

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

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended: September 29, 2024

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 001-37502

**MASTERCRAFT  
BOAT HOLDINGS INC.**

**MASTERCRAFT BOAT HOLDINGS, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or Other Jurisdiction  
of Incorporation or Organization)

**06-1571747**  
(I.R.S. Employer  
Identification No.)

**100 Cherokee Cove Drive, Vonore, TN 37885**  
(Address of Principal Executive Office) (Zip Code)

**(423) 884-2221**  
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	MCFT	NASDAQ

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.  Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).  Yes  No

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

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  Yes  No

As of November 1, 2024, there were 16,795,781 shares of the Registrant's common stock, par value \$0.01 per share, issued and outstanding.

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## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains certain “forward-looking statements” within the meaning of the federal securities laws. These forward-looking statements can generally be identified by the use of statements that include words such as “could,” “may,” “might,” “will,” “expect,” “likely,” “believe,” “continue,” “anticipate,” “estimate,” “intend,” “plan,” “project” and other similar words or phrases. Forward-looking statements involve estimates and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements.

The forward-looking statements contained in this Quarterly Report on Form 10-Q are based on assumptions that we have made considering our industry experience and our perceptions of historical trends, current conditions, expected future developments and other important factors we believe are appropriate under the circumstances. As you read and consider this Quarterly Report on Form 10-Q, 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 important 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, including but not limited to the following: changes in interest rates, general economic conditions, political uncertainty (including as a result of the upcoming 2024 elections), demand for our products, inflation, changes in consumer preferences, competition within our industry, our ability to maintain a reliable network of dealers, elevated inventories resulting in increased costs for dealers, our ability to manage our manufacturing levels and our fixed cost base, the successful introduction of our new products, including our new Balise brand, the success of our strategic divestments, geopolitical conflicts, such as the conflict between Russia and Ukraine, the conflict in the Gaza Strip and general unrest in the Middle East, financial institution disruptions and the other important factors described under the caption “Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended June 30, 2024, filed with the Securities and Exchange Commission (“SEC”) on August 30, 2024 (our “2024 Annual Report”). 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 Quarterly Report on Form 10-Q 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 important factors that could cause our business not to develop as we expect may emerge from time to time, and it is not possible for us to predict all of them.

**MASTERCRAFT BOAT HOLDINGS, INC. AND SUBSIDIARIES**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

(Dollar amounts in thousands, except per share data)	Three Months Ended	
	September 29, 2024	October 1, 2023
NET SALES	\$ 65,359	\$ 94,305
COST OF SALES	53,561	71,830
GROSS PROFIT	11,798	22,475
OPERATING EXPENSES:		
Selling and marketing	2,874	3,084
General and administrative	7,470	8,376
Amortization of other intangible assets	450	462
Total operating expenses	10,794	11,922
OPERATING INCOME	1,004	10,553
OTHER INCOME (EXPENSE):		
Interest expense	(987)	(878)
Interest income	1,192	1,352
INCOME BEFORE INCOME TAX EXPENSE	1,209	11,027
INCOME TAX EXPENSE	193	2,496
INCOME FROM CONTINUING OPERATIONS	1,016	8,531
LOSS FROM DISCONTINUED OPERATIONS, NET OF TAX (Note 3)	(6,161)	(2,336)
NET INCOME (LOSS)	\$ (5,145)	\$ 6,195
INCOME (LOSS) PER SHARE:		
Basic		
Continuing operations	\$ 0.06	\$ 0.50
Discontinued operations	(0.37)	(0.14)
Net income (loss)	\$ (0.31)	\$ 0.36
Diluted		
Continuing operations	\$ 0.06	\$ 0.50
Discontinued operations	(0.37)	(0.14)
Net income (loss)	\$ (0.31)	\$ 0.36
WEIGHTED AVERAGE SHARES USED FOR COMPUTATION OF:		
Basic earnings per share	16,544,941	17,156,283
Diluted earnings per share	16,544,941	17,224,608

*Notes to Unaudited Condensed Consolidated Financial Statements form an integral part of the condensed consolidated financial statements.*

**MASTERCRAFT BOAT HOLDINGS, INC. AND SUBSIDIARIES**  
**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS**

(Dollar amounts in thousands, except per share data)	September 29, 2024	June 30, 2024
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 14,160	\$ 7,394
Held-to-maturity securities (Note 4)	68,649	78,846
Accounts receivable, net of allowance of \$164 and \$101, respectively	13,538	11,455
Income tax receivable	1,275	499
Inventories, net (Note 5)	37,296	36,972
Prepaid expenses and other current assets	6,475	8,686
Current assets held-for-sale (Note 3)	4,980	11,222
<b>Total current assets</b>	<b>146,373</b>	<b>155,074</b>
Property, plant and equipment, net (Note 6)	52,498	52,314
Goodwill (Note 7)	28,493	28,493
Other intangible assets, net (Note 7)	33,200	33,650
Deferred income taxes	18,761	18,584
Deferred debt issuance costs, net	432	272
Other long-term assets	8,103	7,917
Non-current assets held-for-sale (Note 3)	21,287	21,680
<b>Total assets</b>	<b>\$ 309,147</b>	<b>\$ 317,984</b>
<b>LIABILITIES AND EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	13,052	10,431
Income tax payable	4	—
Accrued expenses and other current liabilities (Note 8)	50,241	55,068
Current portion of long-term debt, net of unamortized debt issuance costs (Note 9)	—	4,374
Current liabilities held-for-sale (Note 3)	9,671	8,063
<b>Total current liabilities</b>	<b>72,968</b>	<b>77,936</b>
Long-term debt, net of unamortized debt issuance costs (Note 9)	49,500	44,887
Unrecognized tax positions	8,390	8,549
Other long-term liabilities	2,462	2,551
Long-term liabilities held-for-sale (Note 3)	180	182
<b>Total liabilities</b>	<b>133,500</b>	<b>134,105</b>
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>EQUITY:</b>		
Common stock, \$.01 par value per share — authorized, 100,000,000 shares; issued and outstanding, 16,816,392 shares at September 29, 2024 and 16,759,109 shares at June 30, 2024	168	167
Additional paid-in capital	56,804	59,892
Retained earnings	118,475	123,620
MasterCraft Boat Holdings, Inc. equity	175,447	183,679
Noncontrolling interest	200	200
<b>Total equity</b>	<b>175,647</b>	<b>183,879</b>
<b>Total liabilities and equity</b>	<b>\$ 309,147</b>	<b>\$ 317,984</b>

*Notes to Unaudited Condensed Consolidated Financial Statements form an integral part of the condensed consolidated financial statements.*

**MASTERCRAFT BOAT HOLDINGS, INC. AND SUBSIDIARIES**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF EQUITY**

(Dollar amounts in thousands)	Common Stock		Addition al Paid- in Capital	Retained Earnings	MasterCra ft Boat Holdings, Inc. Equity	Noncontr olling Interest	Total Equity
	Shares	Amount					
<b>Balance at June 30, 2024</b>	16,759,109	\$ 167	\$ 59,892	\$ 123,620	\$ 183,679	\$ 200	\$ 9
Share-based compensation activity	240,912	3	421	—	424	—	424
Repurchase and retirement of common stock	(183,629)	(2)	(3,509)	—	(3,511)	—	(3,511)
Net loss	—	—	—	(5,145)	(5,145)	—	(5,145)
							175,64
<b>Balance at September 29, 2024</b>	<u>16,816,392</u>	<u>\$ 168</u>	<u>\$ 56,804</u>	<u>\$ 118,475</u>	<u>\$ 175,447</u>	<u>\$ 200</u>	<u>\$ 7</u>

(Dollar amounts in thousands)	Common Stock		Addition al Paid- in Capital	Retained Earnings	MasterCra ft Boat Holdings, Inc. Equity	Noncontrol ling Interest	Total Equity
	Shares	Amount					
<b>Balance at June 30, 2023</b>	17,312,850	\$ 173	\$ 75,976	\$ 115,820	\$ 191,969	\$ 120	\$ 9
Share-based compensation activity	185,055	—	(683)	—	(683)	—	(683)
Repurchase and retirement of common stock	(241,764)	(2)	(5,783)	—	(5,785)	—	(5,785)
Capital contribution from noncontrolling interest	—	—	—	—	—	80	80
Net income	—	—	—	6,195	6,195	—	6,195
							191,89
<b>Balance at October 1, 2023</b>	<u>17,256,141</u>	<u>\$ 171</u>	<u>\$ 69,510</u>	<u>\$ 122,015</u>	<u>\$ 191,696</u>	<u>\$ 200</u>	<u>\$ 6</u>

*Notes to Unaudited Condensed Consolidated Financial Statements form an integral part of the condensed consolidated financial statements.*

