of days elapsed) on the average daily Unused Revolving Credit Commitments; provided that, the Applicable Margin for Commitment Fee set forth in the definition of Applicable Margin in Section 1.1 shall be increased from 0.35% to 0.50% in each of Levels I through IV described therein on and after an IPO if the principal Obligations then outstanding in respect of the Term Loan are equal to or less than Twenty Five Million Dollars ($25,000,000). Such Commitment Fee shall be payable monthly in arrears on the last Business Day of each calendar month and on the Revolving Credit Termination Date, unless the Revolving Credit Commitments are terminated in whole on an earlier date, in which event the Commitment Fee for the period to the date of such termination in whole shall be paid on the date of such termination.

(b) *Letter of Credit Fees*. On the date of issuance or extension, or increase in the amount, of any Letter of Credit issued by a L/C Issuer pursuant to Section 2.3 hereof, Borrowers shall pay to such L/C Issuer for its own account a fronting fee equal to 0.125% of the face amount of (or of the increase in the face amount of) such Letter of Credit. On the date of issuance of any Letter of Credit, and on each anniversary thereof, Borrowers shall pay to the Agent, for the ratable benefit of the Lenders according to their Applicable Percentages, a letter of credit fee ("*L/C Fee*") at a rate per annum equal to the then applicable Applicable Margin for Eurodollar Loans (computed on the basis of a year of 360 days and the actual number of days elapsed) in effect on such date applied to the daily average face amount of Letters of Credit outstanding on such date; *provided* that, while any Event of Default exists or after acceleration, such rate shall increase by 2% over the rate otherwise payable and such fee shall be paid on demand of the Agent at the request or with the consent of the Required Lenders; *provided, however,* that in the absence of acceleration, any rate increase pursuant to the foregoing proviso

shall be made at the direction of the Agent, acting at the request or with the consent of the Required Lenders.

(c) *Fee Letters*. Agent and each Lender shall receive, for its own use and benefit, the fees agreed to with the Credit Parties as set forth in the following fee letter agreements ("*Fee Letters*"): (i) Fifth Third and the Credit Parties in that certain fee letter dated as of the Restatement Closing Date, (ii) Bank of America, N. A. and the Credit Parties in that certain fee letter dated as of the Restatement Closing Date, and (iii) Raymond James Bank and the Credit Parties in that certain fee letter dated as of the Restatement Closing Date, or as otherwise agreed to in writing between such parties.

Section 2.14 Account Debit. Each Borrower hereby irrevocably authorizes the Agent to charge any of such Borrower's deposit accounts maintained with the Agent for the amounts from time to time necessary to pay any then due Obligations; *provided* that such Borrower acknowledges and agrees that the Agent shall not be under an obligation to do so and the Agent shall not incur any liability to any Borrower or any other Person for the Agent's failure to do so.

Section 2.15 Collections; Controlled Disbursement Accounts.

(a) *Collections*. Within forty-five (45) days after the Restatement Closing Date, each Borrower will notify all of its customers and Account Debtors, which pay their Accounts by electronic funds transfer, to forward all Remittances directly to a collection, non-interest bearing DDA depository account maintained at Agent ("*Collection Account*") by wire transfer or automated clearinghouse funds transfer ("*ACH*") (such notices to be in such form and substance as Agent may require in its reasonable discretion from time to time). For all of any Borrower's customers and account debtors that forward their Remittances in paper form to such Borrower, such Borrower, within forty-five (45) days after the Restatement Closing Date, will utilize the Agent's electronic deposit and cash management system (*i.e*., remote capture) to deposit such Remittances directly into the Collection Account. If any Borrower should neglect or refuse to notify any customer or Account Debtor to pay any Remittance to the Collection Account in the case of electronic payments, the Agent will be entitled to make such notification. Any Remittance or other Proceeds of Accounts or other Collateral received by any Borrower shall be deemed held by such Borrower in trust for the Agent, and such Borrower immediately shall utilize the remote capture system as provided above or deliver the same, in its original form, to the Agent by overnight delivery for deposit into the Collection Account. Pending such deposit whether via remote capture or overnight delivery, no Borrower will commingle any such Remittance or other Proceeds of Accounts or other Collateral with any of its other funds or property, but such Borrower will hold it separate and apart therefrom in trust for the Agent until delivery is made to the Agent as described above. All deposits to the Collection Account will be the Agent's property to be applied against the Obligations as provided in this Section 2.15, except to the extent a different application is required pursuant to the provisions of Section 2.9. The Agent shall have sole access to the Collection Account. Each Business Day, the Agent, in accordance with the Agent's policies and procedures, will transfer all collected and available funds in the Collection Account pursuant to the Agent's automated sweep program, automatically and without notice, request or demand by any Borrower for application against the unpaid principal balance of (in the order determined by Agent) the Revolving Loans, Swing Loans and Reimbursement Obligations. If, after such application by the Agent, there remains

excess available funds in the Collection Account and an Event of Default is not then existing, then the Agent will deposit such excess funds into the Funding Account. Pursuant to such automatic sweep program of the Agent, the Agent will make Swing Loans or Revolving Loans as described in Section 2.11 to cover presentments to the controlled disbursement account(s) maintained by Borrowers with Agent (the "*Controlled Disbursement Account*"). Until a payment is received by the Agent for the Agent's account in finally collected funds, all risks associated with such payment will be borne solely by Borrowers. If any Remittance deposited in the Collection Account is dishonored or returned unpaid for any reason, the Agent, in its discretion, may charge the amount of such dishonored or returned Remittance directly against any Borrower and any account maintained by any Borrower with the Agent and such amount shall be deemed part of the Obligations. For the purposes of calculating interest and fees, determining Revolving Loan Availability and the amount of Eligible Accounts, all Remittances and other Proceeds of Accounts and other Collateral deposited into the Collection Account shall be credited (conditional on final collection) against the Obligations as set forth in this Section 2.15 and the then Eligible Accounts as funds become collected and available in accordance with Agent's designated funds availability policies from time to time in effect, and as described in Section 2.5(f) hereof as of the Restatement Closing Date.

(b) *Cash Management Charges*. Agent's standard service charges and costs related to the establishment and maintenance of the Funding Account, the Controlled Disbursement Account, the Collection Account, the automatic sweep program, and the Agent's treasury and cash management services shall be the sole responsibility of Borrowers, whether the same are incurred by the Agent or any Borrower, and the Agent, at its discretion, exercised in good faith, may charge the same against any Borrower and any account maintained by any Borrower with the Agent and the same shall be deemed part of the Obligations, subject to the provisions of Section 2.9 hereof. Without limitation of the provisions of the Security Agreement, and without limitation to the provisions below relating to the ownership of the Collection Account and the deposits and funds therein, the Agent shall have, and each Borrower hereby grants to the Agent, for the benefit of itself and the Lenders, a Lien on all funds held in the Funding Account, the Controlled Disbursement Account, and the Collection Account as security for the Obligations. The Funding Account, the Controlled Disbursement Account, and the Collection Account will not be subject to any deduction, set-off, banker's lien or any other right in favor of any Person other than the Agent, for the benefit of the Lenders and any L/C Issuer and their respective Affiliates.

(c) *Cash Management Policies*. From time to time, the Agent may adopt such regulations and procedures and changes as it may deem reasonable and appropriate with respect to the operation of the Funding Account, the Controlled Disbursement Account, the Collection Account, the automatic sweep program and the other services to be provided by the Agent under this Agreement, and such regulations, procedures and changes need not be reflected by an amendment to this Agreement in order to be effective. The Agent will give notice of such regulations, procedures and changes to Borrower Representative in the ordinary course of the Agent's business. For the avoidance of doubt, the provisions of this clause (c) will not affect the order of application of funds pursuant to the preceding paragraphs of this Section 2.15. The Agent shall not be liable for any loss or damage resulting from any error, omission, failure or negligence on the part of the Agent in good faith with respect to the operation of the Funding Account, Controlled Disbursement Account, Collection Account, or the services to be provided

by the Agent under this Agreement except to the extent, but only to the extent, of any direct damages, as opposed to any consequential, special or lost profit damages, suffered by any Borrower from gross negligence or willful misconduct of the Agent as determined by a final and non-appealable decision of a court of competent jurisdiction.

SECTION 3

CONDITIONS PRECEDENT.

The obligation of each Lender to advance, continue or convert any Loan (other than the continuation of, or conversion into, a Base Rate Loan) or of any L/C Issuer to issue, extend the expiration date (including by not giving notice of non-renewal) of or increase the amount of any Letter of Credit under this Agreement, shall be subject to the following conditions precedent:

Section 3.1 All Credit Events. At the time of each Credit Event hereunder:

(a) each of the representations and warranties set forth herein and in the other Loan Documents shall be true and correct (i) in all respects if such date is the Restatement Closing Date, on and as of such date, and (ii) otherwise, in all material respects (provided that if any representation or warranty is by its terms qualified by concepts of materiality, such representation and warranty shall be true and correct in all respects) on and as of such date, in each case except to the extent the same expressly relate to an earlier date in which case such representations and warranties shall be true and correct in all material respects as of such earlier date;

(b) no Default or Event of Default shall have occurred and be continuing or would occur as a result of such Credit Event, unless such Default or Event of Default shall have been waived in writing in accordance with this Agreement;

(c) after giving effect to any requested extension of credit, the aggregate principal amount of the Revolving Credit Exposures of all Lenders shall not exceed the lesser of (x) the Revolving Loan Limit based upon the most recent Compliance Certificate, and (y) the total Revolving Credit Commitments in effect at such time; and

(d) in the case of a Borrowing, the Agent shall have received the notice required by Section 2.5 hereof, in the case of the issuance of any Letter of Credit the L/C Issuer shall have received a duly completed Application together with any fees called for by Section 2.13 hereof, and, in the case of an extension or increase in the amount of a Letter of Credit, a written request therefor in a form reasonably acceptable to such L/C Issuer together with fees called for by Section 2.13 hereof.

Each request for a Borrowing hereunder and each request for the issuance of, increase in the amount of, or extension of the expiration date of, a Letter of Credit shall be deemed to be a representation and warranty by Credit Parties on the date of such Credit Event as to the facts specified in subsections (a) through (d), both inclusive, of this Section.

Section 3.2 Initial Credit Event. Before or concurrently with the initial Credit Event (and in addition to the conditions set forth in Section 3.1):

(a) *Credit Agreement and Loan Documents- Amended and Restated*. The Agent (or its counsel) shall have received (i) from each party hereto either (A) a counterpart of this Agreement signed on behalf of such party or (B) written evidence reasonably satisfactory to the Agent (which may include facsimile or other electronic transmission of a signed signature page of this Agreement) that such party has signed a counterpart of this Agreement and (ii) duly executed copies of the Loan Documents, including any promissory notes requested by a Lender pursuant to Section 2.12 payable to the order of each such requesting Lender and a written opinion of the Credit Parties' counsel, addressed to the Agent, the L/C Issuers and the Lenders.

(b) *Authorized Representatives*. The Agent shall have received a list of each Credit Party's Authorized Representatives;

(c) *Closing Certificates; Certified Certificate of Incorporation; Good Standing Certificates*. The Agent shall have received (i) a certificate of each Credit Party, dated as of the Restatement Closing Date and executed by its Secretary or Assistant Secretary, managing or sole member, or manager, as applicable, which shall (A) certify the resolutions of its Board of Directors, members or other body authorizing the execution, delivery and performance of the Loan Documents to which it is a party, (B) identify by name and title and bear the signatures of the Responsible Officers and any other officers of such Credit Party authorized to sign the Loan Documents to which it is a party, and (C) contain appropriate attachments, including the certificate or articles of incorporation or organization of each Credit Party certified by the relevant authority of the jurisdiction of organization of such Credit Party and a true and correct copy of its by-laws or operating, management or partnership agreement, and ii) a long form good standing certificate for each Credit Party from its jurisdiction of organization.

(d) *No Default Certificate*. The Agent shall have received a certificate, signed by a Responsible Officer of each Credit Party on the Restatement Closing Date (i) stating that no Default or Event of Default has occurred and is continuing, and (ii) stating that the representations and warranties contained in Section 5 of this Agreement and in the other Loan Documents are true and correct in all respects as of such date, except to the extent the same expressly relate to an earlier date in which case such representations and warranties shall be true and correct in all respects as of such earlier date;

(e) *Financial Condition Certificate*. The Agent shall have received a financial condition and solvency certificate from the Chief Financial Officer (or other Responsible Officer of each Credit Party with similar duties) together with, attached thereto, (i) the "Interim Balance Sheet" (as defined therein), and (ii) the financial projections described in clause "(q)" below.

(f) *Excess Availability*. After giving effect to all Borrowings to be made on the Restatement Closing Date and the issuance of any Letters of Credit on the Restatement Closing Date and payment of all fees and expenses due hereunder, and with all Indebtedness,

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liabilities and obligations of the Credit Parties current, Excess Availability shall not be less than $8,825,000.

(g) *Lien Searches*. The Agent shall have received financing statement and, as appropriate, tax and judgment lien search results against the Property of each of the Credit Parties evidencing the absence of Liens on its Property except for Permitted Liens;

(h) *[Reserved];*

(i) *Insurance*. The Agent shall have received evidence of insurance required to be maintained under the Loan Documents, naming the Agent as additional insured and lender's loss payee;

(j) *Fees*. The Agent and each of the Lenders shall have received the fees called for by Section 2.13 hereof;

(k) *[Reserved]*;

(l) *[Reserved]*;

(m) *Pledged Stock; Stock Powers; Pledged Notes*. The Agent shall have received (i) the certificates representing the Equity Interests pledged pursuant to the Security Agreement, together with an undated equity power for each such certificate executed in blank by a Responsible Officer of the pledgor thereof and (ii) each promissory note (if any) pledged to the Agent pursuant to the Security Agreement endorsed (without recourse) in blank (or accompanied by an executed transfer form in blank) by the pledgor thereof.

(n) *Mortgage*. The Agent shall have received, with respect to each parcel of real property which is required to be subject to a Lien in favor of the Agent, each of the following, in form and substance reasonably satisfactory to the Agent:

(i) a Mortgage (as Amended or Amended and Restated) on such property;

(ii) mortgagee's title insurance policies (or binding commitments therefore) in an aggregate amount acceptable to the Lenders insuring the Liens of the Mortgages to be valid first priority Liens subject to no defects or objections that are unacceptable to the Agent, together with such endorsements as the Agent may require;

(iii) the Agent shall have received a survey in form and substance acceptable to the Agent prepared by a licensed surveyor on each parcel of real property subject to the Lien of the Mortgages, which survey shall also state whether or not any portion of such property is in a federally designated flood hazard area;

(iv) the Agent shall have received a report of an independent firm of environmental engineers acceptable to the Agent concerning the environmental hazards and matters with respect to the parcels of real property subject to the Lien of the Mortgages, together with a reliance letter thereon acceptable to the Agent;

(v) the Agent shall have received a flood determination report for each parcel of real property subject to the Lien of the Mortgages prepared for the Agent by a flood determination company selected by the Agent stating whether or not any portion of such property is in a federally designated flood hazard area and, if applicable, flood insurance satisfactory to the Lenders;

(o) *Capital Structure*. The capital and organizational structure of the Credit Parties shall be reasonably satisfactory to the Agent;

(p) *Litigation*. On the Restatement Closing Date, no injunction, temporary restraining order or other legal action that would prohibit the initial Credit Event, or other litigation which could reasonably be expected to have a Material Adverse Effect, shall be pending or, to the knowledge of any Credit Party, threatened;

(q) *Financial Statements; Projections*. The Agent shall have received, each in form and substance acceptable to Agent, (i) such financial statements as required by Agent and (ii) satisfactory financial projections through June 30, 2019;

(r) *Restatement Closing Date Financial Covenants*. The Agent shall have received evidence from the Credit Parties, in form and substance acceptable to Agent, calculated on a pro forma basis after giving effect to the Closing Date Transactions, that the EBITDA of the Credit Parties and their Subsidiaries, for the twelve month period then ending, greater than $32,200,000; and

(s) *Other*. The Agent shall have received such other agreements, instruments, documents, certificates, and opinions as the Agent may reasonably request including, without limitation, those listed on any document checklist prepared by Agent. Each such closing delivery set forth in this Section required by this Section 3.2(b) shall be in form and substance reasonably satisfactory to the Agent and the Lenders.

SECTION 4

THE COLLATERAL, GUARANTIES.

Section 4.1 Collateral. The Obligations, including, without limitation, Rate Management Obligations and Banking Services Obligations, shall be secured by (a) valid, perfected, and enforceable Liens on all right, title, and interest of each of the Credit Parties and each Subsidiary in all capital stock and other Equity Interests held by such Person in each of its Subsidiaries, whether now owned or hereafter formed or acquired, and all Proceeds thereof, and (b) valid, perfected, first priority and enforceable Liens on all right, title, and interest of each of the Credit Parties and each Subsidiary in all personal property, fixtures, and real estate, whether now owned or hereafter acquired or arising, and all Proceeds thereof, in each case subject to Permitted Liens. Holdings will cause 100% of the issued and outstanding Equity Interests of each of direct and indirect Subsidiary of Holdings to be subject at all times to a first priority, perfected Lien and pledge in favor of Agent pursuant to the terms and conditions of this Agreement, and the applicable Collateral Documents or other security documents as Agent shall reasonably request.

Notwithstanding the foregoing, the Lien of Agent shall not extend to and Collateral (or any asset or property comprising the Collateral) shall not include the following Property (all of the following being the "*Excluded Assets*"): (i) other than Accounts, any lease, license, permit or agreement to which any Credit Party is a party to the extent, but only to the extent, that such a grant would, under the terms of such lease, license, permit or agreement, result in a breach of the terms of, invalidate, or constitute a default under, such lease, license, permit or agreement or to the extent any requirement of law prohibits the grant of a Lien thereon; (ii) any "intent to use" applications for Trademarks for which a statement of use has not been filed and accepted with the United States Patent and Trademark Office; (iii) those assets as to which Agent determines in its Permitted Discretion the cost of obtaining a Lien therein in favor of Agent or the perfection thereof are excessive in relation to the benefit to the Lenders afforded by such Lien, (iv) equipment owned by a Credit Party that is subject to a purchase money lien or Capitalized Lease permitted hereunder, (v) any other Intellectual Property if, after giving effect to Sections 9-406, 9-407, 9-408 or 9-409 of the UCC, the grant of a Lien or a security interest in such Intellectual Property would result in the cancellation or voiding of such Intellectual Property.

Furthermore, the Lien of Agent need not be perfected, until otherwise required by the Agent or the Required Lenders, on vehicles which are subject to a certificate of title law (collectively, the "*Excluded Vehicles*").

Section 4.2 Liens on Real Property; Collateral Access Agreements.

(a) In the event that any Credit Party or any Subsidiary owns or hereafter acquires a fee estate in any real property, with a fair market value in excess of $250,000 individually or in the aggregate for any such real property, the Credit Parties shall, or shall cause such Subsidiary to, execute and deliver to the Agent (or a security trustee therefor) a mortgage or deed of trust reasonably acceptable in form and substance to the Agent for the purpose of granting to the Agent, for the benefit of itself and the Lenders, a Lien on such real property to secure the Obligations, shall pay all taxes, costs, and expenses incurred by the Agent in recording such mortgage or deed of trust, and shall supply to the Agent at Borrowers' cost and expense a survey, environmental report, hazard insurance policy, a flood determination report and, if applicable, flood insurance satisfactory to the Lenders, and a mortgagee's policy of title insurance from a title insurer acceptable to the Agent insuring the validity of such mortgage or deed of trust and its status as a first Lien (subject to Permitted Liens) on the real property encumbered thereby and such other instrument, documents, certificates, and opinions reasonably required by the Agent in connection therewith.

(b) As of the Restatement Closing Date, the Credit Parties shall use commercially reasonable efforts to deliver to the Agent a Collateral Access Agreement with respect to the chief executive office (if leased) and each of the other locations set forth on Schedule 3.4 of the Security Agreement where Credit Parties maintain books and records or Inventory and Equipment with a fair market value in excess of $250,000. The Credit Parties shall use commercially reasonable efforts to deliver Collateral Access Agreements with respect to any new chief executive office (if leased) established after the Restatement Closing Date, each location of original books and records and, to the extent required by Section 4.3 of the Security Agreement, each other Collateral location established after the Restatement Closing Date where

Credit Parties maintain books and records or Inventory and Equipment with a fair market value in excess of $250,000.

Section 4.3 Guaranties. The payment and performance of the Obligations of each Credit Party shall at all times be jointly and severally guaranteed by the Credit Parties and their Domestic Subsidiaries.

Section 4.4 Further Assurances. Each of the Credit Parties agrees that it shall, and shall cause each Subsidiary (other than an Excluded Subsidiary) to, from time to time at the request of the Agent or the Required Lenders, execute and deliver such documents and do such acts and things as the Agent or the Required Lenders may reasonably request in order to provide for or perfect or protect such Liens on the Collateral. In the event any Credit Party or any Subsidiary forms or acquires any other Subsidiary after the date hereof the Credit Parties shall (i) provide prior written notice to Agent as to the creation of such Subsidiary and the purpose thereof, and (ii) forty-five (45) days following such formation or acquisition cause such newly formed or acquired Subsidiary to become a Borrower or Guarantor hereunder as Agent shall direct and to execute and deliver to Agent a Joinder Agreement, Collateral Documents and such other instruments, documents, certificates, and opinions required by the Agent in connection therewith; provided that such requirement shall not apply to a newly formed or acquired Foreign Subsidiary, if Borrower Representative reasonably determines that such act could reasonably be expected to have adverse tax consequences to the Credit Parties so long as no Collateral or Loan proceeds are transferred to such Foreign Subsidiary, as provided in Section 6.24 hereof.

SECTION 5

REPRESENTATIONS AND WARRANTIES.

Each of the Credit Parties represents and warrants to each Lender and the Agent, and agrees, that:

Section 5.1 Organization and Qualification. Each of the Credit Parties and each of their Subsidiaries (i) is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, (ii) has the corporate or limited liability company power and authority to own its property and to transact the business in which it is engaged and proposes to engage and (iii) is duly qualified and in good standing in each jurisdiction where the ownership, leasing or operation of property or the conduct of its business requires such qualification, except where the failure to be so qualified and in good standing could not be reasonably expected to have, either individually or in the aggregate, a Material Adverse Effect.

Section 5.2 Authority and Enforceability. Each Credit Party has full right and authority to enter into this Agreement and the other Loan Documents executed by it, to make Borrowings herein provided for, to issue its Notes, to grant to the Agent, for the benefit of itself and the Lenders, the Liens described in the Collateral Documents executed by such Credit Party, and to perform all of its obligations hereunder and under the other Loan Documents executed by it. Each Credit Party has full right and authority to enter into the Loan Documents executed by it, to guarantee the Obligations, including, without limitation, Rate Management Obligations and Banking Services Obligations, to grant to the Agent, for the benefit of itself and the Lenders, the

Liens described in the Collateral Documents executed by such Person, and to perform all of its obligations under the Loan Documents executed by it. The Loan Documents delivered by each of the Credit Parties and by each Subsidiary, if any, have been duly authorized, executed, and delivered by such Person and constitute valid and binding obligations of such Person enforceable against it in accordance with their terms, except as enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance or similar laws affecting creditors' rights generally and general principles of equity (regardless of whether the application of such principles is considered in a proceeding in equity or at law); and this Agreement and the other Loan Documents do not, nor does the performance or observance by any Credit Party or any Subsidiary, if any, of any of the matters and things herein or therein provided for, (a) contravene or constitute a default under any provision of any material law or any material judgment, injunction, order or decree binding upon any Credit Party or any Subsidiary, if any, or any provision of the organizational documents (*e.g.*, charter, articles of incorporation, by-laws, articles of association, operating agreement, partnership agreement or other similar document) of any Credit Party or any Subsidiary, (b) contravene or constitute a default under any covenant, indenture or agreement of or affecting any Credit Party or any Subsidiary or any of such Person's Property, in each case where such contravention or default, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect or (c) result in the creation or imposition of any Lien on any Property of any Credit Party or any Subsidiary other than the Liens granted in favor of the Agent pursuant to the Collateral Documents.

Section 5.3 Financial Reports. The audited consolidated financial statements of Holdings and its Subsidiaries as at June 30, 2014, and the unaudited interim consolidated financial statements of Holdings and its Subsidiaries as at February 22, 2015, for the seven (7) months then ended (the "*Interim Balance*

Sheet"), heretofore furnished to the Agent, have been prepared in accordance with GAAP in all material respects (except in the case of the Interim Balance Sheet, which is subject to year-end adjustments and the absence of footnotes) applied on a consistent basis throughout the periods covered thereby (except as noted therein), present fairly in all material respects the financial condition of Holdings and its Subsidiaries as of such dates and the results of operations and cash flows of Holdings and its Subsidiaries for such periods, are correct and complete in all material respects, and are consistent in all material respects with the books and records of Holdings and its Subsidiaries.

Section 5.4 No Material Adverse Change. Since June 30, 2014, there has been no change in the financial condition or operations of the Credit Parties and the Subsidiaries taken as a whole, except those occurring in the ordinary course of business, none of which individually or in the aggregate could reasonably be expected to have a Material Adverse Effect.

Section 5.5 Litigation and Other Controversies. There is no litigation, arbitration or governmental proceeding pending or, to the knowledge of any Credit Party and/or any Subsidiary, threatened against any Credit Party or any Subsidiary that could reasonably be expected to have a Material Adverse Effect.

Section 5.6 True and Complete Disclosure. All information furnished by or on behalf of any Credit Party or any Subsidiary in writing to the Agent or any Lender for purposes of or in connection with this Agreement, or any transaction contemplated herein, is, when taken as a whole, true and accurate in all material respects and not incomplete by omitting to state any fact

necessary to make such information not misleading in light of the circumstances under which such information was provided when taken as a whole; *provided* that, with respect to projected financial information furnished by or on behalf of the Credit Parties or any of their Subsidiaries, each of the Credit Parties only represents and warrants that such information is prepared in good faith based upon assumptions believed to be reasonable at the time prepared (it being understood that no assurance can be given that such projections will be realized and that actual results may differ from such projections).

Section 5.7 Use of Proceeds; Margin Stock. All proceeds of the Term Loans shall be used by Borrowers for the payment of a dividend to Holdings on the Restatement Closing Date in the amount of $44,000,000 ("*Restatement Closing Date Dividend*") and of bonus payments to be paid to management employees after the Restatement Closing Date during the calendar year 2015 up to an aggregate amount of $5,700,000 ("*Management Bonus Payments*"); and all proceeds of the Revolving Loans and Swing Loans shall be used by Borrowers for working capital purposes, including, without limitation, Capital Expenditures permitted hereunder, and other general corporate purposes (and Permitted Acquisitions of Borrowers and their Subsidiaries). No part of the proceeds of any Loan or other extension of credit hereunder will be used by any Borrower or any Subsidiary thereof to purchase or carry any margin stock (within the meaning of Regulation U of the Board of Governors of the Federal Reserve System) or to extend credit to others for the purpose of purchasing or carrying any margin stock. Neither the making of any Loan or other extension of credit hereunder nor the use of the proceeds thereof will violate or be inconsistent with the provisions of Regulations T, U or X of the Board of Governors of the Federal Reserve System and any successor to all or any portion of such regulations. Margin Stock (as defined above) constitutes less than 25% of the value of those assets of the Credit Parties and their Subsidiaries that are subject to any limitation on sale, pledge or other restriction hereunder.

Section 5.8 Taxes. Each of the Credit Parties and each of their Subsidiaries has timely filed or caused to be timely filed all federal income Tax returns and all other material Tax returns required to be filed by any Credit Party and/or any Subsidiary. Each of the Credit Parties and each Subsidiary has paid all federal income Taxes and all other material Taxes, assessments and other governmental charges due and payable by them (or any one or more of them) other than Taxes, assessments and other governmental charges which are not delinquent, except those (a) that are being contested in good faith and by proper legal proceedings, and (b) as to which appropriate reserves have been provided for in accordance with GAAP. There is no proposed tax assessment (excluding any generally applicable changes in Tax rates) against any Credit Party or any Subsidiary that would, if made, have a Material Adverse Effect, nor is there any tax sharing agreement applicable to any Credit Party or any Subsidiary that could reasonably be expect to result in an Material Adverse Effect. As of the Restatement Closing Date, no Borrower has any permanent establishment outside of the United States.

Section 5.9 ERISA. (a) Each Plan of a Credit Party is in compliance with the applicable provisions of ERISA, the Code and other federal or state laws, except such noncompliance as could not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect. Each Pension Plan of a Credit Party that is intended to be a qualified plan under Section 401(a) of the Code has received a favorable determination letter or is subject to a favorable opinion letter from the IRS to the effect that the form of such Plan is

qualified under Section 401(a) of the Code and the trust related thereto has been determined by the IRS to be exempt from federal income tax under Section 501(a) of the Code, or an application for such a letter is currently being processed by the IRS. To the best knowledge of the Credit Parties, nothing has occurred that would prevent or cause the loss of such tax-qualified status as of the Restatement Closing Date;

(b) There are no pending or, to the best knowledge of the Credit Parties, threatened claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Plan that could reasonably be expected to have a Material Adverse Effect. There has been no prohibited transaction or violation of the fiduciary responsibility rules with respect to any Plan that has resulted or could reasonably be expected to result in a Material Adverse Effect;

(c) (i) No ERISA Event has occurred with respect to a Plan, and no Credit Party is aware of any fact, event or circumstance that could reasonably be expected to constitute or result in an ERISA Event with respect to any Pension Plan; (ii) each Credit Party has met all applicable requirements under the Pension Funding Rules in respect of each Pension Plan of a Credit Party, and no waiver of the minimum funding standards under the Pension Funding Rules has been applied for or obtained; (iii) as of the most recent valuation date for any Plan of a Credit Party, the funding target attainment percentage (as defined in Section 430(d)(2) of the Code) is 60% or higher and no Credit Party knows of any facts or circumstances that could reasonably be expected to cause the funding target attainment percentage for any such plan to drop below 60% as of the most recent valuation date; (iv) no Credit Party has incurred any liability to the PBGC other than for the payment of premiums, and there are no premium payments which have become due that are unpaid; (v) no Credit Party has incurred any liability under Section 4069 or Section 4212(c) of ERISA; and (vi) no Pension Plan of a Credit Party has been terminated by the plan administrator thereof nor by the PBGC, and no event or circumstance has occurred or exists that could reasonably be expected to cause the PBGC to institute proceedings under Title IV of ERISA to terminate any Pension Plan.

(d) No Credit Party maintains or contributes to, or has any unsatisfied obligation to contribute to, or liability under, any active or terminated Pension Plan other than (i) on the Restatement Closing Date, those listed on Schedule 5.9 hereto and (ii) thereafter, Pension Plans not otherwise prohibited by this Agreement.

Section 5.10 Subsidiaries. Schedule 5.10 correctly sets forth, as of the Restatement Closing Date, each Subsidiary of the Credit Parties, its respective jurisdiction of organization and the percentage ownership (direct and indirect) of such Credit Party in each class of capital stock or other Equity Interests of each of its Subsidiaries and also identifies the direct owner thereof.

Section 5.11 Compliance with Laws. Each of the Credit Parties and each Subsidiary 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 their businesses and the ownership of their property, except such noncompliances as could not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.

Section 5.12 Environmental Matters. Each of the Credit Parties and each Subsidiary is in compliance with all applicable Environmental Laws and the requirements of any permits issued under such Environmental Laws, except to the extent that the aggregate effect of all noncompliances could not reasonably be expected to have a Material Adverse Effect. There are no pending or, to the best knowledge of any Credit Party or any Subsidiary after due inquiry, threatened Environmental Claims, including any such claims (regardless of materiality) for liabilities under CERCLA relating to the disposal of Hazardous Materials, against any Credit Party or any Subsidiary or any real property, including leaseholds, owned or operated by any Credit Party or any Subsidiary, except such claims as could not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect. Except as could not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect, there are no facts, circumstances, conditions or occurrences on any real property, including leaseholds, owned or operated by any Credit Party or any Subsidiary that, to the best knowledge of any Credit Party or any Subsidiary after due inquiry, could reasonably be expected (i) to form the basis of an Environmental Claim against any Credit Party or any Subsidiary or any such real property, or (ii) to cause any such real property to be subject to any restrictions on the ownership, occupancy, use or transferability of such real property by any Credit Party or any Subsidiary under any applicable Environmental Law. Hazardous Materials have not been Released on or from any real property, including leaseholds, owned or operated by any Credit Party or any Subsidiary where such Release, individually, or when combined with other Releases, in the aggregate, may reasonably be expected to have a Material Adverse Effect.

Section 5.13 Investment Company. No Credit Party nor any Subsidiary is an “investment company” or a company “controlled” by an “investment company” within the meaning of the Investment Company Act of 1940, as amended.

Section 5.14 Intellectual Property. Each of the Credit Parties and each Subsidiary owns all the Intellectual Property, franchises or rights with respect to the foregoing, or each has obtained licenses of all other rights of whatever nature necessary for the present conduct of its businesses, in each case without any known conflict with the rights of others which, or the failure to obtain which, as the case may be, could reasonably be expected to result in a Material Adverse Effect.

Section 5.15 Good Title. Each of the Credit Parties and each Subsidiary have good and marketable title, or valid leasehold interests, to their assets necessary for the operation of its business as reflected on the most recent consolidated balance sheet of the Credit Parties and their Subsidiaries provided to the Agent (except for sales of assets in the ordinary course of business, and such defects in title that could not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect) and is subject to no Liens, other than Permitted Liens.

Section 5.16 Labor Relations. No Credit Party nor any Subsidiary is engaged in any unfair labor practice that could reasonably be expected to have a Material Adverse Effect. There is (i) no strike, labor dispute, slowdown or stoppage pending against any Credit Party or any Subsidiary or, to the best knowledge of any Credit Party or any Subsidiary, threatened against any Credit Party or any Subsidiary and (ii) to the best knowledge of the Credit Parties and their Subsidiaries, no union representation proceeding is pending with respect to the employees of any Credit Party or any Subsidiary. All collective bargaining agreements and similar labor relations

agreements to which any Credit Party is a party as of the Restatement Closing Date are described on Schedule 5.16 hereto, together with the expiration date thereof, and such Credit Party is in compliance with all such collective bargaining agreements except to the extent that a failure to be in compliance would reasonably be expected to result in a Material Adverse Effect.

Section 5.17 Capitalization. All outstanding Equity Interests of the Credit Parties and the Subsidiaries have been duly authorized and validly issued, and are fully paid and non-assessable. Schedule 5.17 describes (i) the capitalization of each of the Credit Parties, and (ii) any outstanding commitments or other obligations of any Credit Party or any Subsidiary to issue, and any rights of any Person to acquire, any Equity Interests in any Credit Party or any Subsidiary.

Section 5.18 Other Agreements. No Credit Party nor any Subsidiary is in default under (i) the Subordinated Debt Documents, or (ii) the terms of any covenant, indenture or agreement of or affecting any Credit Party, any Subsidiary or any of their respective Property, which default if uncured could reasonably be expected to have a Material Adverse Effect.

Section 5.19 Governmental Authority and Licensing. Each of the Credit Parties and their Subsidiaries have received all licenses, permits, and approvals of each Governmental Authority necessary to conduct their businesses, in each case where the failure to obtain or maintain the same could reasonably be expected to have a Material Adverse Effect. No investigation or proceeding that, if adversely determined, could reasonably be expected to result in revocation or denial of any license, permit or approval is pending or, to the knowledge of any Credit Party or any Subsidiary, threatened, except where such revocation or denial could not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.

Section 5.20 Approvals. No authorization, consent, license or exemption from, or filing or registration with, any Governmental Authority, nor any approval or consent of any other Person, is or will be necessary to the valid execution, delivery or performance by any Credit Party or any Subsidiary of any Loan Document, except for the filing of UCC financing statements and Intellectual Property security agreements and such approvals which have been obtained prior to the date of this Agreement and remain in full force and effect.

Section 5.21 Affiliate Transactions. No Credit Party nor any Subsidiary is a party to any contracts or agreements with any of its Affiliates (other than with Wholly-Owned Subsidiaries) on terms and conditions which are less favorable to such Credit Party or such Subsidiary than would be usual and customary in similar contracts or agreements between Persons not affiliated with each other, other than as permitted pursuant to Section 6.8 hereof.

Section 5.22 Solvency. The Credit Parties and their Subsidiaries, taken as a whole, are able to generally pay their debts as they become due in the ordinary course of business and do not have an unreasonably small amount of capital with which to carry on their businesses; and the amount that will be required to pay the probable liabilities of the Credit Parties and their Subsidiaries as they become absolute and mature in the ordinary course of business is less than the sum of the present fair sale value of their assets valued on a going concern basis.

Section 5.23 No Broker Fees. No broker's or finder's fee or commission will be payable with respect hereto or any of the transactions contemplated hereby; and each of the Credit Parties hereby agrees to indemnify the Agent and the Lenders against, and agree that they will hold the Agent and the Lenders harmless from, any claim, demand, or liability for any such broker's or finder's fees alleged to have been incurred in connection herewith or therewith and any expenses (including reasonable and documented attorneys' fees) arising in connection with any such claim, demand, or liability.

Section 5.24 Foreign Assets Control Regulations and Anti-Money Laundering.

(a) *OFAC*. No Credit Party nor any Subsidiary is (i) a Person whose property or interest in property is blocked or subject to blocking pursuant to Section 1 of Executive Order 13224 of September 23, 2001 Blocking Party and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism (66 Fed. Reg. 49079 (2001)), (ii) a Person who engages in any dealings or transactions prohibited by Section 2 of such executive order, or is otherwise associated with any such Person in any manner violative of Section 2, or (iii) a Person on the list of Specially Designated Nationals and Blocked Persons or subject to the limitations or prohibitions under any other U.S. Department of Treasury's Office of Foreign Assets Control regulation or executive order.

(b) *PATRIOT Act*. Each of the Credit Parties and their Subsidiaries are in compliance, in all material respects, with the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "*PATRIOT Act*"). No part of the proceeds of the Loans will be used, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended.

Section 5.25 [Reserved].

Section 5.26 Security Interest in Collateral. The provisions of the Collateral Documents create and continue legal and valid Liens on all the Collateral in favor of the Agent, for the benefit of the Agent and the Lenders, and such Liens constitute perfected and continuing Liens on the Collateral, securing the Obligations, enforceable against the applicable Credit Party and all third parties (except as enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance or similar laws affecting creditors' rights generally and general principles of equity (regardless of whether the application of such principles is considered in a proceeding in equity or at law), and having priority over all other Liens on the Collateral except, in the case of Permitted Liens, to the extent any such Permitted Liens would have priority over the Liens in favor of the Agent pursuant to any applicable law or agreement.

Section 5.27 Common Enterprise. The successful operation and condition of each of the Credit Parties is dependent on the continued successful performance of the functions of the group of the Credit Parties as a whole and the successful operation of each of the Credit Parties is dependent on the successful performance and operation of each other Credit Party. Each Credit Party expects to derive benefit (and its board of directors or other governing body has determined that it may reasonably be expected to derive benefit), directly and indirectly, from

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(i) successful operations of each of the other Credit Parties and (ii) the credit extended by the Lenders to Borrowers hereunder, both in their separate capacities and as members of the group of companies. Each Credit Party has determined that execution, delivery, and performance of this Agreement and any other Loan Documents to be executed by such Credit Party is within its purpose, in furtherance of its direct and/or indirect business interests, will be of direct and/or indirect benefit to such Credit Party, and is in its best interest.

SECTION 6

COVENANTS.

Each of the Credit Parties covenants and agrees that, so long as any Credit is available to Borrowers hereunder and until the Payment in Full of the Obligations:

Section 6.1 Information Covenants. The Credit Parties will furnish to the Agent and each Lender:

(a) *Monthly Reports*. Within thirty (30) days after the end of each fiscal month of the Credit Parties and their Subsidiaries, commencing with the fiscal month of the Credit Parties and their Subsidiaries ending January 31, 2014, the consolidated and consolidating balance sheet of the Credit Parties and their Subsidiaries as at the end of such fiscal month and the related consolidated and consolidating statements of income and retained earnings and of cash flows for such fiscal month and for the elapsed portion of the fiscal year-to-date period then ended, each in reasonable detail, prepared by the Credit Parties in accordance with GAAP, in all material respects (subject to year-end audit adjustments, the absence of footnotes and treatment of research and development), setting forth comparative figures for the corresponding fiscal month in the prior fiscal year and comparable budgeted figures for such fiscal month, all of which shall be certified by a Responsible Officer of the Credit Parties acceptable to the Agent that they fairly present in all material respects in accordance with GAAP the financial condition of the Credit Parties and their Subsidiaries as of the dates indicated and the results of their operations and changes in their cash flows for the periods indicated, subject to normal year-end audit adjustments and the absence of footnotes.