**MASTERCRAFT BOAT HOLDINGS, INC. AND SUBSIDIARIES**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

	Three Months Ended	
	September 29, 2024	October 1, 2023
<b>(Dollar amounts in thousands)</b>		
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income (loss)	\$ (5,145)	\$ 6,195
Loss from discontinued operations, net of tax	6,161	2,336
Income from continuing operations	1,016	8,531
Adjustments to reconcile income from continuing operations to net cash used in operating activities:		
Depreciation and amortization	2,074	2,109
Share-based compensation	430	910
Unrecognized tax benefits	(159)	196
Deferred income taxes	(177)	(32)
Changes in certain operating assets and liabilities	(2,410)	(15,456)
Other, net	(1,276)	(1,027)
Net cash used in operating activities of continuing operations	(502)	(4,769)
Net cash provided by (used in) operating activities of discontinued operations	2,906	(4,353)
Net cash provided by (used in) operating activities	2,404	(9,122)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of property, plant and equipment	(2,205)	(3,068)
Purchases of investments	—	(9,761)
Maturities of investments	10,596	35,347
Net cash provided by investing activities of continuing operations	8,391	22,518
Net cash used in investing activities of discontinued operations	(78)	(1,330)
Net provided by in investing activities	8,313	21,188
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Principal payments on long-term debt	(49,500)	(1,125)
Repurchase and retirement of common stock	(3,729)	(5,757)
Borrowings on revolving credit facility	49,500	—
Other, net	(222)	(1,542)
Net cash used in financing activities of continuing operations	(3,951)	(8,424)
Net cash provided by (used in) financing activities of discontinued operations	—	—
Net cash used in financing activities	(3,951)	(8,424)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>6,766</b>	<b>3,642</b>
<b>CASH AND CASH EQUIVALENTS — BEGINNING OF PERIOD</b>	<b>7,394</b>	<b>19,817</b>
<b>CASH AND CASH EQUIVALENTS — END OF PERIOD</b>	<b>\$ 14,160</b>	<b>\$ 23,459</b>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:</b>		
Cash payments for interest, net of amounts capitalized	\$ 738	\$ 820
Cash payments for income taxes	7	6,380
<b>NON-CASH INVESTING AND FINANCING ACTIVITIES:</b>		
Activity related to sales-type lease	—	3,898
Capital expenditures in accounts payable and accrued expenses	254	328

*Notes to Unaudited Condensed Consolidated Financial Statements form an integral part of the condensed consolidated financial statements.*

**MASTERCRAFT BOAT HOLDINGS, INC. AND SUBSIDIARIES**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

*(Unless otherwise noted, dollars in thousands, except per share data)*

**1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation** — The Company’s fiscal year begins July 1 and ends June 30, with the interim quarterly reporting periods consisting of 13 weeks. Therefore, the fiscal quarter end will not always coincide with the date of the end of a calendar month.

The accompanying unaudited condensed consolidated financial statements include the accounts of MasterCraft Boat Holdings, Inc. (“Holdings”) and its wholly owned subsidiaries. Holdings and its subsidiaries collectively are referred to herein as the “Company.” The unaudited condensed consolidated financial statements have been prepared on the same basis as the Company’s audited consolidated financial statements for the year ended June 30, 2024, and, in the opinion of management, reflect all adjustments considered necessary to present fairly the Company’s financial position as of September 29, 2024, its results of operations for the three months ended September 29, 2024 and October 1, 2023, its cash flows for the three months ended September 29, 2024 and October 1, 2023, and its statements of equity for the three months ended September 29, 2024 and October 1, 2023. All adjustments are of a normal, recurring nature. Certain information and footnote disclosures normally included in annual 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 SEC for financial information have been condensed or omitted pursuant to such rules and regulations. The June 30, 2024 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 in these condensed consolidated financial statements 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 included in our 2024 Annual Report on Form 10-K.

Due to the seasonality of the Company’s business, the interim results are not necessarily indicative of the results that may be expected for the remainder of the fiscal year.

There were no significant changes in, or changes to, the application of the Company’s significant or critical accounting policies or estimation procedures for the three months ended September 29, 2024, as compared with those described in the Company’s audited consolidated financial statements for the fiscal year ended June 30, 2024.

**Assets Held-For-Sale and Discontinued Operations** — On August 8, 2024, the Company announced that it had entered into an asset purchase agreement (the “Aviara Asset Purchase Agreement”), pursuant to which the Company will transfer rights to the Aviara brand of luxury dayboats and certain related assets to a subsidiary of MarineMax, Inc. (the “Aviara Transaction”). The transaction was completed October 18, 2024. In conjunction with completing all outstanding production in the fiscal first quarter, the Company’s sale of the business represents an exit from the luxury dayboat category, a strategic shift that has a significant effect on the Company’s operations and financial results, and as such, qualifies for reporting as discontinued operations. The Aviara and former NauticStar businesses results for the periods presented are reflected in our condensed consolidated statements of operations and condensed consolidated statement of cash flows as discontinued operations. Additionally, the related assets and liabilities held-for-sale are classified as held-for-sale in our condensed consolidated balance sheets (see Note 3).

Further, on September 12, 2024, the Company announced that it had entered into an agreement to sell its Aviara manufacturing facility located in Merritt Island, Florida, to RMI Holdings, Inc. (the “Aviara Facility Sale Agreement”). The Company determined the assets met the criteria to be classified as held-for-sale with the execution of the Aviara Facility Sale Agreement in conjunction with completing all outstanding production in the fiscal first quarter. The related assets and liabilities held-for-sale are classified as held-for-sale in our condensed consolidated balance sheets (see Note 3).

Unless otherwise indicated, the financial disclosures and related information provided herein relate to our continuing operations, which exclude our former Aviara segment, and we have recast prior period amounts to reflect discontinued operations.

**Reclassifications** — Certain historical amounts have been reclassified in these condensed consolidated financial statements to conform to the current presentation.



### *New Accounting Pronouncements Issued But Not Yet Adopted*

**Segment Reporting** — Accounting Standard Update (“ASU”) No. 2023-07, Improvements to Reportable Segment Disclosures, requires incremental disclosures about an entity’s reportable segments but does not change the definition of a segment or the guidance for determining reportable segments. The new guidance requires disclosure of significant segment expenses that are (1) regularly provided to (or easily computed from information regularly provided to) the chief operating decision maker (“CODM”) and (2) included in the reported measure of segment profit or loss. The new standard also allows companies to disclose multiple measures of segment profit or loss if those measures are used to assess performance and allocate resources. This update is effective for fiscal years beginning after December 31, 2023, or fiscal 2025 for the Company, and should be adopted retrospectively unless impracticable. The Company is currently evaluating the impact, if any, that the adoption of this standard will have on financial disclosures.

**Income Taxes** — ASU No. 2023-09, Improvements to Income Tax Disclosures, requires entities to disclose in their rate reconciliation table additional categories of information about federal, state and foreign income taxes and provide more details about the reconciling items in some categories if items meet a quantitative threshold. Entities would have to provide qualitative disclosures about the new categories. The guidance will require all entities to disclose income taxes paid, net of refunds, disaggregated by federal (national), state and foreign taxes for annual periods and to disaggregate the information by jurisdiction based on a quantitative threshold. The guidance makes several other changes to the disclosure requirements. Entities are required to apply the guidance prospectively, with the option to apply it retrospectively. The guidance is effective for annual periods beginning after December 15, 2024, or fiscal 2026 for the Company. The Company is currently evaluating the impact, if any, that the adoption of this standard will have on financial disclosures.

## **2. REVENUE RECOGNITION**

The following tables present the Company's revenue by major product category for each reportable segment:

	<b>Three Months Ended September 29, 2024</b>		
	<b>MasterCraft</b>	<b>Pontoon</b>	<b>Total</b>
<b>Major Product Categories:</b>			
Boats and trailers	\$ 50,223	\$ 9,192	\$ 59,415
Parts	4,023	507	4,530
Other revenue	1,287	127	1,414
<b>Total</b>	<b>\$ 55,533</b>	<b>\$ 9,826</b>	<b>\$ 65,359</b>

	<b>Three Months Ended October 1, 2023</b>		
	<b>MasterCraft</b>	<b>Pontoon</b>	<b>Total</b>
<b>Major Product Categories:</b>			
Boats and trailers	\$ 69,825	\$ 18,118	\$ 87,943
Parts	5,192	253	5,445
Other revenue	819	98	917
<b>Total</b>	<b>\$ 75,836</b>	<b>\$ 18,469</b>	<b>\$ 94,305</b>

### *Contract Liabilities*

As of June 30, 2024, the Company had \$4.1 million of contract liabilities associated with customer deposits and telematic services. During the three months ended September 29, 2024, \$1.0 million was recognized as revenue. As of September 29, 2024, total contract liabilities associated with customer deposits and services of \$4.1 million were reported in Accrued expenses and other current liabilities and Other long-term liabilities on the condensed consolidated balance sheet, and \$1.8 million is expected to be recognized as revenue during the remainder of the year ending June 30, 2025.

## **3. ASSETS HELD-FOR-SALE AND DISCONTINUED OPERATIONS**

On August 8, 2024, the Company announced that it had entered into the Aviara Asset Purchase Agreement, pursuant to which it will transfer rights to the Aviara brand of luxury dayboats and certain related assets to a subsidiary of MarineMax, Inc. (“MarineMax”). The transaction was completed on October 18, 2024. As discussed in Note 1, the Company has reported results of operations for the Aviara

segment as discontinued operations in the condensed consolidated statement of operations and the related assets and liabilities held-for-sale are classified as held-for-sale in our condensed consolidated balance sheets.

Additionally, on September 12, 2024, we announced that we had entered into the Aviara Facility Sale Agreement. The transaction is expected to be completed in our fiscal 2025 second quarter and remains subject to customary closing conditions. As discussed in Note 1, the related assets and liabilities are classified as held-for-sale in our condensed consolidated balance sheets.