(b) *Quarterly Reports*. Within thirty (30) days after the end of each fiscal quarter of the Credit Parties and their Subsidiaries, commencing with the fiscal month of the Credit Parties and their Subsidiaries ending January 31, 2014, the consolidated and consolidating balance sheet of the Credit Parties and their Subsidiaries as at the end of such fiscal quarter and the related consolidated and consolidating statements of income and retained earnings and of cash flows for such fiscal quarter and for the elapsed portion of the fiscal year-to-date period then ended, each in reasonable detail, prepared by the Credit Parties in accordance with GAAP, in all material respects (subject to year-end audit adjustments, the absence of footnotes and treatment of research and development), setting forth comparative figures for the corresponding fiscal quarter in the prior fiscal year and comparable budgeted figures for such fiscal quarter, all of which shall be certified by the chief financial officer or other officer of the Credit Parties acceptable to the Agent that they fairly present in all material respects in accordance with GAAP the financial condition of the Credit Parties and their Subsidiaries as of the dates indicated and

the results of their operations and changes in their cash flows for the periods indicated, subject to normal year-end audit adjustments and the absence of footnotes.

(c) *Annual Statements*. Within one hundred twenty (120) days after the close of each fiscal year of the Credit Parties and their Subsidiaries, and after an IPO within the time period specified in the SEC's rules and regulations (as provided in Section 6.1(i) hereof) after the close of each fiscal year of the Credit Parties and their Subsidiaries, a copy of the consolidated and consolidating balance sheet of the Credit Parties and their Subsidiaries as of the last day of the fiscal year then ended and the consolidated and consolidating statements of income, retained earnings, and cash flows of the Credit Parties and their Subsidiaries for the fiscal year then ended, and accompanying notes thereto, each in reasonable detail showing in comparative form the figures for the previous fiscal year, accompanied by an unqualified opinion of a firm of independent public accountants of recognized national standing, selected by the Credit Parties and acceptable to the Agent, to the effect that the consolidated financial statements have been prepared in accordance with GAAP and present fairly in accordance with GAAP the consolidated financial condition of the Credit Parties and their Subsidiaries as of the close of such fiscal year and the results of their operations and cash flows for the fiscal year then ended and that an examination of such accounts in connection with such financial statements has been made in accordance with generally accepted auditing standards.

(d) *Officer's Certificates; Reports*

(i) Within thirty (30) days after the end of each fiscal quarter of the Credit Parties and their Subsidiaries and at the time of the delivery of the financial statements provided for in Section 6.1(b), commencing with the fiscal quarter of the Credit Parties and their Subsidiaries ending January 31, 2014, (A) a certificate of the chief financial officer or other officer of the Credit Parties acceptable to the Agent in the form of Exhibit E (a "*Compliance Certificate*") (1) stating that no Default or Event of Default has occurred during the period covered by such statements or, if a Default or Event of Default exists, a detailed description of the Default or Event of Default and all actions any Credit Party is taking with respect to such Default or Event of Default, (2) confirming that the representations and warranties stated in Section 5 of this Agreement and in the other Loan Documents are true and correct in all material respects (provided that if any representation or warranty is by its terms qualified by concepts of materiality, such representation and warranty shall be true and correct in all respects) as though made on and as of date thereof (except to the extent such representations and warranties relate to an earlier date, in which case they are true and correct in all respects as of such date), (3) showing the Credit Parties' compliance with the covenants set forth in Section 6.22 and calculation of the Revolving Loan Limit, and (4) providing a summary of Credit Parties' and their Subsidiaries' contingent liabilities or judgments, order or injunctions against any one or more of them that are material to any one or more of them other than as indicated on the corresponding financial statements delivered pursuant hereto, and (B) a comparison of the current year-to-date financial results (other than in respect of the balance sheets included therein) against the budgets required to be submitted pursuant to clause 6.1(d).

(ii) Within thirty (30) days after the end of each month and, if any Default or Event of Default has occurred and is continuing, at such other times as may be requested by Agent, a Compliance Certificate showing the calculation of the Revolving Loan Limit.

(e) *Budgets*. As soon as available, but in any event at least sixty (60) days after the first day of each fiscal year of the Credit Parties and their Subsidiaries, a budget in form reasonably satisfactory to the Agent (including, without limitation, a breakdown of the projected results of each line of business of the Credit Parties and their Subsidiaries, and budgeted consolidated and consolidating statements of income, and sources and uses of cash and balance sheets for Credit Parties and their Subsidiaries) of Credit Parties and their Subsidiaries in reasonable detail reasonably satisfactory to the Agent for each fiscal month and the four fiscal quarters of the immediately succeeding fiscal year and, with appropriate discussion, the principal assumptions upon which such budget is based.

(f) *Notice of Default or Litigation; Collateral*. Promptly, and in any event within three (3) Business Days after any Responsible Officer of any Credit Party obtains knowledge thereof, notice of (i) the occurrence of any event which constitutes a Default or an Event of Default or any other event which could reasonably be expected to have a Material Adverse Effect, which notice shall specify the nature thereof, the period of existence thereof and what action Credit Parties propose to take with respect thereto, (ii) the commencement of, or threat of, or any significant development in, any litigation, labor controversy, arbitration or governmental proceeding pending against any Credit Party or any Subsidiary which, if adversely determined, could reasonably be expected to have a Material Adverse Effect or (iii) other than a Permitted Lien, any claim or Lien securing a claim, in excess of $100,000 is asserted or made against any of the Collateral or any loss, damage or destruction of Collateral in the amount of $100,000 or more, whether or not covered by insurance.

(g) *Management Letters*. Promptly, and in any event within five (5) Business Days after any Credit Party's receipt thereof, a copy of each report or any "management letter" submitted to any Credit Party or any Subsidiary by its certified public accountants and the management's responses thereto.

(h) *Environmental Matters*. Promptly upon, and in any event within five (5) Business Days after any officer of any Credit Party obtains knowledge thereof, notice of one or more of the following environmental matters which individually, or in the aggregate, may reasonably be expected to have a Material Adverse Effect: (i) any notice of Environmental Claim against any Credit Party or any Subsidiary or any real property owned or operated by any Credit Party or any Subsidiary; (ii) any condition or occurrence on or arising from any real property owned or operated by any Credit Party or any Subsidiary that (a) results in noncompliance by any Credit Party or any Subsidiary with any applicable Environmental Law or (b) could reasonably be expected to form the basis of an Environmental Claim against any Credit Party or any Subsidiary or any such real property; (iii) any condition or occurrence on any real property owned or operated by any Credit Party or any Subsidiary that could reasonably be expected to cause such real property to be subject to any restrictions on the ownership, occupancy, use or transferability by any Credit Party or any Subsidiary of such real property under any Environmental Law; and (iv) any removal or remedial actions to be taken in response

to the actual or alleged presence of any Hazardous Material on any real property owned or operated by any Credit Party or any Subsidiary as required by any Environmental Law or any Governmental Authority. All such notices shall describe in reasonable detail the nature of the claim, investigation, condition, occurrence or removal or remedial action and such Credit Party's or such Subsidiary's response thereto. In addition, each of the Credit Parties agrees to provide the Lenders with copies of all material written communications by any Credit Party or any Subsidiary with any Person or Governmental Authority relating to any of

the matters set forth in clauses (i)-(iv) above, and such detailed reports relating to any of the matters set forth in clauses (i)-(iv) above as may reasonably be requested by the Agent or the Required Lenders.

(i) *Public Filings*. Promptly after the same became publically available, one copy of each financial statement, report, notice or proxy statement sent by any Credit Party or Subsidiary to its stockholders generally and, following the IPO, notwithstanding the provisions of Section 6.1 hereof, and within the time period specified in the SEC's rules and regulations, annual reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K (or any successor or comparable form) and other information required to be filed with or furnished to the SEC, in each case containing the information required to be contained therein (or required in such successor or comparable form) and that are required to be filed with or furnished to the SEC by any Credit Party or Subsidiary.

(j) *Other Information*. From time to time, such other information or documents (financial or otherwise) as the Agent or any Lender may reasonably request.

Section 6.2 Inspections; Books and Records.. Each of the Credit Parties will, and will cause each Subsidiary to, (a) keep proper books of record and account in which full, true and correct entries are made of all material dealings and transactions in relation to its business and activities and (b) permit officers, representatives and agents of the Agent or any Lender, to visit and inspect any Property of any Credit Party or any Subsidiary, and to examine the books of account of such Credit Party or such Subsidiary and discuss the affairs, finances and accounts of such Credit Party or such Subsidiary with its and their officers and independent accountants, all at such reasonable times as the Agent or any Lender may request; *provided* that, (i) prior written notice of any such visit, inspection or examination shall be provided to Borrower Representative, (ii) such visit, inspection or examination shall be performed at reasonable times to be agreed to by Borrower Representative, which agreement will not be unreasonably withheld, (iii) the Credit Parties shall pay the reasonable out-of-pocket costs and expenses of such visit, inspection or examination, and (iv) so long as no Event of Default exists, the Agent and the Lenders shall only be entitled to one (l) such visit, inspection or examination per fiscal year of Borrowers.

Section 6.3 Maintenance of Property, Insurance, Environmental Matters, etc.

(a) Each of the Credit Parties will, and will cause each of its Subsidiaries to, keep its property, plant and equipment in good repair, working order and condition, normal wear and tear excepted, and shall from time to time make all needful and proper repairs, renewals, replacements, extensions, additions, betterments and improvements thereto so that at all times such property, plant and equipment are reasonably preserved and maintained.

(b) (i) Each of the Credit Parties will, and will cause each of its Subsidiaries to, maintain, with good and responsible insurance companies, such insurance coverage as may be required by any law or governmental regulation or court decree or order applicable to it and such other insurance, to such extent and against such hazards and liabilities, as is customarily maintained by companies similarly situated (including, without limitation, business interruption, employers' and public liability risks), in such amounts and with such deductibles as is customarily maintained by companies similarly situated and reasonably acceptable to the Agent; and, upon request of the Agent or any Lender, furnish to the Agent or such Lender original or electronic copies of policies evidencing such insurance, and a certificate setting forth in reasonable detail the nature and extent of all insurance maintained by such Credit Party or such Subsidiary. The Credit Parties shall cause each issuer of an insurance policy to provide the Agent with a copy of endorsements (A) showing the Agent as lender's loss payable with respect to each policy of property or casualty insurance and naming the Agent as an additional insured with respect to each policy of liability insurance and business interruption insurance, (B) providing that thirty (30) days' notice will be given to the Agent prior to any cancellation of, material reduction or change in coverage provided by or other material modification to such policy for any statutorily permitted reason other than non-payment of premium, and 10 days' notice for cancellation due to non-payment of premium, and (C) reasonably acceptable in all other respects to the Agent. (ii) **UNLESS THE CREDIT PARTIES PROVIDE THE AGENT WITH EVIDENCE OF THE INSURANCE COVERAGE REQUIRED BY THIS AGREEMENT, THE AGENT MAY PURCHASE INSURANCE AT BORROWER'S EXPENSE TO PROTECT THE AGENT'S AND THE LENDERS' INTERESTS IN THE COLLATERAL. THIS INSURANCE MAY, BUT NEED NOT, PROTECT ANY CREDIT PARTY'S OR SUBSIDIARY'S INTERESTS. THE COVERAGE THAT THE AGENT PURCHASES MAY NOT PAY ANY CLAIM THAT IS MADE AGAINST SUCH CREDIT PARTY OR SUCH SUBSIDIARY IN CONNECTION WITH THE COLLATERAL. BORROWER MAY LATER CANCEL ANY INSURANCE PURCHASED BY THE AGENT, BUT ONLY AFTER PROVIDING THE AGENT WITH EVIDENCE THAT THE CREDIT PARTIES HAVE OBTAINED INSURANCE AS REQUIRED BY THIS AGREEMENT. IF THE AGENT PURCHASES INSURANCE FOR THE COLLATERAL, BORROWER WILL BE RESPONSIBLE FOR THE COSTS OF THAT INSURANCE, INCLUDING INTEREST AND ANY OTHER CHARGES THAT MAY BE IMPOSED WITH THE PLACEMENT OF THE INSURANCE, UNTIL THE EFFECTIVE DATE OF THE CANCELLATION OR EXPIRATION OF THE INSURANCE. THE COSTS OF THE INSURANCE MAY BE ADDED TO THE PRINCIPAL AMOUNT OF THE LOANS OWING HEREUNDER. THE COSTS OF THE INSURANCE MAY BE MORE THAN THE COST OF THE INSURANCE ANY SUCH CREDIT PARTY AND ANY SUCH SUBSIDIARY MAY BE ABLE TO OBTAIN ON THEIR OWN.**

(c) Without limiting the generality of Section 6.3(a), each of the Credit Parties and their Subsidiaries: (i) shall comply with, and maintain all real property in compliance with, any applicable Environmental Laws, except to the extent that the aggregate effect of all compliance failures could not reasonably be expected to have a Material Adverse Effect; (ii) shall obtain and maintain in full force and effect all governmental approvals required for its operations at or on its properties by any applicable Environmental Laws except to the extent any failure to obtain or maintain such approvals could not reasonably be expected to have a Material

Adverse Effect; (iii) shall cure as soon as reasonably practicable any violation of applicable Environmental Laws with respect to any of its properties which individually or in the aggregate could reasonably be expected to have a Material Adverse Effect; (iv) shall not, and shall not permit any other Person to, own or operate on any of its owned or operated real property, including leaseholds, any landfill or dump site which is used for the ultimate disposal of solid waste; (v) shall not, and shall not permit any other Person to, own or operate any or hazardous waste treatment, storage or disposal facility as defined pursuant to the RCRA, or any comparable state law, at any real property owned or operated by the Credit Parties or its Subsidiaries, except when undertaken in material compliance with all applicable Environmental Laws; and (vi) shall not use, generate, treat, store, Release or dispose of Hazardous Materials at or on any of the real property except in the ordinary course of its business and in material compliance with all Environmental Laws. With respect to any material Release of Hazardous Materials occurring at any real property owned or operated by the Credit Parties or its Subsidiaries, including leaseholds, each of the Credit Parties and their Subsidiaries shall conduct any necessary or required investigation, study, sampling and testing, and undertake any cleanup, removal, remedial or other response action necessary to remove, cleanup or abate any material quantity of Hazardous Materials released at or on any of its properties, which in each case is required by any applicable Environmental Law.

Section 6.4 Preservation of Existence. Each of the Credit Parties will, and will cause each Subsidiary to, (a) do or cause to be done all things necessary to (i) preserve, renew and keep in full force and effect its legal existence, the material rights, qualifications, licenses, permits, franchises, governmental authorizations, intellectual property rights, licenses and permits material to the conduct of its business, and (ii) maintain all requisite authority to conduct its business in each jurisdiction in which its business is conducted, except where the failure to maintain such authority could not reasonably be expected to have a Material Adverse Effect, provided that the foregoing shall not prohibit any merger, consolidation, liquidation or dissolution permitted under Section 6.13, and (b) carry on and conduct its business in substantially the same fields of enterprise as it is conducted as of the Restatement Closing Date and reasonable extensions thereof.

Section 6.5 Compliance with Laws. Each of the Credit Parties shall, and shall cause each Subsidiary to, comply in all respects with the requirements of all laws, rules, regulations, ordinances and orders applicable to its property or business operations of any Governmental Authority, where any such non-compliance, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect or result in a Lien upon any of its Property.

Section 6.6 ERISA. Each of the Credit Parties shall, and shall cause each Subsidiary to, promptly notify the Agent and each Lender of the occurrence of any ERISA Event that could reasonably be expected to have a Material Adverse Effect.

Section 6.7 Payment of Taxes and Other Obligations. Each of the Credit Parties will, and will cause each of its Subsidiaries to, pay and discharge as the same shall become due and payable all of its obligations and liabilities, including (a) all federal income Taxes and other material Taxes, assessments, fees and other governmental charges imposed upon it or any of its Property, before becoming delinquent and before any penalties accrue thereon, unless and to the extent that (i) the same are being contested in good faith and by proper proceedings, and (ii) the

Credit Party or Subsidiary, as applicable, has established appropriate reserves in accordance with GAAP, (b) all lawful claims which, if unpaid, would by law become a Lien upon its property; and (c)all Indebtedness, as and when due and payable, but subject to any subordination provisions contained in any instrument or agreement evidencing such Indebtedness.

Section 6.8 Transactions with Affiliates. No Credit Party shall, nor shall it permit any Subsidiary to, enter into any contract, agreement or business arrangement with any of its Affiliates on terms and conditions which are less favorable to such Credit Party or such Subsidiary than would be usual and customary in similar contracts, agreements or business arrangements between Persons not affiliated with each other, except (a) transactions between or among any Borrower and any Subsidiary that is a Credit Party not involving any other Affiliate, (b)any investment permitted by Section 6.14(e), (c) any Restricted Payment permitted by Section 6.15, (d) loans or advances to employees permitted under Section 6.14, (e) the payment of reasonable fees and expense reimbursements to directors of any Borrower or any Subsidiary who are not employees of any Borrower or any Subsidiary, and compensation and employee benefit arrangements paid to, and indemnities provided for the benefit of, directors, officers or employees of any Borrower or its Subsidiaries in the ordinary course of business, (f) any issuances of securities or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, employment agreements, stock options and stock ownership plans approved by any Borrower’s board of directors, and (g) any contribution to the capital of Holdings by the Sponsor Entities or any purchase of Equity Interests of Holdings by the Sponsor Entities. Any Credit Party may also pay indemnities and expense reimbursements it is required to pay under the Management Fee Agreement provided that no Default or Event of Default then exists or would result after taking into effect any such payment.

Section 6.9 Sale and Leaseback Transactions. No Credit Party will, nor will it permit any Subsidiary to, enter into any arrangement, directly or indirectly, whereby it shall sell or transfer any property, real or personal, used or useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property or other property that it intends to use for substantially the same purpose or purposes as the property sold or transferred, except for any such sale of any fixed or capital assets by Credit Parties or any such Subsidiary that is made for cash consideration in an amount not less than the fair value of such fixed or capital asset and is consummated within 90 days after such Credit Party or such Subsidiary acquires or completes the construction of such fixed or capital asset

Section 6.10 Interest Rate Protection. (a) No Credit Party will, nor will it permit any Subsidiary to, enter into any Rate Management Agreement, except (a) Rate Management Agreements entered into to hedge or mitigate risks to which the Credit Party or Subsidiary has actual exposure (other than those in respect of Equity Interests of Borrower or any of its Subsidiaries), and (b) Rate Management Agreements entered into in order to effectively cap, collar or exchange interest rates (from fixed to floating rates, from one floating rate to another floating rate or otherwise) with respect to any interest-bearing liability or investment of the Credit Party or any Subsidiary.

(b) Notwithstanding the foregoing, in the event that an IPO has not been consummated by that date which is twelve (12) months after the Restatement Closing Date, Borrowers shall hedge their interest rate risk on 50% of the principal amount of the Term Loan

for a period of twelve months (collectively, the “*Notional Amount*”) through the use of one or more interest Rate Management Agreements with one or more financial institutions acceptable to Agent to effectively limit the amount of interest that Borrowers must pay on the Notional Amount to not more than a rate reasonably acceptable to the Agent and such Rate Management Agreements shall be outstanding for a period of not less than 3 years.

Section 6.11 Indebtedness. No Credit Party shall, nor shall it permit any Subsidiary to, contract, create, incur, assume or suffer to exist any Indebtedness, including, without limitation, any guaranty with respect to the Indebtedness of any Person, except:

(a) the Obligations, including, without limitation, Rate Management Obligations and Banking Services Obligations, of the Credit Parties and their Subsidiaries owing to the Agent and the Lenders (and their Affiliates);

(b) Indebtedness existing on the date hereof and set forth in Schedule 6.11 and any Permitted Refinancing Indebtedness with respect thereto;

(c) purchase money Indebtedness and Capitalized Lease Obligations of Borrowers and their Subsidiaries in an amount not to exceed $2,000,000 in the aggregate at any one time outstanding and any Permitted Refinancing Indebtedness with respect thereto;

(d) Indebtedness of any Borrower to any Subsidiary that is a Borrower and of any Subsidiary that is a Borrower to any Borrower, provided that any such Indebtedness shall be unsecured and subordinated to the Obligations pursuant to Section 10.22 hereof;

(e) Contingent Obligations of any Credit Party of Indebtedness of any other Credit Party, provided that (i) any Indebtedness so guaranteed is permitted by this Section 6.11, and (ii) Contingent Obligations permitted under this clause (e) shall be subordinated to the Obligations of the applicable Subsidiary on the same terms as the Indebtedness so guaranteed is subordinated to the Obligations;

(f) [Reserved];

(g) to the extent incurred in connection with, and actually used to consummate, a Permitted Acquisition, unsecured Indebtedness (including seller debt and earnouts) subordinated in right of payment and having payment restrictions acceptable to Agent, pursuant to documentation reasonably satisfactory to the Agent, all at the time it is incurred;

(h) unsecured Indebtedness of Borrowers and their Subsidiaries not otherwise permitted by this Section in an amount not to exceed $500,000 in the aggregate at any one time outstanding and any Permitted Refinancing Indebtedness with respect thereto;

(i) contingent obligations arising from agreements of any Credit Party for customary indemnification obligations in favor of sellers and any adjustment of purchase price or acquisition price or similar obligations (excluding earn-outs) incurred in connection with Permitted Acquisitions; and

(j) Floorplan Repurchase Obligations.

Section 6.12 Liens. No Credit Party shall, nor shall it permit any Subsidiary to, create, incur or suffer to exist any Lien on any of its Property; *provided* that the foregoing shall not prevent the following (the Liens described below, the "*Permitted Liens*"):

(a) inchoate Liens for the payment of Taxes which are not yet due and payable or the payment of which is not required by Section 6.7;

(b) Liens arising by statute or with respect to bonds obtained in connection with worker's compensation, unemployment insurance, old-age benefits, social security obligations, assessments, statutory obligations or other similar charges (other than Liens arising under ERISA), good-faith cash deposits or bonds obtained in connection with tenders, contracts or leases to which any Borrower or any Subsidiary is a party or other cash deposits required to be made in the ordinary course of business, provided in each case that the obligation is not for borrowed money and that the obligation secured is not overdue or, if overdue, is being contested in good faith by appropriate proceedings which prevent enforcement of the Lien with respect to such matter under contest and adequate reserves have been established therefor;

(c) mechanics', workmen's, materialmen's, landlords', carriers', warehousemen's, processors', suppliers' or other similar Liens arising in the ordinary course of business with respect to obligations which are not delinquent for more than 60 days or which are being contested in good faith by appropriate proceedings which prevent enforcement of the matter under contest;

(d) Liens created by or pursuant to this Agreement and the Collateral Documents;

(e) Liens on property of any Borrower or any Subsidiary created solely for the purpose of securing indebtedness permitted by Section 6.11(c) hereof, representing or incurred to finance the purchase price of Property (including replacement Liens on the Property currently subject to such Liens), provided that no such Lien shall extend to or cover other Property of any Borrower or such Subsidiary other than the respective Property so acquired and the proceeds thereof, and the principal amount of indebtedness secured by any such Lien shall at no time exceed the purchase price of such Property (including taxes, shipping and installation charges), as reduced by repayments of principal thereon;

(f) zoning restrictions, easements, rights-of-way, licenses, covenants and other similar encumbrances against real Property incurred in the ordinary course of business which, in the aggregate, are not substantial in amount and which do not materially detract from the value of the Property subject thereto or materially interfere with the ordinary conduct of the business of any Credit Party or any Subsidiary;

(g) "bankers" liens arising by operation of law in respect of any deposit accounts of any Credit Party or any Subsidiary that are maintained in accordance with the terms of this Agreement;

(h) Liens arising out of the existence or the bonding of any judgments, writs or similar processes not giving rise to an Event of Default under Section 7.1(g); *provided* that the execution or other enforcement of such Liens is effectively stayed and the claims secured thereby

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are the subject of a contest maintained in good faith by appropriate proceedings diligently conducted and with respect to which such reserve or other appropriate provision, if any, as shall be required in conformity with GAAP shall have been made;

(i) any Lien on any property or asset of any Borrower or any Subsidiary existing on the date hereof and set forth in Schedule 6.12; (including replacement Liens on the property or asset currently subject to such Lien); *provided* that (i) such Lien shall not apply to any other Property of any Borrower or Subsidiary and (ii) such Lien shall secure only those obligations which it secures on the date hereof;

(j) Liens arising from precautionary UCC financing statements filed under any operating lease permitted hereunder;

(k) Liens of counterparties attaching solely to cash earnest money deposits made by any Credit Party or any of their respective Subsidiaries in connection with any letter of intent or purchase agreement entered into with respect to Capital Expenditures or Acquisitions otherwise permitted hereunder;

(l) [Reserved]; and

(m) Liens not described above securing Indebtedness (other than Indebtedness for borrowed money) of any Credit Party or any Subsidiary in an aggregate outstanding amount at any time not to exceed $250,000.

Section 6.13 Consolidation, Merger, Sale of Assets, etc. No Credit Party shall, nor shall it permit any Subsidiary to, wind up, liquidate or dissolve its affairs or agree to any merger or consolidation, or convey, sell, lease or otherwise dispose of all or any part of its property, including any disposition as part of any sale-leaseback transactions, except that this Section shall not prevent:

(a) the sale and lease of inventory in the ordinary course of business;

(b) the sale, transfer or other disposition of any tangible personal property that, in the reasonable judgment of the Credit Parties and their Subsidiaries, has become uneconomic, obsolete or worn out;

(c) sales, transfers and dispositions of assets to a Borrower or any other Credit Party (other than Holdings);

(d) any Borrower or any Subsidiary of a Borrower may merge into a Borrower in a transaction in which such Borrower is the surviving corporation, and (ii) any Subsidiary (other than a Credit Party) may merge into any other Subsidiary (other than a Credit Party), in each case with at least twenty (20) Business Days prior written notice to Agent;

(e) the disposition or sale of Cash Equivalents in consideration for cash;

(f) dispositions resulting from any casualty or other insured damage to, or any taking under power of eminent domain or by condemnation or similar proceeding of, any property or asset of any Borrower or any Subsidiary;

(g) sales which are permitted to occur under Section 6.9 hereof;

(h) the sale, transfer, lease, or other disposition of Property not otherwise permitted hereunder (excluding any disposition of Property as part of a sale and leaseback transaction and any Equity Interests of any Subsidiary and Accounts) of any Credit Party or any Subsidiary aggregating for Credit Parties and their Subsidiaries, so long as no Event of Default exists or would occur as a result thereof, with an aggregate net book value of not more than $500,000 during any fiscal year of the Credit Parties;

(i) the sale, transfer or other disposition of accounts receivable constituting bad debts in connection with the compromise, settlement or collection thereof in the ordinary course of business (and not as part of a bulk sale or receivables financing);

(j) to the extent constituting dispositions, Permitted Liens;

(k) leases, subleases, licenses and sublicenses of real or personal property entered into by the Credit Parties or their Subsidiaries in the ordinary course of business at arm’s length and on market terms;

(l) the forgiveness of loans made in accordance with Section 6.14(m);

(m) the abandonment of intellectual property which is no longer material to the business of the Credit Parties;

(n) Permitted Acquisitions and mergers or consolidations in connection with a Permitted Acquisition; and

(o) (i) any issuance of equity securities issued in connection with the exercise of stock options, equity securities issued as compensation or equity securities issued to the seller of an Acquired Business in connection with a Permitted Acquisition in accordance with the terms hereof], (ii) any Restricted Payment permitted by Section 6.15, (iii) any issuance of equity securities permitted by Section 6.8 and (iv) any issuance of equity securities permitted by Section 7.7.

Notwithstanding the foregoing, in order to be permitted by this Section 6.13, all sales, transfers, leases and other dispositions permitted hereby (other than those permitted by paragraphs (c) and (f) above) shall be made for fair value and for at least 75% cash consideration. So long as no Default or Event of Default has occurred and is continuing or would arise as a result thereof, upon the written request of Borrower Representative, the Agent shall release its Lien on any Property sold pursuant to the foregoing provisions.

Section 6.14 Advances, Investments, Acquisitions and Loans. No Credit Party shall, nor shall it permit any Subsidiary to, directly or indirectly, make loans or advances to or make, retain or have outstanding any investments (whether through purchase of all or substantially all

of the assets or Equity Interests or obligations or otherwise) in, any Person or enter into any partnerships or joint ventures, or purchase or own a futures contract or otherwise become liable for the purchase or sale of currency or other commodities at a future date in the nature of a futures contract, except that this Section shall not prevent:

(a) receivables created in the ordinary course of business and payable or dischargeable in accordance with customary trade terms;

(b) investments in Cash Equivalents subject to Control Agreements (subject to the limitations referred to in Section 4 hereof);

(c) investments (including debt obligations) received in connection with the bankruptcy or reorganization of suppliers and customers and in settlement of delinquent obligations of, and other disputes with, customers and suppliers arising in the ordinary course of business;

(d) investments in existence on the date hereof and described in Schedule 6.14;

(e) Investments by the Credit Parties and their Subsidiaries in the Equity Interests of their Subsidiaries;

(f) loans or advances made by any Borrower to any Subsidiary that is a Borrower and made by any Subsidiary that is a Borrower to any Borrower, *provided* that any such loans and advances made by a Credit Party shall be evidenced by a promissory note pledged pursuant to the Security Agreement;

(g) Contingent Obligations permitted by Section 6.11;

(h) loans or advances made by a Credit Party (other than Holdings) to its employees on an arms-length basis in the ordinary course of business consistent with past practices for travel and entertainment expenses, relocation costs and similar purposes up to a maximum of $50,000 to any employee and up to a maximum of $100,000 in the aggregate at any one time outstanding;

(i) investments in the form of Rate Management Agreements permitted by Section 6.11;

(j) investments of any Person existing at the time such Person becomes a Subsidiary of any Borrower or merges with any Borrower or any of the Subsidiaries (including in connection with a Permitted Acquisition) so long as such investments were not made in contemplation of such Person becoming a Subsidiary or of such merger;

(k) non-cash investments received in connection with the dispositions of assets permitted by Section 6.13;

(l) investments constituting deposits described in clause (b) of Section 6.12;

(m) Permitted Acquisitions and investments in connection with a Permitted Acquisition;

(n) Investments by the Credit Parties in Parts in an aggregate amount not to exceed in any fiscal year (i) $250,000 plus (ii) the annual aggregate amount that Parts repatriates to the Credit Parties;

(o) investments permitted pursuant to Section 6.13(p) hereof; and

(p) other investments, loans and advances in addition to those otherwise permitted by this Section in an amount not to exceed $500,000 in the aggregate at any one time outstanding.

Section 6.15 Restricted Payments. No Credit Party shall, nor shall it permit any Subsidiary to, make any Restricted Payment or incur any obligation to do so, except that:

(a) Any Wholly-Owned Subsidiary of any Borrower may make dividends or distributions to such Borrower;

(b) each Credit Party and each Subsidiary may declare and make dividend payments or other distributions payable solely in the common Equity Interests of the Person making such dividend or distribution;

(c) Borrowers may make to Holdings distributions to permit Holdings to pay reasonable and customary corporate and operating expenses and franchise fees or similar taxes and fees required to maintain its corporate existence;

(d) The applicable Credit Party may pay to Sponsor, the Sponsor Entities or independent directors fees, indemnification payments and reimbursable costs and expenses;

(e) Any Credit Party may make Permitted Tax Distributions; and

(f) Borrowers may make to Holdings the Restatement Closing Date Dividend.

Section 6.16 Limitation on Restrictions. No Credit Party shall, not shall it permit any Subsidiary to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any restriction on the ability of any such Subsidiary to (a) pay dividends or make any other distributions on its capital stock or other Equity Interests owned by any Credit Party or any other Subsidiary, (b) pay or repay any Indebtedness owed to any Credit Party or any other Subsidiary, (c) make loans or advances to any Credit Party or any other Subsidiary, (d) transfer any of its Property to any Credit Party or any other Subsidiary, (e) encumber or pledge any of its assets to or for the benefit of the Agent or (f) guaranty the Obligations, including, without limitation, Rate Management Obligations and Banking Services Obligations; *provided* that (i) the foregoing shall not apply to restrictions and conditions imposed by law or by any Loan Document, (ii) the foregoing shall not apply to restrictions and conditions existing on the date hereof identified on Schedule 6.16 (but shall apply to any extension or renewal of, or any amendment or modification expanding the scope of, any such restriction or condition), (iii) the

foregoing shall not apply to customary restrictions and conditions contained in agreements relating to the sale of a Subsidiary pending such sale, provided such restrictions and conditions apply only to the Subsidiary that is to be sold and such sale is permitted hereunder, (iv) clauses (d) and (e) of the foregoing shall not apply to restrictions or conditions imposed by any agreement relating to secured Indebtedness permitted by this Agreement if such restrictions or conditions apply only to the Property securing such Indebtedness and (v) clauses (d) and (e) of the foregoing shall not apply to customary provisions in leases licenses and other contracts customarily restricting the assignment thereof and restrictions on licenses, sublicenses and assignments of intellectual property.

Section 6.17 Limitation on the Creation of Subsidiaries. Notwithstanding anything to the contrary contained in this Agreement, no Credit Party shall, nor shall it permit any Subsidiary to, establish or create after the Restatement Closing Date any Subsidiary; *provided* that any Borrower and its Wholly-Owned Subsidiaries shall be permitted to establish or create Wholly-Owned Subsidiaries so long as the Credit Parties and their Subsidiaries timely comply with the requirements of Section 4.4 hereof.

Section 6.18 Material Contracts; Other Agreements. Each Credit Party shall perform and observe in all material respects all the terms and provisions of each Material Contract to be performed or observed by it, maintain each such Material Contract in full force and effect (unless such Material Contract expires by its terms and is terminated in the ordinary course of business), enforce each such Material Contract in accordance with its terms, take all such action to such end

as may be from time to time reasonably requested by the Agent and, upon request of the Agent, make to each other party to each such Material Contract such demands and requests for information and reports or for action as any Credit Party or any of its Subsidiaries is entitled to make under such Material Contract, and cause each of its Subsidiaries to do so, except, in any case, where the failure to do so, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect. The Credit Parties shall provide prompt written notice to Agent of any termination, by the floorplan financing party, of any agreement regarding floor planning financing arrangements, that includes Floorplan Repurchase Obligations.

Section 6.19 OFAC. No Credit Party shall, nor shall it permit any Subsidiary to, (i) become a Person whose property or interests in property are blocked or subject to blocking pursuant to Section 1 of Executive Order 13224 of September 23, 2001 Blocking Party and Prohibiting Transactions With Persons Who Commit, Threaten to Commit or Support Terrorism (66 Fed. Reg. 49079(2001)), (ii) engage in any dealings or transactions prohibited by Section 2 of such executive order, or be otherwise associated with any such Person in any manner violative of Section 2, and (iii) become a Person on the list of Specially Designated Nationals and Blocked Persons or subject to the limitations or prohibitions under any other U.S. Department of Treasury's Office of Foreign Assets Control regulation or executive order.

Section 6.20 Name, Fiscal Year Accounting and Organizational Documents. No Credit Party shall, nor shall it permit any Subsidiary to, without at least twenty (20) Business Days prior written notice to agent (a) change, from that as of the Restatement Closing Date, its name, its fiscal year, or its method of accounting, except as required by GAAP, or (b) amend or modify any of the terms or provisions of its certificate incorporation or by-laws or any other organizational document in a manner that would be materially adverse to Agent or any Lender.

Section 6.21 Deposit Accounts and Cash Management Services. Each of the Credit Parties shall, and shall cause each of its Subsidiaries (other than Parts) to, within sixty (60) days of the Restatement Closing Date, maintain each of its domestic deposit accounts and general checking/controlled disbursement accounts solely with a Lender, and Fifth Third shall be the principal depository and principal bank of account in which substantially all funds of the Credit Parties and their Subsidiaries are deposited, except to the extent otherwise agreed in writing by Fifth Third. Each of the Credit Parties shall, and shall cause each of its Subsidiaries to, shall enter into agreements with Fifth Third for all of its needs in connection with cash management services and shall grant to Fifth Third an opportunity to provide any business banking services required by any of them, including payroll and employee benefit plan services. Deposit account control agreements shall be required for any such deposit accounts which, with the prior written consent of Fifth Third, are maintained at financial institutions other than Fifth Third; provided, that notwithstanding anything to the contrary in this Section 6.21, (i) Parts shall not be required to (A) move to Fifth Third, or maintain at any time with Fifth Third, any deposit accounts, general checking/ controlled disbursement accounts or any other accounts of any kind or nature or (B) enter into any deposit account control agreement with respect to its accounts and (ii) no deposit account control agreements shall be required during the period from the Restatement Closing Date to the sixtieth (60th) day after the Restatement Closing Date with respect to the deposit accounts of Borrower maintained at First Tennessee Bank.

Section 6.22 Financial Covenants.

(a) *Total Leverage Ratio*. The Credit Parties shall not, as of the last day of each fiscal quarter of Holdings and its Subsidiaries during the periods specified below, permit the Total Leverage Ratio to be greater than:

Fiscal Quarter Ending	**The Total Leverage Ratio Shall Not Be Greater Than:**
3/29/2015	3.85 to 1.0
6/30/2015	3.85 to 1.0
9/27/2015	3.85 to 1.0
12/27/2015	3.85 to 1.0
3/27/2016	3.25 to 1.0
6/30/2016	3.25 to 1.0
10/2/2016	3.25 to 1.0
1/1/2017	3.25 to 1.0
4/2/2017	2.75 to 1.0
6/30/2017	2.75 to 1.0
10/1/2017	2.75 to 1.0
12/31/2017	2.75 to 1.0
4/1/2018	2.50 to 1.0
6/30/2018	2.50 to 1.0
9/30/2018	2.50 to 1.0
12/30/2018	2.50 to 1.0
3/31/2019	2.50 to 1.0
6/29/2019	2.50 to 1.0
9/29/2019	2.50 to 1.0

(b) *Fixed Charge Coverage Ratio*. As of the last day of each fiscal quarter of the Credit Parties and their Subsidiaries ending during the periods specified below, the Credit Parties shall maintain a ratio of (i) EBITDA for the four fiscal quarters of the Credit Parties and their Subsidiaries then ended to (ii) Fixed Charges for the same four fiscal quarters then ended of not less than:

Fiscal Quarter Ending	**Fixed Charge Coverage Ratio shall not be less than:**
March 29, 2015 and the last day of each fiscal quarter thereafter	1.15 to 1.0

(c) *Capital Expenditures*. The Credit Parties will not, nor will they permit any Subsidiary to, incur or make any Capital Expenditures during any fiscal year in an amount exceeding $5,000,000 plus the unused amount available for Capital Expenditures under this Section 6.22(c) for the

immediately preceding fiscal year (excluding any carry forward available from any prior fiscal year); provided, that with respect to any fiscal year, capital expenditures made during any such fiscal year shall be deemed to be made first with respect to the applicable limitation for such year and then with respect to any carry forward amount to the extent applicable.

Section 6.23 Holdings; Limitations. Each of Holdings and Borrowers hereby agrees that, until such time as all of the Obligations (other than contingent indemnification obligations for which no claim has been made) have been paid or performed in full and all Commitments of

all Lenders shall have terminated and no L/C Obligations or other Obligations are outstanding or have been Cash Collateralized, as set forth in this Agreement:

(a) Holdings agrees that its sole purpose shall be to hold 100% prior to an IPO or such lesser amount on and after an IPO of the Equity Interests in MasterCraft, Sales Administration, Parts and Hydra and engage in activities ancillary thereto as permitted by this Agreement. Without limiting the foregoing, Holdings agrees that it shall not (i) engage in any business or investment activity other than owning the Equity Interests in MasterCraft, Sales Administration, Parts and Hydra and engaging in activities ancillary thereto expressly permitted under this Agreement; (ii) become obligated for any Indebtedness, whether directly or indirectly, (iii) permit any Lien to exist on any of its assets except for Permitted Liens, to the extent applicable; or (iv) consolidate with or merge with or into any other Person or acquire substantially all of the assets of any other Person, or sell any of its assets, whether in one or a series of transactions.