The Company evaluated the carrying value of net assets compared to the fair value less cost to sell and, as a result, recorded a \$3.5 million loss on discontinued operations related to discounts, warranty accruals, and inventory.

In fiscal 2023, we sold our NauticStar business. Pursuant to the terms of the purchase agreement, substantially all of the assets were sold and the purchaser assumed substantially all of the liabilities of NauticStar. The value of the assets and liabilities that were retained at the time of sale, which were primarily related to certain claims, are subject to change. Certain of these claims, which were reported in Accrued expenses and other current liabilities, have been settled or are expected to settle for higher amounts than previously estimated, with the related activity being recorded as discontinued operations.

The following table summarizes the operating results of discontinued operations for the following periods:

	<b>Three Months Ended</b>	
	<b>September 29, 2023</b>	<b>October 1, 2023</b>
NET SALES	\$ 7,306	\$ 9,949
COST OF SALES	10,154	10,889
GROSS LOSS	(2,848)	(940)
OPERATING EXPENSES:		
Selling, general and administrative	1,488	2,407
Total operating expenses	1,488	2,407
OPERATING LOSS	(4,336)	(3,347)
Gain (loss) on sale of discontinued operations	(3,486)	157
LOSS BEFORE INCOME TAX BENEFIT	(7,822)	(3,190)
INCOME TAX BENEFIT	1,661	854
LOSS FROM DISCONTINUED OPERATIONS, NET OF TAX	\$ (6,161)	\$ (2,336)

The following table summarizes the assets and liabilities associated with discontinued operations that are presented within held-for-sale in the condensed consolidated balance sheets:

	<b>September 29, 2024</b>	<b>June 30, 2024</b>
<b>CURRENT ASSETS HELD-FOR-SALE:</b>		
Accounts receivable, net of allowance	\$ 1,611	\$ 3,927
Inventories, net	3,369	7,295
Total current assets held-for-sale	\$ 4,980	\$ 11,222
<b>NON-CURRENT ASSETS HELD-FOR-SALE:</b>		
Property, plant and equipment, net	\$ 21,108	\$ 21,499
Other long-term assets	179	181
Total non-current assets held-for-sale	\$ 21,287	\$ 21,680
<b>CURRENT LIABILITIES HELD-FOR-SALE:</b>		
Accounts payable	\$ 379	\$ 1,747
Accrued expenses and other current liabilities	9,292	6,316
Total current liabilities held-for-sale	\$ 9,671	\$ 8,063
<b>LONG-TERM LIABILITIES HELD-FOR-SALE:</b>		
Long-term leases	\$ 180	\$ 182
Total long-term liabilities held-for-sale	\$ 180	\$ 182

#### 4. HELD-TO-MATURITY SECURITIES

The amortized cost and net carrying amount, gross unrealized gains and losses, and estimated fair value of our investments classified as held-to-maturity at September 29, 2024 and June 30, 2024 are summarized as follows:

	September 29, 2024			
	Amortized Cost / Net Carrying Amount	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Held-to-maturity securities:				
Fixed income securities:				
Corporate bonds	\$ 68,649	\$ 101	\$ (1)	\$ 68,749
Total held-to-maturity securities	<u>\$ 68,649</u>	<u>\$ 101</u>	<u>\$ (1)</u>	<u>\$ 68,749</u>

	June 30, 2024			
	Amortized Cost / Net Carrying Amount	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Held-to-maturity securities:				
Fixed income securities:				
Corporate bonds	\$ 78,846	\$ 2	\$ (82)	\$ 78,766
Total held-to-maturity securities	<u>\$ 78,846</u>	<u>\$ 2</u>	<u>\$ (82)</u>	<u>\$ 78,766</u>

#### 5. INVENTORIES

Inventories consisted of the following:

	September 29, 2024	June 30, 2024
Raw materials and supplies	\$ 25,137	\$ 26,326
Work in process	4,964	4,039
Finished goods	8,834	8,707
Obsolescence reserve	(1,639)	(2,100)
Total inventories	<u>\$ 37,296</u>	<u>\$ 36,972</u>

#### 6. PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment, net consisted of the following:

	September 29, 2024	June 30, 2024
Land and improvements	\$ 4,985	\$ 4,985
Buildings and improvements	34,074	34,040
Machinery and equipment	31,273	31,157
Furniture and fixtures	5,897	5,498
Construction in progress	11,188	10,295
Total property, plant, and equipment	87,417	85,975
Less accumulated depreciation	(34,919)	(33,661)
Property, plant, and equipment — net	<u>52,498</u>	<u>\$ 52,314</u>

## 7. GOODWILL AND OTHER INTANGIBLE ASSETS

The following table presents the carrying amounts of goodwill as of September 29, 2024 and June 30, 2024 for each of the Company's reportable segments.

	Gross Amount	Accumulated Impairment Losses	Total
MasterCraft	\$ 28,493	\$ —	\$ 28,493
Pontoon	36,238	(36,238)	—
Total	<u>\$ 64,731</u>	<u>\$ (36,238)</u>	<u>\$ 28,493</u>

The following table presents the carrying amounts of Other intangible assets, net:

	September 29, 2024			June 30, 2024		
	Gross Amount	Accumulat ed Amortizati on / Impairmen t	Other intangible assets, net	Gross Amount	Accumulate d Amortizatio n / Impairment	Other intangible assets, net
Amortized intangible assets						
Dealer networks	\$ 19,500	\$ (12,300)	\$ 7,200	\$ 19,500	\$ (11,850)	\$ 7,650
Software	245	(245)	—	245	(245)	—
	<u>19,745</u>	<u>(12,545)</u>	<u>7,200</u>	<u>19,745</u>	<u>(12,095)</u>	<u>7,650</u>
Unamortized intangible assets						
Trade names	33,000	(7,000)	26,000	33,000	(7,000)	26,000
Total other intangible assets	<u>\$ 52,745</u>	<u>\$ (19,545)</u>	<u>\$ 33,200</u>	<u>\$ 52,745</u>	<u>\$ (19,095)</u>	<u>\$ 33,650</u>

Amortization expense related to Other intangible assets, net for each of the three months ended September 29, 2024 and October 1, 2023, was \$0.5 million. Estimated amortization expense for the fiscal year ending June 30, 2025 is \$1.8 million.

## 8. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities consisted of the following:

	September 29, 2024	June 30, 2024
Warranty	\$ 25,082	\$ 25,486
Dealer incentives	13,575	16,059
Compensation and related accruals	2,796	4,673
Contract liabilities	2,066	2,034
Self-insurance	1,279	1,216
Inventory repurchase contingent obligation	1,179	1,657
Liabilities retained associated with NauticStar discontinued operations	307	309
Other	3,957	3,634
Total accrued expenses and other current liabilities	<u>\$ 50,241</u>	<u>\$ 55,068</u>

Accrued warranty liability activity was as follows for the three months ended:

	September 29, 2024	October 1, 2023
Balance at the beginning of the period	\$ 25,486	\$ 28,688
Provisions	1,469	1,824
Payments made	(2,821)	(3,668)
Changes for pre-existing warranties	948	1,677
Balance at the end of the period	<u>\$ 25,082</u>	<u>\$ 28,521</u>

## 9. LONG-TERM DEBT

Long-term debt is as follows:

	September 29, 2024	June 30, 2024
Revolving credit facility	\$ 49,500	\$ —
Term loan	—	49,500
Debt issuance costs on term loan	—	(239)
Total debt	49,500	49,261
Less current portion of long-term debt	—	4,500
Less current portion of debt issuance costs on term loan	—	(126)
Long-term debt, net of current portion	<u>\$ 49,500</u>	<u>\$ 44,887</u>

In fiscal 2021, the Company entered into a credit agreement with a syndicate of certain financial institutions (the “Credit Agreement”) that provided the Company with a \$160.0 million senior secured credit facility, consisting of a \$60.0 million term loan (the “Term Loan”) and a \$100.0 million revolving credit facility (the “Revolving Credit Facility”). The Credit Agreement is secured by a first priority security interest in substantially all of the Company's assets. Following the Fourth Amendment to the Credit Agreement (“Fourth Amendment”), as described below, all amounts under the Term Loan were repaid and the amended and restated Credit Agreement only provides the Company with the Revolving Credit Facility.

The Credit Agreement contains a number of covenants that, among other things, restrict the Company's 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; 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. The Company is also required to maintain a minimum fixed charge coverage ratio and a maximum net leverage ratio.

As previously disclosed, the Credit Agreement was amended in August 2022 and October 2023, in each case to, among other things, provide consents and waivers to certain restrictions in the covenants of the Credit Agreement.

On September 27, 2024, the Company entered into the Fourth Amendment to obtain the necessary consents and waivers to the restrictions described above in the covenants of the Credit Agreement, as related to the Aviara Transaction and plans to sell certain facility assets, as discussed in Note 3. In addition, the Fourth Amendment provides a waiver to the fixed charge covenant ratio for certain periods. As a result of the fixed charge covenant ratio waiver, the applicable margin on interest and the commitment fee for any unused portion of the Revolving Credit Facility for these periods is fixed at the maximum allowable rate (“Fourth Amendment Interest Terms”). Further, the Company may make restricted payments, including share repurchases under the Company's share repurchase program (see Note 12), in an aggregate amount not to exceed \$5.0 million through March 31, 2025.