(b) Holdings owns, as of the Restatement Closing Date, all of the issued and outstanding voting Equity Interests of MasterCraft, Sales Administration, Parts and Hydra. Holdings agrees that it will not, by act or omission: (i) sell, assign (by operation of law or otherwise) or otherwise dispose of, or grant any option with respect to, any of its Equity Interests in MasterCraft, Sales Administration, Parts or Hydra other than pursuant to an IPO; or (ii) create or permit to exist any Lien (other than Permitted Liens) upon or with respect to any of such Equity Interests, except for applicable transfer restrictions set forth in its governing documents or applicable law.

Section 6.24 Foreign Subsidiary Limitations. Each of Parts and Borrowers hereby agrees that, until such time as all of the Obligations (other than contingent indemnification obligations for which no claim has been made) have been paid or performed in full and all Commitments of all Lenders shall have terminated and no L/C Obligations or other Obligations are outstanding or have been Cash Collateralized, neither Parts nor any Foreign Subsidiary created after the date hereof, shall, without the prior written consent of Agent, (i) receive any proceeds from any Loan hereunder or any Collateral except to the extent provided in Section 6.14(n) hereof.

Section 6.25 IPO. The Credit Parties shall provide periodic updates to Agent and the Lenders with respect to any proposed IPO transaction and the status thereof, and shall, promptly after the filing thereof, deliver copies of any public filings with any Governmental Authority or other organization in respect of such IPO transaction; provided that Agent and the Lenders shall only be entitled to one (1) periodic update per fiscal month of Borrowers.

SECTION 7

EVENTS OF DEFAULT AND REMEDIES.

Section 7.1 Events of Default. Any one or more of the following shall constitute an "*Event of Default*" hereunder:

(a) default in the payment (i) when due (whether at the stated maturity thereof or at any other time provided for in this Agreement) of all or any part of the principal of or interest on any Loan or (ii) within three (3) Business Days after the same shall be due, any other Obligation payable hereunder or under any other Loan Document;

(b) default in the observance or performance of any covenant set forth in (i) Sections 6.3(c), 6.4, 6.11, 6.12, 6.13, 6.14, 6.15, 6.19, 6.20, 6.22 and 6.23 hereof or of any provision in any Loan Document dealing with the use, disposition or remittance of the Proceeds of Collateral or requiring the maintenance of insurance thereon, or (ii) Section 6.1 which is not remedied within three (3) Business Days after the earlier of (x) the date on which such default shall first become known to any officer of any Credit Party or (y) the date on which written notice of such default is given to Borrowers by the Agent except in the case of Section 6.1(d)(ii), in which case (x) and (y) will not apply;

(c) default in the observance or performance of any other provision hereof or of any other Loan Document which is not remedied within thirty (30) days after the earlier of (i) the date on which such default shall first become known to any officer of any Credit Party or (ii) the date on which written notice of such default is given to Borrower Representative by the Agent;

(d) any representation or warranty by any Credit Party made herein or in any other Loan Document or in any certificate delivered by any Credit Party to the Agent or the Lenders pursuant hereto or thereto or in connection with any transaction contemplated hereby or thereby proves untrue in any material respect as of the date of the issuance or making or deemed making thereof, except to the extent the same expressly relate to an earlier date in which case such representations and warranties shall be true and correct in all material respects as of such earlier date;

(e) any event occurs or condition exists (other than those described in subsections (a) through (d) above) which is specified as an event of default under any of the other Loan Documents, or any of the Loan Documents shall for any reason not be or shall cease to be in full force and effect or is declared to be null and void in any material respect, or any of the Collateral Documents shall for any reason fail to create a valid and perfected first priority Lien (subject to Permitted Liens) in favor of the Agent, for the benefit of itself and the Lenders, in any Collateral purported to be covered thereby except as expressly permitted by the terms thereof and except with respect to assets with an aggregate fair market value not exceeding $500,000, or any Credit Party or any Subsidiary takes any action for the purpose of terminating, repudiating or rescinding any Loan Document executed by it or any of its obligations thereunder (except in connection with activities expressly permitted under this Agreement);

(f) any default shall occur under any (i) Indebtedness of any Credit Party or any Subsidiary aggregating in excess of $500,000, or under any indenture, agreement or other instrument under which the same may be issued, and such default shall continue for a period of time sufficient to permit acceleration of the maturity of any such Indebtedness (whether or not such Indebtedness is in fact accelerated) or any such Indebtedness shall not be paid when due (whether by demand, lapse of time, acceleration or otherwise) after giving effect to the applicable grace or cure periods, if any, or (ii) Floorplan Repurchase Obligations aggregating in

excess of $500,000, or (iii) any Rate Management Agreement of any Credit Party or any Subsidiary with any Lender or an affiliate of any Lender;

(g) any judgment or judgments, order or orders, writ or writs or warrant or warrants of attachment, or any similar process or processes, shall be entered or filed against any Credit Party or any Subsidiary, or against any of its Property, (i) for the payment of money in an aggregate amount in excess of $1,000,000, except to the extent (x) fully and unconditionally covered by insurance pursuant to which the insurer has accepted liability therefor in writing or (y) fully and unconditionally covered by an appeal bond, for which such Credit Party or such Subsidiary has established in accordance with GAAP a cash or Cash Equivalent reserve an amount equal to such judgment, writ or warrant, or (ii) for any non-monetary award, which individually or in the aggregate could reasonably be expected to have a Material Adverse Effect, and in either case which remains undischarged, unvacated, unbonded or unstayed for a period of thirty (30) days or enforcement proceedings are commenced by any creditor upon such judgment or order;

(h) (i) An ERISA Event that results or is expected to result in liability of any Credit Party under Title IV of ERISA to the Pension Plan, Multiemployer Plan or the PBGC in an aggregate amount in excess of $250,000, or (ii) any Credit Party or any ERISA Affiliate fails to pay when due, after the expiration of any applicable grace period, any installment payment with respect to its withdrawal liability under Section 4201 of ERISA under a Multiemployer Plan and such failure results or is expected to result in liability of any Credit Party in an aggregate amount in excess of $250,000;

(i) any Change of Control shall occur;

(j) any Credit Party or any Subsidiary shall (i) have entered involuntarily against it an order for relief under the Bankruptcy Code, as amended, (ii) not pay, or admit in writing its inability to pay, its debts generally as they become due, (iii) make an assignment for the benefit of creditors, (iv) apply for, seek, consent to or acquiesce in, the appointment of a receiver, custodian, trustee, examiner, liquidator or similar official for it or any substantial part of its Property, (v) institute any proceeding seeking to have entered against it an order for relief under the Bankruptcy Code, as amended, to adjudicate it insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, adjustment or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors or fail to file an answer or other pleading denying the material allegations of any such proceeding filed against it, (vi) take any action in furtherance of any matter described in parts (i) through (v) above, or (vii) fail to contest in good faith any appointment or proceeding described in Section 7.1(k) hereof;

(k) a custodian, receiver, trustee, examiner, liquidator or similar official shall be appointed for any Credit Party or any Subsidiary, or any substantial part of any of its Property, or a proceeding described in Section 7.1(j)(v) shall be instituted against any Credit Party or any Subsidiary, and such appointment continues undischarged or such proceeding continues undismissed or unstayed for a period of sixty (60) days;

(l) Any provision of any Loan Document, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder or satisfaction in full of all Obligations arising under the Loan Documents, ceases to be in full force and effect; or any Credit Party or any other Person contests in any manner the validity or enforceability of any provision of any Loan Document; or any Credit Party denies that it has any or further liability or obligation under any provision of any Loan Document, or purports to revoke, terminate or rescind any provision of any Loan Document;

(m) any default or event of default shall occur under any other of the Subordinated Debt Documents beyond the applicable notice and cure period provided for therein, any subordination or intercreditor provision in any Subordination Agreement or in any document or instrument governing Subordinated Debt, shall cease to be in full force and effect, or any Credit Party or any other Person (including the holder of any applicable Subordinated Debt) shall contest in any manner the validity, binding nature or enforceability of any such provision; or

(n) the failure of the Credit Parties to observe and comply in all respects with Sections 6.23 (Holdings; Limitations) and 6.24 (Certain Subsidiary Limitations) hereof.

Section 7.2 Non-Bankruptcy Defaults. When any Event of Default other than those described in subsection (j) or (k) of Section 7.1 hereof has occurred and is continuing, the Agent shall, by written notice to Borrower Representative: (a) if so directed by the Required Lenders, terminate or suspend the remaining Commitments and all other obligations of the Lenders hereunder on the date stated in such notice (which may be the date thereof); (b) if so directed by the Required Lenders, declare the principal of and the accrued interest on all outstanding Loans to be forthwith due and payable and thereupon all outstanding Loans, including both principal and interest thereon, shall be and become immediately due and payable together with all other amounts payable under the Loan Documents without further demand, presentment, protest or notice of any kind; and (c) if so directed by the Required Lenders, and otherwise may, demand that Borrowers immediately pay to the Agent an amount equal to 102% of the then full available amount for drawing under each or any Letter of Credit, including, without limitation, any and all L/C Obligations and each Borrower agrees to immediately make such payment and acknowledges and agrees that the Lenders would not have an adequate remedy at law for failure by any Borrower to honor any such demand and that the Agent, for the benefit of itself and the Lenders, shall have the right to require each Borrower to specifically perform such undertaking whether or not any drawings or other demands for payment have been made under any Letter of Credit. The Agent, after giving notice to Borrower Representative pursuant to Section 7.1(c) or this Section 7.2, shall also promptly send a copy of such notice to the other Lenders, but the failure to do so shall not impair or annul the effect of such notice.

Section 7.3 Bankruptcy Defaults. When any Event of Default described in subsections (j) or (k) of Section 7.1 hereof has occurred and is continuing, then all outstanding Loans shall immediately become due and payable together with all other amounts payable under the Loan Documents without presentment, demand, protest or notice of any kind, the Commitments and any and all other obligations of the Lenders to extend further credit pursuant to any of the terms hereof shall immediately terminate and Borrowers shall immediately pay to the Agent the full amount then available for drawing under all outstanding Letters of Credit,

including, without limitation, any and all L/C Obligations, each Borrower acknowledging and agreeing that the Lenders would not have an adequate remedy at law for failure by any Borrower to honor any such demand and that the Lenders, and the Agent on their behalf, shall have the right to require each Borrower to specifically perform such undertaking whether or not any draws or other demands for payment have been made under any of the Letters of Credit.

Section 7.4 Collateral for Undrawn Letters of Credit.

(a) If the prepayment of the amount available for drawing under any or all outstanding Letters of Credit, including, without limitation, any and all L/C Obligations, is required under Section 2.8(b) or under Section 7.2 or 7.3 above, Borrowers shall forthwith pay the amount required to be so prepaid, to be held by the Agent as provided in subsection (b) below.

(b) All amounts prepaid pursuant to subsection (a) above shall be held by the Agent in one or more separate collateral accounts (each such account, and the credit balances, properties, and any investments from time to time held therein, and any substitutions for such account, any certificate of deposit or other instrument evidencing any of the foregoing and all proceeds of and earnings on any of the foregoing being collectively called the "*Collateral Account*") as security for, and for application by the Agent (to the extent available) to, the reimbursement of any payment under any Letter of Credit then or thereafter made by the L/C Issuer, and to the payment of the unpaid balance of any other Obligations. The Collateral Account shall be held in the name of and subject to the exclusive dominion and control of the Agent for the benefit of the Agent, the Lenders, and the L/C Issuer. If and when requested by Borrower Representative, the Agent shall invest funds held in the Collateral Account from time to time in direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America with a remaining maturity of one year or less, *provided* that the Agent is irrevocably authorized to sell investments held in the Collateral Account when and as required to make payments out of the Collateral Account for application to amounts due and owing from any Borrower to the L/C Issuer, the Agent or the Lenders; *provided*, *however,* that if (i) any Borrower shall have made payment of all such obligations referred to in subsection (a) above, (ii) all relevant preference or other disgorgement periods relating to the receipt of such payments have passed, and (iii) no Letters of Credit, Commitments, Loans or other Obligations remain outstanding hereunder, then the Agent shall release to Borrower Representative any remaining amounts held in the Collateral Account.

Section 7.5 Notice of Default. The Agent shall give notice to Borrower Representative under Section 7.1(c) hereof promptly upon being requested to do so by any Lender and shall at such time also notify all the Lenders thereof.

Section 7.6 Expenses. Each of the Credit Parties agrees to pay to the Agent and each Lender, and any other holder of any Note outstanding hereunder, all reasonable costs and expenses incurred or paid by the Agent and such Lender or any such holder, including reasonable and documented attorneys' fees and court costs, in connection with any Default or Event of Default or the enforcement (or forbearance) of any of the Loan Documents (including all such costs and expenses incurred in connection with any proceeding under the Bankruptcy Code involving any Credit Party or any Subsidiary as a debtor thereunder).

Section 7.7 Right to Cure Certain Financial Covenant Defaults.

(a) Notwithstanding anything to the contrary in this Agreement or the other Loan Documents but subject to clause (d) of this Section 7.7, if: (i) the Credit Parties fail to comply with a financial covenant set forth in Sections 6.22(a) and/or 6.22(b) for any applicable test period (each a "*Curable Test Period*") and (ii) there is no other Event of Default then in existence, the Credit Parties may cure any such non-compliance (collectively, the "*Cure Right*") by (A) giving an irrevocable notice to the Agent that the Credit Parties will exercise the Cure Right (a "*Cure Notice*"), such Cure Notice to be given on or before the date which is five (5) Business Days after the earlier of (x) the delivery of the financial statements by the Credit Parties to the Agent for the applicable test period or (y) the date on which financial statements with respect to such applicable test period are required to be delivered pursuant to Section 6.1(a) or (b), as applicable, and (B) receiving cash contributions to the equity capital of Credit Parties (in accordance with this Section 7.7) in an amount sufficient (the "*Cure Amount*") to cause pro forma compliance with the Curable Financial Covenants for such Curable Test Period (assuming such contributions constitute a dollar-for-dollar increase to EBITDA of the Credit Parties).

(b) Upon the Agent's receipt of the Cure Amount in accordance with Section 2.8(b)(i)(y), (i) EBITDA for the period corresponding to such Curable Test Period (and the subsequent three (3) fiscal quarters) shall be deemed to include, for all purposes of the Loan Documents, the Cure Amount as if such Cure Amount were received on the last day of such Curable Test Period and (ii) the Curable Financial Covenants for such Curable Test Period shall be recalculated, on a pro forma basis, after giving effect to the inclusion of such Cure Amount in EBITDA, pursuant to the immediately preceding clause (i). If, after recalculating the Curable Financial Covenants in accordance with the immediately preceding sentence, the Credit Parties shall then be in compliance with the requirements of Sections 6.21(a)) or 6.21(b), as applicable, for such Curable Test Period, the Credit Parties shall be deemed to have satisfied the Curable Financial Covenants as of the relevant date of determination with the same effect as though there had been no failure to comply therewith at such date, and the applicable Event of Default(s) arising from such violation of the Curable Financial Covenants that had occurred shall be deemed cured for all purposes of this Agreement and the other Loan Documents.

(c) The Cure Amount for any Curable Test Period shall be received by Borrowers, and deposited with the Agent for application against the outstanding Obligations in accordance with Section 2.8(b), on or before the applicable Cure Date.

(d) Notwithstanding anything to the contrary in this Section 7.7, (i) the Credit Parties will not have the right to exercise the Cure Right (A) more than once in any two (2) consecutive Curable Test Periods and (B) more than a total of three (3) times during the term of this Agreement; (ii) the Cure Amount shall be no greater than, and the calculation of the Curable Financial Covenants shall be deemed to include only, the amount necessary to be in compliance with the Curable Financial Covenants; (iii) all Cure Amounts shall be disregarded for all other purposes under this Agreement and the other Loan Documents (including, without limitation, calculating EBITDA for purposes of determining any basket levels, the Applicable Margin and other items governed by reference to, or calculated using EBITDA); (iv) no Cure Amount may be contributed after the applicable Cure Date; and (v) the Cure Amount shall not exceed (A) the greater of (x) the amount necessary to be in compliance with the Curable Financial Covenants, or

(y) $3,000,000, or (B) together with all prior Cure Amounts, an aggregate principal amount of $9,000,000.

SECTION 8

CHANGE IN CIRCUMSTANCES AND CONTINGENCIES.

Section 8.1 Funding Indemnity. If any Lender shall incur any loss, cost or expense (including, without limitation, any loss of profit, and any loss, cost or expense incurred by reason of the liquidation or re-employment of deposits or other funds acquired by such Lender to fund or maintain any Eurodollar

Loan or the relending or reinvesting of such deposits or amounts paid or prepaid to such Lender or by reason of breakage of interest rate swap agreements or the liquidation of other hedging contracts or agreements) as a result of:

(a) any payment, prepayment or conversion of a Eurodollar Loan on a date other than the last day of its Interest Period,

(b) any failure (because of a failure to meet the conditions of Section 3 or otherwise) by any Borrower to borrow or continue a Eurodollar Loan, or to convert a Base Rate Loan into a Eurodollar Loan, on the date specified in a notice given pursuant to Section 2.5(a) hereof,

(c) any failure by any Borrower to make any payment of principal on any Eurodollar Loan when due (whether by acceleration or otherwise),

(d) any acceleration of the maturity of a Eurodollar Loan as a result of the occurrence of any Event of Default hereunder, or

(e) any assignment required by Section 8.6(b),

then, upon the demand of such Lender, Borrowers shall pay to such Lender such amount as will reimburse such Lender for such loss, cost or expense. If any Lender makes such a claim for compensation, it shall provide to Borrower Representative, with a copy to the Agent, a certificate setting forth the amount of such loss, cost or expense in reasonable detail (including an explanation of the basis for and the computation of such loss, cost or expense) and the amounts shown on such certificate shall be conclusive absent manifest error. Notwithstanding any other provision of this Agreement, each Lender shall be entitled to fund and maintain its funding of all or any part of its Loans in any manner it sees fit, it being understood, however, that for the purposes of this Agreement all determinations hereunder with respect to Eurodollar Loans shall be made as if each Lender had actually funded and maintained each Eurodollar Loan through the purchase of deposits in the interbank eurodollar market having a maturity corresponding to such Loan's Interest Period, and bearing an interest rate equal to LIBOR for such Interest Period.

Section 8.2 Illegality. Notwithstanding any other provisions of this Agreement or any other Loan Document, if at any time any Change in Law, makes it unlawful for any Lender to make or continue to maintain any Eurodollar Loans or to perform its obligations as contemplated hereby, such Lender shall promptly give notice thereof to Borrower Representative and the Agent and such Lender's obligations to make or maintain Eurodollar Loans under this

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Agreement shall be suspended until it is no longer unlawful for such Lender to make or maintain Eurodollar Loans. Borrowers shall prepay on demand the outstanding principal amount of any such affected Eurodollar Loans, together with all interest accrued thereon and all other amounts then due and payable to such Lender under this Agreement; *provided, however,* subject to all of the terms and conditions of this Agreement, Borrower Representative may then elect to borrow the principal amount of the affected Eurodollar Loans from such Lender by means of Base Rate Loans from such Lender, which Base Rate Loans shall not be made ratably by the Lenders but only from such affected Lender.

Section 8.3 Unavailability of Deposits or Inability to Ascertain, or Inadequacy of, LIBOR. If on or prior to the first day of any Interest Period for any Borrowing of Eurodollar Loans:

(a) the Agent determines that deposits in Dollars (in the applicable amounts) are not being offered to it in the interbank eurodollar market for such Interest Period, or that by reason of circumstances affecting the interbank eurodollar market adequate and reasonable means do not exist for ascertaining the applicable LIBOR, or

(b) the Required Lenders advise the Agent that (i) LIBOR as determined by the Agent will not adequately and fairly reflect the cost to such Lenders of funding their Eurodollar Loans for such Interest Period or (ii) that the making or funding of Eurodollar Loans has become impracticable,

then the Agent shall forthwith give notice thereof to Borrower Representative and the Lenders, whereupon until the Agent notifies Borrower Representative that the circumstances giving rise to such suspension no longer exist, the obligations of the Lenders to make Eurodollar Loans shall be suspended.

Section 8.4 Increased Costs.

(a) *Increased Costs Generally*. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender (except any reserve requirement reflected in the Adjusted LIBOR) or any L/C Issuer;

(ii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) impose on any Lender or any L/C Issuer or the London interbank market any other condition, cost or expense (other than Taxes) affecting this Agreement or Loans made by such Lender or any Letter of Credit or participation therein;

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and the result of any of the foregoing shall be to increase the cost to such Lender or such other Recipient of making, converting to, continuing or maintaining any Loan or of maintaining its obligation to make any such Loan, or to increase the cost to such Lender, such L/C Issuer or such other Recipient of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or to issue any Letter of Credit), or to reduce the amount of any sum received or receivable by such Lender, L/C Issuer or other Recipient hereunder (whether of principal, interest or any other amount) then, upon request of such Lender, L/C Issuer or other Recipient, Borrowers will pay to such Lender, L/C Issuer or other Recipient, as the case may be, such additional amount or amounts as will compensate such Lender, L/C Issuer or other Recipient, as the case may be, for such additional costs incurred or reduction suffered.

(b) *Capital Requirements*. If any Lender or L/C Issuer determines that any Change in Law affecting such Lender or L/C Issuer or any lending office of such Lender or such Lender's or L/C Issuer's holding company, if any, regarding capital or liquidity requirements, has or would have the effect of reducing the rate of return on such Lender's or L/C Issuer's capital or on the capital of such Lender's or L/C Issuer's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by, or participations in Letters of Credit or Swing Loans held by, such Lender, or the Letters of Credit issued by any L/C Issuer, to a level below that which such Lender or L/C Issuer or such Lender's or L/C Issuer's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or L/C Issuer's policies and the policies of such Lender's or L/C Issuer's holding company with respect to capital adequacy), then from time to time Borrowers will pay to such Lender or L/C Issuer, as the case may be, such additional amount or amounts as will compensate such Lender or L/C Issuer or such Lender's or L/C Issuer's holding company for any such reduction suffered.

(c) *Certificates for Reimbursement*. A certificate of a Lender or L/C Issuer setting forth the amount or amounts necessary to compensate such Lender or L/C Issuer or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section and delivered to Borrower Representative, shall be conclusive absent manifest error. Borrowers shall pay such Lender or L/C Issuer, as the case may be, the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) *Delay in Requests*. Failure or delay on the part of any Lender or L/C Issuer to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's or L/C Issuer's right to demand such compensation; provided that Borrowers shall not be required to compensate a Lender or L/C Issuer pursuant to this Section for any increased costs incurred or reductions suffered more than nine months prior to the date that such Lender or L/C Issuer, as the case may be, notifies Borrower Representative of the Change in Law giving rise to such increased costs or reductions, and of such Lender's or L/C Issuer's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the nine-month period referred to above shall be extended to include the period of retroactive effect thereof).

Section 8.5 Taxes.

(a) *Defined Terms*. For purposes of this Section 8.5, the term "Lender" includes any L/C Issuer and the term "applicable law" includes FATCA.

(b) *Payments Free of Taxes*. Any and all payments by or on account of any obligation of any Credit Party under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then 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, if such Tax is an Indemnified Tax, then the sum payable by the applicable Credit Party shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(c) *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 the Agent timely reimburse it for the payment of, any Other Taxes.

(d) *Indemnification by the 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) 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 Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate setting forth in reasonable detail the nature and amount of such payment or liability delivered to Borrower Representative by a Lender (with a copy to the Agent), or by the Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(e) *Indemnification by the Lenders*. Each Lender shall severally indemnify the 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 the 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 10.8 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 the Agent in connection with any Loan 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 setting forth in reasonable detail the nature and amount of such payment or liability delivered to any Lender by the Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Agent to the Lender from any other source against any amount due to the Agent under this paragraph (e).

(f) *Evidence of Payments*. As soon as practicable after any payment of Taxes by any Credit Party to a Governmental Authority pursuant to this Section 8.5, such Credit Party shall deliver to the 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 the Agent.

(g) *Status of Lenders*. (i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to Borrower Representative and the Agent, at the time or times reasonably requested by Borrower Representative or the Agent, such properly completed and executed documentation reasonably requested by Borrower Representative or the 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 Borrower Representative or the Agent, shall deliver to Borrower Representative such other documentation prescribed by applicable law or reasonably requested by Borrower Representative or the Agent as will enable Borrower Representative or the 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 8.5(g)(ii)(A), (ii)(B) and (ii)(D) 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.

(ii) Without limiting the generality of the foregoing, in the event that any Borrower is a U.S. Borrower,

(A) any Lender that is a U.S. Person shall deliver to such Borrower and the 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 Borrower Representative or the Agent), executed originals of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to such Borrower and the 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 Borrower Representative or the Agent), whichever of the following is applicable:

(i) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed originals 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 (y) with respect to any other applicable payments under any Loan 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;

(ii) executed originals of IRS Form W-8ECI;

(iii) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit H-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 such Borrower 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 (y) executed originals of IRS Form W-8BEN or W-8BEN-E; or

(iv) to the extent a Foreign Lender is not the beneficial owner, executed originals 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 H-2 or Exhibit H-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 H-4 on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to such Borrower and the 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 Borrower Representative or the Agent), executed originals 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 such Borrower or the Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Loan 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 Code, as applicable), such Lender shall deliver to such Borrower and the Agent at the time or times prescribed by law and at such time or times reasonably requested by Borrower Representative or the Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by such Borrower or the

Agent as may be necessary for Borrower Representative and the Agent to comply with their 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 (D), "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 such Borrower, Borrower Representative and the Agent in writing of its legal inability to do so.

(h) *Treatment of Certain Refunds*. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 8.5 (including by the payment of additional amounts pursuant to this Section 8.5), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (h) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (h), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (h) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(i) *Survival*. Each party's obligations under this Section 8.5 shall survive the resignation or replacement of the 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 Loan Document.

(j) For purposes of determining withholding Taxes imposed under FATCA, from and after the Restatement Closing Date, Borrowers and the Agent shall treat (and the Lenders hereby authorize the Agent to treat) the Agreement as not qualifying as a "grandfathered obligation" within the meaning of Treasury Regulation Section 1.1471-2(b)(2)(i).

Section 8.6 Mitigation Obligations; Replacement of Lenders.

(a) *Designation of a Different Lending Office*. If any Lender requests compensation under Section 8.4, or requires any Borrower to pay any Indemnified Taxes or

additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 8.5, then such Lender shall (at the request of Borrower Representative) use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 8.4 or 8.5, as the case may be, in the future, and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. Borrowers hereby agree to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) *Replacement of Lenders*. If any Lender requests compensation under Section 8.4, or if any Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 8.5 and, in each case, such Lender has declined or is unable to designate a different lending office in accordance with Section 8.6(a), or if any Lender is a Defaulting Lender or a Non-Consenting Lender, then Borrower Representative may, at its sole expense and effort, upon notice to such Lender and the Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 10.8), all of its interests, rights (other than its existing rights to payments pursuant to Section 8.4 or Section 8.5) and obligations under this Agreement and the related Loan Documents to an Eligible Assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that:

(i) Borrowers shall have paid to the Agent the assignment fee (if any) specified in Section 10.8;

(ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and participations in Reimbursement Obligations, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 8.1) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or Borrowers (in the case of all other amounts);

(iii) in the case of any such assignment resulting from a claim for compensation under Section 8.4 or payments required to be made pursuant to Section 8.5, such assignment will result in a reduction in such compensation or payments thereafter;

(iv) such assignment does not conflict with applicable law; and

(v) in the case of any assignment resulting from a Lender becoming a Non-Consenting Lender, the applicable assignee shall have consented to the applicable amendment, waiver or consent.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling Borrower Representative to require such assignment and delegation cease to apply.

Section 8.7 Defaulting Lenders.

(a) *Defaulting Lender Adjustments*. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by applicable law:

(i) *Waivers and Amendments*. Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of Required Lenders.

(ii) *Defaulting Lender Waterfall*. Any payment of principal, interest, fees or other amounts received by the Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Section 7 or otherwise) or received by the Agent from a Defaulting Lender pursuant to Section 10.12 shall be applied at such time or times as may be determined by the Agent as follows: *first*, to the payment of any amounts owing by such Defaulting Lender to the Agent hereunder; *second*, to the payment on a pro rata basis of any amounts owing by such Defaulting Lender to any L/C Issuer or Swing Line Lender hereunder; *third*, to Cash Collateralize the L/C Issuers' Fronting Exposure with respect to such Defaulting Lender in accordance with Section 8.8; *fourth*, as Borrower Representative may request (so long as no Default or Event of Default exists), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Agent; *fifth*, if so determined by the Agent and Borrowers, to be held in a deposit account and released pro rata in order to (x) satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement and (y) Cash Collateralize the L/C Issuers' future Fronting Exposure with respect to such Defaulting Lender with respect to future Letters of Credit issued under this Agreement, in accordance with Section 8.8; *sixth*, to the payment of any amounts owing to the Lenders, the L/C Issuers or Swing Line Lenders as a result of any judgment of a court of competent jurisdiction obtained by any Lender, the L/C Issuers or Swing Line Lenders against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; *seventh*, so long as no Default or Event of Default exists, to the payment of any amounts owing to Borrowers as a result of any judgment of a court of competent jurisdiction obtained by any Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and *eighth*, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Loans or Reimbursement Obligations in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Loans were made or the related Letters of Credit were issued at a time when the conditions set forth in Section 3.1 were satisfied or waived, such payment shall be applied solely to pay the Loans of, and Reimbursement Obligations owed to, all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of, or Reimbursement Obligations owed to, such Defaulting Lender until such time as all Loans and funded and unfunded participations in L/C Obligations and Swing Loans are held by the Lenders

pro rata in accordance with the Commitments under the applicable Facility without giving effect to Section 8.7(a)(iv). Any payments, prepayments or other amounts paid or payable to a

Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post Cash Collateral pursuant to this Section 8.7(a)(ii) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) *Certain Fees*. (A) No Defaulting Lender shall be entitled to receive any Commitment Fee for any period during which that Lender is a Defaulting Lender (and Borrowers shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender).

(B) Each Defaulting Lender shall be entitled to receive L/C Fees for any period during which that Lender is a Defaulting Lender only to the extent allocable to its Applicable Percentage of the stated amount of Letters of Credit for which it has provided Cash Collateral pursuant to Section 8.8.

(C) With respect to any L/C Fee not required to be paid to any Defaulting Lender pursuant to clause (B) above, Borrowers shall (x) pay to each Non-Defaulting Lender that portion of any such fee otherwise payable to such Defaulting Lender with respect to such Defaulting Lender's participation in L/C Obligations that has been reallocated to such Non-Defaulting Lender pursuant to clause (iv) below, (y) pay to the L/C Issuer the amount of any such fee otherwise payable to such Defaulting Lender to the extent allocable to such L/C Issuer's Fronting Exposure to such Defaulting Lender, and (z) not be required to pay the remaining amount of any such fee.

(iv) *Reallocation of Participations to Reduce Fronting Exposure*. All or any part of such Defaulting Lender's participation in L/C Obligations and Swing Loans shall be reallocated among the Non-Defaulting Lenders in accordance with their respective Applicable Percentages (calculated without regard to such Defaulting Lender's Commitment) but only to the extent that (x) the conditions set forth in Section 3.1 are satisfied at the time of such reallocation (and, unless Borrowers shall have otherwise notified the Agent at such time, Borrowers shall be deemed to have represented and warranted that such conditions are satisfied at such time), and (y) such reallocation does not cause the aggregate Revolving Credit Exposure of any Non-Defaulting Lender to exceed such Non-Defaulting Lender's Revolving Credit Commitment. No reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having become a Defaulting Lender, including any claim of a Non-Defaulting Lender as a result of such Non-Defaulting Lender's increased exposure following such reallocation.

(v) *Cash Collateral, Repayment of Swing Loans*. If the reallocation described in clause (iv) above cannot, or can only partially, be effected, Borrowers shall, without prejudice to any right or remedy available to them hereunder or under law, (x) first, prepay Swing Loans in an amount equal to the Swing Line Lenders' Fronting Exposure and (y) second, Cash Collateralize the L/C Issuers' Fronting Exposure in accordance with the procedures set forth in Section <u>8.8</u>.

(b) *Defaulting Lender Cure*. If Borrower Representative, the Agent and each Swing Line Lender and L/C Issuer agree in writing that a Lender is no longer a Defaulting Lender, the Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any Cash Collateral), that Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders or take such other actions as the Agent may determine to be necessary to cause the Loans and funded and unfunded participations in Letters of Credit and Swing Loans to be held pro rata by the Lenders in accordance with the Commitments under the applicable Facility (without giving effect to Section 8.7(a)(iv), whereupon such Lender will cease to be a Defaulting Lender; <u>provided</u> that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of Borrowers while that Lender was a Defaulting Lender; and <u>provided</u>, <u>further</u>, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

(c) *New Swing Loans/Letters of Credit*. So long as any Lender is a Defaulting Lender, (i) no Swing Line Lender shall be required to fund any Swing Loans unless it is satisfied that it will have no Fronting Exposure after giving effect to such Swing Loan and (ii) no L/C Issuer shall be required to issue, extend, renew or increase any Letter of Credit unless it is satisfied that it will have no Fronting Exposure after giving effect thereto.

Section 8.8 <u>Cash Collateral</u>.

(a) *Cash Collateral*. At any time that there shall exist a Defaulting Lender, within one Business Day following the written request of the Agent or any L/C Issuer (with a copy to the Agent) Borrowers shall Cash Collateralize the L/C Issuers' Fronting Exposure with respect to such Defaulting Lender (determined after giving effect to Section 8.7(a)(iv) and any Cash Collateral provided by such Defaulting Lender) in an amount not less than the Minimum Collateral Amount.

(b) *Grant of Security Interest*. Each Borrower, and to the extent provided by any Defaulting Lender, such Defaulting Lender, hereby grants to the Agent, for the benefit of the L/C Issuers, and agrees to maintain, a first priority security interest in all such Cash Collateral as security for the Defaulting Lenders' obligation to fund participations in respect of L/C Obligations, to be applied pursuant to clause (b) below. If at any time the Agent determines that Cash Collateral is subject to any right or claim of any Person other than the Agent and the L/C Issuers as herein provided, or that the total amount of such Cash Collateral is less than the Minimum Collateral Amount, Borrowers will, promptly upon demand by the Agent, pay or provide to the Agent additional Cash Collateral in an amount sufficient to eliminate such deficiency (after giving effect to any Cash Collateral provided by the Defaulting Lender).

(c) *Application*. Notwithstanding anything to the contrary contained in this Agreement, Cash Collateral provided under this Section 8.8 or Section 8.7 in respect of Letters of Credit shall be applied to the satisfaction of the Defaulting Lender's obligation to fund participations in respect of L/C Obligations (including, as to Cash Collateral provided by a Defaulting Lender, any interest accrued on such obligation) for which the Cash Collateral was so

provided, prior to any other application of such property as may otherwise be provided for herein.

(d) *Termination of Requirement*. Cash Collateral (or the appropriate portion thereof) provided to reduce any L/C Issuer's Fronting Exposure shall no longer be required to be held as Cash Collateral pursuant to this Section 8.8 following (i) the elimination of the applicable Fronting Exposure (including by the termination of Defaulting Lender status of the applicable Lender), or (ii) the determination by the Agent and the L/C Issuer that there exists excess Cash Collateral; provided that, subject to Section 8.7, the Person providing Cash Collateral and the L/C Issuer may agree that Cash Collateral shall be held to support future anticipated Fronting Exposure or other obligations and provided further that to the extent that such Cash Collateral was provided by Borrowers, such Cash Collateral shall remain subject to the security interest granted pursuant to the Loan Documents.

SECTION 9

THE AGENT.

Section 9.1 Appointment and Authority. Each of the Lenders and the L/C Issuers hereby irrevocably appoints Fifth Third to act on its behalf as the Agent hereunder and under the other Loan Documents and authorizes the Agent to take such actions on its behalf and to exercise such powers as are delegated to the Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article are solely for the benefit of the Agent, the Lenders and the L/C Issuers, and no Credit Party shall have rights as a third-party beneficiary of any of such provisions. It is understood and agreed that the use of the term "agent" herein or in any other Loan Documents (or any other similar term) with reference to the Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

Section 9.2 Rights as a Lender. The Person serving as the Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Agent, and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for, and generally engage in any kind of business with, any Credit Party or any Subsidiary or other Affiliate thereof as if such Person were not the Agent hereunder and without any duty to account therefor to the Lenders.

Section 9.3 Exculpatory Provisions. (a) The Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents, and its duties hereunder shall be administrative in nature. Without limiting the generality of the foregoing, the Agent:

(i) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(ii) 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 the Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents); provided that the Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Agent to liability or that is contrary to any Loan Document or applicable law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law; and

(iii) 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 Credit Party or any of its Affiliates that is communicated to or obtained by the Person serving as the Agent or any of its Affiliates in any capacity.

(b) The Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 10.11, 7.2 or 7.3), or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment. The Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given to the Agent in writing by Borrower Representative, a Lender or an L/C Issuer.

(c) The Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Section 3 or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Agent.

Section 9.4 Reliance by Agent. The Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition

hereunder to the making of a Loan, or the issuance, extension, renewal or increase of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender or an L/C Issuer, the Agent may presume that such condition is satisfactory to such Lender or L/C Issuer unless the Agent shall have received notice to the contrary from such Lender or L/C Issuer prior to the making of such Loan or the issuance of such Letter of Credit. The Agent may consult with legal counsel (who may be counsel for Borrower Representative), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

Section 9.5 Delegation of Duties. The Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Agent. The Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the Facilities as well as

activities as Agent. The Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and nonappealable judgment that the Agent acted with gross negligence or willful misconduct in the selection of such sub-agents.

Section 9.6 Resignation of Agent. (a) The Agent may at any time give notice of its resignation to the Lenders, the L/C Issuers and Borrower Representative. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with Borrower Representative, to appoint a successor, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Agent gives notice of its resignation (or such earlier day as shall be agreed by the Required Lenders) (the "*Resignation Effective Date*"), then the retiring Agent may (but shall not be obligated to), on behalf of the Lenders and the L/C Issuers, appoint a successor Agent meeting the qualifications set forth above. Whether or not a successor has been appointed, such resignation shall become effective in accordance with such notice on the Resignation Effective Date.

(b) If the Person serving as Agent is a Defaulting Lender pursuant to clause (d) of the definition thereof, the Required Lenders may, to the extent permitted by applicable law, by notice in writing to Borrower Representative and such Person remove such Person as Agent and, in consultation with Borrower Representative, appoint a successor. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days (or such earlier day as shall be agreed by the Required Lenders) (the "*Removal Effective Date*"), then such removal shall nonetheless become effective in accordance with such notice on the Removal Effective Date.

(c) With effect from the Resignation Effective Date or the Removal Effective Date (as applicable) (1) the retiring or removed Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any collateral security held by the Agent on behalf of the Lenders or the L/C Issuers under any of the

Loan Documents, the retiring or removed Agent shall continue to hold such collateral security until such time as a successor Agent is appointed and has become perfected in the Collateral) and (2) except for any indemnity payments owed to the retiring or removed Agent, all payments, communications and determinations provided to be made by, to or through the Agent shall instead be made by or to each Lender and L/C Issuer directly, until such time, if any, as the Required Lenders appoint a successor Agent as provided for above. Upon the acceptance of a successor's appointment as Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring or removed Agent (other than any rights to indemnity payments owed to the retiring or removed Agent), and the retiring or removed Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents. The fees payable by Borrowers to a successor Agent shall be the same as those payable to its predecessor unless otherwise agreed between Borrower Representative and such successor. After the retiring or removed Agent's resignation or removal hereunder and under the other Loan Documents, the provisions of this Article and Section 10.11 shall continue in effect for the benefit of such retiring or removed Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring or removed Agent was acting as Agent.

Section 9.7 Non-Reliance on Agent and Other Lenders. Each Lender and L/C Issuer acknowledges that it has, independently and without reliance upon the Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender and L/C Issuer also acknowledges that it will, independently and without reliance upon the Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

Section 9.8 No Other Duties, etc. Anything herein to the contrary notwithstanding, none of the Bookrunners, Arrangers, any Syndication Agent, Documentation Agent or Collateral Agent, or other titles as necessary listed on the cover page hereof shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Agent, a Lender or an L/C Issuer hereunder.

Section 9.9 Agent May File Proofs of Claim. In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to any Credit Party, the Agent (irrespective of whether the principal of any Loan or L/C Obligation shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Agent shall have made any demand on Borrower Representative) shall be entitled and empowered (but not obligated) by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, L/C Obligations and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders, the L/C Issuers and the Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders, the L/C Issuers and the Agent and their respective agents and counsel and all other amounts due the Lenders, the

L/C Issuers and the Agent under Sections 2.13 and 10.13) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender and L/C Issuer to make such payments to the Agent and, in the event that the Agent shall consent to the making of such payments directly to the Lenders and the L/C Issuers, to pay to the Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Agent and its agents and counsel, and any other amounts due the Agent under Sections 2.13 and 10.13.