The Credit Agreement, as amended, bears interest, at the Company's option, at either the prime rate plus an applicable margin ranging from 0.25% to 1.00% or at an adjusted term benchmark rate plus an applicable margin ranging from 1.25% to 2.00%, in each case based on the Company's net leverage ratio, subject to the Fourth Amendment Interest Terms. The Company is also required to pay a commitment fee for any unused portion of the Revolving Credit Facility ranging from 0.15% to 0.30% based on the Company's net leverage ratio, subject to the Fourth Amendment Interest Terms. Effective prior to the Company's entry into the Fourth Amendment, during substantially all of the three months ended September 29, 2024, the applicable margin for loans accruing at the prime rate was 0.25% and the applicable margin for loans accruing interest at the benchmark rate was 1.25%. As of September 29, 2024, in compliance with the Fourth Amendment Interest Terms, the applicable margin for loans accruing interest at the prime rate was 1.00% and the applicable margin for loans accruing interest at the benchmark rate was 2.00%, and the Company's all-in interest rate on amounts drawn on the Revolving Credit Facility was 6.96%.

The Credit Agreement will mature and all remaining amounts outstanding thereunder will be due and payable on June 28, 2026. As of September 29, 2024, the Company was in compliance with its financial covenants under the Credit Agreement.

#### *Revolving Credit Facility*

In conjunction with the Fourth Amendment, the Company drew \$49.5 million on its Revolving Credit Facility. Drawn amounts were used to repay outstanding borrowings under the Term Loan. As of September 29, 2024, the Company had remaining availability of \$50.5 million on the Revolving Credit Facility.

### 10. INCOME TAXES

The Company's consolidated interim 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 differences between the Company's effective tax rate and the statutory federal tax rate of 21.0% for the first quarter of fiscal 2025 primarily relate to the inclusion of the benefit of federal and state credits and changes in uncertain tax positions, partially offset by the state tax rate in the overall effective rate. During the three months ended September 29, 2024 and October 1, 2023, the Company's effective tax rate was 16.0% and 22.6%, respectively. The Company's effective tax rates for the three months ended September 29, 2024 are lower compared to the effective tax rate for the same prior-year period, primarily due to changes in uncertain tax positions and an increased benefit of federal and state credits.

### 11. SHARE-BASED COMPENSATION

The following table presents the components of share-based compensation expense by award type.

	<b>Three Months Ended</b>	
	<b>September 29, 2024</b>	<b>October 1, 2023</b>
Restricted stock awards	\$ 430	\$ 392
Performance stock units	—	518
Share-based compensation expense	<u>\$ 430</u>	<u>\$ 910</u>

#### *Restricted Stock Awards*

During the three months ended September 29, 2024, the Company granted 244,331 restricted stock awards ("RSAs") to the Company's non-executive directors, officers and certain other key employees. Generally, the shares of restricted stock granted during the three months ended September 29, 2024, vest pro-rata over two or three years for officers and certain other key employees and over one year for non-executive directors. The Company determined the fair value of the shares awarded by using the close price of our common stock as of the date of grant. The weighted average grant date fair value of RSAs granted in the three months ended September 29, 2024, was \$17.54 per share.

The following table summarizes the status of nonvested RSAs as of September 29, 2024, and changes during the three months then ended.

	<b>Nonvested Restricted Shares</b>	<b>Average Grant-Date Fair Value (per share)</b>
Nonvested at June 30, 2024	104,372	\$ 21.76
Granted	244,331	17.54
Forfeited	(5,573)	21.67
Nonvested at September 29, 2024	<u>343,130</u>	18.75

As of September 29, 2024, there was \$5.8 million of total unrecognized compensation expense related to nonvested RSAs. The Company expects this expense to be recognized over a weighted average period of 2.0 years.

### *Performance Stock Units*

Performance stock units (“PSUs”) are a form of long-term incentive compensation awarded to executive officers and certain other key employees designed to directly align the interests of employees to the interests of the Company’s shareholders, and to create long-term shareholder value. The awards will be earned based on the Company’s achievement of certain performance criteria over a three-year performance period. The performance period for the awards commences on July 1 of the fiscal year in which they were granted and continue for a three-year period, ending on June 30 of the applicable year. The probability of achieving the performance criteria is assessed quarterly. Following the determination of the Company’s achievement with respect to the performance criteria, the number of shares awarded is subject to further adjustment based on the application of a total shareholder return (“TSR”) modifier. The grant date fair value is determined based on both the probability assessment of the Company achieving the performance criteria and an estimate of the expected TSR modifier. The TSR modifier estimate is determined using a Monte Carlo Simulation model, which considers the likelihood of numerous possible outcomes of long-term market performance. Compensation expense related to existing nonvested PSUs is recognized ratably over the performance period.

PSUs awarded in fiscal 2025 have performance criteria set annually over the three-year performance period. This performance criteria is cumulative and is based upon the respective year’s performance compared to budget, which has not yet been established for future performance periods. Therefore, the compensation expense for these awards will not begin until all the key terms and conditions of these awards are known, which will be year three of the performance period.

The following table summarizes the status of nonvested PSUs as of September 29, 2024, and changes during the three months then ended.

	<b>Nonvested Performance Stock Units</b>	<b>Average Grant-Date Fair Value (per share)</b>
Nonvested at June 30, 2024	139,910	\$ 23.62
Forfeited	(8,968)	23.67
Nonvested at September 29, 2024	<u>130,942</u>	23.61

As of September 29, 2024, there was no unrecognized compensation expense related to nonvested PSUs.

### *Incentive Award Plan*

On October 22, 2024, at the Company's annual meeting of shareholders, the Company's shareholders approved the Second Amended and Restated MasterCraft 2015 Incentive Award Plan (the “Restated Incentive Plan”), as described in the Company's Definitive Proxy Statement, filed with the SEC on September 23, 2024, to replace the Amended and Restated MCBC Holdings, Inc. 2015 Incentive Award Plan effective as of the date of shareholder approval. The Restated Incentive Plan authorizes an aggregate issuance of up to 1,198,175 shares of common stock, subject to adjustment, in the form of awards of performance awards, restricted shares, restricted stock units, stock options, stock appreciation rights, and other share-based awards. The Company's employees, consultants, and non-employee directors, and employees, consultants, and non-employee directors of our affiliates are eligible to receive awards under the Restated Incentive Plan.

## 12. EARNINGS PER SHARE AND COMMON STOCK

The following table sets forth the computation of the Company's net income (loss) per share:

	Three Months Ended	
	September 29, 2024	October 1, 2023
Income from continuing operations	\$ 1,016	\$ 8,531
Loss from discontinued operations, net of tax	(6,161)	(2,336)
Net income (loss)	<u>\$ (5,145)</u>	<u>\$ 6,195</u>
Weighted average shares — basic	16,544,941	17,156,283
Dilutive effect of assumed restricted share awards/units	—	68,325
Weighted average outstanding shares — diluted	16,544,941	17,224,608
Basic income (loss) per share		
Continuing operations	\$ 0.06	\$ 0.50
Discontinued operations	(0.37)	(0.14)
Net income (loss)	<u>\$ (0.31)</u>	<u>\$ 0.36</u>
Diluted income (loss) per share		
Continuing operations	\$ 0.06	\$ 0.50
Discontinued operations	(0.37)	(0.14)
Net income (loss)	<u>\$ (0.31)</u>	<u>\$ 0.36</u>

For the three months ended October 1, 2023, an immaterial number of shares were excluded from the computation of diluted earnings per share as the effect would have been anti-dilutive.

### *Share Repurchase Program*

On July 24, 2023, the Board of the Company authorized a share repurchase program under which the Company may repurchase up to \$50.0 million of its outstanding shares of common stock. The authorization became effective upon the completion of the Company's previously existing \$50.0 million stock repurchase authorization on August 9, 2023.

During the three months ended September 29, 2024 and October 1, 2023, the Company repurchased 183,629 shares and 241,764 shares of common stock for \$3.5 million and \$5.8 million, respectively, in cash, excluding related fees and expenses. As of September 29, 2024, \$31.9 million remained available under the program.

## 13. SEGMENT INFORMATION

### *Reportable Segments*

During the fourth quarter of fiscal 2024, the Company changed the name of its "Crest" operating segment to "Pontoon." The segment change had no impact on the composition of the Company's segments or on previously reported financial position, results of operations, cash flows, or segment operating results.

Operating segments are identified as components of an enterprise about which discrete financial information is available for evaluation by the CODM in making decisions on how to allocate resources and assess performance. For the three months ended September 29, 2024, the Company's CODM regularly assessed the operating performance of the Company's boat brands under two operating and reportable segments:

- The MasterCraft segment, consisting of our MasterCraft brand, produces boats at its Vonore, Tennessee facility. These are premium recreational performance sport boats primarily used for water skiing, wakeboarding, wake surfing, and general recreational boating.
- The Pontoon segment, consisting of our Crest and Balise brands, produces pontoon boats at its Owosso, Michigan facility. Pontoon boats are primarily used for general recreational boating.



Each segment distributes its products through its own independent dealer network. Each segment also has its own management structure which is responsible for the operations of the segment and is directly accountable to the CODM for the operating performance of the segment, which is regularly assessed by the CODM who allocates resources based on that performance.

The Company files a consolidated income tax return and does not allocate income taxes and other corporate-level expenses, including interest, to operating segments. All material corporate costs are included in the MasterCraft segment.

Selected financial information for the Company's reportable segments was as follows:

	<b>For the Three Months Ended September 29, 2024</b>		
	<b>MasterCraft</b>	<b>Pontoon</b>	<b>Consolidated</b>
Net sales	\$ 55,533	\$ 9,826	\$ 65,359
Operating income (loss)	3,693	(2,689)	1,004
Depreciation and amortization	1,189	885	2,074
Purchases of property, plant and equipment	1,453	752	2,205

	<b>For the Three Months Ended October 1, 2023</b>		
	<b>MasterCraft</b>	<b>Pontoon</b>	<b>Consolidated</b>
Net sales	\$ 75,836	\$ 18,469	\$ 94,305
Operating income	10,290	263	10,553
Depreciation and amortization	1,301	808	2,109
Purchases of property, plant and equipment	2,209	859	3,068

The following table presents total assets for the Company's reportable segments.

	<b>September 29, 2024</b>	<b>June 30, 2024</b>
Assets:		
MasterCraft	\$ 229,379	\$ 233,088
Pontoon	53,501	51,994
Assets held-for-sale	26,267	32,902
Total assets	<u>\$ 309,147</u>	<u>\$ 317,984</u>

#### 14. SUBSEQUENT EVENT

On October 18, 2024, the Company completed the Aviara Transaction. As part of the Aviara Asset Purchase Agreement, MarineMax paid for select branding and operational assets, including Aviara's website, tooling, and inventory. MarineMax also assumed Aviara's customer care, warranty liability and administration. The amounts paid to the Company by MarineMax for ownership of the Aviara brand were offset by MarineMax's assumption of warranties liability and administration accruals.

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

*The following discussion and analysis should be read together with the unaudited condensed consolidated financial statements and notes thereto included elsewhere in this Quarterly Report on Form 10-Q. In addition, the statements in this discussion and analysis regarding our expectations concerning the performance of our business, anticipated financial results, liquidity 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 "Cautionary Note Regarding Forward-Looking Statements" above and in "Risk Factors" set forth in our 2024 Annual Report. Our actual results may differ materially from those contained in or implied by any forward-looking statements.*

*Certain statements in the following discussions are based on non-GAAP financial measures. A "non-GAAP financial measure" is a numerical measure of a registrant's historical or future financial performance, financial position or cash flows that excludes amounts, or is subject to adjustments that have the effect of excluding amounts, that are included in the most directly comparable measure calculated and presented in accordance with U.S. GAAP in the statements of operations, balance sheets or statements of cash flows of the issuer; or includes amounts, or is subject to adjustments that have the effect of including amounts, that are excluded from the most directly comparable measure so calculated and presented. Non-GAAP financial measures do not include operating and statistical measures. The Company includes non-GAAP financial measures in Management's Discussion and Analysis, as the Company's management believes that these measures and the information they provide are useful to users of the financial statements, including investors, because they permit users of the financial statements to view the Company's performance using the same tools that management utilizes and to better evaluate the Company's ongoing business performance. In order to better align the Company's reported results with the internal metrics used by the Company's management to evaluate business performance as well as to provide better comparisons to prior periods and peer data, non-GAAP measures exclude the impact of purchase accounting amortization related to business acquisitions.*

### **Discontinued Operations**

The Company's results for all periods presented, as discussed in Management's Discussion and Analysis, are presented on a continuing operations basis. Results related to our Aviara and NauticStar reporting units are reported as discontinued operations for all periods presented. See Note 3 in Notes to unaudited condensed consolidated financial statements for more information on discontinued operations.

On August 8, 2024, the Company announced that it had entered into the Aviara Asset Purchase Agreement, pursuant to which it will transfer rights to the Aviara brand of luxury dayboats and certain related assets to a subsidiary of MarineMax. Subsequent to our fiscal first quarter, the transaction was completed and remains subject to customary closing conditions. As discussed in Note 1, the Company has reported the results of operations for its Aviara segment as discontinued operations in the unaudited condensed consolidated statement of operations.

Additionally, on September 12, 2024, we announced that we had entered into the Aviara Facility Sale Agreement. The transaction is expected to be completed in our fiscal second quarter and remains subject to customary closing conditions. As discussed in Note 1, the related assets and liabilities are classified as held-for-sale in our unaudited condensed consolidated balance sheets.

### **Overview**

Amid market volatility and challenging macroeconomic conditions, retail demand remained soft throughout the key selling season. In response, the Company implemented a wholesale strategy for the start of the fiscal 2025 that prioritized rebalancing of dealer inventory levels. This approach, while necessary, led to decreased net sales and reduced gross margins due to fixed cost absorption on the lower production levels.

## Results of Continuing Operations

### Consolidated Results

The table below presents our consolidated results of operations for the three months ended:

	Three Months Ended		2025 vs. 2024	
	September 29, 2024	October 1, 2023	Change	% Change
<b>(Dollar amounts in thousands)</b>				
<b>Consolidated statements of operations:</b>				
NET SALES	\$ 65,359	\$ 94,305	\$ (28,946)	(30.7%)
COST OF SALES	53,561	71,830	(18,269)	(25.4%)
GROSS PROFIT	11,798	22,475	(10,677)	(47.5%)
<b>OPERATING EXPENSES:</b>				
Selling and marketing	2,874	3,084	(210)	(6.8%)
General and administrative	7,470	8,376	(906)	(10.8%)
Amortization of other intangible assets	450	462	(12)	(2.6%)
Total operating expenses	10,794	11,922	(1,128)	(9.5%)
OPERATING INCOME	1,004	10,553	(9,549)	(90.5%)
<b>OTHER INCOME (EXPENSE):</b>				
Interest expense	(987)	(878)	(109)	12.4%
Interest income	1,192	1,352	(160)	(11.8%)
INCOME BEFORE INCOME TAX EXPENSE	1,209	11,027	(9,818)	(89.0%)
INCOME TAX EXPENSE	193	2,496	(2,303)	(92.3%)
INCOME FROM CONTINUING OPERATIONS	\$ 1,016	\$ 8,531	\$ (7,515)	(88.1%)
<b>Additional financial and other data:</b>				
Unit sales volume:				
MasterCraft	374	494	(120)	(24.3%)
Pontoon	177	362	(185)	(51.1%)
Consolidated unit sales volume	551	856	(305)	(35.6%)
Net sales:				
MasterCraft	\$ 55,533	\$ 75,836	\$ (20,303)	(26.8%)
Pontoon	9,826	18,469	(8,643)	(46.8%)
Consolidated net sales	\$ 65,359	\$ 94,305	\$ (28,946)	(30.7%)
Net sales per unit:				
MasterCraft	\$ 148	\$ 154	\$ (6)	(3.9%)
Pontoon	56	51	5	9.8%
Consolidated net sales per unit	119	110	9	8.2%
Gross margin	18.1%	23.8%	(570) bps	

Net sales decreased \$28.9 million during the first quarter of fiscal 2025 when compared with the same prior-year period. The decrease in net sales was primarily driven by lower unit volumes and unfavorable model mix.

Gross margin percentage declined 570 basis points during the first quarter of fiscal 2025 when compared with the same prior-year period. Lower margins were the result of lower cost absorption due to decreased production volume and higher dealer incentives as a percentage of net sales. Dealer incentives include measures taken by the Company to assist dealers as the retail environment remains competitive.

Operating expenses decreased \$1.1 million during the first quarter of fiscal 2025 when compared to the same prior-year period. The decrease in operating expenses was a result of lower share-based compensation costs and lower professional fees.

## Segment Results

### MasterCraft Segment

The following table sets forth MasterCraft segment results for the three months ended:

(Dollar amounts in thousands)	Three Months Ended		2025 vs. 2024	
	September 29, 2024	October 1, 2023	Change	% Change
Net sales	\$ 55,533	\$ 75,836	\$ (20,303)	(26.8%)
Operating income	3,693	10,290	(6,597)	(64.1%)
Purchases of property, plant and equipment	1,453	2,209	(756)	(34.2%)
Unit sales volume	374	494	(120)	(24.3%)
Net sales per unit	\$ 148	\$ 154	\$ (6)	(3.9%)

Net sales decreased \$20.3 million during the first quarter of fiscal 2025 when compared with the same prior-year period. The decrease was driven by lower unit volume and unfavorable model mix.

Operating income decreased \$6.6 million during first quarter of fiscal 2025 when compared with the same prior-year period. The change was primarily the result of decreased net sales, as discussed above.

### Pontoon Segment

The following table sets forth Pontoon segment results for the three months ended:

(Dollar amounts in thousands)	Three Months Ended		2025 vs. 2024	
	September 29, 2024	October 1, 2023	Change	% Change
Net sales	\$ 9,826	\$ 18,469	\$ (8,643)	(46.8%)
Operating income (loss)	(2,689)	263	(2,952)	(1122.4%)
Purchases of property, plant and equipment	752	859	(107)	(12.5%)
Unit sales volume	177	362	(185)	(51.1%)
Net sales per unit	\$ 56	\$ 51	\$ 5	9.8%

Net sales decreased \$8.6 million during the first quarter of fiscal 2025 when compared to the same prior-year period, mainly due to lower unit volumes and increased dealer incentives.

Operating loss for the first quarter of fiscal 2025 was \$2.7 million compared to operating income of \$0.3 million in the same prior-year period. The change was primarily the result of decreased net sales, as discussed above.