Section 9.10 Collateral and Guaranty Matters. (a) The Lenders irrevocably authorize the Agent, at its option and in its discretion,

(i) to release any Lien on any property granted to or held by the Agent under any Loan Document (x) upon termination of all Commitments and payment in full of all Obligations (other than contingent indemnification obligations) and the expiration or termination of all Letters of Credit (other than Letters of Credit as to which other arrangements reasonably satisfactory to the Agent and the L/C Issuer shall have been made), (y) that is sold or otherwise disposed of or to be sold or otherwise disposed of as part of or in connection with any sale or other disposition permitted under the Loan Documents, or (z) subject to Section 10.9, if approved, authorized or ratified in writing by the Required Lenders;

(ii) to subordinate any Lien on any property granted to or held by the Agent under any Loan Document to the holder of any Lien on such property that is permitted by Section 6.12(e); and

(iii) to release any Guarantor from its obligations under the Guaranty if such Person ceases to be a Subsidiary as a result of a transaction permitted under the Loan Documents.

Upon request by the Agent at any time, the Required Lenders will confirm in writing the Agent's authority to release or subordinate its interest in particular types or items of property, or to release any Guarantor from its obligations under the Guaranty pursuant to this Section 10.

(b) The Agent shall not be responsible for or have a duty to ascertain or inquire into any representation or warranty regarding the existence, value or collectability of the Collateral, the existence, priority or perfection of the Agent's Lien thereon, or any certificate prepared by any Credit Party in connection therewith, nor shall the Agent be responsible or liable to the Lenders for any failure to monitor or maintain any portion of the Collateral.

Section 9.11 Authorization to Enter into, and Enforcement of, the Collateral Documents. The Agent is hereby irrevocably authorized by each of the Lenders to execute and deliver the Collateral Documents on behalf of each of the Lenders and their Affiliates and to take such action and exercise such powers under the Collateral Documents as the Agent considers

appropriate; *provided that* the Agent shall not amend the Collateral Documents unless such amendment is agreed to in writing by the Required Lenders; *provided further that* the consent of the Required Lenders shall not be required to amend any account control agreement, landlord waiver, bailee waiver or similar agreement. Each Lender acknowledges and agrees that it will be bound by the terms and conditions of the Collateral Documents upon the execution and delivery thereof by the Agent. Except as otherwise specifically provided for herein, no Lender (or its Affiliates) other than the Agent shall have the right to institute any suit, action or proceeding in equity or at law for the foreclosure or other realization upon any Collateral or for the execution of any trust or power in respect of the Collateral or for the appointment of a receiver or for the enforcement of any other remedy under the Collateral Documents; it being understood and intended that no one or more of the Lenders (or their Affiliates) shall have any right in any manner whatsoever to affect, disturb or prejudice the Lien of the Agent (or any security trustee therefor) under the Collateral Documents by its or their action or to enforce any right thereunder, and that all proceedings at law or in equity shall be instituted, had, and maintained by the Agent (or its security trustee) in the manner provided for in the relevant Collateral Documents for the benefit of the Lenders and their Affiliates.

Section 9.12 Designation of Additional Agents. The Agent shall have the continuing right, for purposes hereof, at any time and from time to time to designate one or more of the Lenders (and/or its or their Affiliates) as "syndication agents," "documentation agents," "arrangers" or other designations for purposes hereto, but such designation shall have no substantive effect, and such Lenders and their Affiliates shall have no additional powers, duties or responsibilities as a result thereof.

SECTION 10

MISCELLANEOUS.

Section 10.1 No Waiver; Cumulative Remedies. No delay or failure on the part of the Agent or any Lender or on the part of the holder or holders of any of the Obligations in the exercise of any power or right under any Loan Document shall operate as a waiver thereof or as an acquiescence in any default, nor shall any single or partial exercise of any power or right preclude any other or further exercise thereof or the exercise of any other power or right. The rights and remedies hereunder of the Agent, the Lenders and of the holder or holders of any of the Obligations are cumulative to, and not exclusive of, any rights or remedies which any of them would otherwise have.

Section 10.2 Non-Business Days. If any payment hereunder becomes due and payable on a day which is not a Business Day, the due date of such payment shall be extended to the next succeeding Business Day on which date such payment shall be due and payable. In the case of any payment of principal falling due on a day which is not a Business Day, interest on such principal amount shall continue to accrue during such extension at the rate per annum then in effect, which accrued amount shall be due and payable on the next scheduled date for the payment of interest.

Section 10.3 Survival of Representations. All representations and warranties made herein or in any other Loan Document or in certificates given pursuant hereto or thereto shall

survive the execution and delivery of this Agreement and the other Loan Documents, and shall continue in full force and effect with respect to the date as of which they were made as long as any Lender or the L/C Issuer has any Commitment hereunder or any Obligations remain unpaid hereunder.

Section 10.4 Survival of Indemnities. All indemnities and other provisions relative to reimbursement to the Lenders of amounts sufficient to protect the yield of the Lenders with respect to the Loans and Letters of Credit, including, but not limited to, Sections 8.1, 8.4, 10.1, 10.4 and 10.13 hereof, shall survive the termination of this Agreement and the other Loan Documents and the Payment in Full of the Obligations.

Section 10.5 Sharing of Set-Off. If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans or other obligations hereunder resulting in such Lender receiving payment of a proportion of the aggregate amount of its Loans and accrued interest thereon or other such obligations greater than its pro rata share thereof as provided herein, then the Lender receiving such greater proportion shall (a) notify the Agent of such fact, and (b) purchase (for cash at face value) participations in the Loans and such other obligations of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and other amounts owing them; provided that:

(i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(ii) the provisions of this paragraph shall not be construed to apply to (x) any payment made by Borrowers pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender), or (y) any

payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or participations in Reimbursement Obligations to any assignee or participant, other than to any Borrower or any Subsidiary thereof (as to which the provisions of this paragraph shall apply).

Each Credit Party consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against each Credit Party rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of each Credit Party in the amount of such participation.

Section 10.6 Notices.

(a) *Notices Generally*. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile as follows:

(i) if to any Credit Party, c/o Borrower Representative, to it at 100 Cherokee Cove Drive, Vonore, Tennessee 37885, Attention of Tim Oxley (Facsimile No. (423) 884-2222; Telephone No. (423) 884-7829), with a copy to Wayzata Investment Partners, 701 East Lake Street, Suite 300, Wayzata, MN 55391, Attention: Susan D. Peterson (Facsimile No. 952-345-8901; Telephone No. 952-345-0700), with a copy to Wayzata Investment Partners, 701 East Lake Street, Suite 300, Wayzata, MN 55391, Attention: Ray T. Wallander (Facsimile No. 952-345-8901; Telephone No. 952-345-0700), with a copy (which shall not constitute notice) to King & Spalding LLP, 100 N. Tryon Street, Suite 3900, Charlotte, North Carolina, Attention: W. Todd Holleman (Facsimile No. 704-503-2622; Telephone No. 704-503-2567).

(ii) if to the Agent, to Fifth Third at Fifth Third Bank, as Agent, 222 South Riverside Plaza, 30th Floor, Chicago, Illinois 60606, Attention of Adolph Letke (Facsimile No. 312-704-4127; Telephone No. (312) 704-6164;

(iii) if to Fifth Third Bank in its capacity as L/C Issuer, to it at 222 South Riverside Plaza, 30th Floor, Chicago, Illinois 60606, Attention of Adolph Letke (Facsimile No. 312-704-4127; Telephone No. (312) 704-6164), and if to any other L/C Issuer, to it at the address provided in writing to the Agent and Borrower Representative at the time of its appointment as an L/C Issuer hereunder;

(iv) if to a Lender, to it at its address (or facsimile number) set forth in its Administrative Questionnaire or on the signature pages hereto.

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by facsimile shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next business day for the recipient). Notices delivered through electronic communications, to the extent provided in paragraph (b) below, shall be effective as provided in said paragraph (b).

(b) *Electronic Communications*. Notices and other communications to the Lenders and the L/C Issuers hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Agent, provided that the foregoing shall not apply to notices to any Lender or L/C Issuer pursuant to Section 2.5 if such Lender or L/C Issuer, as applicable, has notified the Agent that it is incapable of receiving notices under such Article by electronic communication. The Agent or Borrower Representative may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

Unless the Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient,

at its e-mail address as described in the foregoing clause (i), of notification that such notice or communication is available and identifying the website address therefor; provided that, for both clauses (i) and (ii) above, if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient.

(c) *Change of Address, etc*. Any party hereto may change its address or facsimile number for notices and other communications hereunder by notice to the other parties hereto.

(d) *Platform*.

(i) Each Credit Party agrees that the Agent may, but shall not be obligated to, make the Communications (as defined below) available to the L/C Issuers and the other Lenders by posting the Communications on Debt Domain, Intralinks, Syndtrak or a substantially similar electronic transmission system (the "*Platform*").

(ii) The Platform is provided "as is" and "as available." The Agent Parties (as defined below) do not warrant the adequacy of the Platform and expressly disclaim liability for errors or omissions in the Communications. No warranty of any kind, express, implied or statutory, including, without limitation, any warranty of merchantability, fitness for a particular purpose, non-infringement of third-party rights or freedom from viruses or other code defects, is made by any Agent Party in connection with the Communications or the Platform. In no event shall the Agent or any of its Related Parties (collectively, the "*Agent Parties*") have any liability to any Credit Party, any Lender or any other Person or entity for damages of any kind, including, without limitation, direct or indirect, special, incidental or consequential damages, losses or expenses (whether in tort, contract or otherwise) arising out of any Credit Party's or the Agent's transmission of communications through the Platform. "*Communications*" means, collectively, any notice, demand, communication, information, document or other material provided by or on behalf of any Credit Party pursuant to any Loan Document or the transactions contemplated therein which is distributed to the Agent, any Lender or any L/C Issuer by means of electronic communications pursuant to this Section, including through the Platform.

Section 10.7 Counterparts. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents, and any separate letter agreements with respect to fees payable to the Agent, constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 3, this Agreement shall become effective when it shall have been executed by the Agent and when the Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or in electronic (i.e., "pdf" or "tif") format shall be effective as delivery of a manually executed counterpart of this Agreement.

Section 10.8 Successors and Assigns; Assignments and Participations.

(a) *Successors and Assigns Generally*. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that no Credit Party assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Agent and each Lender, and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of paragraph (b) of this Section, (ii) by way of participation in accordance with the provisions of paragraph (d) of this Section, or (iii) by way of pledge or assignment of a security interest subject to the restrictions of paragraph (f) of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in paragraph (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) *Assignments by Lenders*. Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it); provided that (in each case with respect to any Facility) any such assignment shall be subject to the following conditions:

(i) *Minimum Amounts*.

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and/or the Loans at the time owing to it (in each case with respect to any Facility) or contemporaneous assignments to related Approved Funds that equal at least the amount specified in paragraph (b)(i)(B) of this Section in the aggregate or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in paragraph (b)(i)(A) of this Section, the aggregate amount of the Commitment (which for this purpose

includes Loans outstanding thereunder) or, if the applicable Commitment is not then in effect, the principal outstanding balance of the Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Agent or, if "*Trade Date*" is specified in the Assignment and Assumption, as of the Trade Date) shall not be less than $1,000,000 in the case of any assignment in respect of the Revolving Loans, or $1,000,000, in the case of any assignment in respect of the Term Loan, unless each of the Agent and, so long as no Event of Default has occurred and is continuing, Borrower Representative otherwise consents (each such consent not to be unreasonably withheld or delayed).

(ii) *Proportionate Amounts*. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loan or the Commitment assigned, except that this clause (ii) shall not prohibit any Lender from assigning all or a portion of its rights and obligations among separate Facilities on a non-pro rata basis.

(iii) *Required Consents*. No consent shall be required for any assignment except to the extent required by paragraph (b)(i)(B) of this Section and, in addition:

(A) the consent of Borrower Representative (such consent not to be unreasonably withheld or delayed) shall be required unless (x) an Event of Default has occurred and is continuing at the time of such assignment, or (y) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; provided that Borrower Representative shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Agent within 5 Business Days after having received notice thereof and provided, further, that Borrower Representative's consent shall not be required during the primary syndication of the Facilities;

(B) the consent of the Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments in respect of (i) the Revolving Loans or any unfunded Commitments with respect to the Term Loan if such assignment is to a Person that is not a Lender with a Commitment in respect of such Loan, an Affiliate of such Lender or an Approved Fund with respect to such Lender, or (ii) any Term Loans to a Person who is not a Lender, an Affiliate of a Lender or an Approved Fund;

and

(C) the consent of the L/C Issuer and each Swing Line Lender shall be required for any assignment in respect of the Revolving Loans.

(iv) *Assignment and Assumption*. The parties to each assignment shall execute and deliver to the Agent an Assignment and Assumption, together with a processing and recordation fee of $3,500; provided that the Agent may, in its sole

discretion, elect to waive such processing and recordation fee in the case of any assignment. The assignee, if it is not a Lender, shall deliver to the Agent an Administrative Questionnaire.

(v) *No Assignment to Certain Persons*. No such assignment shall be made to (A) any Credit Party, the Sponsor or any of their respective Affiliates or Subsidiaries, except as permitted under Sections 10.08 (g) and 10.08 (h), (B) to any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (B) or (C) to any of the entities listed on Schedule 10.8(b).

(vi) *No Assignment to Natural Persons*. No such assignment shall be made to a natural Person.

(vii) *Certain Additional Payments*. In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of Borrower Representative and the Agent, the applicable pro rata share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Agent, the L/C Issuer, each Swing Line Lender and each other Lender hereunder (and interest accrued thereon), and (y) acquire (and fund as appropriate) its full pro rata share of all Loans and participations in Letters of Credit and Swing Loans in accordance with its Applicable Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by the Agent pursuant to paragraph (c) of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 8.4 and 10.11 with respect to facts and circumstances occurring prior to the effective date of such assignment; provided, that except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. Any assignment or transfer by a Lender of rights or

obligations under this Agreement that does not comply with this paragraph shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (d) of this Section.

(c) *Register*. The Agent, acting solely for this purpose as an agent of Borrowers, shall maintain at one of its offices in Cincinnati, Ohio a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts (and stated interest) of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "*Register*"). The entries in the Register shall be conclusive absent manifest error, and the Credit Parties, the Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by Borrower Representative and any Lender, at any reasonable time and from time to time upon reasonable prior notice. This Section 10.8(c) is intended to qualify the Loans as obligations in "registered form" for purposes of the Code including Treasury Regulation 1.871-14(c) promulgated thereunder, and shall be interpreted consistently therewith.

(d) *Participations*. Any Lender may at any time, without the consent of, or notice to, Borrower Representative or the Agent, sell participations to any Person (other than a natural Person or any Credit Party or any Credit Party's Affiliates or Subsidiaries) (each, a "*Participant*") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, and (iii) the Credit Parties, the Agent, the L/C Issuers and Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. For the avoidance of doubt, each Lender shall be responsible for the indemnity under Section 10.11(c) with respect to any payments made by such Lender to its Participant(s).

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in Section 10.9(b) that affects such Participant. Each Credit Party agrees that each Participant shall be entitled to the benefits of Sections 8.4, 8.1 and 8.5 (subject to the requirements and limitations therein, including the requirements under Section 8.5(g) (it being understood that the documentation required under Section 8.5(g) shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section; provided that such Participant (A) agrees to be subject to the provisions of Section 8.6 as if it were an assignee under paragraph (b) of this Section; and (B) shall not be entitled to receive any greater payment under Sections 8.4 or 8.5, 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 Borrower Representative's request and expense, to use reasonable efforts to cooperate with Borrower

Representative to effectuate the provisions of Section 8.6 with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 10.12 as though it were a Lender; provided that such Participant agrees to be subject to Section 10.5 as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as an agent of Borrowers, 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 Loan 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, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit 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, the Agent (in its capacity as Agent) shall have no responsibility for maintaining a Participant Register.

(e) *Certain Pledges*. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(f) *Electronic Execution of Assignments*. The words "execution," "signed," "signature," and words of like import in any Assignment and Assumption shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the Illinois Electronic Commerce Security Act, or any other similar state laws whether or not based on the Uniform Electronic Transactions Act.

(g) *Affiliated Lenders*. (i) Subject to Section 10.08(b) and this Section 10.08(g), any Lender shall have the right at any time to sell, transfer and assign all or a portion of its Term Loan ("Applicable Loan") to the Sponsor or any of the Sponsor Entities (the "Affiliated Lenders"), to the extent that:

(A) the aggregate principal amount of all Term Loans which may be assigned to the Affiliated Lenders shall in no event exceed, as calculated at the time of the consummation of any aforementioned assignments, 25% of the aggregate principal amount of the Term Loans then outstanding;

(B) each Term Lender shall have the right to sell, transfer and assign to such Affiliated Lender, in its sole discretion, on a pro rata basis, the amount of its Term Loan Percentage in such Applicable Loans; and

(C) the assigning Lender and the Affiliated Lender purchasing such Lender's Applicable Loans shall execute and deliver to the Agent an assignment agreement substantially in the form of Exhibit F (an "Affiliated Lender Assignment and Assumption").

Notwithstanding anything to the contrary in this Agreement, no Affiliated Lender shall have any right to (A) attend (including by telephone) any meeting or discussions (or portion thereof) among the Agent or any Lender to which representatives of the Credit Parties are not invited, or (B) receive any information or material prepared by the Agent or any Lender or any communication by or among the Agent and/or one or more Lenders, except to the extent such information or materials have been made available to any Credit Party or its representatives.

(ii) Notwithstanding anything in Section 10.09 or the definition of "Required Lenders" to the contrary, for purposes of determining whether the Required Lenders or all affected Lenders or all Lenders have (A) consented (or not consented) to any amendment, modification, waiver, consent or other action with respect to any of the terms of any Loan Document or any departure by any Credit Party therefrom, (B) otherwise acted on any matter related to any Loan Document, or (C) directed or required the Agent or any Lender to undertake any action (or refrain from taking any action) with respect to or under any Loan Document, an Affiliated Lender shall be deemed to have voted its interest as a Lender without discretion in the same proportion as the allocation of voting with respect to such matter by Lenders who are not Affiliated Lenders; *provided* that (x) under no circumstances shall any Affiliated Lenders be permitted to exercise any voting rights or other privileges with respect to any Applicable Loans and any Applicable Loans that are assigned to, owned by, or maintained for the benefit of, any Affiliated Lender shall have no voting rights or other privileges under the Loan Documents (and all voting percentages shall be recalculated to give effect to such voting nullification), except as permitted under Section 10.9 (b) (2) and (3) hereof; and in furtherance of the foregoing, the Affiliated Lender agrees to execute and deliver to the Agent any instrument reasonably requested by the Agent to evidence the voting of its interest as a Lender in accordance with the provisions of this Section 10.08(g); *provided*, *further*, that if the Affiliated Lender fails to promptly execute such instrument such failure shall in no way prejudice any of the Agent's or any Lender's rights under this paragraph.

(iii) Each Affiliated Lender, solely in its capacity as a Lender, hereby agrees, and each Affiliated Lender Assignment and Assumption shall provide a confirmation that, if any Credit Party shall be subject to any voluntary or involuntary proceeding commenced under any insolvency or liquidation proceeding or proceeding under the Bankruptcy Code (collectively, a "Proceeding"), (i) such Affiliated Lender shall not take any step or action in such Proceeding to object to, impede, or delay the exercise of any right or the taking of any action by the Agent (or the taking of any action by a third party that is supported by the Agent) in relation to such Affiliated Lender's claim with respect to its Applicable Loans (including, without limitation, objecting to any debtor in possession financing, use of cash collateral, grant of adequate protection, sale or disposition, compromise, or plan of reorganization) so long as such Affiliated Lender in its capacity as a Lender is treated in connection with such exercise or action on the same

or better terms as the other Lenders and (ii) with respect to any matter requiring the vote of Lenders during the pendency of any such Proceeding (including, without limitation, voting on any plan of reorganization), the Applicable Loans held by such Affiliated Lender (and any claim with respect thereto) shall be deemed to be voted in accordance with clause (iii) of this Section 10.08(g), so long as such Affiliated Lender in its capacity as a Lender is treated in connection with the exercise of such right or taking of such action on the same or not materially worse terms as the other Lenders. For the avoidance of doubt, the Lenders and each Affiliated Lender agree and acknowledge that the provisions set forth in this clause (iii), and the related provisions set forth in each Affiliated Lender Assignment and Assumption, constitute a "subordination agreement" as such term is contemplated by, and utilized in, Section 510(a) of the Bankruptcy Code, and, as such, would be enforceable for all purposes in any case where a Credit Party has filed for protection under any law relating to bankruptcy, insolvency or reorganization or relief of debtors applicable to such Credit Party.

(iv) (A) With respect to all purchases made by, or assignments to, an Affiliated Lender pursuant to this Section 10.08(g), such Affiliated Lender shall pay to the applicable assigning Lender all accrued and unpaid interest, if any, on the purchased Applicable Loans to the date of purchase of such Applicable Loans and (B) with respect to all purchases made by, assignments to, or assignments made by, an Affiliated Lender pursuant to this Section 10.08(g), such Affiliated Lender shall represent to the Lender assigning or purchasing such Term Loan and the Agent that, as of the effective date of any Affiliated Lender Assignment and Assumption, it is not in possession of any material non-public information regarding the Credit

Parties, or their assets or securities, that (x) has not been disclosed generally to the Lenders which are not Public Lenders prior to such date and (y) could reasonably be expected to have a material effect upon, or otherwise be material to, a Lender's decision to assign Applicable Loans to such Person.

(h) *Assignments to Borrower*. Notwithstanding anything to the contrary contained herein, any Lender may sell, transfer and assign all or any portion of its Term Loan to any Borrower, but only if any such Loans shall be automatically and permanently cancelled immediately upon acquisition thereof by such Borrower; provided that each Term Lender shall have the right to sell, transfer and assign, in its sole discretion, on a pro rata basis, the amount of its Term Loan Percentage in such Applicable Loans. Agent will not consent to such assignment unless it has notified each Term Lender, as applicable, of such proposed assignment to any Borrower and given such Lender at least three (3) Business Days to decide whether it will participate in such assignment.

Section 10.9 Amendments. Any (a) No failure or delay by the Agent, any L/C Issuer or any Lender in exercising any right or power hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Agent, the L/C Issuers and the Lenders hereunder and under any other Loan Document are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of any Loan Document or consent to any departure by any Credit Party therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of

this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan or issuance of a Letter of Credit shall not be construed as a waiver of any Default, regardless of whether the Agent, any Lender or any L/C Issuer may have had notice or knowledge of such Default at the time.

(b) Neither this Agreement nor any other Loan Document nor any provision hereof or thereof may be waived, amended or modified except (i) in the case of this Agreement, pursuant to an agreement or agreements in writing entered into by Borrowers and the Required Lenders or (ii) in the case of any other Loan Document, pursuant to an agreement or agreements in writing entered into by the Agent and the Credit Parties that are parties thereto, with the consent of the Required Lenders; provided that no such agreement shall (A) increase the Commitment of any Lender without the written consent of such Lender (including any such Lender that is a Defaulting Lender), (B) reduce or forgive the principal amount of any Loan or LC Disbursement or reduce the rate of interest thereon, or reduce or forgive any interest or fees payable hereunder, without the written consent of each Lender (including any such Lender that is a Defaulting Lender) affected thereby, (C) postpone any scheduled date of payment of the principal amount of any Loan or LC Disbursement, or any date for the payment of any interest, fees or other Obligations payable hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Commitment, without the written consent of each Lender (including any such Lender that is a Defaulting Lender) affected thereby, (D) change Section 2.9 (Place and Application of Payments) in a manner that would alter the manner in which payments are shared, without the written consent of each Lender (including any such Lender that is a Defaulting Lender), (E) amend the definition of "Applicable Advance Multiple" without the written consent of each Revolving Lender (other than any Defaulting Lender), (F) change any of the provisions of this Section or the definition of "Required Lenders" or any other provision of any Loan Document specifying the number or percentage of Lenders (or Lenders of any Class) required to waive, amend or modify any rights thereunder or make any determination or grant any consent thereunder, without the written consent of each Lender (including any such Lender that is a Defaulting Lender) directly affected thereby, (G) change Section 8.7 (Defaulting Lenders), without the consent of each Lender (other than any Defaulting Lender), (H) release any Guarantor from its Guarantied Obligations (except as otherwise permitted herein or in the other Loan Documents), without the written consent of each Lender (other than any Defaulting Lender), (I) except as provided in this Section 10.9 or in any Collateral Document, release all or substantially all of the Collateral, without the written consent of each Lender (other than any Defaulting Lender) or (J) amend or modify the provisions of Section 2.8(b)(ii) regarding the application of the proceeds of any mandatory prepayment in respect of an IPO, without the written consent of each Lender; provided further that (i) no such agreement shall amend, modify or otherwise affect the rights or duties of the Agent, any L/C Issuer or the Swing Loan Lender hereunder without the prior written consent of the Agent, such L/C Issuer or the Swing Loan Lender, as the case may be (it being understood that any change to Section 8.7 (Defaulting Lenders) shall require the consent of the Agent, each L/C Issuer and the Swing Loan Lender), (ii) any amendment, modification or waiver of the definitions of Revolving Loan Limit, Applicable Advance Multiple, or Revolving Loan Availability, and any amendment, modification or waiver of the conditions to making Revolving Loans set forth in Section 3.2, shall require the consent of the Required Revolving Lenders and the Term Lenders shall have no vote in respect thereof, and (iii) any waiver or amendment to cure any ambiguity, omission,

defect or inconsistency in any Loan Document shall only require the signature of Agent and Borrowers. The Agent may also amend the Schedule 1 (Commitments) to reflect assignments entered into pursuant to Section 10.8.

Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder, except that the Commitments of such Lender may not be increased or extended without the consent of such Lender.

Section 10.10 Headings. Section headings used in this Agreement are for reference only and shall not affect the construction of this Agreement.

Section 10.11 Costs and Expenses; Indemnification.

(a) *Costs and Expenses*. The Credit Parties shall pay (i) all reasonable out-of-pocket expenses incurred by the Agent and its Affiliates (including the reasonable fees, charges and disbursements of counsel for the Agent), in connection with the syndication of the Facilities, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents, or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all reasonable out-of-pocket expenses incurred by any L/C Issuer in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder, and (iii) all out-of-pocket expenses incurred by the Agent, any Lender or any L/C Issuer (including the fees, charges and disbursements of any counsel for the Agent, any Lender or any L/C Issuer), any Lender or any L/C Issuer, in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Loan Documents, including its rights under this Section, or (B) in connection with the Loans made or Letters of Credit issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit.

(b) *Indemnification by the Credit Parties*. The Credit Parties shall indemnify the Agent (and any sub-agent thereof), each Lender and the L/C Issuer, and each Related Party of any of the foregoing Persons (each such Person being called an "*Indemnitee*") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the fees, charges and disbursements of any counsel for any Indemnitee), incurred by any Indemnitee or asserted against any Indemnitee by any Person (including any Credit Party) arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the

parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, (ii) any Loan or Letter of Credit or the use or proposed use of the proceeds therefrom (including any refusal by any L/C Issuer to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or Release of Hazardous Materials on or from any property owned or operated by any Credit Party or any of its Subsidiaries, or any Environmental Liability related in any way to any Credit Party or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the

foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by any Credit Party or any Subsidiary or Affiliates of any Credit Party, and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee or (y) result from a claim brought by any Credit Party against an Indemnitee for breach in bad faith of such Indemnitee's obligations hereunder or under any other Loan Document, such Credit Party has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction or (z) are limited as provided in the Environmental Indemnity Agreement, dated of even date herewith, of the Credit Parties in favor of Agent and the Lenders. This Section 10.11 (b) shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

(c) *Reimbursement by Lenders*. To the extent that the Credit Parties for any reason fail to indefeasibly pay any amount required under paragraph (a) or (b) of this Section to be paid by it to the Agent (or any sub-agent thereof), any L/C Issuer, any Swing Line Lender or any Related Party of any of the foregoing, each Lender severally agrees to pay to the Agent (or any such sub-agent), such L/C Issuer, such Swing Line Lender or such Related Party, as the case may be, such Lender's pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought based on each Lender's share of the Total Credit Exposure at such time) of such unpaid amount (including any such unpaid amount in respect of a claim asserted by such Lender); provided that with respect to such unpaid amounts owed to any L/C Issuer or Swing Line Lender solely in its capacity as such, only the Revolving Lenders shall be required to pay such unpaid amounts, such payment to be made severally among them based on such Revolving Lenders' Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) provided, further, that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Agent (or any such sub-agent), such L/C Issuer or such Swing Line Lender in its capacity as such, or against any Related Party of any of the foregoing acting for the Agent (or any such sub-agent), such L/C Issuer or any such Swing Line Lender in connection with such capacity. The obligations of the Lenders under this paragraph (c) are subject to the provisions of Section 10.18.

(d) *Waiver of Consequential Damages, Etc*. To the fullest extent permitted by applicable law, none of Agent, any Lender, L/C Issuer, Swing Line Lender or any Credit Party, shall assert, and hereby waives, any claim against any Indemnitee and any Credit Party, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan or Letter of Credit, or the use of the proceeds thereof. No Indemnitee referred to in paragraph (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby.

(e) *Payments*. All amounts due under this Section shall be payable promptly (and, in any event within 3 Business Days) after demand therefor.

(f) *Survival*. Each party's obligations under this Section shall survive the termination of the Loan Documents and payment of the obligations hereunder.

Section 10.12 Set-off. Subject to Section 2.15(b), if an Event of Default shall have occurred and be continuing, each Lender, the L/C Issuer, and each of their respective Affiliates is hereby authorized at any time and from time to time, with prior written notice to Agent, to the fullest extent permitted by applicable law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held, and other obligations (in whatever currency) at any time owing, by such Lender, such L/C Issuer or any such Affiliate, to or for the credit or the account of any Credit Party against any and all of the Obligations of such Credit Party now or hereafter existing under this Agreement or any other Loan Document to such Lender or such L/C Issuer or their respective Affiliates, irrespective of whether or not such Lender, L/C Issuer or Affiliate shall have made any demand under this Agreement or any other Loan Document and although such obligations of such Credit Party may be contingent or unmatured or are owed to a branch, office or Affiliate of such Lender or such L/C Issuer different from the branch, office or Affiliate holding such deposit or obligated on such indebtedness; provided that in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Agent for further application in accordance with the provisions of Section 8.7 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Agent, the L/C Issuers, and the Lenders, and (y) the Defaulting Lender shall provide promptly to the Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. The rights of each Lender, the L/C Issuer and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender, such L/C Issuer or their respective Affiliates may have. Each Lender and L/C Issuer agrees to notify Borrower Representative and the Agent promptly after any such setoff and application; provided that the failure to give such notice shall not affect the validity of such setoff and application.

Section 10.13 Entire Agreement. The Loan Documents constitute the entire understanding of the parties thereto with respect to the subject matter thereof and any prior agreements, whether written or oral, with respect thereto are superseded hereby.

Section 10.14 Governing Law. This Agreement and the other Loan Documents and any claims, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Agreement or any other Loan Document (except, as to any other Loan Document, as expressly set forth therein) and the transactions contemplated hereby and thereby shall be governed by, and construed in accordance with, internal laws of the State of Illinois (including, without limitation, 735 ILCS Section 105/5-1 et seq., but otherwise without regard to the conflict of laws provisions) of the State of Illinois.

Section 10.15 Severability of Provisions. Any provision of any Loan Document which is unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such unenforceability without invalidating the remaining provisions hereof or affecting the validity or

enforceability of such provision in any other jurisdiction. All rights, remedies and powers provided in this Agreement and the other Loan Documents may be exercised only to the extent that the exercise thereof does not violate any applicable mandatory provisions of law, and all the provisions of this Agreement and other Loan Documents are intended to be subject to all applicable mandatory provisions of law which may be controlling and to be limited to the extent necessary so that they will not render this Agreement or the other Loan Documents invalid or unenforceable.

Section 10.16 Excess Interest. Notwithstanding any provision to the contrary contained herein or in any other Loan Document, no such provision shall require the payment or permit the collection of any amount of interest in excess of the maximum amount of interest permitted by applicable law to be charged for the use or detention, or the forbearance in the collection, of all or any portion of the Loans or other obligations outstanding under this Agreement or any other Loan Document ("*Excess Interest*"). If any Excess Interest is provided for, or is adjudicated to be provided for, herein or in any other Loan Document, then in such event (a) the provisions of this Section shall govern and control, (b) neither any Credit Party, any other obligor or endorser shall be obligated to pay any Excess Interest, (c) any Excess Interest that the Agent or any Lender may have received hereunder shall, at the option of the Agent, be (i) applied as a credit against the then outstanding principal amount of Obligations hereunder and accrued and unpaid interest thereon (not to exceed the maximum amount permitted by applicable law), (ii) refunded to Borrowers, or (iii) any combination of the foregoing, (d) the interest rate payable hereunder or under any other Loan Document shall be automatically subject to reduction to the maximum lawful contract rate allowed under applicable usury laws (the "*Maximum Rate*"), and this Agreement and the other Loan Documents shall be deemed to have been, and shall be, reformed and modified to reflect such reduction in the relevant interest rate, and (e) neither any Credit Party or any other obligor or endorser shall have any action against the Agent or any Lender for any Damages whatsoever arising out of the payment or collection of any Excess Interest. Notwithstanding the foregoing, if for any period of time interest on any of the Obligations is calculated at the Maximum Rate rather than the applicable rate under this Agreement, and thereafter such applicable rate becomes less than the Maximum Rate, the rate of interest payable on the Obligations shall remain at the Maximum Rate until the Lenders have received the amount of interest which such Lenders would have received during such period on the Obligations had the rate of interest not been limited to the Maximum Rate during such period.

Section 10.17 Construction. The parties acknowledge and agree that the Loan Documents shall not be construed more favorably in favor of any party hereto based upon which party drafted the same, it being acknowledged that all parties hereto contributed substantially to the negotiation of the Loan Documents. The provisions of this Agreement relating to Subsidiaries shall apply only during such times as any Credit Party has one or more Subsidiaries. Nothing contained herein shall be deemed or construed to permit any act or omission which is prohibited by the terms of any Collateral Document, the covenants and agreements contained herein being in addition to and not in substitution for the covenants and agreements contained in the Collateral Documents.

Section 10.18 Lender's and L/C Issuer's Obligations Several. The obligations of the Lenders and L/C Issuers hereunder are several and not joint. Nothing contained in this

Agreement and no action taken by the Lenders or L/C Issuers pursuant hereto shall be deemed to constitute the Lenders or L/C Issuers a partnership, association, joint venture or other entity.

Section 10.19 USA PATRIOT Act. Each Lender hereby notifies each of the Credit Parties that pursuant to the requirements of the PATRIOT Act it is required to obtain, verify and record information that identifies each of the Credit Parties, which information includes the name and address of each of the Credit Parties and other information that will allow such Lender to identify each of the Credit Parties in accordance with the PATRIOT Act.

Section 10.20 Submission to Jurisdiction; Waiver of Jury Trial.

(a) *Jurisdiction*. Each Credit Party irrevocably and unconditionally agrees that it will not commence any action, litigation or proceeding of any kind or description, whether in law or equity, whether in contract or in tort or otherwise, against the Agent, any Lender, any L/C Issuer, or any Related Party of the foregoing in any way relating to this Agreement or any other Loan Document or the transactions relating hereto or thereto, in any forum other than the courts of the State of Illinois sitting in Cook County, and of the United States District Court of the Northern District of Illinois (Eastern Division), and any appellate court from any thereof, and each of the parties hereto irrevocably and unconditionally submits to the jurisdiction of such courts and agrees that all claims in respect of any such action, litigation or proceeding may be heard and determined in such Illinois State court or, to the fullest extent permitted by applicable law, in such federal court. Each of the parties hereto agrees that a final judgment in any such action, litigation or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or in any other Loan Document shall affect any right that the Agent, any Lender or any L/C Issuer may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against any Credit Party or its properties in the courts of any jurisdiction.

(b) *Waiver of Venue*. Each Credit Party irrevocably and unconditionally waives, to the fullest extent permitted by applicable law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(c) *Service of Process*. Each party hereto irrevocably consents to service of process in the manner provided for notices in Section 10.6. Nothing in this Agreement will affect the right of any party hereto to serve process in any other manner permitted by applicable law.

(d) *WAIVER OF JURY TRIAL*. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT

OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO

ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 10.21 Treatment of Certain Information; Confidentiality. Each of the Agent, the Lenders and the L/C Issuers agree to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its Related Parties (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential); (b) to the extent required or requested by any regulatory authority purporting to have jurisdiction over such Person or its Related Parties (including any self-regulatory authority, such as the National Association of Insurance Commissioners); (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process; (d) to any other party hereto; (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder; (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights and obligations under this Agreement, or (ii) any actual or prospective party (or its Related Parties) to any swap, derivative or other transaction under which payments are to be made by reference to any Borrower and its obligations, this Agreement or payments hereunder; (g) on a confidential basis to (i) any rating agency in connection with rating any Credit Party or its Subsidiaries or the Facilities or (ii) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers with respect to the Facilities; (h) with the consent of Borrower Representative; or (i) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section, or (y) becomes available to the Agent, any Lender, any L/C Issuer or any of their respective Affiliates on a nonconfidential basis from a source other than any Credit Party.

For purposes of this Section, "*Information*" means all information received from any Credit Party or any of its Subsidiaries relating to any Credit Party or any of its Subsidiaries or any of their respective businesses, other than any such information that is available to the Agent, any Lender or any L/C Issuer on a nonconfidential basis prior to disclosure by any Credit Party or any of its Subsidiaries; provided that, in the case of information received from any Credit Party or any of its Subsidiaries after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

Section 10.22 Subordination of Intercompany Indebtedness. Each Credit Party hereby agrees that any Indebtedness of any other Credit Party or any Subsidiary of such Credit Party or

any other Credit Party now or hereafter owing to such Credit Party, whether heretofore, now or hereafter created (the "*Credit Party Subordinated Debt*"), is hereby subordinated to all of the Obligations and that, upon the occurrence and during the continuance of an Event of Default, the Credit Party Subordinated Debt shall not be paid in whole or in part until Payment in Full of the Obligations. No Credit Party shall make or accept any payment of or on account of any Credit Party Subordinated Debt at any time in contravention of the foregoing. Each payment on the Credit Party Subordinated Debt received in violation of any of the provisions hereof shall be deemed to have been received by such Credit Party as trustee for the Agent and shall be paid over to the Agent immediately on account of the Obligations, but without otherwise affecting in any manner such Credit Party's liability hereunder. Each Credit Party agrees to file all claims against the Credit Party from whom the Credit Party Subordinated Debt is owing in any bankruptcy or other proceeding in which the filing of claims is required by law in respect of any Credit Party Subordinated Debt, and the Agent shall be entitled to all of such Credit Party's rights thereunder. If for any reason any Credit Party fails to file such claim at least ten (10) Business Days prior to the last date on which such claim should be filed, such Credit Party hereby irrevocably appoints the Agent as its true and lawful attorney-in-fact, and the Agent is hereby authorized to act as attorney-in-fact in such Credit Party's name to file such claim or, in the Agent's discretion, to assign such claim to and cause proof of claim to be filed in the name of the Agent or its nominee. In all such cases, whether in administration, bankruptcy or otherwise, the Person or Persons authorized to pay such claim shall pay to the Agent the full amount payable on the claim in the proceeding, and, to the full extent necessary for that purpose, each Credit Party hereby assigns to the Agent all of such Credit Party's rights to any payments or distributions to which such Credit Party otherwise would be entitled. If the amount so paid is greater than such Credit Party's liability hereunder, the Agent shall pay the excess amount to the party entitled thereto. In addition, each Credit Party hereby irrevocably appoints the Agent as its attorney-in-fact to exercise all of such Credit Party's voting rights in connection with any bankruptcy proceeding or any plan for the reorganization of any Borrower or any Credit Party from whom the Credit Party Subordinated Debt is owing.

Section 10.23 Prior Agreements.

(a) This Agreement shall become effective, and shall amend and restate the Original Loan Agreement, upon the execution of this Agreement by Borrowers, Holdings, Agent and the Lenders and upon the satisfaction of the conditions contained in herein; and from and after the Restatement Closing Date (i) all references made to the Original Loan Agreement in the other Loan Documents or in any other instrument or document executed and/or delivered pursuant thereto shall, without any further action, be deemed to refer to this Agreement, and (ii) the Original Loan Agreement shall be deemed amended and restated in its entirety hereby.