## Non-GAAP Measures

### EBITDA, Adjusted EBITDA, EBITDA margin, and Adjusted EBITDA margin

We define EBITDA as income from continuing operations, before interest, income taxes, depreciation and amortization. We define Adjusted EBITDA as EBITDA further adjusted to eliminate certain non-cash charges or other items that we do not consider to be indicative of our core and/or ongoing operations. For the periods presented herein, the adjustments are for share-based compensation, and CEO transition and organizational realignment costs. We define EBITDA margin and Adjusted EBITDA margin as EBITDA and Adjusted EBITDA, respectively, each expressed as a percentage of Net sales.

### *Adjusted Net Income and Adjusted Net Income per share*

We define Adjusted Net Income and Adjusted Net Income per share as income from continuing operations, adjusted to eliminate certain non-cash charges or other items that we do not consider to be indicative of our core and/or ongoing operations and reflecting income tax expense on adjusted net income before income taxes at our estimated annual effective tax rate. For the periods presented herein, these adjustments include other intangible asset amortization, share-based compensation, and CEO transition and organizational realignment costs.

EBITDA, Adjusted EBITDA, EBITDA margin, Adjusted EBITDA margin, Adjusted Net Income, and Adjusted Net Income per share, which we refer to collectively as the Non-GAAP Measures, are not measures of net income or operating income as determined under accounting principles generally accepted in the United States, or U.S. GAAP. The Non-GAAP Measures are not measures of performance in accordance with U.S. GAAP and should not be considered as an alternative to net income, net income per share, or operating cash flows determined in accordance with U.S. GAAP. Additionally, Adjusted EBITDA is not intended to be a measure of cash flow. We believe that the inclusion of the Non-GAAP Measures is appropriate to provide additional information to investors because securities analysts and investors use the Non-GAAP Measures to assess our operating performance across periods on a consistent basis and to evaluate the relative risk of an investment in our securities. We use Adjusted Net Income and Adjusted Net Income per share to facilitate a comparison of our operating performance on a consistent basis from period to period that, when viewed in combination with our results prepared in accordance with U.S. GAAP, provides a more complete understanding of factors and trends affecting our business than does U.S. GAAP measures alone. We believe Adjusted Net Income and Adjusted Net Income per share assists our Board, management, investors, and other users of the financial statements in comparing our net income on a consistent basis from period to period because it removes certain non-cash items and other items that we do not consider to be indicative of our core and/or ongoing operations and reflecting income tax expense on adjusted net income before income taxes at our estimated annual effective tax rate. The Non-GAAP Measures have 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 the Non-GAAP measures do not reflect any cash requirements for such replacements;
- The Non-GAAP measures do not reflect our cash expenditures, or future requirements for capital expenditures or contractual commitments;
- The Non-GAAP measures do not reflect changes in, or cash requirements for, our working capital needs;
- Certain Non-GAAP measures do not reflect our tax expense or any cash requirements to pay income taxes;
- Certain Non-GAAP measures do not reflect interest expense, or the cash requirements necessary to service interest payments on our indebtedness; and
- The Non-GAAP measures do not reflect the impact of earnings or charges resulting from matters we do not consider to be indicative of our core and/or ongoing operations, but may nonetheless have a material impact on our results of operations.

In addition, because not all companies use identical calculations, our presentation of the Non-GAAP Measures may not be comparable to similarly titled measures of other companies, including companies in our industry.

The following table presents a reconciliation of income from continuing operations as determined in accordance with U.S. GAAP to EBITDA, and Adjusted EBITDA, and income from continuing operations margin (expressed as a percentage of net sales) to EBITDA margin and Adjusted EBITDA margin (each expressed as a percentage of net sales) for the periods indicated:

	Three Months Ended			
	September 29, 2024	% of Net sales	October 1, 2023	% of Net sales
<b>(Dollar amounts in thousands)</b>				
<b>Income from continuing operations</b>	\$ 1,016	1.6%	\$ 8,531	9.0%
Income tax expense	193		2,496	
Interest expense	987		878	
Interest income	(1,192)		(1,352)	
Depreciation and amortization	2,074		2,109	
<b>EBITDA</b>	<b>3,078</b>	<b>4.7%</b>	<b>12,662</b>	<b>13.4%</b>
Share-based compensation	430		910	
CEO transition and organizational realignment costs <sup>(a)</sup>	334		436	
<b>Adjusted EBITDA</b>	<b>\$ 3,842</b>	<b>5.9%</b>	<b>\$ 14,008</b>	<b>14.9%</b>

The following table presents a reconciliation of income from continuing operations as determined in accordance with U.S. GAAP to Adjusted Net Income for the periods indicated:

	Three Months Ended	
	September 29, 2024	October 1, 2023
<b>(Dollar amounts in thousands, except per share data)</b>		
<b>Income from continuing operations</b>	\$ 1,016	\$ 8,531
Income tax expense	193	2,496
Amortization of acquisition intangibles	450	462
Share-based compensation	430	910
CEO transition and organizational realignment costs <sup>(a)</sup>	334	436
<b>Adjusted Net Income before income taxes</b>	<b>2,423</b>	<b>12,835</b>
Adjusted income tax expense <sup>(b)</sup>	485	2,567
<b>Adjusted Net Income</b>	<b>\$ 1,938</b>	<b>\$ 10,268</b>
Adjusted Net Income per share:		
Basic	\$ 0.12	\$ 0.60
Diluted	\$ 0.12	\$ 0.60
Weighted average shares used for the computation of <sup>(c)</sup> :		
Basic Adjusted Net Income per share	16,544,941	17,156,283
Diluted Adjusted Net Income per share	16,544,941	17,224,608

The following table presents the reconciliation of income from continuing operations per diluted share to Adjusted Net Income per diluted share for the periods indicated:

	Three Months Ended	
	September 29, 2024	October 1, 2023
<b>Income from continuing operations per diluted share</b>	\$ 0.06	\$ 0.50
Impact of adjustments:		
Income tax expense	0.01	0.14
Amortization of acquisition intangibles	0.03	0.03
Share-based compensation	0.03	0.05
CEO transition and organizational realignment costs <sup>(a)</sup>	0.02	0.03
<b>Adjusted Net Income per diluted share before income taxes</b>	<b>\$ 0.15</b>	<b>0.75</b>
Impact of adjusted income tax expense on net income per diluted share before income taxes <sup>(b)</sup>	(0.03)	(0.15)
<b>Adjusted Net Income per diluted share</b>	<b>\$ 0.12</b>	<b>\$ 0.60</b>

- (a) Represents amounts paid for legal fees and recruiting costs associated with the CEO transition, as well as non-recurring severance costs incurred as part of the Company's strategic organizational realignment undertaken in connection with the transition.
- (b) For fiscal 2025 and 2024, income tax expense reflects an income tax rate of 20.0% for each period presented.
- (c) Represents the Weighted Average Shares used for the computation of Basic and Diluted earnings per share as presented on the Consolidated Statements of Operations to calculate Adjusted Net Income per basic and diluted share for all periods presented herein.

## Liquidity and Capital Resources

Our primary liquidity and capital resource needs are to finance working capital, fund capital expenditures, service our debt, fund potential acquisitions, and fund our share repurchase program. Our principal sources of liquidity are our cash balance, held-to-maturity securities, cash generated from operating activities, our revolving credit agreement and the refinancing and/or new issuance of long-term debt. We believe our cash balance, held-to-maturity securities, cash from operations, and our ability to borrow will be sufficient to provide for our liquidity and capital resource needs.

Cash and cash equivalents totaled \$14.2 million as of September 29, 2024, an increase of \$6.8 million from \$7.4 million as of June 30, 2024. Held-to-maturity securities totaled \$68.6 million as of September 29, 2024, a decrease of \$10.3 million from \$78.9 million as of June 30, 2024. Total debt as of September 29, 2024 and June 30, 2024, was \$49.5 million and \$49.3 million, respectively.

As of September 29, 2024, we had \$49.5 million outstanding under the Revolving Credit Facility, leaving \$50.5 million of available borrowing capacity. Refer to Note 9 — Long Term Debt in the Notes to unaudited condensed consolidated financial statements for further details.

On July 24, 2023, the Board of the Company authorized a share repurchase program under which the Company may repurchase up to \$50 million of its outstanding shares of common stock. The authorization became effective upon the completion of the Company's previously existing \$50 million stock repurchase authorization.

During the three months ended September 29, 2024, the Company repurchased 183,629 shares of common stock for \$3.5 million in cash, excluding related fees and expenses under both plans.

The following table and discussion below relate to our cash flows from continuing operations from operating, investing, and financing activities:

(Dollar amounts in thousands)	Three Months Ended	
	September 29, 2024	October 1, 2023
Total cash provided by (used in):		
Operating activities	\$ (502)	\$ (4,769)
Investing activities	8,391	22,518
Financing activities	(3,951)	(8,424)
<b>Net change in cash and cash equivalents from continuing operations</b>	<b>\$ 3,938</b>	<b>\$ 9,325</b>

### Three Months Ended September 29, 2024 Cash Flows from Continuing Operations

Net cash used in operating activities for the three months ended September 29, 2024 was \$0.5 million, primarily due to working capital usage, partially offset by net income. Working capital is defined as accounts receivable, income tax receivable, inventories, and prepaid expenses and other current assets net of accounts payable, income tax payable, and accrued expenses and other current liabilities as presented in the condensed consolidated balance sheets. Working capital usage primarily consisted of a decrease in accrued expenses and other current liabilities and an increase in accounts receivable. Partially offsetting the working capital usage was an increase in accounts payables and a decrease in prepaid expenses and other current assets. Accrued expenses and other current liabilities decreased due to payment of dealer incentives and variable compensation. Accounts receivable increased due to timing of sales and collections at the end of the period compared to the end of the prior-year period. Accounts payables increased due to increased production compared to the prior-year period. Prepaid and other current assets decreased due to amortization of insurance premiums.