(b) This Agreement and the other Loan Documents executed and delivered in connection herewith are entered into and delivered to Agent and the Lenders in replacement of and substitution for, and not in payment of or satisfaction for, the Original Loan Agreement and related documents and instruments. This Agreement and the other Loan Documents, including, the other instruments, documents and agreements executed and delivered in connection with the Original Loan Agreement, are hereby reaffirmed and shall continue in full force and effect, as may be amended, restated or otherwise modified in connection herewith.

Each of the Credit Parties acknowledges that the Loans and other Obligations evidenced by the Original Loan Agreement have not been satisfied but instead have become part of the joint and several Loans and Obligations under this Agreement and under the other Loan Documents executed and/or delivered in connection herewith. Each of the Credit Parties further acknowledges that (1) all of the Liens granted by Borrowers and Holdings under the Original Loan Agreement and any other Loan Document, and (2) all instruments, documents and agreements executed in connection with the Original Loan Agreement are hereby reaffirmed and shall continue hereafter to secure the Obligations under this Agreement and the other Loan Documents so long as any portion of the Obligations remains outstanding.

SECTION 11

GUARANTY.

Section 11.1 Guaranty. Each Credit Party (each to be referred to in this Section 11 as a Guarantor and collectively as the Guarantors) hereby agrees that it is jointly and severally liable for, and, as primary obligor and not merely as surety, absolutely and unconditionally guarantees to the Lenders the prompt payment when due, whether at stated maturity, upon acceleration or otherwise, and at all times thereafter, of Obligations as a Guarantor and all costs and expenses including, without limitation, all court costs and reasonable and documented attorneys' and paralegals' fees (including allocated costs of in-house counsel and paralegals) and expenses paid or incurred by the Agent, the L/C Issuers and the Lenders in endeavoring to collect all or any part of such specific Obligations from, or in prosecuting any action against, the obligor thereof (such costs and expenses, together with the Obligations, collectively the "*Guarantied Obligations*"). Each Guarantor further agrees that the Guarantied Obligations may be extended or renewed in whole or in part without notice to or further assent from it, and that it remains bound upon its guarantee notwithstanding any such extension or renewal.

Section 11.2 Guaranty of Payment. This Guaranty is a guaranty of payment and not of collection. Each Guarantor waives any right to require the Agent, any L/C Issuer or any Lender to sue any Borrower, any Guarantor, any other guarantor, or any other Person obligated for all or any part of the Guarantied Obligations, or otherwise to enforce its payment against any collateral securing all or any part of the Guarantied Obligations.

Section 11.3 No Discharge or Diminishment of Guaranty.

(a) Except as otherwise provided for herein and to the extent provided for herein, the obligations of each Guarantor hereunder are unconditional and absolute and not subject to any reduction, limitation, impairment or termination for any reason (other than the Payment in Full in cash of the Guarantied Obligations), including: (i) any claim of waiver, release, extension, renewal, settlement, surrender, alteration, or compromise of any of the Guarantied Obligations, by operation of law or otherwise; (ii) any change in the corporate existence, structure or ownership of any Borrower or any other guarantor of or other Person liable for any of the Guarantied Obligations; (iii) any insolvency, bankruptcy, reorganization or other similar proceeding affecting any Borrower, any Guarantor, or any other guarantor of or other Person liable for any of the Guarantied Obligations, or their assets or any resulting release or discharge of any obligation of any Borrower, any Guarantor, or any other guarantor of or other

Person liable for any of the Guarantied Obligations; or (iv) the existence of any claim, setoff or other rights which any Guarantor may have at any time against any Borrower, any Guarantor, any other guarantor of the Guarantied Obligations, the Agent, any L/C Issuer, any Lender, or any other Person, whether in connection herewith or in any unrelated transactions.

(b) The obligations of each Guarantor hereunder are not subject to any defense or setoff, counterclaim, recoupment, or termination whatsoever by reason of the invalidity, illegality, or unenforceability of any of the Guarantied Obligations or otherwise, or any provision of applicable law or regulation purporting to prohibit payment by any Borrower, any Guarantor or any other guarantor of or other Person liable for any of the Guarantied Obligations, of the Guarantied Obligations or any part thereof.

(c) Further, the obligations of any Guarantor hereunder are not discharged or impaired or otherwise affected by: (i) the failure of the Agent, any L/C Issuer or any Lender to assert any claim or demand or to enforce any remedy with respect to all or any part of the Guarantied Obligations; (ii) any waiver or modification of or supplement to any provision of any agreement relating to the Guarantied Obligations; (iii) any release, non-perfection, or invalidity of any indirect or direct security for the obligations of any Borrower for all or any part of the Guarantied Obligations or any obligations of any other guarantor of or other Person liable for any of the Guarantied Obligations; (iv) any action or failure to act by the Agent, any L/C Issuer or any Lender with respect to any collateral securing any part of the Guarantied Obligations; (v) any default, failure or delay, willful or otherwise, in the payment or performance of any of the Guarantied Obligations, or any other circumstance, act, omission or delay that might in any manner or to any extent vary the risk of such Guarantor or that would otherwise operate as a discharge of any Guarantor as a matter of law or equity (other than the Payment in Full of the Guarantied Obligations).

Section 11.4 Waiver of Defenses. To the fullest extent permitted by applicable law, each Guarantor hereby waives any defense based on or arising out of any defense of any Borrower or any Guarantor or the unenforceability of all or any part of the Guarantied Obligations from any cause, or the cessation from any cause of the liability of any Borrower or any Guarantor, other than the Payment in Full of the Guarantied Obligations. Without limiting the generality of the foregoing, each Guarantor irrevocably waives acceptance hereof, presentment, demand, protest and, to the fullest extent permitted by law, any notice not provided for herein, as well as any requirement that at any time any action be taken by any Person against any Borrower, any Guarantor, any other guarantor of any of the Guarantied Obligations, or any other Person. The Agent may, at its election, foreclose on any Collateral held by it by one or more judicial or nonjudicial sales, accept an assignment of any such Collateral in lieu of foreclosure or otherwise act or fail to act with respect to any collateral securing all or a part of the Guarantied Obligations, compromise or adjust any part of the Guarantied Obligations, make any other accommodation with any Borrower, any Guarantor, any other guarantor or any other Person liable on any part of the Guarantied Obligations or exercise any other right or remedy available to it against any Borrower, any Guarantor, any other guarantor or any other Person liable on any of the Guarantied Obligations, without affecting or impairing in any way the liability of such Guarantor under this Guaranty except to the extent the Payment in Full of the Guarantied Obligations. To the fullest extent permitted by applicable law, each Guarantor waives any defense arising out of any such election even though that election may operate,

pursuant to applicable law, to impair or extinguish any right of reimbursement or subrogation or other right or remedy of any Guarantor against any Borrower, any other guarantor or any other Person liable on any of the Guarantied Obligations, as the case may be, or any security.

Section 11.5 Rights of Subrogation. No Guarantor will assert any right, claim or cause of action, including, without limitation, a claim of subrogation, contribution or indemnification that it has against any Borrower, any Guarantor, any Person liable on the Guarantied Obligations, or any collateral, until the Payment in Full in cash of the Obligations.

Section 11.6 Reinstatement; Stay of Acceleration. If at any time any payment of any portion of the Guarantied Obligations is rescinded or must otherwise be restored or returned upon the insolvency, bankruptcy, or reorganization of any Borrower or otherwise, each Guarantor's obligations under this Guaranty with respect to that payment shall be reinstated at such time as though the payment had not been made and whether or not the Agent, the L/C Issuers and the Lenders are in possession of this Guaranty. If acceleration of the time for payment of any of the Guarantied Obligations is stayed upon the insolvency, bankruptcy or reorganization of any Borrower, all such amounts otherwise subject to acceleration under the terms of any agreement relating to the Guarantied Obligations shall nonetheless be payable by the Guarantors forthwith on demand by the Lender.

Section 11.7 Information. Each Guarantor assumes all responsibility for being and keeping itself informed of Borrowers' financial condition and assets, and of all other circumstances bearing upon the risk of nonpayment of the Guarantied Obligations and the nature, scope and extent of the risks that each

Guarantor assumes and incurs under this Guaranty, and agrees that neither the Agent, any L/C Issuer nor any Lender shall have any duty to advise any Guarantor of information known to it regarding those circumstances or risks.

Section 11.8 Termination. The Lenders may continue to make loans or extend credit to any Borrower based on this Guaranty until five (5) days after the Agent receives written notice of termination from any Guarantor. Notwithstanding receipt of any such notice, each Guarantor will continue to be liable to the Lender for any Guarantied Obligations created, assumed or committed to prior to the fifth day after receipt of the notice, and all subsequent renewals, extensions, modifications and amendments with respect to, or substitutions for, all or any part of that Guarantied Obligations.

Section 11.9 Severability. The provisions of this Guaranty are severable, and in any action or proceeding involving any state corporate law, or any state, federal or foreign bankruptcy, insolvency, reorganization or other law affecting the rights of creditors generally, if the obligations of any Guarantor under this Guaranty would otherwise be held or determined to be avoidable, invalid or unenforceable on account of the amount of such Guarantor's liability under this Guaranty, then, notwithstanding any other provision of this Guaranty to the contrary, the amount of such liability shall, without any further action by the Guarantors or the Lenders, be automatically limited and reduced to the highest amount that is valid and enforceable as determined in such action or proceeding (such highest amount determined hereunder being the relevant Guarantor's "*Maximum Liability*". This Section with respect to the Maximum Liability of each Guarantor is intended solely to preserve the rights of the Lenders to the maximum extent not subject to avoidance under applicable law, and no Guarantor nor any other Person or entity

shall have any right or claim under this Section with respect to such Maximum Liability, except to the extent necessary so that the obligations of any Guarantor hereunder shall not be rendered voidable under applicable law. Each Guarantor agrees that the Guarantied Obligations may at any time and from time to time exceed the Maximum Liability of each Guarantor without impairing this Guaranty or affecting the rights and remedies of the Lenders hereunder, provided that, nothing in this sentence shall be construed to increase any Guarantor's obligations hereunder beyond its Maximum Liability.

Section 11.10 Contribution. In the event any Guarantor (a "*Paying Guarantor*") shall make any payment or payments under this Guaranty or shall suffer any loss as a result of any realization upon any collateral granted by it to secure its obligations under this Guaranty, each other Guarantor (each a "*Non-Paying Guarantor*") shall contribute to such Paying Guarantor an amount equal to such Non-Paying Guarantor's "Pro Rata Share" of such payment or payments made, or losses suffered, by such Paying Guarantor. For purposes of this Section 11, each Non-Paying Guarantor's "Pro Rata Share" with respect to any such payment or loss by a Paying Guarantor shall be determined as of the date on which such payment or loss was made by reference to the ratio of (i) such Non-Paying Guarantor's Maximum Liability as of such date (without giving effect to any right to receive, or obligation to make, any contribution hereunder) or, if such Non-Paying Guarantor's Maximum Liability has not been determined, the aggregate amount of all monies received by such Non-Paying Guarantor from Borrowers after the date hereof (whether by loan, capital infusion or by other means) to (ii) the aggregate Maximum Liability of all Guarantors hereunder (including such Paying Guarantor) as of such date (without giving effect to any right to receive, or obligation to make, any contribution hereunder), or to the extent that a Maximum Liability has not been determined for any Guarantor, the aggregate amount of all monies received by such Guarantors from Borrowers after the date hereof (whether by loan, capital infusion or by other means). Nothing in this provision shall affect any Guarantor's several liability for the entire amount of the Guarantied Obligations (up to such Guarantor's Maximum Liability). Each of the Guarantors covenants and agrees that its right to receive any contribution under this Guaranty from a Non-Paying Guarantor shall be subordinate and junior in right of payment to the payment in full in cash of the Guarantied Obligations. This provision is for the benefit of both the Agent, the L/C Issuers, the Lenders and the Guarantors and may be enforced by any one, or more, or all of them in accordance with the terms hereof.

Section 11.11 Liability Cumulative. The liability of each Credit Party as a Guarantor under this Section 11 is in addition to and shall be cumulative with all liabilities of each Credit Party to the Agent, the L/C Issuers and the Lenders under this Agreement and the other Loan Documents to which such Credit Party is a party or in respect of any obligations of liabilities of the other Credit Parties, without any limitation as to amount, unless the instrument or agreement evidencing or creating such other liability specifically provides to the contrary.

Section 11.12 Eligible Contract Participant. Notwithstanding anything to the contrary in any Loan Document, no Guarantor shall be deemed under this Section 11 to be a guarantor of any Swap Obligations if such Guarantor was not an "eligible contract participant" as defined in §1a(18) of the Commodity Exchange Act, at the time the guarantee under this Section 11 becomes effective with respect to such Swap Obligation and to the extent that the providing of such guarantee by such Guarantor would violate the Commodity Exchange Act; provided however that in determining whether any Guarantor is an "eligible contract participant" under

the Commodity Exchange Act, the guarantee of the Credit Party Obligations of such Guarantor under this Section 11 by a Guarantor that is also a Qualified ECP Guarantor shall be taken into account.

Section 11.13 Keepwell. Without limiting anything in this Section 11, each Qualified ECP Guarantor hereby jointly and severally absolutely, unconditionally and irrevocably undertakes to provide such funds or other support as may be needed from time to time to each Guarantor that is not an "eligible contract participant" under the Commodity Exchange Act at the time the guarantee under this Section 11 becomes effective with respect to any Swap Obligation, to honor all of the Obligations of such Guarantor under this Section 11 in respect of such Swap Obligations (provided, however, that each Qualified ECP Guarantor shall only be liable under this Section 11.13 for the maximum amount of such liability that can be hereby incurred without rendering its undertaking under this Section 11.13, or otherwise under this Section 11, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The undertaking of each Qualified ECP Guarantor under this Section 11.13 shall remain in full force and effect until termination of the Commitments and payment in full of all Loans and other Obligations. Each Qualified ECP Guarantor intends that this Section 11.13 constitute, and this Section 11.13 shall be deemed to constitute, a "keepwell, support, or other agreement" for the benefit of each Guarantor that would otherwise not constitute an "eligible contract participant" under the Commodity Exchange Act.

SECTION 12

BORROWER REPRESENTATIVE.

Section 12.1 Appointment; Nature of Relationship. MasterCraft is hereby appointed by each of the Credit Parties as its contractual representative ("*Borrower Representative*") hereunder and under each other Loan Document, and each of the Credit Parties irrevocably authorizes Borrower Representative to act as the contractual representative of such Borrower with the rights and duties expressly set forth herein and in the other Loan Documents. Borrower Representative

agrees to act as such contractual representative upon the express conditions contained in this Section 12. Additionally, Borrowers hereby appoint Borrower Representative as their agent to receive all of the proceeds of the Loans in the Funding Account, at which time Borrower Representative shall promptly disburse such Loans to the appropriate Borrower. The Agent and the Lenders, and their respective officers, directors, agents or employees, shall not be liable to Borrower Representative, any Borrower or any other Person for any action taken or omitted to be taken by Borrower Representative or Borrowers pursuant to this Section 12.

Section 12.2 Powers. Borrower Representative shall have and may exercise such powers under the Loan Documents as are specifically delegated to Borrower Representative by the terms of each thereof, together with such powers as are reasonably incidental thereto. Borrower Representative may execute any of its duties as Borrower Representative hereunder and under any other Loan Document by or through Responsible Officers.

Section 12.3 Notices. Each Credit Party shall immediately notify Borrower Representative of the occurrence of any Default or Event of Default hereunder referring to this Agreement describing such Default or Event of Default and stating that such notice is a “notice

of default.” In the event that Borrower Representative receives such a notice, Borrower Representative shall give prompt notice thereof to the Agent and the Lenders. Any notice provided to Borrower Representative hereunder shall constitute notice to each Credit Party on the date received by Borrower Representative.

Section 12.4 Successor Borrower Representative. Upon the prior written consent of the Agent, Borrower Representative may resign at any time, such resignation to be effective upon the appointment of a successor Borrower Representative. Agent shall give prompt written notice of such resignation to the Lenders.

Section 12.5 Execution of Loan Documents. Credit Parties hereby empower and authorize Borrower Representative, on behalf of the Credit Parties, to execute and deliver to the Agent and the Lenders the Loan Documents and all related agreements, certificates, documents, or instruments as shall be necessary or appropriate to effect the purposes of the Loan Documents, including without limitation, the Compliance Certificates. Each Credit Party agrees that any action taken by Borrower Representative or the Credit Parties in accordance with the terms of this Agreement or the other Loan Documents, and the exercise by Borrower Representative of its powers set forth therein or herein, together with such other powers that are reasonably incidental thereto, shall be binding upon all of the Credit Parties.

Section 12.6 Reporting. Each Credit Party hereby agrees that such Credit Party shall furnish to Borrower Representative all reports, notices, information and other documents required hereunder or requested by Borrower Representative to enable Borrower Representative to fulfill its duties hereunder and under the other Loan Documents on which Borrower Representative shall rely to prepare the certificates, reports, notices and other documents required pursuant to the provisions of this Agreement and the other Loan Documents.

(*Signature Pages Follow*)

(Signature Page to Amended and Restated Credit and Guaranty Agreement)

This Agreement is entered into between us for the uses and purposes hereinabove set forth as of the date first above written.

BORROWERS:

MASTERCRAFT BOAT COMPANY, LLC, a Delaware limited liability company

By /s/ Timothy M. Oxley
Timothy M. Oxley
Chief Financial Officer, Treasurer & Secretary

MCBC HYDRA BOATS, LLC, a Tennessee limited liability company

By /s/ Timothy M. Oxley
Timothy M. Oxley
Chief Financial Officer, Treasurer & Secretary

MASTERCRAFT SERVICES, INC., a Tennessee corporation

By /s/ Timothy M. Oxley
Timothy M. Oxley
Chief Financial Officer, Treasurer & Secretary

MASTERCRAFT INTERNATIONAL SALES ADMINISTRATION, INC., a Delaware corporation

By /s/ Timothy M. Oxley
Timothy M. Oxley
Chief Financial Officer, Treasurer & Secretary

OTHER CREDIT PARTIES:

MCBC HOLDINGS, INC., a Delaware corporation

By /s/ Timothy M. Oxley
Timothy M. Oxley
Chief Financial Officer, Treasurer & Secretary

(Signature Page to Amended and Restated Credit and Guaranty Agreement)

AGENT AND LENDER:

FIFTH THIRD BANK, an Ohio banking corporation, as a Lender, as L/C Issuer, and as Agent

By /s/ Carrie Weisman
Carrie Weisman
Assistant Vice President

(Signature Page to Amended and Restated Credit and Guaranty Agreement)

LENDER:

BANK OF AMERICA, N.A.,
as a Lender

By /s/ Rachel M. Morries
Authorized Officer

Address for Notices:

214 North Tryon Street
Charlotte, North Carolina 28255
NC1-027-21-01

(Signature Page to Amended and Restated Credit and Guaranty Agreement)

LENDER:

RAYMOND JAMES BANK,
as a Lender

By /s/ Alexander Rody
Alexander Rody
Authorized Signatory

Address for Notices:

710 Carillon Parkway
St. Petersburg, Florida 33716

EXHIBIT A

NOTICE OF PAYMENT REQUEST

[Date]

[Name of Lender]
[Address]

Attention:

Reference is made to the Amended and Restated Credit and Guaranty Agreement, dated as of March 13, 2015, among **MASTERCRAFT BOAT COMPANY, LLC**, a Delaware limited liability company ("*MasterCraft*"), **MASTERCRAFT SERVICES, INC.**, a Tennessee corporation ("*Services*"), **MCBC HYDRA BOATS, LLC**, a Tennessee limited liability company ("*Hydra*"), **MASTERCRAFT INTERNATIONAL SALES ADMINISTRATION, INC.**, a Delaware corporation ("*Sales Administration*"), (collectively, "*Borrowers*" and, individually, each a "*Borrower*"), **MCBC HOLDINGS, INC.**, a Delaware corporation ("*Holdings*"), as a Guarantor, the Lenders party thereto, and Fifth Third Bank, an Ohio banking corporation, as Agent (as amended, restated, supplemented or otherwise modified from time to time, the "*Credit Agreement*"). Capitalized terms used herein and not defined herein have the meanings assigned to them in the Credit Agreement. [Borrower has failed to pay its Reimbursement Obligation in the amount of $. Your Applicable Percentage of the unpaid Reimbursement Obligation is $] or [has been required to return a payment by Borrower of a Reimbursement Obligation in the amount of $. Your Applicable Percentage of the returned Reimbursement Obligation is $.]

Very truly yours,

FIFTH THIRD BANK, as L/C Issuer

By ______________________
Name ______________________
Title ______________________

EXHIBIT B

NOTICE OF BORROWING

Date: ____________, ____

To: Fifth Third Bank, an Ohio banking corporation, as Agent for the Lenders parties to the Amended and Restated Credit and Guaranty Agreement dated as of March 13, 2015 (as extended, renewed, amended or restated from time to time, the "*Credit Agreement*"), among **MASTERCRAFT BOAT COMPANY, LLC**, a Delaware limited liability company ("*MasterCraft*"), **MASTERCRAFT SERVICES, INC.**, a Tennessee corporation ("*Services*"), **MCBC HYDRA BOATS, LLC**, a Tennessee limited liability company ("*Hydra*"), **MASTERCRAFT INTERNATIONAL SALES ADMINISTRATION, INC.**, a Delaware corporation ("*Sales Administration*"), (collectively, "*Borrowers*" and, individually, each a "*Borrower*"), **MCBC HOLDINGS, INC.**, a Delaware corporation ("*Holdings*"), as a Guarantor, certain Lenders which are signatories thereto, and Fifth Third Bank, an Ohio banking corporation, as Agent

Ladies and Gentlemen:

The undersigned Borrower Representative refers to the Credit Agreement, the terms defined therein being used herein as therein defined, and hereby gives you notice irrevocably, pursuant to Section 2.5 of the Credit Agreement, of Borrowing specified below:

1. The Business Day of the proposed Borrowing is ____________, ____.

2. The aggregate amount of the proposed Borrowing is $____________.

3. Borrowing is being advanced under the **[Revolving] [Term]** Credit.

4. Borrowing is to be comprised of $____________ of **[Base Rate] [Eurodollar]** Loans.

[5. The duration of the Interest Period for the Eurodollar Loans included in Borrowing shall be ____________ months.]

The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the date of the proposed Borrowing, before and after giving effect thereto and to the application of the proceeds therefrom:

(a) the representations and warranties of Credit Parties contained in Section 5 of the Credit Agreement and in the other Loan Documents are true and correct in all material respects (provided that if any representation or warranty is by its terms qualified by concepts of materiality, such representation and warranty is true and correct in all respects) as though made on and as of the date hereof (except to the extent such representations and warranties relate to an earlier date, in which case they are true and correct in all material respects (provided that if any

representation or warranty is by its terms qualified by concepts of materiality, such representation and warranty is true and correct in all respects) as of such earlier date); and

(b) no Default or Event of Default has occurred and is continuing or would result from such proposed Borrowing.

(c) with respect to any Revolving Loan borrowing, such borrowing will not result in the aggregate Revolving Credit Exposures of all Lenders exceeding the lesser of (x) the total Revolving Credit Commitments, and (y) the Revolving Loan Limit, as determined based upon the most recent Compliance Certificate, in each case minus the L/C Obligations.

MasterCraft Boat Company, LLC,
as Borrower Representative

By ______________________
Name ______________________
Title ______________________

EXHIBIT C

NOTICE OF CONTINUATION/CONVERSION

Date: ____________, ____

To: Fifth Third Bank, as Agent for the Lenders parties to the Amended and Restated Credit and Guaranty Agreement dated as of March 13, 2015 (as extended, renewed, amended or restated from time to time, the "*Credit Agreement*") among **MASTERCRAFT BOAT COMPANY, LLC**, a Delaware

limited liability company ("*MasterCraft*"), **MASTERCRAFT SERVICES, INC.**, a Tennessee corporation ("*Services*"), **MCBC HYDRA BOATS, LLC**, a Tennessee limited liability company ("*Hydra*"), **MASTERCRAFT INTERNATIONAL SALES ADMINISTRATION, INC.**, a Delaware corporation ("*Sales Administration*"), (collectively, "*Borrowers*" and, individually, each a "*Borrower*"), **MCBC HOLDINGS, INC.**, a Delaware corporation ("*Holdings*"), as a Guarantor, certain Lenders which are signatories thereto, and Fifth Third Bank, as Agent

Ladies and Gentlemen:

The undersigned Borrower Representative refers to the Credit Agreement, the terms defined therein being used herein as therein defined, and hereby gives you notice irrevocably, pursuant to Section 2.5 of the Credit Agreement, of the **[conversion] [continuation]** of the Loans specified herein, that:

1. The conversion/continuation Date is ____________, ____.

2. The aggregate amount of the **[Revolving] [Term]** Loans to be **[converted] [continued]** is $____________.

3. The Loans are to be [converted into] [continued as] [Eurodollar] [Base Rate] Loans.

4. **[If applicable:]** The duration of the Interest Period for the **[Revolving] [Term]** Loans included in the **[conversion] [continuation]** shall be ____________ months.

Borrower Representative hereby certifies that the following statements are true on the date hereof, and will be true on the proposed conversion/continuation date, before and after giving effect thereto and to the application of the proceeds therefrom:

(a) the representations and warranties of Credit Parties contained in Section 5 of the Credit Agreement and in the other Loan Documents are true and correct in all material respects (provided that if any representation or warranty is by its terms qualified by concepts of materiality, such representation and warranty is true and correct in all respects) as though made on and as of the date hereof (except to the extent such representations and warranties relate to an earlier date, in which case they are true and correct in all material respects (provided that if any

representation or warranty is by its terms qualified by concepts of materiality, such representation and warranty is true and correct in all respects) as of such earlier date); *provided, however,* that this condition shall not apply to the conversion of an outstanding Eurodollar Loan to a Base Rate Loan; and

(b) no Default or Event of Default has occurred and is continuing, or would result from such proposed **[conversion] [continuation]**.

MasterCraft Boat Company, LLC,
as Borrower Representative

By ______________________________
Name ______________________________
Title ______________________________

EXHIBIT D-1

TERM NOTE

$ ____________ ____________, ____

FOR VALUE RECEIVED, each of the undersigned, **MASTERCRAFT BOAT COMPANY, LLC**, a Delaware limited liability company ("*MasterCraft*"), **MASTERCRAFT SERVICES, INC.**, a Tennessee corporation ("*Services*"), **MCBC HYDRA BOATS, LLC**, a Tennessee limited liability company ("*Hydra*"), **MASTERCRAFT INTERNATIONAL SALES ADMINISTRATION, INC.**, a Delaware corporation ("*Sales Administration*"), (collectively, "*Borrowers*" and, individually, each a "*Borrower*"), **MCBC HOLDINGS, INC.**, a Delaware corporation ("*Holdings*"), as a Guarantor, hereby jointly and severally promises to pay to ____________ (the "*Lender*") at the principal office of Fifth Third Bank, an Ohio banking corporation, as administrative agent (in such capacity, together with its successors or assigns, "*Agent*"), in Cincinnati, Ohio, in immediately available funds, the principal sum of ____________ Dollars ($____________) or, if less, the aggregate unpaid principal amount of the Term Loan made or maintained by the Lender to Borrower pursuant to the Credit Agreement, in installments in the amounts called for by Section 2.7 of the Credit Agreement, together with interest on the principal amount of such Term Loan from time to time outstanding hereunder at the rates, and payable in the manner and on the dates, specified in the Credit Agreement.

This Term Note (this "*Note*") is one of the Term Notes referred to in the Amended and Restated Credit and Guaranty Agreement dated as of March 13, 2015 among Borrowers, the other Credit Parties party thereto from time to time, the Agent and the Lenders party thereto (as amended, restated, supplemented or otherwise modified from time to time, the "*Credit Agreement*"), and this Note and the holder hereof are entitled to all the benefits and security provided for thereby or referred to therein, to which Credit Agreement reference is hereby made for a statement thereof. All defined terms used in this Note, except terms otherwise defined herein, shall have the same meaning as in the Credit Agreement. This Note shall be governed by and construed in accordance with the internal laws (including, without limitation, 735 ILCS Section 105/5-1 et seq., but otherwise without regard to the conflict of laws provisions) of the State of Illinois.

Voluntary prepayments may be made hereon, certain prepayments are required to be made hereon, and this Note may be declared due prior to the expressed maturity hereof, all in the events, on the terms and in the manner as provided for in the Credit Agreement.

Each Borrower hereby waives demand, presentment, protest or notice of any kind hereunder. This Note is binding upon Borrowers and their respective successors and assigns, and shall inure to the benefit of Lender and its successors and assigns. Borrowers and their successors and assigns shall be jointly and severally obligated hereunder.

This Term Note is a registered obligation, transferable only upon notation in the Register, and no assignment hereof shall be effective until recorded therein.

[INSERT NAME OF BORROWER]

By ____________________
Name ____________________
Title ____________________

EXHIBIT D-2

REVOLVING NOTE

$,

FOR VALUE RECEIVED, each of the undersigned, **MASTERCRAFT BOAT COMPANY, LLC**, a Delaware limited liability company (“*MasterCraft*”), **MASTERCRAFT SERVICES, INC.**, a Tennessee corporation (“*Services*”), **MCBC HYDRA BOATS, LLC**, a Tennessee limited liability company (“*Hydra*”), **MASTERCRAFT INTERNATIONAL SALES ADMINISTRATION, INC.**, a Delaware corporation (“*Sales Administration*”), (collectively, “*Borrowers*” and, individually, each a “*Borrower*”), **MCBC HOLDINGS, INC.**, a Delaware corporation (“*Holdings*”), as a Guarantor, hereby jointly and severally promises to pay to (the “*Lender*”) on the Revolving Credit Termination Date of the hereinafter defined Credit Agreement, at the principal office of Fifth Third Bank, an Ohio banking corporation, as administrative agent (in such capacity, together with its successors or assigns, the “*Agent*”), in Cincinnati, Ohio, in immediately available funds, the principal sum of Dollars ($) or, if less, the aggregate unpaid principal amount of all Revolving Loans made by the Lender to Borrowers pursuant to the Credit Agreement, together with interest on the principal amount of each Revolving Loan from time to time outstanding hereunder at the rates, and payable in the manner and on the dates, specified in the Credit Agreement.

This Revolving Note (this “*Note*”) is one of the Revolving Notes referred to in the Amended and Restated Credit and Guaranty Agreement dated as of March 13, 2015 among Borrowers, the other Credit Parties party thereto from time to time, Agent and the Lenders party thereto (as amended, restated, supplemented or otherwise modified from time to time, the “*Credit Agreement*”), and this Note and the holder hereof are entitled to all the benefits and security provided for thereby or referred to therein, to which Credit Agreement reference is hereby made for a statement thereof. All defined terms used in this Note, except terms otherwise defined herein, shall have the same meaning as in the Credit Agreement. This Note shall be governed by and construed in accordance with the internal laws (including, without limitation, 735 ILCS Section 105/5-1 et seq., but otherwise without regard to the conflict of laws provisions) of the State of Illinois.

Voluntary prepayments may be made hereon, certain prepayments are required to be made hereon, and this Note may be declared due prior to the expressed maturity hereof, all in the events, on the terms and in the manner as provided for in the Credit Agreement.

Each Borrower hereby waives demand, presentment, protest or notice of any kind hereunder. This Note is binding upon Borrowers and their respective successors and assigns, and shall inure to the benefit of Lender and its successors and assigns. Borrowers and their successors and assigns shall be jointly and severally obligated hereunder.

This Revolving Note is a registered obligation, transferable only upon notation in the Register, and no assignment hereof shall be effective until recorded therein.

[INSERT NAME OF BORROWER]

By ____________________
Name ____________________
Title ____________________

EXHIBIT D-3

SWING NOTE

$10,000,000 ,

FOR VALUE RECEIVED, each of the undersigned, **MASTERCRAFT BOAT COMPANY, LLC**, a Delaware limited liability company (“*MasterCraft*”), **MASTERCRAFT SERVICES, INC.**, a Tennessee corporation (“*Services*”), **MCBC HYDRA BOATS, LLC**, a Tennessee limited liability company (“*Hydra*”), **MASTERCRAFT INTERNATIONAL SALES ADMINISTRATION, INC.**, a Delaware corporation (“*Sales Administration*”), (collectively, “*Borrowers*” and, individually, each a “*Borrower*”), **MCBC HOLDINGS, INC.**, a Delaware corporation (“*Holdings*”), as a Guarantor, hereby

jointly and severally promises to pay to FIFTH THIRD BANK, an Ohio banking corporation, as the Swing Line Lender (the "*Lender*"), on the Revolving Credit Termination Date of the hereinafter defined Credit Agreement, at the principal office of Fifth Third Bank, an Ohio banking corporation, as administrative agent (in such capacity, together with its successors or assigns, the "Agent"), in Cincinnati, Ohio, in immediately available funds, the principal sum of Ten Million Dollars ($10,000,000.00) or, if less, the aggregate unpaid principal amount of all Swing Loans made by the Lender to Borrowers pursuant to the Credit Agreement, together with interest on the principal amount of each Swing Loan from time to time outstanding hereunder at the rates, and payable in the manner and on the dates, specified in the Credit Agreement.

This Swing Note (this "*Note*") is the Swing Note referred to in the Amended and Restated Credit and Guaranty Agreement dated as of March 13, 2015 among Borrowers, the other Credit Parties party thereto from time to time, the Agent and the Lenders party thereto, (as amended, restated, supplemented or otherwise modified from time to time, the "*Credit Agreement*"), and this Note and the holder hereof are entitled to all the benefits and security provided for thereby or referred to therein, to which Credit Agreement reference is hereby made for a statement thereof. All defined terms used in this Note, except terms otherwise defined herein, shall have the same meaning as in the Credit Agreement. This Note shall be governed by and construed in accordance with the internal laws (including, without limitation, 735 ILCS Section 105/5-1 et seq., but otherwise without regard to the conflict of laws provisions) of the State of Illinois.

Voluntary prepayments may be made hereon, certain prepayments are required to be made hereon, and this Note may be declared due prior to the expressed maturity hereof, all in the events, on the terms and in the manner as provided for in the Credit Agreement.

Each Borrower hereby waives demand, presentment, protest or notice of any kind hereunder. This Note is binding upon Borrowers and their respective successors and assigns, and shall inure to the benefit of Lender and its successors and assigns. Borrowers and their successors and assigns shall be jointly and severally obligated hereunder.

This Swing Note is a registered obligation, transferable only upon notation in the Register, and no assignment hereof shall be effective until recorded therein.

[INSERT NAME OF BORROWER]

By ____________________________
Name __________________________
Title ___________________________

EXHIBIT E

COMPLIANCE CERTIFICATE

To: Fifth Third Bank, as Agent under, and the Lenders party to, the Credit Agreement described below

This Compliance Certificate is furnished to the Agent and the Lenders pursuant to that certain Amended and Restated Credit and Guaranty Agreement dated as of March 13, 2015 (as amended, restated, supplemented or otherwise modified from time to time, the "*Credit Agreement*"). Unless otherwise defined herein, the terms used in this Compliance Certificate have the meanings ascribed thereto in the Credit Agreement.

The Undersigned hereby certifies, solely in his/her capacity as an officer of Borrower Representative, and not individually that:

1. I am the duly elected   of the undersigned Borrower Representative;

2. I have reviewed the terms of the Credit Agreement and I have made, or have caused to be made under my supervision, a detailed review of the transactions and conditions of the Credit Parties and their Subsidiaries during the accounting period covered by the attached financial statements;

3. The examinations described in paragraph 2 did not disclose, and I have no knowledge of, the existence of any condition or the occurrence of any event which constitutes an Event of Default during or at the end of the accounting period covered by the attached financial statements or as of the date of this Compliance Certificate, except as set forth below;

4. The financial statements required by Section 6.1 of the Credit Agreement and being furnished to you concurrently with this Compliance Certificate are true, correct and complete in all material respects as of the date and for the periods covered thereby;

5. The representations and warranties of Borrower contained in Section 5 of the Credit Agreement and in the other Loan Documents are true and correct in all material respects (provided that if any representation or warranty is by its terms qualified by concepts of materiality, such representation and warranty is true and correct in all respects) as though made on and as of the date hereof (except to the extent such representations and warranties relate to an earlier date, in which case they are true and correct in all material respects (provided that if any representation or warranty is by its terms qualified by concepts of materiality, such representation and warranty is true and correct in all respects) as of such earlier date);

6. The Schedule I hereto sets forth financial data and computations evidencing Borrower's compliance with certain covenants of the Credit Agreement, all of which data and computations are, to the best of my knowledge, true, complete and correct and have been made in accordance with the relevant Sections of the Credit Agreement; and

7. The Schedule II hereto sets forth a comparison of current financials against the budget for such period as required by Sections 6.1(d) and (e) of the Credit Agreement.

Described below are the exceptions, if any, to paragraph 3 by listing, in detail, the nature of the condition or event, the period during which it has existed and the action which the Credit parties have taken, is taking, or proposes to take with respect to each such condition or event:

The foregoing certifications, together with the computations set forth in Schedule I and Schedule II hereto and the financial statements delivered with this Certificate in support hereof, are made and delivered this day of , 20 . Under no circumstances shall the undersigned officer of Borrower Representative have any personal liability hereunder.

MASTERCRAFT BOAT COMPANY, LLC, a Delaware limited liability company,
as Borrower Representative

By ______________________________
Name ______________________________
Title ______________________________

SCHEDULE I

TO COMPLIANCE CERTIFICATE

MasterCraft Boat Company, LLC

Compliance Calculations

for Amended and Restated Credit and Guaranty Agreement dated as of March 13, 2015

Calculations as of ,

A. Total Leverage Ratio (Section 6.22(a))

[see attached calculations]

· Total Leverage Ratio:		to 1.0
· The Credit Parties are in compliance (circle yes or no)	yes/no	
· The change in Total Leverage Ratio requires an interest rate adjustment per definition of Applicable Margin (Pricing Grid)	yes/no	

B. Fixed Charge Coverage Ratio (Section 6.22(b))

[see attached calculations]

· Fixed Charge Coverage Ratio:		to 1.0
· The Credit Parties are in compliance (circle yes or no)	yes/no	

C. Capital Expenditures (Section 6.22(c))

· Capital Expenditures	**$**
· Capital Expenditures must be less than	$5,000,000
· The Credit Parties are in compliance (circle yes or no)	yes/no

EXHIBIT F

ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (the "*Assignment and Assumption*") is dated as of the Effective Date set forth below and is entered into by and between [the][each](1) Assignor identified in item 1 below ([the][each, an] "*Assignor*") and [the][each](2) Assignee identified in item 2 below ([the][each, an] "*Assignee*"). [It is understood and agreed that the rights and obligations of [the Assignors][the Assignees](3) hereunder are several and not joint.](4) Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, the "*Credit Agreement*"), receipt of a copy of which is hereby acknowledged by [the][each] Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, [the][each] Assignor hereby irrevocably sells and assigns to [the Assignee][the respective Assignees], and [the][each] Assignee hereby irrevocably purchases and assumes from [the Assignor][the respective Assignors], subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Agent as contemplated below (i) all of [the Assignor's][the respective Assignors'] rights and obligations in [its capacity as a Lender][their respective capacities as Lenders] under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of [the Assignor][the respective Assignors] under the respective facilities identified below (including without limitation any letters of credit, guarantees, and Swing Loans included in such facilities), and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of [the Assignor (in its capacity as a Lender)][the respective Assignors (in their respective capacities as Lenders)] against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned by [the]

[any] Assignor to [the][any] Assignee pursuant to clauses (i) and (ii) above being referred to herein collectively as [the][an] "*Assigned Interest*"). Each such sale and assignment is without recourse to [the][any] Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by [the][any] Assignor.

---

(1) For bracketed language here and elsewhere in this form relating to the Assignor(s), if the assignment is from a single Assignor, choose the first bracketed language. If the assignment is from multiple Assignors, choose the second bracketed language.
(2) For bracketed language here and elsewhere in this form relating to the Assignee(s), if the assignment is to a single Assignee, choose the first bracketed language. If the assignment is to multiple Assignees, choose the second bracketed language.
(3) Select as appropriate.
(4) Include bracketed language if there are either multiple Assignors or multiple Assignees.

1. Assignor[s]: ____________________
____
[Assignor [is] [is not] a Defaulting Lender]
2. Assignee[s]: ____________________
____
[for each Assignee, indicate [Affiliate][Approved Fund] of [*identify Lender*]
3. Borrower(s): ____________________
4. Agent: ____________________, as the Agent under the Credit Agreement
5. Credit Agreement: The Amended and Restated Credit and Guaranty Agreement, dated as of March 13, 2015 among MasterCraft Boat Company, LLC and the other Credit Parties named therein, the Lenders parties thereto, and Fifth Third Bank, as Agent
6. Assigned Interest[s]:

Assignor[s](5)	**Assignee[s](6)**	**Facility Assigned(7)**	**Aggregate Amount of Commitment/Loans for all Lenders(8)**	**Amount of Commitment/Loans Assigned(8)**	**Percentage Assigned of Commitment/ Loans(9)**	**CUSIP Number**
			$	$	%	
			$	$	%	
			$	$	%	

7. Trade Date:](10)

---

(5) List each Assignor, as appropriate.
(6) List each Assignee, as appropriate.
(7) Fill in the appropriate terminology for the types of facilities under the Credit Agreement that are being assigned under this Assignment (e.g., "Revolving Credit Commitment," "Term Loan Commitment," etc.)
(8) Amount to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.
(9) Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.
(10) To be completed if the Assignor(s) and the Assignee(s) intend that the minimum assignment amount is to be determined as of the Trade Date.

Effective Date: , 20 [TO BE INSERTED BY AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR[S](11)

[NAME OF ASSIGNOR]

By: ____________________
Title:

[NAME OF ASSIGNOR]

By: ____________________
Title:

ASSIGNEE[S](12)

[NAME OF ASSIGNEE]

By: ____________________
Title:

[NAME OF ASSIGNEE]

By: ______________________________
Title:

(11) Add additional signature blocks as needed. Include both Fund/Pension Plan and manager making the trade (if applicable).
(12) Add additional signature blocks as needed. Include both Fund/Pension Pl an and manager making the trade (if applicable).

[Consented to and](13) Accepted:

Fifth Third Bank, as Agent

By: ______________________________
Title:

[Consented to:](14)

[NAME OF RELEVANT PARTY]

By: ______________________________
Title:

(13) To be added only if the consent of the Administrative Agent is required by the terms of the Credit Agreement.
(14) To be added only if the consent of Borrower and/or other parties (e.g. Swing Line Lender, L/C Issuer) is required by the terms of the Credit Agreement.

[ ](15)

ANNEX 1

Standard Terms and Conditions for
Assignment and Assumption

1. Representations and Warranties.

1.1 Assignor[s]. [The][Each] Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of [the][the relevant] Assigned Interest, (ii) [the][such] Assigned Interest is free and clear of any lien, encumbrance or other adverse claim, (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and (iv) it is [not] a Defaulting Lender; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document(16), (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of any Credit Party, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document, or (iv) the performance or observance by any Credit Party, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

1.2. Assignee[s]. [The][Each] Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it meets all the requirements to be an assignee under Section (b)(iii), (v) and (vi) of the Credit Agreement (subject to such consents, if any, as may be required under Section (b)(iii) of the Credit Agreement), (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of [the][the relevant] Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by the Assigned Interest and either it, or the Person exercising discretion in making its decision to acquire the Assigned Interest, is experienced in acquiring assets of such type, (v) it has received a copy of the Credit Agreement, and has received or has been accorded the opportunity to receive copies of the most recent financial statements delivered pursuant to Section thereof, as applicable, and such other documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the][such] Assigned Interest, (vi) it has, independently and without reliance upon the Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the][such] Assigned Interest, and (vii) [if it is a Foreign

(15) Describe Credit Agreement at option of Administrative Agent.
(16) The term “Loan Document” should be conformed to that used in the Credit Agreement.

Lender](17) attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by [the][such] Assignee; and (b) agrees that (i) it will, independently and without reliance on the Agent, [the][any] Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. Payments. From and after the Effective Date, the Agent shall make all payments in respect of [the][each] Assigned Interest (including payments of principal, interest, fees and other amounts) to [the][the relevant] Assignor for amounts which have accrued to but excluding the Effective Date and to [the][the relevant] Assignee for amounts which have accrued from and after the Effective Date.(18) Notwithstanding the foregoing, the Agent shall make all payments of interest, fees or other amounts paid or payable in kind from and after the Effective Date to [the][the relevant] Assignee.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the internal laws of the State of Illinois.

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(17) The concept of "Foreign Lender" should be conformed to the section in the Credit Agreement governing withholding taxes and gross-up. If Borrower is a U.S. Borrower, the bracketed language should be deleted.
(18) The Administrative Agent should consider whether this method conforms to its systems. In some circumstances, the following alternative language may be appropriate:
"From and after the Effective Date, the Administrative Agent shall make all payments in respect of [the][each] Assigned Interest (including payments of principal, interest, fees and other amounts) to [the][the relevant] Assignee whether such amounts have accrued prior to, on or after the Effective Date. The Assignor[s] and the Assignee[s] shall make all appropriate adjustments in payments by the Administrative Agent for periods prior to the Effective Date or with respect to the making of this assignment directly between themselves."

EXHIBIT G

JOINDER AGREEMENT

THIS JOINDER AGREEMENT (this "*Agreement*"), dated as of , , 200 , is entered into between , a (the "*New Subsidiary*") and **FIFTH THIRD BANK**, an Ohio banking corporation, as Agent under that certain Amended and Restated Credit and Guaranty Agreement, dated as of March 13, 2015 among MasterCraft Boat Company, LLC, a Delaware limited liability company, the other Credit Parties named therein, the Lenders party thereto and the Agent (as may be amended, restated, supplemented or otherwise modified from time to time, the "*Credit Agreement*"). All capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Credit Agreement.

The New Subsidiary and the Agent, for the benefit of Agent and the Lenders, hereby agree as follows:

1. The New Subsidiary hereby acknowledges, agrees and confirms that, by its execution of this Agreement, the New Subsidiary will be deemed to be a [*if required by Agent*: Borrower and] Credit Party for all purposes of the Credit Agreement and shall have all of the obligations of a [Borrower and] Credit Party thereunder as if it had been an original signatory to the Credit Agreement. The New Subsidiary hereby ratifies, as of the date hereof, and agrees to be bound by, all of the terms, provisions and conditions contained in the Credit Agreement, including without limitation (a) all of the representations and warranties of the Credit Parties set forth in Section 5 of the Credit Agreement, (b) all of the covenants set forth in Section 6 of the Credit Agreement and (c) all of the guaranty and other obligations set forth in Section 11 of the Credit Agreement. In furtherance of, and without limiting the foregoing, the New Subsidiary, subject to the limitations set forth in Section 11.9 of the Credit Agreement, hereby guarantees, jointly and severally with the other Guarantors, to the Agent and the Lenders, as provided in Section 11 of the Credit Agreement, the prompt payment and performance of the Guaranteed Obligations in full when due (whether at stated maturity, as a mandatory prepayment, by acceleration or otherwise) strictly in accordance with the terms thereof and agrees that if any of the Guarantied Obligations are not paid or performed in full when due (whether at stated maturity, as a mandatory prepayment, by acceleration or otherwise), the New Subsidiary will, jointly and severally together with the other Guarantors, promptly pay and perform the same, without any demand or notice whatsoever, and that in the case of any extension of time of payment or renewal of any of the Guarantied Obligations, the same will be promptly paid in full when due (whether at extended maturity, as a mandatory prepayment, by acceleration or otherwise) in accordance with the terms of such extension or renewal.

2. The New Subsidiary is, simultaneously with the execution of this Agreement, executing and delivering the Joinder Agreement to the Security Agreement and such Collateral Documents (and such other documents and instruments) as requested by the Agent in accordance with the Credit Agreement.

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3. The address of the New Subsidiary for purposes of Section 10.8 of the Credit Agreement is as follows:

4. The New Subsidiary hereby waives acceptance by the Agent and the Lenders of the guaranty by the New Subsidiary upon the execution of this Agreement by the New Subsidiary.

5. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but all of which shall constitute one and the same instrument. Signature by telecopy or other electronic transmission shall bind the parties hereto.

6. This Agreement and the other Loan Documents (other than those containing an express choice-of-law provision), and the rights and duties of the parties hereto, shall be governed and construed in accordance with the internal laws (including, without limitation, 735 ILCS Section 105/5-1 et seq., but otherwise without regard to the conflict of laws provisions) of the State of Illinois.

IN WITNESS WHEREOF, the New Subsidiary has caused this Agreement to be duly executed by its authorized officer, and the Agent, for the benefit of the Lenders, has caused the same to be accepted by its authorized officer, as of the day and year first above written.

[NEW SUBSIDIARY]

By: ______________________________

Name: ____________________
Title: ____________________

Acknowledged and accepted:

FIFTH THIRD BANK, as Agent

By: ____________________
Name: ____________________
Title: ____________________

EXHIBIT H-1

[Form of]

U.S. Tax Compliance Certificate
(For Foreign Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Amended and Restated Credit and Guaranty Agreement dated as of March 13, 2015 (as amended, supplemented or otherwise modified from time to time, the "*Credit Agreement*"), among Mastercraft Boat Company, LLC et. al. as Credit Parties, and each lender from time to time party thereto.

Pursuant to the provisions of Section 8.5 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of Borrower within the meaning of Section 871(h)(3)(B) of the Code and (iv) it is not a controlled foreign corporation related to Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Agent and Borrower with a certificate of its non-U.S. Person status on IRS Form W-8BEN or W-8BEN-E. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform Borrower, Borrower Representative and the Agent, and (2) the undersigned shall have at all times furnished Borrower and the Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By: ____________________
Name:
Title:

Dated: , 20[ ]

EXHIBIT H-2

[Form of]

U.S. Tax Compliance Certificate
(For Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Amended and Restated Credit and Guaranty Agreement dated as of March 13, 2015 (as amended, supplemented or otherwise modified from time to time, the "*Credit Agreement*"), among Mastercraft Boat Company, LLC et. al. as Credit Parties, and each lender from time to time party thereto.

Pursuant to the provisions of Section 8.5 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the participation in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of Borrower within the meaning of Section 871(h)(3)(B) of the Code, and (iv) it is not a controlled foreign corporation related to Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with a certificate of its non-U.S. Person status on IRS Form W-8BEN or W-8BEN-E. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender in writing, and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By: ____________________________
Name:
Title:

Dated: , 20[ ]

EXHIBIT H-3

[Form of]

U.S. Tax Compliance Certificate
(For Foreign Participants That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Amended and Restated Credit and Guaranty Agreement dated as of March 13, 2015 (as amended, supplemented or otherwise modified from time to time, the "*Credit Agreement*"), among Mastercraft Boat Company, LLC et. al. as Credit Parties, and each lender from time to time party thereto.

Pursuant to the provisions of Section 8.5 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the participation in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such participation, (iii) with respect such participation, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of Borrower within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or W-8BEN-E or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or W-8BEN-E from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By: ____________________________
Name:
Title:

Dated: , 20[ ]

EXHIBIT H-4

[Form of]

U.S. Tax Compliance Certificate
(For Foreign Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Amended and Restated Credit and Guaranty Agreement dated as of March 13, 2015 (as amended, supplemented or otherwise modified from time to time, the "*Credit Agreement*"), among Mastercraft Boat Company, LLC et. al. as Credit Parties, and each lender from time to time party thereto.

Pursuant to the provisions of Section 8.5 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such Loan(s) (as well as any Note(s) evidencing such Loan(s)), (iii) with respect to the extension of credit pursuant to this Credit Agreement or any other Loan Document, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of Borrower within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Agent and Borrower with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or W-8BEN-Eor (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or W-8BEN-E from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform Borrower, Borrower Representative and the Agent, and (2) the undersigned shall have at all times furnished Borrower and the Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By: ______________________________
Name:
Title:

Dated: , 20[ ]

Schedule 1

Commitments

MASTERCRAFT

Lender	Revolving Loan Commitment		Term Loan Commitment		Total		Percentage
Fifth Third Bank	$	16,900,000.00	$	28,100,000.00	$	45,000,000.00	42.86%
Bank of America	$	13,100,000.00	$	21,900,000.00	$	35,000,000.00	33.33%
Raymond James Bank	$	0.00	$	25,000,000	$	25,000,000	23.81%
Total	$	30,000,000.00	$	75,000,000.00	$	105,000,000.00	100%

Schedule 5.10
Subsidiaries

Credit Party	Jurisdiction of Organization/Formation	Class of Stock	Owner and Percentage Ownership
MCBC Holdings, Inc.	Delaware	Common Stock	1. Wayzata Opportunities Fund II, L.P. 797,935 shares, 79.7935% shares, 79.7935% 2. Wayzata Opportunities Fund Offshore II, L.P. 101,659 shares, 10.1659% 10.1659% 3. Wayzata Recovery Fund, LLC 54,519 shares, 5.4519% 4. AIS Highbury Liquidation SPV, L.P. 29,262 shares, 2.9262% 5. UBS MSA II SPV 3 16,625 shares, 1.6625%
MasterCraft Boat Company, LLC	Delaware	Membership Units	MCBC Holdings, Inc. 100%
MasterCraft International Sales Administration, Inc.	Delaware	Common Stock	MCBC Holdings, Inc. 100%
MCBC Hydra Boats, LLC	Tennessee	Membership Units	MCBC Holdings, Inc. 100%
MasterCraft Services, Inc.	Tennessee	Common Stock	MasterCraft Boat Company, LLC 100%

Schedule 5.12
Environmental Matters

None.

Schedule 5.16
Labor Relations

None.

Schedule 5.17
Capitalization of Credit Parties

MCBC Holdings, Inc.

At present, a total of One Million (1,000,000) shares of common stock in the MCBC Holdings, Inc. have been issued and are outstanding. There are no other classes of stock. The shares of common stock are presently owned and held as follows:

Issued & Outstanding	Shareholder Name Shares Percentage	
1. Wayzata Opportunities Fund II, L.P.	797,935	79.7935 %
2. Wayzata Opportunities Fund Offshore II, L.P.	101,659	10.1659 %
3. Wayzata Recovery Fund, LLC	54,519	5.4519 %
4. AIS Highbury Liquidation SPV, L.P.	29,262	2.9262 %
5. UBS MSA II SPV 3	16,625	1.6625 %
	1,000,000	100.0 %

Warrants:

A Warrant to purchase 100,000 shares of common stock of MCBC Holdings, Inc. was issued on June 30, 2009 to MCBC Acquisition, LLC, for an initial purchase price of $81.60 per share. This warrant expires at 5:00 p.m. New York City (Eastern) time on June 30, 2019. No other warrants to acquire any of the stock of MCBC Holdings, Inc. or the equity of any of its subsidiaries are in existence.

Stock Options:

The following stock options that were granted pursuant to the 2010 Equity Incentive Plan (the “2010 Plan”) are still in existence have not been terminated and are outstanding for the remaining participants.

The 2010 Plan was adopted by the Board of Directors of MCBC Holdings, Inc. at the regular meeting of the Directors held on February 12, 2010. The effective date of the options that were granted pursuant to the 2010 Plan was April 23, 2010. Pursuant to the provisions of Section 6(f) of the 2010 Plan, twenty-five percent (25%) of the option shares vested on each of the following dates: September 30 of 2010, 2011, 2012 and 2013. Therefore, the remaining

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options are all now fully vested. The remaining participants and number of option shares granted to each are as follows:

Participant	Tranche 1 Stock Options	Tranche 2 Stock Options
Matt McDevitt	1,905	1,143
David A. Kirkland	1,786	1,071
Greg Stanley	1,190	714
Total Options Granted & Outstanding	**4,881**	**2,928**

MasterCraft Boat Company, LLC

All (100%) of the Membership Units of MasterCraft Boat Company, LLC are owned by MCBC Holdings, Inc. as the sole Member of the Company.

MasterCraft International Sales Administration, Inc.

All (100%) of the issued and outstanding stock of MasterCraft International Sales Administration, Inc. is owned by MCBC Holdings, Inc. as the sole Shareholder of the Company.

MCBC Hydra Boats, LLC

All (100%) of the Membership Units of MCBC Hydra Boats, LLC are owned by MCBC Holdings, Inc. as the sole Member of the Company.

MasterCraft Services, Inc.

All (100%) of the issued and outstanding stock of MasterCraft Services, Inc. is owned by MasterCraft Boat Company, LLC as the sole Shareholder of the Company.

Schedule 6.11
Indebtedness

None.

Schedule 6.12

Liens

Credit Party	Secured Party	Jurisdiction	Filing Number	Filing Date	Collateral
MasterCraft Boat Company, LLC	Nissan Motor Acceptance Corporation	Delaware Secretary of State	2013 1280990	4/3/2013	Specific equipment
			2013 1303594	4/4/2013	Specific equipment
			2013 2310341	6/17/2013	Specific equipment
	Fifth Third Bank, as Agent		2013 5050860	12/20/2013	All assets
MCBC Hydra Boats, LLC	GE Commercial Distribution Finance Corporation	Delaware Secretary of State	310-029448	5/19/2010	Specific equipment / Floor plan filing
			310-35592 *Amendment*	6/16/2010	
			310-036059 *Amendment*	6/17/2010	
	Fifth Third Bank, as Agent		420883777	12/23/2013	All assets
MasterCraft International Sales Administration, Inc.	Fifth Third Bank, as Agent	Delaware Secretary of State	2013 5050993	12/20/2013	All assets
Master Craft Services, Inc.	Fifth Third Bank, as Agent	Tennessee Secretary of State	420883769	12/23/2013	All assets
MCBC Holdings, Inc.	Fifth Third Bank, as Agent	Delaware Secretary of State	2013 5051074	12/20/2013	All assets
	GE Commercial Distribution Finance Corporation	Tennessee Secretary of State	310-029448	5/19/2010	All inventory, fixtures and equipment
			310-035592 *Amendment*	6/16/2010	
			310-036059 *Amendment*	6/17/2010	
			422680725 *Continuation*	1/15/2015	

Schedule 6.14
Investments

None.

Schedule 6.16
Restrictions

The restrictions on transfer/assignment of MCBC Holdings, Inc. stock contained in the MCBC Holdings, Inc. Amended and Restated Certificate of Incorporation and Stockholders’ Agreement.

Schedule 10.8(b)
Prohibited Assignees

Black Diamond Capital Management, LLC; Cerberus Capital Management, L.P.; DDJ Capital Management, LLC; Black Canyon Management, LLC and each of their respective Affiliates.

SECOND AMENDED AND RESTATED TERM NOTE

$28,100,000.00 March 13, 2015

FOR VALUE RECEIVED, each of the undersigned, **MASTERCRAFT BOAT COMPANY, LLC**, a Delaware limited liability company ("*MasterCraft*"), **MASTERCRAFT SERVICES, INC.**, a Tennessee corporation ("*Services*"), **MCBC HYDRA BOATS, LLC**, a Tennessee limited liability company ("*Hydra*") and **MASTERCRAFT INTERNATIONAL SALES ADMINISTRATION, INC.**, a Delaware corporation ("*Sales Administration*"; MasterCraft, Services, Hydra and Sales Administration, collectively, the "*Borrower*"), hereby jointly and severally promises to pay to **FIFTH THIRD BANK**, an Ohio banking corporation (the "*Lender*") at the principal office of Fifth Third Bank, an Ohio banking corporation, as administrative agent (in such capacity, together with its successors or assigns, "*Agent*"), in Cincinnati, Ohio, in immediately available funds, the principal sum of TWENTY-EIGHT MILLION ONE HUNDRED THOUSAND AND 00/100 Dollars ($28,100,000.00) or, if less, the aggregate unpaid principal amount of the Term Loan made or maintained by the Lender to Borrower pursuant to the Credit Agreement, in installments in the amounts called for by Section 2.7 of the Credit Agreement, commencing on March 31, 2015, together with interest on the principal amount of such Term Loan from time to time outstanding hereunder at the rates, and payable in the manner and on the dates, specified in the Credit Agreement.

This Second Amended and Restated Term Note (this "*Note*") is one of the Term Notes referred to in the Amended and Restated Credit and Guaranty Agreement dated as of March 13, 2015 among Borrowers, the other Credit Parties party thereto from time to time, the Agent and the Lenders party thereto (as amended, restated, supplemented or otherwise modified from time to time, the "*Credit Agreement*"), and this Note and the holder hereof are entitled to all the benefits and security provided for thereby or referred to therein, to which Credit Agreement reference is hereby made for a statement thereof. All defined terms used in this Note, except terms otherwise defined herein, shall have the same meaning as in the Credit Agreement. This Note shall be governed by and construed in accordance with the internal laws (including, without limitation, 735 ILCS Section 105/5-1 et seq., but otherwise without regard to the conflict of laws provisions) of the State of Illinois.

Voluntary prepayments may be made hereon, certain prepayments are required to be made hereon, and this Note may be declared due prior to the expressed maturity hereof, all in the events, on the terms and in the manner as provided for in the Credit Agreement.

Each Borrower hereby waives demand, presentment, protest or notice of any kind hereunder. This Note is binding upon the Borrowers and their respective successors and assigns, and shall inure to the benefit of Lender and its successors and assigns. The Borrowers and their successors and assigns shall be jointly and severally obligated hereunder.

This Term Note is a registered obligation, transferable only upon notation in the Register, and no assignment hereof shall be effective until recorded therein.

This Note replaces and is in substitution for but not in payment of that certain (i) Term Note dated December 20, 2013 made by Borrowers in favor of the Lender in the aggregate maximum principal amount of $14,375,000.00 and (ii) Amended and Restated Term Note dated November 25, 2014 made by Borrowers in favor of the Lender in the aggregate principal amount of $33,333,333.33 (the "**Prior Notes**"), and does not and shall not be deemed to constitute a novation thereof. Such Prior Notes shall be of no further force and effect upon the execution of this Note; provided, however, that all outstanding indebtedness, including, without limitation, principal and interest under the Prior Notes as of the date of this Note, is hereby deemed indebtedness evidenced by this Note and is incorporated herein by this reference.

(Signature Page Follows)

(Signature Page to Second Amended and Restated Term Note — FTB)

BORROWERS:

MASTERCRAFT BOAT COMPANY, LLC, a Delaware limited liability company

By /s/ Timothy M. Oxley
Timothy M. Oxley
Chief Financial Officer, Treasurer & Secretary

MCBC HYDRA BOATS, LLC, a Tennessee limited liability company

By /s/ Timothy M. Oxley
Timothy M. Oxley
Chief Financial Officer, Treasurer & Secretary

MASTERCRAFT SERVICES, INC., a Tennessee corporation

By /s/ Timothy M. Oxley
Timothy M. Oxley
Chief Financial Officer, Treasurer & Secretary

MASTERCRAFT INTERNATIONAL SALES ADMINISTRATION, INC., a Delaware corporation

By /s/ Timothy M. Oxley
Timothy M. Oxley
Chief Financial Officer, Treasurer & Secretary

EXECUTION COPY

AMENDED AND RESTATED REVOLVING NOTE

$16,900,000.00 March 13, 2015

FOR VALUE RECEIVED, each of the undersigned, **MASTERCRAFT BOAT COMPANY, LLC**, a Delaware limited liability company ("*MasterCraft*"), **MASTERCRAFT SERVICES, INC.**, a Tennessee corporation ("*Services*"), **MCBC HYDRA BOATS, LLC**, a Tennessee limited liability company ("*Hydra*") and **MASTERCRAFT INTERNATIONAL SALES ADMINISTRATION, INC.**, a Delaware corporation ("*Sales Administration*"; MasterCraft, Services, Hydra and Sales Administration, collectively, the "*Borrower*''), hereby jointly and severally promises to pay to FIFTH THIRD BANK, an Ohio banking corporation (the "*Lender*") on the Revolving Credit Termination Date of the hereinafter defined Credit Agreement, at the principal office of Fifth Third Bank, an Ohio banking corporation, as administrative agent (in such capacity, together with its successors or assigns, the "*Agent*"), in Cincinnati, Ohio, in immediately available funds, the principal sum of SIXTEEN MILLION NINE HUNDRED THOUSAND AND 00/100 Dollars ($16,900,000.00) or, if less, the aggregate unpaid principal amount of all Revolving Loans made by the Lender to Borrowers pursuant to the Credit Agreement, together with interest on the principal amount of each Revolving Loan from time to time outstanding hereunder at the rates, and payable in the manner and on the dates, specified in the Credit Agreement.

This Second Amended and Restated Revolving Note (this "*Note*") is one of the Revolving Notes referred to in the Amended and Restated Credit and Guaranty Agreement dated as of March 13, 2015 among Borrowers, the other Credit Parties party thereto from time to time, Agent and the Lenders party thereto (as amended, restated, supplemented or otherwise modified from time to time, the "*Credit Agreement*"), and this Note and the holder hereof are entitled to all the benefits and security provided for thereby or referred to therein, to which Credit Agreement reference is hereby made for a statement thereof. All defined terms used in this Note, except terms otherwise defined herein, shall have the same meaning as in the Credit Agreement. This Note shall be governed by and construed in accordance with the internal laws (including, without limitation, 735 ILCS Section 105/5-1 et seq., but otherwise without regard to the conflict of laws provisions) of the State of Illinois.

Voluntary prepayments may be made hereon, certain prepayments are required to be made hereon, and this Note may be declared due prior to the expressed maturity hereof, all in the events, on the terms and in the manner as provided for in the Credit Agreement.

Each Borrower hereby waives demand, presentment, protest or notice of any kind hereunder. This Note is binding upon the Borrowers and their respective successors and assigns, and shall inure to the benefit of Lender and its successors and assigns. The Borrowers and their successors and assigns shall be jointly and severally obligated hereunder.

This Revolving Note is a registered obligation, transferable only upon notation in the Register, and no assignment hereof shall be effective until recorded therein.

This Note replaces and is in substitution for but not in payment of that certain (i) Revolving Note dated December 20, 2013 made by Borrowers in favor of the Lender in the aggregate maximum principal amount of $5,750,000.00 and (ii) the Amended and Restated Revolving Noted dated November 25, 2014 made by Borrowers in favor of the Lender in the aggregate maximum principal amount of $6,666,666.67 (the "**Prior Notes**"), and does not and shall not be deemed to constitute a novation thereof. Such Prior Notes shall be of no further force and effect upon the execution of this Note; provided, however, that all outstanding indebtedness, including, without limitation, principal and interest under the Prior Notes as of the date of this Note, is hereby deemed indebtedness evidenced by this Note and is incorporated herein by this reference.

(Signature Page Follows)

(Signature Page to Second Amended and Resided Revolving Note — FTB)

BORROWERS:

MASTERCRAFT BOAT COMPANY, LLC, a Delaware limited liability company

By /s/ Timothy M. Oxley
Timothy M. Oxley
Chief Financial Officer, Treasurer & Secretary

MCBC HYDRA BOATS, LLC, a Tennessee limited liability company

By /s/ Timothy M. Oxley
Timothy M. Oxley
Chief Financial Officer, Treasurer & Secretary

MASTERCRAFT SERVICES, INC., a Tennessee corporation

By /s/ Timothy M. Oxley
Timothy M. Oxley
Chief Financial Officer, Treasurer & Secretary

MASTERCRAFT INTERNATIONAL SALES ADMINISTRATION, INC., a Delaware corporation

By /s/ Timothy M. Oxley
Timothy M. Oxley

Chief Financial Officer, Treasurer & Secretary

EXECUTION COPY

AMENDED AND RESTATED SWING NOTE

$10,000,000.00 March 13, 2015

FOR VALUE RECEIVED, each of the undersigned, **MASTERCRAFT BOAT COMPANY, LLC**, a Delaware limited liability company ("*MasterCraft*"), **MASTERCRAFT SERVICES, INC.**, a Tennessee corporation ("*Services*"), **MCBC HYDRA BOATS, LLC**, a Tennessee limited liability company ("*Hydra*") and **MASTERCRAFT INTERNATIONAL SALES ADMINISTRATION, INC.**, a Delaware corporation ("*Sales Administration*"; MasterCraft, Services, Hydra and Sales Administration, collectively, the "*Borrower*"), hereby jointly and severally promises to pay to FIFTH THIRD BANK, an Ohio banking corporation (the "*Lender*"), on the Revolving Credit Termination Date of the hereinafter defined Credit Agreement, at the principal office of Fifth Third Bank, an Ohio banking corporation, as administrative agent (in such capacity, together with its successors or assigns, the "Agent"), in Cincinnati, Ohio, in immediately available funds, the principal sum of TEN MILLION AND NO/100 ($10,000,000.00) or, if less, the aggregate unpaid principal amount of all Swing Loans made by the Lender to Borrowers pursuant to the Credit Agreement, together with interest on the principal amount of each Swing Loan from time to time outstanding hereunder at the rates, and payable in the manner and on the dates, specified in the Credit Agreement.

This Amended and Restated Swing Note (this "*Note*") is the Swing Note referred to in the Amended and Restated Credit and Guaranty Agreement dated as of March 13, 2015 among Borrowers, the other Credit Parties party thereto from time to time, the Agent and the Lenders party thereto, (as amended, restated, supplemented or otherwise modified from time to time, the "*Credit Agreement*"), and this Note and the holder hereof are entitled to all the benefits and security provided for thereby or referred to therein, to which Credit Agreement reference is hereby made for a statement thereof. All defined terms used in this Note, except terms otherwise defined herein, shall have the same meaning as in the Credit Agreement. This Note shall be governed by and construed in accordance with the internal laws (including, without limitation, 735 ILCS Section 105/5-1 et seq., but otherwise without regard to the conflict of laws provisions) of the State of Illinois.

Voluntary prepayments may be made hereon, certain prepayments are required to be made hereon, and this Note may be declared due prior to the expressed maturity hereof, all in the events, on the terms and in the manner as provided for in the Credit Agreement.

Each Borrower hereby waives demand, presentment, protest or notice of any kind hereunder. This Note is binding upon the Borrowers and their respective successors and assigns, and shall inure to the benefit of Lender and its successors and assigns. The Borrowers and their successors and assigns shall be jointly and severally obligated hereunder.

This Swing Note is a registered obligation, transferable only upon notation in the Register, and no assignment hereof shall be effective until recorded therein.

This Note replaces and is in substitution for but not in payment of that certain Swing Note dated November 25, 2014 made by Borrowers in favor of the Lender in the aggregate maximum principal amount of $5,000,000.00 (the "**Prior Note**"), and does not and shall not be deemed to constitute a novation thereof. Such Prior Note shall be of no further force and effect upon the execution of this Note; provided, however, that all outstanding indebtedness, including, without limitation, principal and interest under the Prior Note as of the date of this Note, is hereby deemed indebtedness evidenced by this Note and is incorporated herein by this reference.

(Signature Page Follows)

(Signature Page to Amended and Restated Swing Note)

BORROWERS:

MASTERCRAFT BOAT COMPANY, LLC, a Delaware limited liability company

By /s/ Timothy M. Oxley
Timothy M. Oxley
Chief Financial Officer, Treasurer & Secretary

MCBC HYDRA BOATS, LLC, a Tennessee limited liability company

By /s/ Timothy M. Oxley
Timothy M. Oxley
Chief Financial Officer, Treasurer & Secretary

MASTERCRAFT SERVICES, INC., a Tennessee corporation

By /s/ Timothy M. Oxley
Timothy M. Oxley
Chief Financial Officer, Treasurer & Secretary

MASTERCRAFT INTERNATIONAL SALES ADMINISTRATION, INC., a Delaware corporation

By /s/ Timothy M. Oxley
Timothy M. Oxley
Chief Financial Officer, Treasurer & Secretary

Exhibit 10.8

Execution Copy

AMENDED AND RESTATED SECURITY AGREEMENT

dated as of March 13, 2015

among

MASTERCRAFT BOAT COMPANY, LLC,
MASTERCRAFT SERVICES, INC.,
MCBC HYDRA BOATS, LLC
and
MASTERCRAFT INTERNATIONAL SALES ADMINISTRATION, INC.

and the other Grantors

and

FIFTH THIRD BANK,
an Ohio banking corporation,
as Agent

AMENDED AND RESTATED SECURITY AGREEMENT

THIS AMENDED AND RESTATED SECURITY AGREEMENT dated as of March 13, 2015 (as may be amended, restated, supplemented or otherwise modified from time to time, this "Agreement") is entered into among **MASTERCRAFT BOAT COMPANY, LLC**, a Delaware limited liability company ("MasterCraft"), **MASTERCRAFT SERVICES, INC.**, a Tennessee corporation ("Services"), **MCBC HYDRA BOATS, LLC**, a Tennessee limited liability company ("Hydra"), **MASTERCRAFT INTERNATIONAL SALES ADMINISTRATION, INC.**, a Delaware corporation ("Sales Administration"), and each other Person that becomes a "Borrower" under the Credit Agreement (collectively, "Borrowers" and, individually, each a "Borrower"), **MCBC HOLDINGS, INC.**, a Delaware corporation ("Holdings"), and each other Person that becomes a "Guarantor" under the Credit Agreement (collectively, "Guarantors" and, individually, each a "Guarantor"), each other Person a signatory hereto as a Grantor (collectively with Borrower and Guarantors, the "Grantors" and, individually, each a "Grantor") and **FIFTH THIRD BANK**, an Ohio banking corporation, as the Agent for all the Lenders (as defined in the Credit Agreement referred to below).

WHEREAS, the Borrowers and Holdings and Agent and the Lenders entered into that certain Credit and Guaranty Agreement dated as of December 20, 2013 (the "Original Loan Agreement"), which provided for Revolving Loans, Term Loans and other credit accommodations in an aggregate original principal amount of $60,000,000;

WHEREAS, in connection with the Original Loan Agreement, the parties thereto entered into that certain Security Agreement dated as of December 20, 2013 (the "Original Security Agreement"), and other ancillary Loan Documents;

WHEREAS, each of the Borrowers and Holdings have requested that Agent and the Lenders (i) increase the Revolving Loans, Term Loans and other credit accommodations under the Original Credit Agreement to an aggregate principal amount of $105,000,000 consisting of Revolving Credit Commitments in the aggregate amount of $30,000,000 and Term Loan Commitments in the aggregate amount of $75,000,000, and (ii) make certain other modifications and amendments to the Original Loan Agreement, all as set forth in the Amended and Restated Credit and Guaranty Agreement dated of even date herewith (the "Credit Agreement"); and

WHEREAS, the Obligations of the Credit Parties under the Credit Agreement, as continued from the Original Security Agreement, shall continue to be secured by the Collateral pursuant to this Amended and Restated Security Agreement, and the other Collateral Documents and Loan Documents entered into in connection therewith and herewith.

The Lenders have severally agreed to extend credit to the Borrowers pursuant to the Credit Agreement. Each Borrower is a direct or indirect wholly-owned subsidiary of Holdings or is affiliated with certain other Grantors, as applicable. The Borrowers and the other Grantors are engaged in interrelated businesses, and each Grantor will derive substantial direct and indirect benefit from extensions of credit under the Credit Agreement. It is a condition precedent to each Lender's obligation to extend credit under the Credit Agreement that the Grantors shall

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have executed and delivered this Agreement to the Agent for its benefit and the benefit of the Lenders.

In consideration of the premises and to induce the Agent and the Lenders to enter into the Credit Agreement and to induce the Lenders to extend credit thereunder, each Grantor hereby agrees with the Agent, for its benefit and the benefit of the Lenders, as follows:

SECTION 1 DEFINITIONS.

1.1 Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement, and the following terms are used herein as defined in the UCC: Accession, Account, Account Debtor, As-Extracted Collateral, Certificated Security, Chattel Paper, Commercial Tort Claim, Consumer Goods, Deposit Account, Document, Electronic Chattel Paper, Entitlement Order, Equipment, Farm Products,

Financial Asset, Fixture, Goods, Health Care Insurance Receivables, Instruments, Inventory, Investment Property, Leases, Letter-of-Credit Right, Manufactured Home, Money, Payment Intangibles, Proceeds, Securities Account, Securities Intermediary, Security, Security Entitlement, Supporting Obligations, Tangible Chattel Paper and Uncertificated Security.

1.2 When used herein the following terms shall have the following meanings:

"*Agreement*" has the meaning set forth in the preamble hereto.

"*Assigned Agreements*" means, collectively, all of each Grantor's rights and remedies under, and all moneys and claims for money due or to become due to such Grantor under those contracts set forth on Schedule1.2 hereto, and any other material contracts, and any and all amendments, restatements, supplements and other modifications thereof including all rights and claims of such Grantor now or hereafter existing: (a) under any insurance, indemnities, warranties, and guarantees provided for or arising out of or in connection with any of the foregoing agreements; (b) for any damages arising out of or for breach or default under or in connection with any of the foregoing contracts; (c) to all other amounts from time to time paid or payable under or in connection with any of the foregoing agreements; or (d) to exercise or enforce any and all covenants, remedies, powers and privileges thereunder.

"*Collateral*" means all of the following personal property now owned or at any time hereafter acquired by any Grantor or in which any Grantor now has or at any time in the future may acquire any right, title or interest: (a) Accounts, Assigned Agreements, Chattel Paper, Commercial Tort Claims, Deposit Accounts, Documents, Equipment, Farm Products, Fixtures, General Intangibles, Goods, Instruments, Intellectual Property, Inventory, Investment Property, Leases, Letter-of-Credit Rights, Money, Supporting Obligations and all other personal property and other assets; (b) all books and records pertaining to any of the foregoing; (c) all Accessions to, substitutions for and replacements, Proceeds and products of any of the foregoing; and (d) all collateral security and guaranties given by any Person with respect to any of the foregoing; provided that "*Collateral*" shall not include the Excluded Assets. Where the context requires, terms relating to the Collateral or any part thereof, when used in relation to a Grantor, shall refer to such Grantor's Collateral or the relevant part thereof.

"*Collateral Access Agreement*" means any landlord waiver or other agreement in form and substance reasonably satisfactory to the Agent, between the Agent and any third party (including any bailee, consignee, customs broker or other similar Person) in possession of any Collateral or any landlord of any Grantor for any real Property where any Collateral is located.

"*Collateral Notification Date*" shall mean, with respect to any acquisition of, or any other act or event pertaining to, Collateral for which notification is required by this Agreement, the next date following such acquisition, act or event, as applicable, that a Compliance Certificate is required to be delivered pursuant to Section 6.1(c) of the Credit Agreement.

"*Control*" means "control" as such term is used in the UCC including, without limitation, as used in Sections 9-314, 9-104, 9-105, 9-106, 9-107 and 8-106 of the UCC.

"*Control Agreement*" shall mean an agreement in form and substance reasonably satisfactory to the Agent, among any Grantor, the Agent and (a) with respect to a Deposit Account of such Grantor, the depository bank maintaining such Deposit Account pursuant to which the depositary bank agrees to comply with instructions of the Agent to such depositary bank directing the disposition of funds from time to time credited to such Deposit Account without further consent of such Grantor, (b) with respect to a Securities Account of such Grantor, the Securities Intermediary maintaining such Securities Account pursuant to which such Securities Intermediary agrees to comply with the Entitlement Orders of the Agent with respect to the Financial Assets from time to time credited to, and Security Entitlements related to, such Securities Account without further consent by such Grantor and (c) with respect to Uncertificated Securities registered in the name of such Grantor or its nominee, the Issuer of such Uncertificated Securities pursuant to which such Issuer agrees to comply with instructions issued by the Agent without further consent by such Grantor.

"*Copyrights*" means all copyrights arising under the laws of the United States, any other country or any political subdivision thereof, whether registered or unregistered and whether published or unpublished, including those listed on Schedule 3.7, all registrations and recordings thereof, and all applications in connection therewith, including all registrations, recordings and applications in the United States Copyright Office, and the right to obtain all renewals of any of the foregoing.

"*Credit Agreement*" means the Amended and Restated Credit and Guaranty Agreement of even date herewith among the Borrowers, Guarantors, the other Credit Parties, the Lenders and the Agent, as amended, restated, supplemented or otherwise modified from time to time.

"Excluded Accounts" has the meaning set forth in Section 4.1 of the Credit Agreement.

"*Excluded Assets*" has the meaning set forth in Section 4.1 of the Credit Agreement.

"Excluded Payments" has the meaning set forth in Section 4.6 hereof.

"*Excluded Vehicles*" has the meaning set forth in Section 4.1 of the Credit Agreement.

"*Governing Documents*" means, with respect to any Person, all certificates or articles of incorporation, certificates or articles of organization or formation, certificate or articles of limited

partnership, bylaws, limited liability company agreements, operating agreements, regulations, partnership agreements or analogous governing documents of such Person.

"*Holdings*" has the meaning set forth in the preamble to this Agreement.

"*Intellectual Property*" means the collective reference to all rights, priorities and privileges relating to intellectual property, whether arising under United States, multinational or foreign laws or otherwise, including the Copyrights, the Patents, the Trademarks and the Licenses, and all rights to sue at law or in equity for any infringement or other impairment thereof, including the right to receive all proceeds and damages therefrom.