Net cash provided by investing activities was \$8.4 million, which included \$10.6 million of proceeds in held-to-maturity securities, partially offset by \$2.2 million in capital expenditures. Our capital spending was primarily focused on information technology, machinery and equipment, and tooling.

Net cash used in financing activities was \$4.0 million, which included share repurchases totaling \$3.5 million and \$49.5 million used to repay outstanding borrowings of the Term Loan which was offset by \$49.5 million of borrowings under the Revolving Credit Facility.

*Three Months Ended October 1, 2023 Cash Flows from Continuing Operations*

Net cash used in operating activities for the three months ended October 1, 2023 was \$4.8 million, primarily due to unfavorable changes in working capital, partially offset by net income. Working capital usage primarily consisted of decreases in accrued expenses and other current liabilities, income tax payable, and accounts payable, and an increase in prepaid expenses and other current assets. Partially offsetting the working capital usage was a decrease in inventories. Accrued expenses and other current liabilities decreased due to payment of dealer incentives and variable compensation. Income tax payable decreased due to tax payments within the quarter. Accounts payable decreased due to lower production at the end of the period compared to the end of the prior year period. Prepaid expenses and other current assets increased due to an increase in prepaid expenses, partially offset by amortization of insurance premiums. Inventories decreased as we adjust inventory levels to align with lower production levels.

Net cash provided by investing activities was \$22.5 million, due to net changes in held-to-maturity securities of \$25.6 million, partially offset by \$3.1 million of capital expenditures. Our capital spending was mainly focused on tooling, facility enhancements, and information technology.

Net cash used in financing activities was \$8.4 million, which included net payments of \$1.1 million on long-term debt and \$5.8 million of stock repurchases.



### **Off Balance Sheet Arrangements**

The Company did not have any off balance sheet financing arrangements as of September 29, 2024.

### **Critical Accounting Estimates**

As of September 29, 2024, there were no significant changes in or changes to the application of our critical accounting policies or estimation procedures from those presented in our 2024 Annual Report.

### **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.**

Refer to our 2024 Annual Report for discussion of the Company's market risk. There have been no material changes in market risk from those disclosed therein.

### **ITEM 4. CONTROLS AND PROCEDURES.**

#### *Evaluation of Disclosure Controls and Procedures*

We maintain disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) (of the Exchange Act) that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosures. Any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives.

As of the end of the period covered by this Quarterly Report on Form 10-Q, we carried out an evaluation under the supervision and with the participation of our management, including our chief executive officer and chief financial officer, of the effectiveness of our disclosure controls and procedures. Based upon this evaluation, our chief executive officer and chief financial officer have concluded that our disclosure controls and procedures were effective at a reasonable assurance level as of September 29, 2024.

#### *Changes in Internal Control Over Financial Reporting*

There have been no changes in our internal control over financial reporting during the quarter ended September 29, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II – OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS.

None.

### ITEM 1A. RISK FACTORS.

During the three months ended September 29, 2024, there have been no material changes to the risk factors disclosed in “Part I, Item 1A. Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended June 30, 2024.

### ITEM 2. UNREGISTERED SALES OF SECURITIES AND USE OF PROCEEDS.

#### *Share Repurchase Program*

On July 24, 2023, the Board of the Company authorized a share repurchase program under which the Company may repurchase up to \$50.0 million of its outstanding shares of common stock. The authorization became effective upon the completion of the Company's previously existing \$50.0 million stock repurchase authorization.

During the first three months of fiscal 2025, we repurchased approximately \$3.5 million of our common stock, excluding related fees and expenses. As of September 29, 2024, the remaining authorization under the new program was approximately \$31.9 million.

During the three months ended September 29, 2024, the Company repurchased the following shares of common stock:

<b>Period</b>	<b>Total Number of Shares Purchased</b>	<b>Average Price Paid Per Share<sup>(a)(b)</sup></b>	<b>Total Number of Shares Purchased as part of Publicly Announced Program</b>	<b>Approximate Dollar Value of Shares that May Yet be Purchased Under the Plan (dollars in thousands)</b>
July 1, 2024 - July 28, 2024	85,161	\$ 18.55	85,161	\$ 33,814
July 29, 2024 - August 25, 2024	68,328	19.93	68,328	32,452
August 25, 2024 - September 29, 2024	30,140	18.19	30,140	31,903
<b>Total</b>	<b>183,629</b>		<b>183,629</b>	

(a) Represents weighted average price paid per share excluding commissions paid.

(b) Average price per share excludes any excise tax imposed on certain stock repurchases as part of the Inflation Reduction Act of 2022.

### ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

### ITEM 4. MINE SAFETY DISCLOSURES.

None.

### ITEM 5. OTHER INFORMATION.

During the three months ended September 29, 2024, none of our directors or “officers” (as defined in Rule 16a-1(f) under the Exchange Act) adopted, modified or terminated “Rule 10b5-1 trading arrangements” or “non-Rule 10b5-1 trading arrangements” (each as defined in Item 408 of Regulation S-K).

**ITEM 6. EXHIBITS, FINANCIAL STATEMENT SCHEDULES.**

Exhibit No.	Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
3.1	<a href="#">Amended and Restated Certificate of Incorporation of MCBC Holdings, Inc.</a>	10-K	001-37502	3.1	9/18/15	
3.2	<a href="#">Certificate of Amendment to Amended and Restated Certificate of Incorporation of MasterCraft Boat Holdings, Inc.</a>	10-Q	001-37502	3.2	11/9/18	
3.3	<a href="#">Certificate of Amendment to Amended and Restated Certificate of Incorporation of MasterCraft Boat Holdings, Inc.</a>	8-K	001-37502	3.1	10/25/19	
3.4	<a href="#">Fourth Amended and Restated By-laws of MasterCraft Boat Holdings, Inc.</a>	8-K	001-37502	3.2	10/25/19	
10.1	<a href="#">Purchase Agreement, dated September 11, 2024, between the Company and RMI Holdings, Inc.</a>					*
10.2	<a href="#">Fourth Amendment to the Credit Agreement</a>	8-K	001-37502	10.1	10/3/24	
31.1	<a href="#">Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer</a>					*
31.2	<a href="#">Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer</a>					*
32.1	<a href="#">Section 1350 Certification of Chief Executive Officer</a>					**
32.2	<a href="#">Section 1350 Certification of Chief Financial Officer</a>					**
101.INS	Inline XBRL Instance Document					*
101.SCH	Inline XBRL Taxonomy Extension Schema With Embedded Linkbases Document					*
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).					*

\* Filed herewith.

\*\* Furnished herewith.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

MASTERCRAFT BOAT HOLDINGS, INC.

(Registrant)

Date: November 6, 2024

By: /s/ BRADLEY M. NELSON

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Bradley M. Nelson

Chief Executive Officer (Principal Executive Officer) and Director

Date: November 6, 2024

By: /s/ TIMOTHY M. OXLEY

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Timothy M. Oxley

Chief Financial Officer (Principal Financial and Accounting Officer),

Treasurer and Secretary

## REAL ESTATE PURCHASE AND SALE AGREEMENT

This **REAL ESTATE PURCHASE AND SALE AGREEMENT** (this “*Agreement*”) is made and entered into by and between **AVIARA BOATS, LLC**, a Tennessee limited liability company whose principal place of business is located at 100 Cherokee Cove Drive, Vonore, Tennessee 37885 (“*Seller*”), and **RMI HOLDINGS, INC.**, a Florida corporation whose principal place of business is located at 2300 Jetport Drive, Orlando, Florida 32809 (“*Buyer*”).

### RECITALS:

Seller desires to sell to Buyer and Buyer desires to purchase from Seller on the terms and conditions set forth herein, that certain real property consisting of approximately thirty eight (38) acres of land known as 1200-1230 Nautical Way, Merritt Island, Florida 32952 and as more particularly described on Exhibit A attached hereto and incorporated herein by reference (the “*Land*”), together with all of Seller’s rights, title and interest in and to (i) all rights, benefits, permits, entitlements, development rights, privileges, easements, tenements, hereditaments, and appurtenances belonging or appertaining thereto, (ii) all improvements located on the Land, and (iii) all assignable licenses, authorizations, approvals, development rights and permits issued by any governmental or quasi-governmental authorities specifically relating to the operation, ownership, use occupancy or maintenance of the Land, including, without limitation, all rights and interest of Seller to any and all water and sewer taps, wastewater, sanitary and storm sewer capacity or reservations and rights under utility agreements with any applicable governmental or quasi-governmental authority specifically attributable to the Land (collectively, the “*Real Property*”), together with the furniture, fixtures and equipment listed on Exhibit B attached hereto and incorporated herein by reference (the “*Personal Property*”). The Real Property and the Personal Property shall hereinafter be referred to collectively as the “*Property*.”