"*Intercompany Note*" means any promissory note evidencing loans made by any Grantor to any other Grantor.

"*Issuers*" means the collective reference to each issuer of any Investment Property.

"*Licenses*" means, with respect to any Person, all of such Person's right, title and interest in and to (a) any and all licensing agreements or similar arrangements in and to its Patents, Copyrights or Trademarks, (b) all income, royalties, damages, claims and payments now or hereafter due or payable under and with respect thereto, including, without limitation, damages and payments for past and future breaches thereof, and (c) all rights to sue for past, present and future breaches thereof.

"*Minimum Actionable Amount*" shall mean $250,000.

"*Patents*" means (a) all letters patent of the United States, any other country or any political subdivision thereof, all reissues and extensions thereof and all goodwill associated therewith, including any of the foregoing referred to in Schedule 3.7, (b) all applications for letters patent of the United States or any other country and all divisions, continuations and continuations-in-part thereof, including any of the foregoing referred to in Schedule 3.7, and (c) all rights to obtain any reissues or extensions of the foregoing.

"Pledge Amendment" has the meaning set forth in Section 4.6 hereof.

"*Pledged Collateral*" means the Pledged Equity and Pledged Notes.

"*Pledged Equity*" means (a) the Equity Interests listed on Schedule 3.5; (b) the Pledged Subsidiary Interests; (c) all additional Equity Interests issued to or held by any Grantor from time to time in any manner; (d) all certificates, options, economic, voting, ownership and other rights and privileges incident to the foregoing Equity Interests of any nature whatsoever; and (e) all dividends, distributions, cash, Instruments and other property or Proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the foregoing Equity Interests.

"*Pledged Notes*" means (a) all promissory notes listed on Schedule 3.5, (b) all Intercompany Notes and (c) other promissory notes issued to or held by any Grantor.

"*Pledged Subsidiary Interests*" shall mean Equity Interests owned by any Grantor which are issued by any Subsidiary of any Grantor except, with respect to any Foreign Subsidiary, such Equity Interests that constitute Excluded Assets.

"*Receivable*" means any right to payment for goods sold or leased or for services rendered, whether or not such right is evidenced by an Instrument or Chattel Paper and whether or not it has been earned by performance (including any Accounts).

"*Securities Act*" means the Securities Act of 1933, as amended.

"*Trademarks*" means (a) all trademarks, trade names, corporate names, each Grantor's name, business names, fictitious business names, trade styles, service marks, logos and other source or business identifiers, and all goodwill associated therewith, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all applications (excluding any "intent to use" applications for trademarks for which a statement of use has not been filed and accepted with the United States Patent and Trademark Office) in connection therewith, whether in the United States Patent and Trademark Office or in any similar office or agency of the United States, any state thereof or any other country or any political subdivision thereof, or otherwise, and all common-law rights related thereto, including any of the foregoing referred to in Schedule 3.7, and (b) the right to obtain all renewals thereof.

"*UCC*" means the Uniform Commercial Code as in effect on the date hereof *and* from time to time in the State of Illinois, provided that if by reason of mandatory provisions of law, the perfection or the effect of perfection or non perfection of the security interests in any Collateral or the availability of any remedy hereunder is governed by the Uniform Commercial Code as in effect on or after the date hereof in any other jurisdiction, "UCC" means the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such perfection or effect of perfection or non-perfection or availability of such remedy.

SECTION 2 GRANT OF SECURITY INTEREST.

2.1 Grant of Security Interest. Each Grantor hereby (x) acknowledges, reaffirms, confirms and ratifies its prior grant, as set forth in the Original Security Agreement, and (y) pledges, assigns and transfers to the Agent, and hereby grants to the Agent, for its benefit and the benefit of the Lenders, a continuing security interest in all of its Collateral, as collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of the Obligations.

SECTION 3 REPRESENTATIONS AND WARRANTIES.

To induce the Agent and the Lenders to enter into the Credit Agreement and to induce the Lenders to make their respective extensions of credit to the Borrowers thereunder, each Grantor jointly and severally hereby represents and warrants to the Agent and each Lender that:

3.1 Title; No Other Liens. Each Grantor is the legal and beneficial owner of its Collateral and has the right to pledge, sell, assign or transfer the same, subject to Permitted Liens. There exists no "adverse claim" within the meaning of Section 8-102 of the UCC with

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respect to the Pledged Equity of any Grantor. Except for Permitted Liens, the Grantors own each item of the Collateral free and clear of any and all Liens or claims of others.

3.2 Perfected First Priority Liens. This Agreement creates a valid security interest in favor of the Agent, for the benefit of the Agent and Lenders, in the Collateral. The perfection of the security interests granted pursuant to this Agreement (a) are subject to the following: (i) in the case of all Collateral in which a

security interest may be perfected by filing a financing statement under the UCC, the completion of the filings specified on Schedule 3.2 (which, in the case of all filings and other documents referred to on such schedule, have been delivered to the Agent in completed and duly authorized form), (ii) with respect to any deposit account, the execution of Control Agreements (it being understood and agreed that such action shall not be required to the extent of the exception set forth in Section 6.21 of the Credit Agreement), (iii) in the case of U.S. registered Copyrights, U.S. registered Trademarks and U.S. issued Patents owned by a Grantor for which UCC filings are insufficient, proper filing with the United States Copyright Office or the United States Patent and Trademark Office, as applicable (it being understood and agreed that notwithstanding anything to the contrary contained herein, no perfection actions with respect to Intellectual Property in foreign jurisdictions shall be required), (iv) in the case of Commercial Tort Claims, letter-of-credit rights or electronic chattel paper, such actions as required under Sections 4.10, 4.11 and 4.12 hereof (but only to the extent required under such Sections), (v) with respect to Pledged Collateral, the delivery thereof to the Agent to the extent that such Pledged Collateral is certificated and (vi) in the case of all other instruments and tangible chattel paper, delivery thereof to the Agent (but only to the extent required under this Agreement) and (b) are prior to all other Liens on the Collateral in existence on the date hereof except for Permitted Liens for which priority is accorded under applicable law. The filings and other actions specified in this Section 3.2 constitute all of the filings and other actions necessary to perfect the security interests required to be perfected hereunder.

3.3 Grantor Information. On the date hereof, Schedule 3.3 sets forth (a) each Grantor's jurisdiction of organization, (b) the location of each Grantor's chief executive office, (c) each Grantor's exact legal name as it appears on its organizational documents and (d) each Grantor's organizational identification number (to the extent a Grantor is organized in a jurisdiction which assigns such numbers) and federal employer identification number.

3.4 Collateral Locations. Schedule 3.4 sets forth (a) each place of business of each Grantor (including its chief executive office), (b) all locations where any Inventory and the Equipment owned by any Grantor is kept, except with respect to Inventory and Equipment with a fair market value of less than the Minimum Actionable Amount (determined in the aggregate for all such Inventory and Equipment of the Grantors) and Inventory and Equipment in transit and (c) whether each such place of business (including each Grantor's chief executive office) and Collateral location is owned or leased (and if leased, specifies the complete name and notice address of each lessor) or the location of a bailee, warehouseman, consignee or other third party (and if so, specifies the complete name and notice address of each such third party).

3.5 Investment Property. (a) As of the date hereof, Schedule 3.5 lists all Pledged Collateral owned by each Grantor as of the date hereof.

(b) The Pledged Subsidiary Interests pledged by each Grantor hereunder constitute all the issued and outstanding Equity Interests of each Subsidiary of such Grantor owned by such Grantor or, in the case of any Foreign Subsidiary, 65 percent of all issued and outstanding Equity Interests of such Foreign Subsidiary entitled to vote (within the meaning of Treas. Reg. Section 1.956-2(c)(2)).

(c) All of the Pledged Subsidiary Interests have been duly and validly issued and, to the extent applicable, are fully paid and nonassessable. No restrictions in any Governing Documents governing any Pledged Subsidiary Interests or any other agreement or document related to any Pledged Subsidiary Interests, limit or restrict (i) the grant of a Lien pursuant to this Agreement on such Pledged Subsidiary Interests, (ii) the perfection of such Lien or (iii) the exercise of remedies in respect of such perfected Lien on such Pledged Subsidiary Interests as contemplated by this Agreement, subject, in each case, to the compliance with applicable law. Each Grantor has delivered to Agent, true, correct and complete copies of the Governing Documents governing any Pledged Subsidiary Interests as of the date hereof (or, with respect to any Subsidiary formed or acquired after the date hereof, within the time period for joining such Subsidiary to the Loan Documents that is set forth in Section 4.4 of the Credit Agreement).

(d) Each of the Pledged Notes constitutes the legal, valid and binding obligation of the obligor with respect thereto, enforceable in accordance with its terms (subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing).

3.6 Reserved.

3.7 Intellectual Property. (a) As of the date hereof, (i) Schedule 3.7 lists all registered Copyrights, Trademarks and Patents owned by such Grantor in its own name on the date hereof and all material Licenses of such Grantor, and (ii) all material Intellectual Property owned by any Grantor is valid, subsisting, unexpired and subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally and general equitable principles (whether considered at equity or law), enforceable and has not been abandoned (unless such abandonment could not reasonably be expected to have a Material Adverse Effect).

(b) Each Grantor owns and possesses or has a license or other right to use all Intellectual Property as is necessary for the conduct of the businesses of such Grantor, without any infringement upon rights of others, unless the failure to do so could not reasonably be expected to have a Material Adverse Effect.

3.8 Depositary and Other Accounts. All Deposit Accounts, Securities Accounts and other accounts maintained by each Grantor are described on Schedule 3.8 hereto, which description includes for each such account the name of the Grantor maintaining such account, the name, address, telephone and fax numbers of the financial institution at which such account is maintained, the account number and the account officer, if any, of such account.

3.9 Certain Other Property. As of the date hereof, except as set forth on Schedule 3.9, none of the Collateral constitutes: (i) Commercial Tort Claims; (ii) Documents (other than Documents related to Goods in transit); (iii) Accessions, As-Extracted Collateral, Consumer Goods, Farm Products, Manufactured Homes or standing timber; or (iv) vessels, aircraft or any other property subject to any certificate of title or other registration statute of the United States, any state or other jurisdiction, except for vehicles constituting Inventory and personal vehicles owned by any Grantor and used by employees of any Grantor in the ordinary course of business with an aggregate fair market value of less than the Minimum Actionable Amount (determined in the aggregate for all such Collateral of the Grantors).

SECTION 4 COVENANTS.

Each Grantor covenants and agrees with the Agent and the Lenders that, from and after the date of this Agreement until the Payment in Full of the Obligations:

4.1 Maintenance of Lien. Except as otherwise permitted by the Loan Documents, such Grantor shall maintain the security interest created by this Agreement as a perfected security interest and shall, defend such security interest against the claims and demands of all Persons whomsoever, subject to Permitted Liens. Such Grantor shall not (a) permit or suffer to exist any Lien on the Collateral other than Permitted Liens, and shall promptly pay when due all taxes and other assessments and obligations which could become a Lien on the Collateral except as permitted by the Credit Agreement and (b) sell or otherwise dispose of any Collateral or any interest therein except for sales of Inventory in the ordinary course of business and other dispositions permitted by the Credit Agreement.

4.2 Grantor Information. Such Grantor shall not (a) without providing at least 20 days' prior written notice to Agent, change its name or its mailing address or organizational identification number if it has one and (b) without providing at least 20 days' prior written notice to Agent, change its type of organization or jurisdiction of organization. If any Grantor does not have an organizational identification number and later obtains one, such Grantor shall notify Agent of such organizational identification number by the next Collateral Notification Date.

4.3 Collateral Locations. Such Grantor shall notify the Agent in writing as of the next Collateral Notification Date whenever Inventory or Equipment with a value in excess of the Minimum Actionable Amount (determined in the aggregate for all such Inventory or Equipment of the Grantors) is kept at a location other than those set forth on Schedule 3.4 except for Inventory and Equipment in transit, and with respect to any such new locations such Grantor shall submit to the Agent on the next Collateral Notification Date an updated Schedule 3.4 to reflect such additional new locations (provided any Grantor's failure to do so shall not impair the Agent's security interest therein). If any Inventory or Equipment of any Grantor in excess of the Minimum Actionable Amount (determined in the aggregate for all such Inventory or Equipment of the Grantors) is at any time in the possession of a landlord, bailee, consignee, customs broker or other similar Person, such Grantor shall, if such Grantor has not previously notified the Agent, notify Agent thereof by the next Collateral Notification Date and shall use commercially reasonable efforts to enter into, and use commercially reasonable efforts to cause such Person to enter into, a Collateral Access Agreement with the Agent.

4.4 Reserved.

4.5 Depositary and Other Deposit Accounts. Such Grantor shall maintain its Deposit Accounts and enter into Control Agreements as required by Section 6.21 of the Credit Agreement. Agent shall not send any notice of exclusive control or similar instructions pursuant to any Control Agreement to the applicable depositary bank unless an Event of Default exists.

4.6 Investment Property. (a) If any Grantor shall at any time acquire or hold any interest in or right to (x) Pledged Subsidiary Interests or (y) other Pledged Equity in excess (with respect to this clause (y)) of the Minimum Actionable Amount (determined in the aggregate for all such Pledged Subsidiary Interests and Pledged Equity of the Grantors) not previously pledged to the Agent in accordance with the provisions of this Section 4.6, such Grantor shall by the next Collateral Notification Date: (i) notify the Agent and deliver to the Agent a Pledge Amendment, duly executed by such Grantor, in the form of Annex I hereto (a "*Pledge Amendment*") to reflect the pledge of the additional Pledged Equity, it being acknowledged and agreed by each Grantor that the Agent's Lien shall extend to all such additional Pledged Equity regardless of whether the applicable Grantor executes and delivers a Pledge Amendment as required hereunder; (ii) with respect to Certificated Securities, deliver to the Agent all such certificates in suitable form for transfer by delivery or accompanied by duly executed instruments of transfer or assignment in blank, substantially in the form provided in Annex II hereto; and (iii) with respect to Uncertificated Securities issued by an Issuer (not already a party to this Agreement), execute and deliver, and cause the Issuer thereof to execute and deliver, to the Agent a Control Agreement.

(b) Without the prior written consent of the Agent, no Grantor or Issuer a party hereto will (i) vote to enable, or take any other action to permit, any Subsidiary of such Grantor to issue any Equity Interests of any nature or to issue any other securities or interests convertible into or granting the right to purchase or exchange for any Equity Interests of any nature of such Subsidiary, except, in each case, as permitted by the Credit Agreement; (ii) sell, assign, transfer, exchange, or otherwise dispose of, or grant any option with respect to, the Equity Interests issued by any Subsidiary of such Grantor, except as permitted by the Credit Agreement; (iii) permit the pledge or grant of Control of any Equity Interests issued by any Subsidiary of such Grantor other than to or as requested by Agent; or (iv) permit or suffer any Subsidiary to dissolve, merge, liquidate or merge or consolidate with any other entity except as permitted by the Credit Agreement or retire any of its Equity Interests.

(c) No Grantor or Issuer a party hereto shall enter into, or enter into any amendment or modification of, any shareholders agreement, operating agreement, voting agreement or other agreement which would materially adversely affect the Agent's or Lenders' benefits, rights or remedies under this Agreement. In the event any of the Pledged Subsidiary Interests are governed by any shareholders agreement, operating agreement, voting agreement or other agreement which the Agent determines may materially adversely affect the Agent's benefits, rights or remedies under this Agreement, the applicable Grantors and Issuers will amend such Agreement to incorporate the provisions of Annex III, *mutatis mutandis*, to make the provisions thereof subject to this Agreement and the rights and remedies of the Agent and Lenders hereunder.

(d) During the existence of an Event of Default each Issuer a party hereto shall promptly comply with the instructions of the Agent with respect to the Pledged Subsidiary Interests issued by such Issuer without the further consent or action of any Grantor, including, without limitation, instructions as to the transfer or other disposition of such Pledged Subsidiary Interests, to pay and remit to the Agent or its nominee all dividends, distributions and other amounts otherwise payable to Grantor in respect of such Pledged Subsidiary Interests (whether upon redemption of such Pledged Subsidiary Interests, dissolution of such Issuer or otherwise), and, at the Agent's request, to transfer to, and register such Pledged Interests in the name of, the Agent or its nominee or transferee. Each Grantor and Issuer a party hereto acknowledges and agrees that (i) with respect to any Pledged Subsidiary Interest issued by such Issuer that constitutes an Uncertificated Security, the execution and delivery of this Agreement will perfect the Agent's security interest in such Pledged Subsidiary Interest and any Proceeds thereof by Control and (ii) with respect to any Pledged Subsidiary Interest issued by such Issuer that constitute a Certificated Security, the delivery of the certificate(s) representing such Pledged Subsidiary Interest endorsed to the Agent or in blank will perfect the Agent's security interest in such Pledged Subsidiary Interest and any Proceeds thereof by Control.

(e) Unless an Event of Default shall have occurred and be continuing and the Agent shall have given notice to the relevant Grantor of the Agent's intent to exercise its corresponding rights pursuant to Section 5.3, to the extent not in violation of the Credit Agreement, each Grantor shall be permitted to (i) exercise all voting and other rights with respect to the Pledged Collateral, *provided* that no vote shall be cast or other right exercised or action taken which would have the effect of impairing the rights of the Agent in respect of the Pledged Collateral; and (ii) receive all cash dividends, distributions and payments made in respect of the Pledged Collateral other than (collectively referred to as the "*Excluded Payments*") (A) dividends, distributions and payments other than in cash received, receivable or otherwise distributed in respect of, or in exchange for, any Pledged Collateral, (B) dividends and other distributions paid or payable in cash in respect of any Pledged Equity in connection with a partial or total liquidation or dissolution or in connection with a reduction of capital, capital surplus or paid-

in capital of the Issuer of such Pledged Equity, and (C) cash paid, payable or otherwise distributed, in redemption of, or in exchange for, any Pledged Equity; provided that, until actually paid, all rights to such dividends, distributions and other payments shall remain subject to the Lien created by this Agreement. All Excluded Payments and all other dividends, distributions and/or payments in respect of any of the Pledged Equity or Pledged Interests, whenever paid or made, shall be delivered to the Agent (i) with respect to Excluded Payments paid in cash, to be applied to the Obligations in the manner specified by the Credit Agreement or, if not so specified, as determined by the Agent and (ii) with respect to other Excluded Payments, to be held as Collateral and shall, if received by any Grantor, be received in trust for the benefit of the Agent, be segregated from the other funds or property of such Grantor, and be forthwith delivered to the Agent (with any necessary endorsement).

(f) Notwithstanding anything to the contrary contained herein, in the event any Investment Property or Pledged Subsidiary Interests is subject to the terms of a separate security or pledge agreement in favor of the Agent, the terms of such separate security or pledge agreement shall govern and control unless otherwise agreed to in writing by the Agent.

4.7 Intellectual Property. (a) Such Grantor (either itself or through licensees) will (i) continue to use each Trademark material to its business in order to maintain such Trademark in full force free from any claim of abandonment for non use, (ii) maintain as in the past the quality of products and services offered under such Trademark, (iii) use such Trademark with the appropriate notice of registration and all other notices and legends required by applicable law, (iv) not adopt or use any other Trademark that is confusingly similar or a colorable imitation of such Trademark unless the Agent, for its benefit and the benefit of the Lenders, shall obtain a perfected security interest in such other Trademark pursuant to this Agreement, and (v) not (and not permit any licensee or sublicensee thereof to) knowingly do any act or knowingly omit to do any act whereby such Trademark may become invalidated or otherwise materially impaired.

(b) Such Grantor (either itself or through licensees) will not knowingly do any act, or knowingly omit to do any act, whereby any Patent material to its business may become forfeited, abandoned or dedicated to the public.

(c) Such Grantor (either itself or through licensees) (i) will employ each Copyright material to its business and (ii)will not (and will not permit any licensee or sublicensee thereof to) knowingly do any act or knowingly omit to do any act whereby any material portion of such Copyrights may become invalidated or otherwise material impaired. Such Grantor will not (either itself or through licensees) knowingly do any act whereby any material Copyrights may fall into the public domain.

(d) Such Grantor (either itself or through licensees) will not do any act that knowingly uses any Intellectual Property material to its business to infringe the intellectual property rights of any other Person.

(e) Such Grantor will notify the Agent by the next Collateral Notification Date if it knows, or has reason to know, that any application or registration relating to any material Intellectual Property owned by such Grantor may become forfeited, abandoned or dedicated to the public, or of any material adverse determination or development (including the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office, the United States Copyright Office or any court or tribunal in any country) regarding, such Grantor's ownership of, or the validity of, any material Intellectual Property or such Grantor's right to register the same or to own and maintain the same.

(f) Whenever such Grantor, either by itself or through any agent, employee, licensee or designee, shall file an application for the registration of any Intellectual Property with the United States Patent and Trademark Office or the United States Copyright Office, such Grantor shall, by the next Collateral Notification Date, (i) report such filing to the Agent and (ii) execute and deliver an agreement in the form of Annex IV. Upon the request of the Agent, such Grantor shall execute and deliver, and have recorded, any and all agreements, instruments, documents and papers as the Agent may request to evidence the Agent's and the Lenders' security interest in any Copyright, Patent or Trademark and the goodwill and General Intangibles of such Grantor relating thereto or represented thereby.

(g) Unless no longer deemed material Intellectual Property in such Grantor's reasonable business judgment, such Grantor shall use commercially reasonable efforts to

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maintain and pursue each application (and to obtain the relevant registration) and to maintain each registration of all material Intellectual Property owned by it.

(h) In the event that any material Intellectual Property is infringed upon or misappropriated or diluted by a third party, such Grantor shall (i) take such actions as such Grantor shall reasonably deem appropriate under the circumstances to protect such Intellectual Property, unless the failure to so protect such material Intellectual Property could not reasonably be expected to have a Material Adverse Effect and (ii) if such Intellectual Property is of material economic value, notify the Agent by the next Collateral Notification Date after it learns thereof and, to the extent, in its reasonable judgment, such Grantor determines it appropriate under the circumstances, sue for infringement, misappropriation or dilution, seek injunctive relief where appropriate and recover any and all damages for such infringement, misappropriation or dilution.

4.8 Instruments, Tangible Chattel Paper and Documents. If any Grantor acquires any interest in or right to any Collateral with a value or related to an amount payable in excess of the Minimum Actionable Amount (determined in the aggregate for all such Collateral of the Grantors), consisting of or evidenced by any Instruments (other than Instruments deposited for collection in the ordinary course of business), Tangible Chattel Paper or Documents (other than with respect to Goods in transit in the ordinary course of business), such Grantor shall by the next Collateral Notification Date (a) notify the Agent thereof and (b) deliver to the Agent such Instruments, Tangible Chattel Paper or Documents, as applicable, duly endorsed and accompanied by duly executed instruments of transfer or assignment, as applicable, all in form and substance reasonably satisfactory to the Agent. Promptly following the request of the Agent during the existence of an Event of Default, such Grantor shall also deliver to the Agent all security agreements, if any, securing such Instruments or Chattel Paper, as applicable, and execute UCC financing statement amendments assigning to the Agent any UCC financing statements filed by such Grantor in connection with such security agreements.

4.9 Commercial Tort Claims. If any Grantor shall at any time hold or acquire any Commercial Tort Claim in excess of the Minimum Actionable Amount (determined for all such Commercial Tort Claims of the Grantors in the aggregate), such Grantor shall, if such Grantor has not previously notified the Agent, notify the Agent thereof and sign and deliver to the Agent by the next Collateral Notification Date an agreement in the form of Annex V hereto granting a security interest under the terms and provisions of this Agreement in and to such Commercial Tort Claim.

4.10 Letter-of-Credit Rights. If any Grantor is at any time a beneficiary under one or more letters of credit in excess of the Minimum Actionable Amount (determined for all such letters of credit of the Grantors in the aggregate), such Grantor shall, if such Grantor has not previously notified the Agent, notify the Agent thereof by the next Collateral Notification Date and, at the request and option of the Agent, such Grantor shall, pursuant to an agreement in form and substance reasonably satisfactory to the Agent, either (i) arrange for the issuer and any confirmer or other nominated person of such letter of credit to consent to an assignment to the Agent of the Proceeds of the letter of credit, or (ii) arrange for the Agent to become the transferee beneficiary of the letter of credit, with the Agent agreeing, in each case, that the Proceeds of the letter to credit are to be applied as provided in the Credit Agreement.

4.11 Electronic Chattel Paper and Transferable Records. If any Grantor at any time holds or acquires an interest in any Electronic Chattel Paper or any “transferable record,” as that term is defined in Section 201 of the federal Electronic Signatures in Global and National Commerce Act, or in Section 16 of the Uniform Electronic Transactions Act as in effect in any relevant jurisdiction in excess of the Minimum Actionable Amount (determined for all such Electronic Chattel Paper of the Grantors in the aggregate), such Grantor shall, if such Grantor has not previously notified the Agent, notify the Agent thereof by the next Collateral Notification Date and, at the request and option of the Agent, shall take such action as the Agent may reasonably request to vest in the Agent Control, under Section 9-105 of the UCC, of such Electronic Chattel Paper or control under Section 201 of the federal Electronic Signatures in Global and National Commerce Act or, as the case may be, Section 16 of the Uniform Electronic Transactions Act, as so in effect in such jurisdiction, of such transferable record.

4.12 Maintenance of Perfected Security Interest; Further Documentation. (a) Each Grantor hereby irrevocably authorizes the Agent at any time and from time to time to file in any filing office in any jurisdiction the Agent deems appropriate any initial financing statements and amendments thereto that (a) indicate the Collateral (i) as all assets of such Grantor or words of similar effect, regardless of whether any particular asset comprised in the Collateral falls within the scope of Article 9 of the UCC, or (ii) as being of an equal or lesser scope or with greater detail; and (b) provide any other information required by the UCC, for the sufficiency or filing office acceptance of any financing statement or amendment.

(b) Such Grantor will furnish to the Agent and the Lenders from time to time statements and schedules further identifying and describing the assets and property of such Grantor and such other reports in connection therewith as the Agent may reasonably request, all in reasonable detail.

(c) Each Grantor further agrees, upon the written request of the Agent, and at the sole expense of such Grantor, to take any and all other actions the Agent may determine to be necessary or useful for the attachment, perfection and first priority of, and the ability of the Agent to enforce, the Agent’s security interest in any and all of the Collateral, including (i) executing, delivering and, where appropriate, filing financing statements and amendments relating thereto, to the extent, if any, that such Grantor’s signature thereon is required therefor; (ii) complying with any provision of any statute, regulation or treaty of the United States or other jurisdiction as to any Collateral if compliance with such provision is a condition to attachment, perfection or priority of, or ability of the Agent to enforce, the Agent’s security interest in such Collateral; (iii) obtaining governmental and other third-party waivers, consents and approvals in form and substance reasonably satisfactory to the Agent; (iv) obtaining waivers from mortgagees and landlords in form and substance reasonably satisfactory to the Agent; and (v) taking all actions under any requirements of law, as reasonably determined by the Agent to be applicable in any U.S. jurisdiction.

4.13 Assigned Agreements. Each Grantor will use its best efforts to secure all consents and approvals necessary for the assignment to or for the benefit of the Agent of any Assigned Agreement held by such Grantor and to enforce the security interests granted hereunder. Each Grantor shall fully perform all of its obligations under each of the Assigned Agreements, and shall enforce all of its rights and remedies thereunder, in each case, as it deems appropriate in its

business judgment; *provided, however*, that such Grantor shall not take any action or fail to take any action with respect to its Assigned Agreements that would cause the termination of an Assigned Agreement. Without limiting the generality of the foregoing, such Grantor shall take all action necessary to permit, and shall not take any action which would have any materially adverse effect upon, the full enforcement of all indemnification rights under its Assigned Agreements. Each Grantor shall notify the Agent in writing, promptly after such Grantor becomes aware thereof, of any event or fact which could give rise to a material claim by it for indemnification under any of its Assigned Agreements, and shall diligently pursue such right and report to the Agent on all further developments with respect thereto. Each Grantor shall deposit into a Deposit Account at the Agent or subject to a Control Agreement for application to the Obligations, in accordance with the Credit Agreement, all amounts received by such Grantor as indemnification or otherwise pursuant to its Assigned Agreements. If any Grantor shall fail after the Agent’s demand to pursue diligently any right under its Assigned Agreements, or if an Event of Default then exists, the Agent may, and at the direction of the Required Lenders shall, directly enforce such right in its own or such Grantor’s name and may enter into such settlements or other agreements with respect thereto as the Agent or the Required Lenders, as applicable, shall determine. In any suit, proceeding or action brought by the Agent for the benefit of the Lenders under any Assigned Agreement for any sum owing thereunder or to enforce any provision thereof, each Grantor shall indemnify and hold the Agent and Lenders harmless from and against all expense, loss or damage suffered by reason of any defense, setoff, counterclaims, recoupment, or reduction of liability whatsoever of the obligor thereunder arising out of a breach by any Grantor of any obligation thereunder or arising out of any other agreement, indebtedness or liability at any time owing from such Grantor to or in favor of such obligor or its successors. All such obligations of each Grantor shall be and remain enforceable only against such Grantor and shall not be enforceable against the Agent or the Lenders. Notwithstanding any provision hereof to the contrary, each Grantor shall at all times remain liable to observe and perform all of its duties and obligations under its Assigned Agreements, and the Agent’s or any Lender’s exercise of any of their respective rights with respect to the Collateral shall not release any Grantor from any of such duties and obligations. Neither the Agent nor any Lender shall be obligated to perform or fulfill any of any Grantor’s duties or obligations under its Assigned Agreements or to make any payment thereunder, or to make any inquiry as to the nature or sufficiency of any payment or property received by it thereunder or the sufficiency of performance by any party thereunder, or to present or file any claim, or to take any action to collect or enforce any performance, any payment of any amounts, or any delivery of any property.

SECTION 5 REMEDIAL PROVISIONS.

5.1 General Rights and Remedies. If an Event of Default shall occur and be continuing, the Agent, on behalf of the Lenders, may exercise, in addition to all other rights and remedies granted to them in this Agreement and in any other instrument or agreement securing, evidencing or relating to the Obligations, all rights and remedies of a secured party under the UCC or any other applicable law. Without limiting the generality of the foregoing, the Agent, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law referred to below) to or upon any Grantor or any other Person (all and each of which demands, defenses, advertisements and notices are hereby waived), may during the existence of an Event of Default forthwith collect, receive, appropriate

and realize upon the Collateral, or any part thereof, and/or may forthwith sell, lease, assign, give options to purchase, or otherwise dispose of and deliver the Collateral or any part thereof (or contract to do any of the foregoing), in one or more parcels at public or private sale or sales, at any exchange, broker's board or office of the Agent or any Lender or elsewhere upon such terms and conditions as it may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery with assumption of any credit risk. The Agent or any Lender shall have the right upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in any Grantor, which right or equity is hereby waived and released. Each Grantor further agrees, at the Agent's request, to assemble the Collateral and make it available to the Agent at places which the Agent shall reasonably select, whether at such Grantor's premises or elsewhere. The Agent shall apply the net proceeds of any action taken by it pursuant to this Section 5.1, after deducting all reasonable costs and expenses of every kind incurred in connection therewith or incidental to the care or safekeeping of any of the Collateral or in any way relating to the Collateral or the rights of the Agent and the Lenders hereunder, including reasonable attorneys' fees and costs to the payment in whole or in part of the Obligations, in such order as the Agent may elect, and only after such application and after the payment by the Agent of any other amount required by any provision of law, need the Agent account for the surplus, if any, to any Grantor. To the extent permitted by applicable law, each Grantor waives all claims, damages and demands it may acquire against the Agent or any Lender arising out of the exercise by them of any rights hereunder. If any notice of a proposed sale or other disposition of Collateral shall be required by law, such notice shall be deemed reasonable and proper if given at least ten days before such sale or other disposition.

5.2 License.

(a) For the purpose of enabling the Agent to exercise rights and remedies under this Agreement, each Grantor hereby grants to the Agent, for its benefit and the benefit of the Lenders, an irrevocable, nonexclusive license (exercisable without payment of royalty or other compensation to such Grantor) to use, license or sublicense any Intellectual Property now owned or hereafter acquired by such Grantor, and wherever the same may be located, and including in such license access to all media in which any of the licensed items may be recorded or stored and to all computer software and programs used for the compilation or printout thereof.

5.3 Investment Property. (a) If an Event of Default shall occur and be continuing, the Agent shall have the right to (i) receive any and all cash dividends and distributions, payments or other Proceeds paid in respect of the Investment Property and make application thereof to the Obligations in the manner set forth in the Credit Agreement, (ii) require any or all of the Investment Property to be registered in the name of the Agent or its nominee, (iii) exercise all voting and other rights pertaining to such Investment Property at any meeting of holders of the Equity Interests of the relevant Issuer or Issuers or otherwise and (iv) exercise any and all rights of conversion, exchange and subscription and any other rights, privileges or options pertaining to such Investment Property as if it were the absolute owner thereof (including the right to exchange at its discretion any and all of the Investment Property upon the merger, consolidation, reorganization, recapitalization or other fundamental change in the corporate or other structure of any Issuer, or upon the exercise by any Grantor or the Agent of any right, privilege or option pertaining to such Investment Property, and in connection therewith, the right to deposit and

deliver any and all of the Investment Property with any committee, depositary, transfer agent, registrar or other designated agency upon such terms and conditions as the Agent may determine), all without liability except to account for property actually received by it, but the Agent shall have no duty to any Grantor to exercise any such right, privilege or option and shall not be responsible for any failure to do so or delay in so doing.

(b) Each Grantor hereby authorizes and instructs each Issuer of any Investment Property pledged by such Grantor hereunder to (i) comply with any instruction received by it from the Agent in writing that (x) states that an Event of Default has occurred and is continuing and (y) is otherwise in accordance with the terms of this Agreement, without any other or further instructions from such Grantor, and each Grantor agrees that each Issuer shall be fully protected in so complying and (ii) unless otherwise expressly permitted hereby, pay any dividends, distributions or other payments with respect to the Investment Property directly to the Agent.

(c) If the Agent shall determine to exercise its right to sell any or all of the Pledged Equity pursuant to this Section 5.3, and if in the opinion of the Agent it is necessary or advisable to have the Pledged Equity, or that portion thereof to be sold, registered under the provisions of the Securities Act, the relevant Grantor will cause the Issuer thereof to (i) execute and deliver, and cause the directors and officers of such Issuer to execute and deliver, all such instruments and documents, and do or cause to be done all such other acts as may be, in the opinion of the Agent, necessary or advisable to register the Pledged Equity, or that portion thereof to be sold, under the provisions of the Securities Act, (ii) use its best efforts to cause the registration statement relating thereto to become effective and to remain effective for a period of one (1) year from the date of the first public offering of the Pledged Equity, or that portion thereof to be sold, and (iii) make all amendments thereto and/or to the related prospectus which, in the opinion of the Agent, are necessary or advisable, all in conformity with the requirements of the Securities Act and the rules and regulations of the Securities and Exchange Commission applicable thereto. Each Grantor agrees to cause such Issuer to comply with the provisions of the securities or "Blue Sky" laws of any and all jurisdictions which the Agent shall designate and to make available to its security holders, as soon as practicable, an earnings statement (which need not be audited) which will satisfy the provisions of Section 11(a) of the Securities Act.

(d) Each Grantor recognizes that the Agent may be unable to effect a public sale of any or all of the Pledged Equity, by reason of certain prohibitions contained in the Securities Act and applicable state securities laws or otherwise, and may be compelled to resort to one or more private sales thereof to a restricted group of purchasers which will be obliged to agree, among other things, to acquire such securities for their own account for investment and not with a view to the distribution or resale thereof. Each Grantor acknowledges and agrees that any such private sale may result in prices and other terms less favorable than if such sale were a public sale and, notwithstanding such circumstances, agrees that any such private sale shall be deemed to have been made in a commercially reasonable manner. The Agent shall be under no obligation to delay a sale of any of the Pledged Equity for the period of time necessary to permit the Issuer thereof to register such securities or other interests for public sale under the Securities Act, or under applicable state securities laws, even if such Issuer would agree to do so.

(e) Each Grantor agrees to use its best efforts to do or cause to be done all such other acts as may be necessary to make such sale or sales of all or any portion of the Pledged Equity pursuant to this Section 5.3 valid and binding and in compliance with applicable law. Each Grantor further agrees that a breach of any of the covenants contained in this Section 5.3 will cause irreparable injury to the Agent and the Lenders, that the Agent and the Lenders have no adequate remedy at law in respect of such breach and, as a consequence, that each and every covenant contained in this Section 5.3 shall be specifically enforceable against such Grantor, and such Grantor hereby waives and agrees not to assert any defenses against an action for specific performance of such covenants except for a defense that no Event of Default has occurred under the Credit Agreement.

5.4 Proceeds to be Turned Over to Agent. If an Event of Default shall occur and be continuing, all Proceeds received by any Grantor consisting of cash, checks and other cash equivalent items shall be held by such Grantor in trust for the Agent and the Lenders, segregated from other funds of such Grantor, and shall, forthwith upon receipt by such Grantor, be turned over to the Agent in the exact form received by such Grantor (duly indorsed by such Grantor to the Agent, if required). All Proceeds received by the Agent hereunder shall be held by the Agent in a collateral account maintained under its sole dominion and control. All Proceeds, while held by the Agent in any collateral account (or by such Grantor in trust for the Agent and the Lenders) established pursuant hereto, shall continue to be held as collateral security for the Obligations and shall not constitute payment thereof until applied as provided in Section 5.5.

5.5 Application of Proceeds. If an Event of Default shall have occurred and be continuing, the Agent shall apply the Proceeds from the sale of, or other realization upon, all or any part of the Collateral in payment of the Obligations in the order specified by the Credit Agreement. Any part of such funds which the Agent deems not required as collateral security for the Obligations shall be paid over from time to time by the Agent to the applicable Grantor or to whomsoever may be lawfully entitled to receive the same. Any balance of such Proceeds remaining after Payment in Full of the Obligations shall be paid over to the applicable Grantor or to whomsoever may be lawfully entitled to receive the same.

5.6 Waiver; Deficiency. Each Grantor waives and agrees not to assert any rights or privileges which it may acquire under Section 9-626 of the UCC. Each Grantor shall remain liable for any deficiency if the proceeds of any sale or other disposition of the Collateral are insufficient to pay the Obligations in full and the fees and disbursements of any attorneys employed by the Agent or any Lender to collect such deficiency.

SECTION 6 THE AGENT.

6.1 Agent's Appointment as Attorney-in-Fact, etc. (a) Each Grantor hereby irrevocably constitutes and appoints the Agent and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of such Grantor and in the name of such Grantor or in its own name, during the existence of an Event of Default, to take any and all appropriate action and to execute any and all documents and instruments that may be necessary or desirable to accomplish the purposes of this Agreement, and, without limiting the generality of the foregoing, each Grantor hereby gives the Agent the power and right, on behalf of and at the expense of such Grantor, without

notice to or assent by such Grantor, to do any or all of the following during the existence of an Event of Default:

(i) in the name of such Grantor or its own name, or otherwise, take possession of and indorse and collect any checks, drafts, notes, acceptances or other instruments for the payment of moneys due under any Receivable or with respect to any other Collateral and file any claim or take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by the Agent for the purpose of collecting any and all such moneys due under any Receivable or with respect to any other Collateral whenever payable;

(ii) in the case of any Intellectual Property, execute and deliver, and have recorded, any and all agreements, instruments, documents and papers as the Agent may request to evidence the Agent's security interest in such Intellectual Property and the goodwill and general intangibles of such Grantor relating thereto or represented thereby;

(iii) discharge Liens levied or placed on or threatened against the Collateral, and effect any repairs or insurance called for by the terms of this Agreement and pay all or any part of the premiums therefor and the costs thereof;

(iv) execute, in connection with any sale provided for in Section 5, any endorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral; and

(v) (1) direct any party liable for any payment under any of the Collateral to make payment of any and all moneys due or to become due thereunder directly to the Agent or as the Agent shall direct; (2) ask or demand for, collect, and receive payment of and receipt for, any and all monies, claims and other amounts due or to become due at any time in respect of or arising out of any Collateral; (3) sign and endorse any invoices, freight or express bills, bills of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications, notices and other documents in connection with any of the Collateral; (4) commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any portion thereof and to enforce any other right in respect of any Collateral; (5) defend any suit, action or proceeding brought against such Grantor with respect to any Collateral; (6) settle, compromise or adjust any such suit, action or proceeding and, in connection therewith, give such discharges or releases as the Agent may deem appropriate; (7) assign any Copyright, Patent or Trademark, throughout the world for such term or terms, on such conditions, and in such manner, as the Agent shall in its sole discretion determine; (8) vote any right or interest with respect to any Investment Property; (9) order good standing certificates and conduct lien searches in respect of such jurisdictions or offices as the Agent may deem appropriate; and (10) generally sell, transfer, pledge and make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though the Agent were the absolute owner thereof for all purposes, and do, at the Agent's option and such Grantor's expense, at any time, or from time to time, all acts and things which the Agent deems necessary to protect, preserve or realize upon the

Collateral and the Agent's security interests therein and to effect the intent of this Agreement, all as fully and effectively as such Grantor might do.

Anything in this Section 6.1 to the contrary notwithstanding, the Agent agrees that it will not exercise any rights under the power of attorney provided for in this Section 6.1 unless an Event of Default shall have occurred and be continuing.

(b) If any Grantor fails to perform or comply with any of its agreements contained herein, the Agent, at its option, but without any obligation so to do, may perform or comply, or otherwise cause performance or compliance, with such agreement.

(c) Each Grantor hereby ratifies all that such attorneys shall lawfully do or cause to be done by virtue hereof. All powers, authorizations and agencies contained in this Agreement are coupled with an interest and are irrevocable until this Agreement is terminated and the security interests created hereby are released.

6.2 PROXY. EACH GRANTOR HEREBY IRREVOCABLY CONSTITUTES AND APPOINTS THE AGENT AS THE PROXY AND ATTORNEY-IN-FACT (AS SET FORTH IN SECTION 6.1 ABOVE) OF SUCH GRANTOR WITH RESPECT TO THE PLEDGED COLLATERAL, INCLUDING THE RIGHT, DURING THE EXISTENCE OF AN EVENT OF DEFAULT, TO VOTE SUCH PLEDGED COLLATERAL, WITH FULL POWER OF SUBSTITUTION TO DO SO. NOTWITHSTANDING ANY PROVISION OR INFERENCE IN THIS AGREEMENT OR ELSEWHERE TO THE CONTRARY, THE AGENT SHALL HAVE NO RIGHT TO VOTE THE PLEDGED COLLATERAL AT ANY TIME UNLESS AND UNTIL AN EVENT OF DEFAULT SHALL HAVE OCCURRED AND BE CONTINUING. TO THE EXTENT THE AGENT SHALL HAVE EXERCISED ITS RIGHT TO VOTE THE PLEDGED COLLATERAL DURING THE EXISTENCE OF AN EVENT OF DEFAULT, AND SUCH EVENT OF DEFAULT SHALL HAVE SUBSEQUENTLY BEEN CURED OR WAIVED IN ACCORDANCE WITH THE TERMS OF THE CREDIT AGREEMENT, (I) SUCH VOTING RIGHTS SHALL AUTOMATICALLY REVERT TO THE APPLICABLE GRANTOR, AND (II) THE AGENT, AT THE EXPENSE OF THE GRANTOR, SHALL EXECUTE SUCH DOCUMENTS REASONABLY REQUESTED BY THE GRANTOR TO ALLOW THE OWNER OF ANY EQUITY INTEREST TO EXERCISE ANY RIGHTS ASSOCIATED WITH SUCH EQUITY INTEREST. IN ADDITION TO THE RIGHT TO VOTE ANY SUCH PLEDGED COLLATERAL DURING THE EXISTENCE OF AN EVENT OF DEFAULT, THE APPOINTMENT OF THE AGENT AS PROXY AND ATTORNEY-IN-FACT SHALL INCLUDE THE RIGHT TO EXERCISE, DURING THE EXISTENCE OF AN EVENT OF DEFAULT, ALL OTHER RIGHTS, POWERS, PRIVILEGES AND REMEDIES TO WHICH A HOLDER OF SUCH PLEDGED COLLATERAL WOULD BE ENTITLED (INCLUDING GIVING OR WITHHOLDING WRITTEN CONSENTS OF HOLDERS OR EQUITY INTERESTS, CALLING SPECIAL MEETINGS OF HOLDERS OF EQUITY INTERESTS AND VOTING AT SUCH MEETINGS). SUCH PROXY SHALL BE EFFECTIVE, AUTOMATICALLY AND WITHOUT THE NECESSITY OF ANY ACTION (INCLUDING ANY TRANSFER OF ANY SUCH PLEDGED COLLATERAL ON THE RECORD BOOKS OF THE ISSUER THEREOF) BY ANY PERSON (INCLUDING THE ISSUER OF SUCH PLEDGED COLLATERAL OR ANY OFFICER OR AGENT THEREOF), UPON THE OCCURRENCE AND DURING THE

CONTINUANCE OF AN EVENT OF A DEFAULT. THE APPOINTMENT OF THE AGENT AS PROXY AND ATTORNEY-IN-FACT IN THIS SECTION 6 IS COUPLED WITH AN INTEREST AND SHALL BE IRREVOCABLE UNTIL THE DATE ON WHICH THIS AGREEMENT IS TERMINATED. NOTWITHSTANDING ANYTHING CONTAINED HEREIN, NEITHER THE AGENT, NOR ANY LENDER, NOR ANY OF THEIR RESPECTIVE AFFILIATES, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS OR REPRESENTATIVES SHALL HAVE ANY DUTY TO EXERCISE ANY RIGHT OR POWER GRANTED HEREUNDER OR OTHERWISE OR TO PRESERVE THE SAME AND SHALL NOT BE LIABLE FOR ANY FAILURE TO DO SO OR FOR ANY DELAY IN DOING SO.

6.3 Duty of Agent. The Agent’s sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession shall be to deal with it in the same manner as the Agent deals with similar property for its own account. Neither the Agent or any Lender nor any of their respective officers, directors, employees or agents shall be liable for any failure to demand, collect or realize upon any of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of any Grantor or any other Person or to take any other action whatsoever with regard to the Collateral or any part thereof. The powers conferred on the Agent and the Lenders hereunder are solely to protect the Agent’s and the Lenders’ interests in the Collateral and shall not impose any duty upon the Agent or any Lender to exercise any such powers. The Agent and the Lenders shall be accountable only for amounts that they actually receive as a result of the exercise of such powers, and neither they nor any of their officers, directors, employees or agents shall be responsible to any Grantor for any act or failure to act hereunder.

6.4 Authority of Agent. Each Grantor acknowledges that the rights and responsibilities of the Agent under this Agreement with respect to any action taken by the Agent or the exercise or non-exercise by the Agent of any option, voting right, request, judgment or other right or remedy provided for herein or resulting or arising out of this Agreement shall, as between the Agent and the Lenders, be governed by the Credit Agreement and by such other agreements with respect thereto as may exist from time to time among them, but, as between the Agent and the Grantors, the Agent shall be conclusively presumed to be acting as agent for the Lenders with full and valid authority so to act or refrain from acting, and no Grantor shall be under any obligation, or entitlement, to make any inquiry respecting such authority.

SECTION 7 MISCELLANEOUS.

7.1 Amendments in Writing. None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except in accordance with Section 10.9 of the Credit Agreement.

7.2 Notices. All notices, requests and demands to or upon the Agent or any Grantor hereunder shall be addressed to the Borrower Representative, with respect to any Grantor, and to Agent, with respect to Agent, and effected in the manner provided for in Section 10.6 of the Credit Agreement and each Grantor hereby appoints the Borrower Representative as its agent to receive notices hereunder.

7.3 Indemnification by Grantors; Enforcement Expenses. Section 10.11 of the Credit Agreement is hereby incorporated by reference herein, *mutatis mutandis*.

7.4 Reserved.

7.5 Captions. Section captions used in this Agreement are for convenience only and shall not affect the construction of this Agreement.

7.6 Nature of Remedies. All Obligations of each Grantor and rights of the Agent and the Lenders expressed herein or in any other Loan Document shall be in addition to and not in limitation of those provided by applicable law. No failure to exercise and no delay in exercising, on the part of the Agent or any Lender, any right, remedy, power or privilege hereunder, shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

7.7 No Marshalling. The Agent shall not be required to marshal any present or future collateral security (including, but not limited to the Collateral) for, or other assurances of payment of, the Obligations or any of them or to resort to such collateral security or other assurances of payment in any particular order, and all of its rights and remedies hereunder and in respect of such collateral security and other assurances of payment shall be cumulative and in addition to all other rights and remedies, however existing or arising. To the extent that it lawfully may, each Grantor hereby agrees that it shall not invoke any law relating to the marshalling of collateral which might cause delay in or impede the enforcement of the Agent’s rights and remedies under this Agreement or under any other Loan Document and, to the extent that it lawfully may, each Grantor hereby irrevocably waives the benefits of all such laws.

7.8 Counterparts. This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts and each such counterpart shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement. Receipt by telecopy or other electronic transmission of any executed signature page to this Agreement or any other Loan Document shall constitute effective delivery of such signature page.

7.9 Severability. The illegality or unenforceability of any provision of this Agreement or any instrument or agreement required hereunder shall not in any way affect or impair the legality or enforceability of the remaining provisions of this Agreement or any instrument or agreement required hereunder.

7.10 Entire Agreement. This Agreement, together with the other Loan Documents, embodies the entire agreement and understanding among the parties hereto and supersedes all prior or contemporaneous agreements and understandings of such Persons, verbal or written, relating to the subject matter hereof and thereof and any prior arrangements made with respect to the payment by any Grantor of (or any indemnification for) any fees, costs or expenses payable to or incurred (or to be incurred) by or on behalf of the Agent or the Lenders.

7.11 Successors; Assigns. This Agreement shall be binding upon Grantors, the Lenders and the Agent and their respective successors and assigns, and shall inure to the benefit

of Grantors, Lenders and the Agent and the successors and assigns of the Lenders and the Agent. No other Person shall be a direct or indirect legal beneficiary of, or have any direct or indirect cause of action or claim in connection with, this Agreement or any of the other Loan Documents. No Grantor may assign or transfer any of its rights or Obligations under this Agreement without the prior written consent of the Agent.

7.12 Governing Law. This Agreement and the other Loan Documents (other than those containing an express choice-of-law provision), and the rights and duties of the parties hereto, shall be governed and construed in accordance with the internal laws (including, without limitation, 735 ILCS Section 105/5-1 et seq., but otherwise without regard to the conflict-of-laws provisions) of the State of Illinois.

7.13 Submission to Jurisdiction; Waiver of Jury Trial. Each of the Grantors hereby submits to the nonexclusive jurisdiction of the United States District Court for the Northern District of Illinois and of any court sitting in the State of Illinois for purposes of all legal proceedings arising out of or relating to this Agreement, the other Loan Documents or the transactions contemplated hereby or thereby. Each of the Grantors irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such proceeding brought in such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient forum. **EACH OF THE GRANTORS AND, BY THEIR ACCEPTANCE OF THE BENEFIT OF THIS AGREEMENT, THE AGENT, THE L/C ISSUER AND THE LENDERS HEREBY IRREVOCABLY WAIVE ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO ANY LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED THEREBY.**

7.14 Set off. Each Grantor agrees that the Agent have all rights of set off and bankers' lien provided by applicable law, and in addition thereto, each Grantor agrees that at any time any Event of Default exists, the Agent and each Lender may apply to the payment of any Obligations, whether or not then due, any and all balances, credits, deposits, accounts or moneys of such Grantor then or thereafter with the Agent or such Lender.

7.15 Acknowledgements. Each Grantor hereby acknowledges that: (a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Loan Documents to which it is a party; (b) neither the Agent nor any Lender has any fiduciary relationship with or duty to any Grantor arising out of or in connection with this Agreement or any of the other Loan Documents, and the relationship between the Grantors, on the one hand, and the Agent and the Lenders, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and (c) no joint venture is created hereby or by the other Loan Documents or otherwise exists by virtue of the transactions contemplated hereby among the Lenders or among the Grantors and the Lenders.

7.16 Additional Grantors. Each Credit Party that is required to become a party to this Agreement pursuant to Section 4 of the Credit Agreement shall become a Grantor for all purposes of this Agreement upon execution and delivery by such Credit Party of a joinder agreement in the form of Annex VI attached hereto.

7.17 Releases. (a) Upon Payment in Full of the Obligations, the Collateral shall be automatically released from the Liens created hereby, and this Agreement and all obligations (other than those expressly stated to survive such termination) of the Agent and each Grantor hereunder shall terminate, all without delivery of any instrument or performance of any act by any party, and all rights to the Collateral shall revert to the Grantors. At the request and sole expense of any Grantor following any such termination, the Agent shall deliver to the Grantors any Collateral held by the Agent hereunder, and execute and deliver to the Grantors such documents as the Grantors shall reasonably request to evidence such termination.

(b) If any of the Collateral shall be sold, transferred or otherwise disposed of by any Grantor in a transaction permitted by the Credit Agreement, then the Agent, at the request and sole expense of such Grantor, shall execute and deliver to such Grantor all releases or other documents reasonably necessary or desirable for the release of the Liens created hereby on such Collateral.

7.18 Obligations and Liens Absolute and Unconditional. Each Grantor understands and agrees that the obligations of each Grantor under this Agreement shall be construed as a continuing, absolute and unconditional without regard to (a) the validity or enforceability of any Loan Document, any of the Obligations or any other collateral security therefor or guaranty or right of offset with respect thereto at any time or from time to time held by the Agent or any Lender, (b) any defense, set off or counterclaim (other than a defense of payment or performance) which may at any time be available to or be asserted by any Grantor or any other Person against the Agent or any Lender, or (c) any other circumstance whatsoever (with or without notice to or knowledge of any Grantor) that constitutes, or might be construed to constitute, an equitable or legal discharge of any Grantor for the Obligations, in bankruptcy or in any other instance. When making any demand hereunder or otherwise pursuing its rights and remedies hereunder against any Grantor, the Agent or any Lender may, but shall be under no obligation to, make a similar demand on or otherwise pursue such rights and remedies as it may have against any other Grantor or any other Person or against any collateral security or guaranty for the Obligations or any right of offset with respect thereto, and any failure by the Agent or any Lender to make any such demand, to pursue such other rights or remedies or to collect any payments from any other Grantor or any other Person or to realize upon any such collateral security or guaranty or to exercise any such right of offset, or any release of any other Grantor or any other Person or any such collateral security, guaranty or right of offset, shall not relieve any Grantor of any obligation or liability hereunder, and shall not impair or affect the rights and remedies, whether express, implied or

available as a matter of law, of the Agent or any Lender against any Grantor. For the purposes hereof "demand" shall include the commencement and continuance of any legal proceedings.

7.19 Reinstatement. This Agreement shall remain in full force and effect and continue to be effective should any petition be filed by or against Grantor or any Issuer for liquidation or reorganization, should Grantor or any Issuer become insolvent or make an assignment for the benefit of creditors or should a receiver or trustee be appointed for all or any significant part of Grantor's or and Issuer's assets, and shall continue to be effective or be reinstated, as the case may be, if at any time payment and performance of the Obligations, or any part thereof, is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee of the Obligations, whether as a "voidable preference," "fraudulent

conveyance," or otherwise, all as though such payment or performance had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, restored or returned, the Obligations shall be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

7.20 Amended and Restated. This Agreement amends and restates the Original Security Agreement and continues all obligations of the Grantors as set forth therein, except to the extent specifically modified in this Agreement; and this Agreement shall in no event be deemed a satisfaction or novation of the obligations of the Grantors in connection with the Original Security Agreement.

(Signature Pages Follow)

(Signature Page to Amended and Restated Security Agreement)

Each of the undersigned has caused this Amended and Restated Security Agreement to be duly executed and delivered as of the date first above written.

GRANTORS:

MASTERCRAFT BOAT COMPANY, LLC, a Delaware limited liability company

By /s/ Timothy M. Oxley
Timothy M. Oxley
Chief Financial Officer, Treasurer & Secretary

MCBC HYDRA BOATS, LLC, a Tennessee limited liability company

By /s/ Timothy M. Oxley
Timothy M. Oxley
Chief Financial Officer, Treasurer & Secretary

MASTERCRAFT SERVICES, INC., a Tennessee corporation

By /s/ Timothy M. Oxley
Timothy M. Oxley
Chief Financial Officer, Treasurer & Secretary

MASTERCRAFT INTERNATIONAL SALES ADMINISTRATION, INC., a Delaware corporation

By /s/ Timothy M. Oxley
Timothy M. Oxley
Chief Financial Officer, Treasurer & Secretary

MCBC HOLDINGS, INC., a Delaware corporation

By /s/ Timothy M. Oxley
Timothy M. Oxley
Chief Financial Officer, Treasurer & Secretary

(Signature Page to Amended and Restated Security Agreement)

AGENT:

FIFTH THIRD BANK,
an Ohio banking corporation, as Agent

By: /s/ Carrie Weisman
Carrie Weisman
Assistant Vice President

SCHEDULE 1.2

ASSIGNED AGREEMENTS

OEM Supply Agreement, dated as of November 5, 2009, (as amended and in effect) by and between MasterCraft Boat Company, LLC, Ilmor Marine, LLC, Ilmor High Performance Marine, LLC (f/k/a Ilmor Marine Engines, LLC), and Ilmore Engineering, Inc.

Amended and Restated Vendor Agreement, dated as of March 13, 2006 (as amended and in effect) between GE Commercial Distribution Finance Corporation and MasterCraft Boat Company, LLC.

Vendor Agreement, dated October 25, 2009, (as amended and in effect) by and between MasterCraft Boat Company, LLC, and GE Commercial Distribution Finance Canada.

Distributor Agreement, dated October 30th 2013, by and among MasterCraft Boat Company, LLC and GE Commercial Corporation (Australia) PTY LTD ABD 28 000 974 747.

Master Factoring Agreement, dated May 11, 2006, by and among MasterCraft Boat Company, LLC and GE Commercial Distribution Finance Europe Limited.

Repurchase Agreement, dated as of June 5, 2012 between MCBC Holdings, Inc., a Delaware corporation, MCBC Hydra Bots, LLC, a Tennessee limited liability company and MasterCraft Boat Company, LLC, a Delaware limited liability company, and Northpoint Commercial Finance LLC, a Delaware limited liability company.

SCHEDULE 3.2

FILINGS AND PERFECTION

GRANTOR	FILING REQUIREMENT OR OTHER ACTION	FILING OFFICE
MasterCraft Boat Company, LLC	**UCC-1**	**Delaware Secretary of State**
MasterCraft International Sales Administration, Inc.	**UCC-1**	**Delaware Secretary of State**
MCBC Hydra Boats, LLC	**UCC-1**	**Tennessee Secretary of State**
MasterCraft Services, Inc.	**UCC-1**	**Tennessee Secretary of State**
MasterCraft Boat Company, LLC	**UCC-1 Fixture Filing**	**Monroe County, Tennessee Real Property Records**
MCBC Holdings, Inc.	**UCC-1**	**Delaware Secretary of State**

SCHEDULE 3.3

GRANTOR INFORMATION

NAME, TYPE AND STATE OF ORGANIZATION OF GRANTOR	ORGANIZATION IDENTIFICATION NUMBER	FEDERAL EMPLOYER IDENTIFICATION NUMBER	CHIEF EXECUTIVE OFFICE
MCBC Holdings, Inc., a Delaware Corporation	3166363	06-1571747	100 Cherokee Cove Drive, Vonore, TN 37885
MasterCraft Boat Company, LLC, a Delaware Limited Liability Company	3166365	06-1571750	100 Cherokee Cove Drive, Vonore, TN 37885
MasterCraft International Sales Administration, Inc., a Delaware Corporation	4220383	20-8523972	100 Cherokee Cove Drive, Vonore, TN 37885
MCBC Hydra Boats, LLC, a Tennessee Director Managed LLC	620891	27-1583500	100 Cherokee Cove Drive, Vonore, TN 37885
MasterCraft Services, Inc., a Tennessee Corporation	394770	62-1840898	100 Cherokee Cove Drive, Vonore, TN 37885 — Owned by MasterCraft Boat Company, LLC

SCHEDULE 3.4

A. COLLATERAL LOCATIONS

GRANTOR	COLLATERAL	COLLATERAL LOCATION OR PLACE OF BUSINESS (INCLUDING CHIEF EXECUTIVE OFFICE)	OWNER/LESSOR (IF LEASED)
MCBC Holdings, Inc.	Inventory and Equipment	100 Cherokee Cove Drive, Vonore, TN 37885	Owned by MasterCraft Boat Company, LLC
MasterCraft Boat Company, LLC	Inventory and Equipment	100 Cherokee Cove Drive, Vonore, TN 37885	Owned
MasterCraft Boat Company, LLC	Inventory and Equipment	23 Excellence Way, Vonore, TN. 37885 — Leased	Leased
MasterCraft International Sales Administration, Inc.	Inventory and Equipment	100 Cherokee Cove Drive, Vonore, TN 37885	Owned by MasterCraft Boat Company, LLC
MCBC Hydra Boats, LLC	Inventory and Equipment	100 Cherokee Cove Drive, Vonore, TN 37885	Owned by MasterCraft Boat Company, LLC
MasterCraft Services, Inc.	Inventory and Equipment	100 Cherokee Cove Drive, Vonore, TN 37885	Owned by MasterCraft Boat Company, LLC

B. COLLATERAL IN POSSESSION OF LESSOR, BAILEE, CONSIGNEE OR WAREHOUSEMAN

GRANTOR	COLLATERAL	LESSOR/BAILEE/CONSIGNEE/WAREHOUSEMAN
None.		

SCHEDULE 3.5

PLEDGED COLLATERAL

A. PLEDGED EQUITY

Grantor (Owner of Record of Such Pledged Equity)	Issuer	Pledged Equity Description	Percentage of Issuer Owned by Grantor	Percentage of Issuer Pledged by Grantor	Certificate (Indicate No.)
MCBC Holdings, Inc.	MasterCraft Boat Company, LLC	Membership Units	100%	100%	No. 1
MCBC Holdings, Inc.	MasterCraft International Sales Administration, Inc.	Stock	100%	100%	No. 1
MCBC Holdings, Inc.	MCBC Hydra Boats, LLC	Membership Units	100%	100%	Uncertificated
MasterCraft Boat Company, LLC	MasterCraft Services, Inc.	Stock	100%	100%	No. 3
MCBC Holdings, Inc.	MasterCraft Parts, Limited	Stock	100%	65%	No.3

B. PLEDGED NOTES

Grantor (Owner of Record of Such Pledged Notes)	Issuer	Pledged Notes Description
None.		

SCHEDULE 3.7

INTELLECTUAL PROPERTY

Redacted.

SCHEDULE 3.8

DEPOSITARY AND OTHER DEPOSIT ACCOUNTS

GRANTOR	FINANCIAL INSTITUTION	ACCOUNT NUMBER	CONTACT INFORMATION
MasterCraft Boat Company, LLC			
MasterCraft Boat Company, LLC			
MasterCraft Boat Company, LLC			
MasterCraft Boat Company, LLC			
MasterCraft Boat Company, LLC			
MasterCraft Boat Company, LLC			
MasterCraft Services, Inc.			
MCBC Hydra Boats, LLC			
MCBC Hydra Boats, LLC			

SCHEDULE 3.9

OTHER PROPERTY

Type of Property	Grantor	Description
Commercial Tort Claim		**None.**
Documents		**None.**
Accessions, As-Extracted Collateral, Consumer Goods, Farm Products, Manufactured Homes or Standing Timber		**None.**
Registration Statute Collateral		**None.**

ANNEX I

PLEDGE AMENDMENT

This Pledge Amendment, dated , is delivered pursuant to the Security Agreement referred to below. All defined terms herein shall have the meanings ascribed thereto or incorporated by reference in the Security Agreement. The undersigned hereby certifies that the representations and warranties in Section 3 of the Pledge Agreement are and continue to be true and correct in all material respects (provided that if any representation or warranty is by its terms qualified by concepts of materiality, such representation and warranty is true and correct in all respects) as though made on and as of the date hereof (except to the extent such representations and warranties relate to an earlier date, in which case they are true and correct in all material respects (provided that if any representation or warranty is by its terms qualified by concepts of materiality, such representation and warranty is true and correct in all respects) as of such earlier date) both as to the Pledged Equity of such Grantor pledged prior to this Pledge Amendment and as to the Pledged Equity of such Grantor listed below. The undersigned further agrees that this Pledge Amendment may be attached to that certain Amended and Restated Security Agreement dated as of March 13, 2015, (as may be amended, restated, supplemented or otherwise modified from time to time, the "Security Agreement"), among the undersigned, the other parties thereto and FIFTH THIRD BANK, an Ohio banking corporation, as administrative agent (the "Agent") for the benefit of itself and the Lenders, and that the Pledged Equity listed on this Pledge Amendment is and constitutes part of the Collateral referred to in such Security Agreement and shall secure all Obligations referred to and in accordance with such Security Agreement.

[APPLICABLE GRANTOR]

By: ______________________
Name: ______________________
Title: ______________________

Name and Address of Grantor	Issuer	Class of Equity Interest	Certificate Number(s)	Number of Shares

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ANNEX II

FORM OF LLC/STOCK POWER

FOR VALUE RECEIVED, the undersigned, [ ], a(n) [ ] [ ] ("Grantor") does hereby sell, assign and transfer to * all of his Equity Interests (as hereinafter defined) represented by Certificate No(s). * in [ ], a(n) [ ] [ ] ("Issuer"), standing in the name of Grantor on the books of said Issuer. Grantor does hereby irrevocably constitute and appoint

,* as attorney, to transfer the Equity Interests in said Issuer with full power of substitution in the premises. The term "Equity Interests" means any security, share, unit, partnership interest, membership interest, ownership interest, equity interest, option, warrant, participation, equity security or analogous interest (regardless of how designated) of or in a corporation, partnership, limited partnership, limited liability company, business trust or other entity, of whatever nature, type, series or class, whether voting or nonvoting, certificated or uncertificated, common or preferred, and all economic, voting and ownership rights and privileges incident thereto.

Dated: ______________________________*

GRANTOR:

[ ],
a [ ] [ ]

By: ______________________________
Name: ______________________________
Its: ______________________________

____

*To Remain Blank — Not Completed at Closing

ANNEX III

FORM OF OPERATING AGREEMENT AMENDMENTS

Rights of Pledgee. Notwithstanding anything to the contrary set forth in this Agreement, the membership interests issued hereunder or covered hereby may be pledged to any lender(s) or agent for such lender(s) (hereafter, "*Lender*") to secure financing provided to Company and/or its affiliates (a "*Financing*"). The pledge of such membership interests in connection with such Financing shall not cause a Member to cease to be a Member or, except as otherwise provided in the financing documents related to such Financing ("*Financing Documents*"), to have the power to exercise any rights or powers of a Member and Lender shall not have any liability as a result of such pledge. The right of Lender to enforce its rights and remedies under the Financing Documents hereby is acknowledged and any such action taken in accordance therewith shall be valid and effective for all purposes under this Agreement (regardless of any restrictions herein contained) and any assignment, sale or other disposition of the membership interests by Lender pursuant to the Financing Documents in connection with the exercise of Lender's rights and powers shall be valid and effective for all purposes to transfer all right, title and interest of the applicable Member(s) hereunder to Lender or any other Person (each an "*Transferee*"), including, without limitation, the rights to vote and participate in the management of the business and the business affairs of the Company, to share profits and losses, to receive distributions and to receive allocation of income, gain, loss, deduction, credit or similar item, and such Transferee shall be a Member of the Company, with all rights and powers of a Member. Such assignment shall not constitute an event of dissolution or cause the termination of the Company under this Agreement. Further, neither Lender nor any such Transferee shall be liable for the obligations of any Member assignor to make contributions. Any limitations contained in this Agreement inconsistent with the provisions of the Financing Documents or this Article shall be deemed waived, void and of no further force and effect until the repayment and termination of the Financing in accordance with the terms of Financing Documents. All Members approve all of the foregoing and all Members agree that no further approval shall be required for the exercise of any rights or remedies under the Financing Documents. Without limiting the generality of the foregoing and notwithstanding anything to the contrary set forth in this Agreement, in connection with the exercise of Lender's rights and remedies under the Financing Documents (i) the Lender shall be entitled to remove any or all of the Managers and appoint any representatives of the Lender or any other Person, as the Lender elects, to be the Manager(s) in order to fill the vacancy(ies) created by such removal, and neither the Members nor any Manager who shall have been appointed by any Person other than the Lender shall have the right to remove the Managers so appointed by the Lender or to elect any new or additional Managers, and (ii) any Board of Managers may be replaced by a sole Manager at the Lender's option. The provisions of this Article shall be binding upon and inure to the benefit of the parties hereto and their respective transferees, assignees, successors, heirs, legatees and personal representatives, as the case may be, and any future Members or Managers and their respective transferees, assignees, successors, heirs, legatees and personal representatives, as the case may be. None of the provisions of this Article or any other provision of this Agreement may be amended in any way which alters, limits, restricts or adversely affects the Lender's ability to exercise its rights and remedies under the Financing Documents or the intended result thereof, without the prior written consent of the Lender.

ANNEX IV

FORM OF GRANT OF SECURITY INTEREST IN
[TRADEMARK/PATENT/COPYRIGHT] RIGHTS
[NTD: FOR FILINGS WITH THE USPTO AND US COPYRIGHT OFFICE, LICENSES SHOULD NOT BE FILED AGAINST]

This GRANT OF SECURITY INTEREST IN [TRADEMARK/PATENT/COPYRIGHT] RIGHTS (this "*Agreement*"), dated as of [ ], 201[ ] is made by **[INSERT GRANTOR]**, a **[jurisdiction] [form of entity]**, located at **[address]** (the "*Grantor*"), in favor of FIFTH THIRD BANK, an Ohio banking corporation, as Agent (the "*Agent*") in connection with that certain Amended and Restated Security Agreement dated as of March 13, 2015 among Grantor, the other "Grantors" party thereto and the Agent (as amended, restated, supplemented or modified from time to time, the "*Security Agreement*"). Capitalized terms not otherwise defined herein are being used herein as defined in the Security Agreement.

W I T N E S S E T H:

WHEREAS, pursuant to the Security Agreement, the Grantor pledged and granted to the Agent for the benefit of the Lenders a continuing security interest in all Intellectual Property constituting Collateral, including the **[Trademarks/Patents/Copyrights]** listed on Schedule A hereto (the "*Additional Intellectual Property*"); and

WHEREAS, the Grantor has duly authorized the execution, delivery and performance of this Agreement;

NOW THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, and in order to induce the Lenders to make extensions of credit to the Borrowers pursuant to the Credit Agreement, the Grantor agrees, for the benefit of the Agent and the Lenders, as follows:

SECTION 1. Grant of Security Interest. The Grantor hereby pledges and grants a continuing security interest in, and a right of setoff against, all of the Grantor's right, title and interest in, to and under the **[Trademarks/Patents/Copyrights]** (including, without limitation, the Additional Intellectual Property) (collectively, the "*Collateral*"), to the Agent for the benefit of the Agent and the Lenders to secure payment, performance and observance of the Obligations.

SECTION 2. Purpose. This Agreement has been executed and delivered by the Grantor for the purpose of recording the grant of security interest herein with the United States **[Patent and Trademark/Copyright]** Office. The security interest granted hereby has been granted to Agent in connection with the Security Agreement and is expressly subject to the terms and conditions thereof. The Security Agreement (and all rights and remedies of the Agent thereunder) shall remain in full force and effect in accordance with its terms.

SECTION 3. Acknowledgment. The Grantor does hereby further acknowledge and affirm that the rights and remedies of the Agent with respect to the security interest in the Collateral granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which (including the remedies provided for therein) are incorporated by reference herein as if fully set forth herein. In the event of any conflict between the terms of this Agreement and the terms of the Security Agreement, the terms of the Security Agreement shall govern.

SECTION 4. Counterparts. This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together constitute one and the same original.

SECTION 5. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE INTERNAL LAWS (INCLUDING, WITHOUT LIMITATION, 735 ILCS SECTION 105/5-1 ET SEQ., BUT OTHERWISE WITHOUT REGARD TO THE CONFLICT OF LAWS PROVISIONS) OF THE STATE OF ILLINOIS.

(Signature Page Follows)

(Signature Page to Grant of Security Interest In [Trademark/Patent/Copyright] Rights)

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 day and year first above written.

GRANTOR:

[**GRANTOR**],
a [ ] [ ]

By: ______________________
Name: ______________________
Title: ______________________

AGENT:

FIFTH THIRD BANK,
an Ohio banking corporation, as Agent

By: ______________________
Name: ______________________
Title: ______________________

SCHEDULE A
(To Grant Security Interest in [Trademark/Patent/Copyright] Rights)

U.S. **[Patent/Trademark/Copyright]** Registrations and Applications

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ANNEX V

**FORM OF GRANT OF SECURITY INTEREST IN
COMMERCIAL TORT CLAIM**

This GRANT OF SECURITY INTEREST IN COMMERCIAL TORT CLAIM (this "Agreement"), effective as of [ ], 201 [ ] is made by **[INSERT GRANTOR]**, a **[jurisdiction] [form of entity]**, located at **[address]** (the "*Grantor*"), in favor of FIFTH THIRD BANK, an Ohio banking corporation, as administrative agent (the "*Agent*") for the benefit of itself and the Lenders, in connection with that certain Amended and Restated Security Agreement dated as of March 13, 2015 among Grantor, the other "Grantors" party thereto and the Agent (as amended, restated, supplemented or modified from time to time, the "*Security Agreement*"). Capitalized terms not otherwise defined herein are being used herein as defined in the Security Agreement.

W I T N E S S E T H:

WHEREAS, pursuant to the Security Agreement, the Grantor agreed to notify Agent of certain Commercial Tort Claims and to grant the Agent a security interest therein; and

WHEREAS, the Grantor has duly authorized the execution, delivery and performance of this Agreement;

NOW THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, and in order to induce the Lenders to make extensions of credit to the Borrowers pursuant to the Credit Agreement, the Grantor agrees, for the benefit of the Agent and the Lenders, as follows:

Section 1 Grant of Security Interest. The Grantor hereby pledges and grants a continuing security interest in, all of the Grantor's right, title and interest in, to and under the commercial tort claims described on Schedule A hereto and the proceeds thereof (collectively, the "*Commercial Tort Claim Collateral*"), to the Agent for the benefit of the Agent and the Lenders to secure payment, performance and observance of the Obligations.

Section 2 Financing Statement. The Grantor represents and warrants to the Agent that upon the filing of an appropriate financing statement describing the Commercial Tort Claim together with the payment of the appropriate fee in and to the filing office set forth on Schedule A attached hereto Agent's security interest shall be perfected in such Commercial Tort Claim as of such date.

Section 3 Acknowledgment. The Grantor does hereby further acknowledge and affirm that the rights and remedies of the Agent with respect to the security interest in the Commercial Tort Claim Collateral granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which (including the remedies provided for therein) are incorporated by reference herein as if fully set forth herein. In the event of any conflict between the terms of this Agreement and the terms of the Security Agreement, the terms of the Security Agreement shall govern.

Section 4 Counterparts. This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together constitute one and the same original. Signature by telecopy or other electronic transmission shall bind the parties hereto.

SECTION 5. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE INTERNAL LAWS (INCLUDING, WITHOUT LIMITATION, 735 ILCS SECTION 105/5-1 ET SEQ., BUT OTHERWISE WITHOUT REGARD TO THE CONFLICT OF LAWS PROVISIONS) OF THE STATE OF ILLINOIS.

(Signature Page Follows)

(Signature Page to Grant of Security Interest in Commercial Tort Claim)

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 day and year first above written.

GRANTOR:

[**GRANTOR**],
a [ ] [ ]

By: ____________________
Name: ____________________
Title: ____________________

(Signature Page to Grant of Security Interest in Commercial Tort Claim)

AGENT:

FIFTH THIRD BANK,
an Ohio banking corporation, as Agent

By: ____________________
Name: ____________________
Title: ____________________

SCHEDULE A
(To Grant of Security Interest in Commercial Tort Claim)

No.	Description of Commercial Tort Claim	Title, Court and Case No., if applicable

THE APPROPRIATE FILING OFFICE FOR THE FILING OF THE FINANCING STATEMENT DESCRIBING THE ABOVE COMMERCIAL TORT CLAIM IS: .

ANNEX VI

FORM OF JOINDER TO SECURITY AGREEMENT

This JOINDER AGREEMENT (this "*Agreement*") dated as of [ ], 201[ ] is executed by the undersigned for the benefit of FIFTH THIRD BANK, an Ohio banking corporation, as Agent (the "*Agent*") for the benefit of itself and the Lenders, in connection with that certain Amended and Restated Security Agreement dated as of March 13, 2015 among MASTERCRAFT BOAT COMPANY, LLC, a Delaware limited liability company ("MasterCraft"), MASTERCRAFT SERVICES, INC., a Tennessee corporation ("Services"), MCBC HYDRA BOATS, LLC, a Tennessee limited liability company ("Hydra"), MASTERCRAFT INTERNATIONAL SALES ADMINISTRATION, INC., a Delaware corporation ("Sales Administration"), MCBC HOLDINGS, INC., a Delaware corporation ("Holdings"), the other Grantors party thereto from time to time and Agent (as amended, restated, supplemented or modified from time to time, the "*Security Agreement*"). Capitalized terms not otherwise defined herein are being used herein as defined in the Security Agreement.

Each Person signatory hereto is required to execute this Agreement pursuant to the Security Agreement.

In consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each signatory hereby agrees as follows:

1. Each such Person assumes all the obligations of a Grantor under the Security Agreement and agrees that such person or entity is a Grantor and bound as a Grantor under the terms of the Security Agreement, as if it had been an original signatory to such agreement. In furtherance of the foregoing, such Person hereby assigns, pledges and grants to the Agent a security interest in all of its right, title and interest in and to the Collateral owned thereby to secure the Obligations.

2. Schedules 1.2, 3.2, 3.3, 3.4, 3.5, 3.6, 3.7, 3.8 and 3.9 of the Security Agreement are hereby amended to add the information relating to each such Person set out on Schedules 1.2, 3.2, 3.3, 3.4, 3.5, 3.6, 3.7, 3.8 and 3.9, respectively, hereof. Each such Person hereby makes to the Agent the representations and warranties set forth in the Security Agreement applicable to such Person and the applicable Collateral and confirms that such representations and warranties are true and correct in all material respects (provided that if any representation or warranty is by its terms qualified by concepts of materiality, such representation and warranty is true and correct in all respects) as though made on and as of the date hereof (except to the extent such representations and warranties relate to an earlier date, in which case they are true and correct in all material respects (provided that if any representation or warranty is by its terms qualified by concepts of materiality, such representation and warranty is true and correct in all respects) as of such earlier date) after giving effect to such amendment to such Schedules.

3. In furtherance of its obligations under Section 4.2 of the Security Agreement, each such Person agrees to deliver to the Agent appropriately complete UCC financing statements naming such person or entity as debtor and the Agent as secured party, and describing its Collateral and such other documentation as the Agent (or its successors or assigns) may

require to evidence, protect and perfect the Liens created by the Security Agreement, as modified hereby. Each such Person acknowledges the authorizations given to the Agent under Section 4.10(b) of the Security Agreement and otherwise.

4. Each such Person's address for notices under the Security Agreement shall be the address of the Borrowers set forth in the Credit Agreement and each such Person hereby appoints each Borrower as its agent to receive notices hereunder.

5. This Agreement shall be deemed to be part of, and a modification to, the Security Agreement and shall be governed by all the terms and provisions of the Security Agreement, with respect to the modifications intended to be made to such agreement, which terms are incorporated herein by reference, are ratified and confirmed and shall continue in full force and effect as valid and binding agreements of each such person or entity enforceable against such person or entity subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally and general equitable principles (whether considered at equity or law). Each such Person hereby waives notice of the Agent's acceptance of this Agreement. Each such Person will deliver an executed original of this Agreement to the Agent.

6. This Agreement and the rights and duties of the parties hereto, shall be governed and construed in accordance with the internal laws (including, without limitation, 735 ILCS Section 105/5-1 et seq., but otherwise without regard to the conflict-of-laws provisions) of the State of Illinois.

(*Signature Page Follows*)

(Signature Page to Joinder Security Agreement)

IN WITNESS WHEREOF, intending to be legally bound, the undersigned has duly executed this Joinder to Security Agreement as of date first set forth above.

GRANTOR:

[**GRANTOR**],
a [ ] [ ]

By: ____________________
Name: ____________________
Title: ____________________

ACKNOWLEDGED AND AGREED TO:

Exhibit 21.1

Legal Name	State of Incorporation
MasterCraft Boat Company, LLC	Delaware
MasterCraft Services, Inc.	Tennessee
MCBC Hydra Boats, LLC	Tennessee
MasterCraft Parts Limited	The United Kingdom
MasterCraft International Sales Administration, Inc.	Delaware