**NOW THEREFORE**, in consideration of the mutual covenants and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, the parties hereto agree as follows:

**1.Effective Date of Agreement.** The “*Effective Date*” of this Agreement, as that term shall be used herein, shall be the date on which this Agreement has been executed (as indicated below such party’s signature) and delivered to the other party by the last party to execute and deliver this Agreement. This Agreement shall not be binding, and no obligation shall accrue hereunder, until the Effective Date.

**2.Purchase and Sale.** Subject to all of the terms and conditions of this Agreement, Seller shall sell to Buyer and Buyer shall purchase from Seller the Property.

**3.Purchase Price.** The purchase price to be paid by Buyer to Seller for the Property shall be TWENTY-SIX MILLION FIVE HUNDRED THOUSAND AND NO/100 DOLLARS (\$26,500,000.00) (the “*Purchase Price*”). The Purchase Price shall be paid to Seller in full at Closing, in cash.

**4.Earnest Money.** Within three (3) business days following the Effective Date of this Agreement, Buyer shall deliver to Goldman, Monaghan, Thakkar & Bettin, P.A., Trust

Account, Attn: Mitch Goldman, 96 Willard Street, #302, Cocoa, Florida 32922 (the “**Title Company**”), by wire transfer, earnest money in the amount of FIVE HUNDRED THOUSAND AND NO/100 DOLLARS (\$500,000.00) (the “**Earnest Money**”). The Title Company shall: (i) notify Seller of its receipt of the Earnest Money; (ii) execute the escrow agreement attached hereto as Exhibit C and promptly provide a copy thereof to both Buyer and Seller; and (iii) hold the Earnest Money in an interest-bearing account, subject to the remaining terms and conditions of this Agreement and the Escrow Agreement. If Buyer fails to deliver the Earnest Money to the Title Company within the time required by this Agreement, Seller shall have the right to terminate this Agreement upon written notice to Buyer. If Buyer terminates this Agreement on or before expiration of the Due Diligence Period (defined in Section 5 below) for any reason as provided in Section 5 below, then the Earnest Money and any interest accrued thereon shall be refunded to Buyer. If Buyer does not terminate this Agreement prior to the expiration of the Due Diligence Period either through the failure to deliver a Notice to Proceed or by delivery of a Termination Notice to Seller as provided in Section 5 below, then the Earnest Money and any interest accrued thereon shall be: (i) applied to the Purchase Price at Closing, and Buyer shall pay the balance of the Purchase Price at Closing, subject to adjustments and prorations set forth herein; or (ii) delivered to and be the property of Seller if Closing does not occur for any reason other than a default of Seller, unless otherwise expressly provided by this Agreement.

**5. Due Diligence Period.** Buyer shall have until 11:59 p.m. (EST) on the date which is seventy-five (75) days after the Effective Date (the “**Due Diligence Period**”) in which to conduct its due diligence and all inquiries and investigations with respect to the Property as may be determined by Buyer in its sole discretion and at its sole cost and expense. During the Due Diligence Period, Buyer and its officers, employees, agents, advisors, accountants, attorneys and engineers shall have the right to enter upon the Real Property at reasonable times after written notice to Seller for purposes of inspection and examination of the Property (including environmental testing) and otherwise perform whatever tasks reasonably necessary or deemed appropriate by Buyer in its sole discretion. Buyer covenants and agrees that it will not materially disrupt or interfere with any tenants (including their use and/or enjoyment of the Property) or Seller’s operations of the Property during such inspections and investigations thereof.

This Agreement shall terminate on the expiration of the Due Diligence Period unless Buyer has provided notice to Seller, in writing, on or before the end of the Due Diligence Period that Buyer elects to proceed with this Agreement (the “**Notice to Proceed**”). At any time prior to the expiration of the Due Diligence Period, Buyer shall also have the right to terminate this Agreement by written notice to Seller (the “**Termination Notice**”). If Buyer delivers a Termination Notice during the Due Diligence Period, or if Buyer does not provide the Notice to Proceed in accordance with this Section 5, this Agreement shall immediately terminate as of the date of the Termination Notice (or as of the end of the Due Diligence Period if no Notice to Proceed is delivered), and the Earnest Money and any interest accrued thereon shall be promptly returned to Buyer and the parties hereto shall be relieved of all liabilities and obligations under this Agreement except to the extent expressly provided in this Agreement. Within five (5) business days of any termination of this Agreement, Buyer shall return to Seller all reports and other information that Seller provided Buyer for purposes of conducting its due diligence.

Within five (5) business days after the Effective Date, Seller shall provide Buyer, for information purposes only, those documents and agreements listed on Exhibit D in Seller’s actual

possession and/or control, including but not limited to any leases, with any and all amendments, assignments or extensions, surveys, title reports, title policies, studies, construction documents, permit and approvals and environmental studies or reports (collectively, the “**Property Information**”). Seller shall have a continuing duty, within five (5) business days of Seller’s receipt of any additional or revised Property Information, or Buyer’s reasonable request for additional documentation or information related to the Property, to make supplemental deliveries to Buyer through the date of Closing of any such revised or additional documents. Buyer agrees to keep all Property Information confidential except as may be required to be disclosed pursuant to applicable law and as may be provided to Buyer’s third-party professionals for purposes of evaluating the Property Information or providing financing to Buyer.

Buyer shall defend and indemnify Seller and its respective employees, agents, partners, members, managers, affiliates, subsidiaries, contractors, attorneys, officers, directors, tenants and invitees (collectively, the “**Seller’s Affiliates**”), and hold same harmless from and against any and all claims, demands, causes of action, losses, damages, liabilities, costs and expenses (including, without limitation, reasonable attorney’s fees and disbursements) (collectively “**Claims**”) suffered or incurred by same and arising out of or in connection with: (i) the entry upon the Real Property by Buyer and/or Buyer’s representatives, including but not limited to any bodily injury or death of any person or property damage arising out of or in conjunction with same, except for any Claims caused by the gross negligence or intentional misconduct of Seller; (ii) any activities conducted thereon by Buyer and/or Buyer’s representatives, except for any Claims caused by the gross negligence or intentional misconduct of Seller; (iii) any liens or encumbrances filed or recorded against the Property or any portion thereof, or any other property of Seller or of Seller’s Affiliates, as a consequence of activities undertaken by Buyer and/or Buyer’s representatives. The provisions of this section shall survive Closing and any termination of this Agreement prior to Closing.

**6. Title Commitment.** Within fifteen (15) days of the Effective Date, Seller shall deliver to Buyer a title insurance commitment (the “**Title Commitment**”), issued by a title company reasonably acceptable to Buyer (the “**Title Company**”) in form and content reasonably acceptable to Buyer, and legible copies of all documents referenced therein. At Closing, Seller shall provide to Buyer and the Title Company any and all documents that are reasonably necessary to satisfy all requirements (including those relating to the release of any and all mortgages encumbering the Property) and the standard pre-printed exceptions set forth in the Title Commitment for the issuance of an extended coverage owner’s title insurance policy in favor of Buyer insuring good and marketable fee simple title to the Property, subject only to the Permitted Exceptions, with an insured amount equal to the Purchase Price (the “**Title Policy**”). As used in this Agreement, the term “**Permitted Exceptions**” shall mean: (i) the exceptions to title reflected in the Title Commitment and all amendments or updates to the Title Commitment which are approved (or deemed approved) by Buyer pursuant to this Section 6; and (ii) real estate taxes for the year of Closing and not yet due and payable.

If the Title Commitment discloses matters or defects in the Title Commitment or Survey to the Real Property that are not acceptable to Buyer, Buyer shall promptly deliver written notice to Seller specifying such matters and in any event no later than (a) the thirtieth (30<sup>th</sup>) day after Buyer’s receipt of the Title Commitment and exception documents, or (ii) the forty-fifth (45<sup>th</sup>) day of the Due Diligence Period (a “**Notice of Title Defect**”). Any such objection by Buyer shall be deemed a “**Title Defect**” whether shown on the Survey or disclosed in the Title Commitment.

Seller shall provide written notice to Buyer within five (5) business days following Seller's receipt of the Notice of Title Defect as to which, if any, of the Title Defects Seller intends to cure prior to Closing. Seller's failure to timely provide Notice to Buyer in response to Buyer's Notice of Title Defect shall be deemed Seller's election not to cure. Notwithstanding anything contained herein to the contrary, Seller covenants and agrees that at or prior to Closing, Seller shall cure, satisfy, or remove (as applicable) at Seller's expense any mortgages, deeds to secure debt, assignments of leases and rents, liens, past due taxes judgements, and other monetary encumbrances affecting the Property that were not caused or created by Buyer or its due diligence activities in connection with the Property, but shall not be obligated to cure any other Title Defect. Buyer shall also have the right to update the Title Commitment and the Survey prior to Closing and to object to any title or survey matter that appears after the effective date of the initial Title Commitment or Survey that was not caused or created by Buyer or its due diligence activities in connection with the Property ("**Subsequent Title Defects**"). Seller shall have the obligation to cure such Subsequent Title Defects on or prior to Closing.

If Seller shall fail or decline to comply with any such requirement to cure a Title Defect or a Subsequent Title Defect in accordance with this Section 6, then, at the option of Buyer, Buyer may (i) waive such matters or defects and proceed to Closing without a diminution in the Purchase Price, or (ii) terminate this Agreement by written notice to Seller prior to expiration of the Due Diligence Period, in which event the Earnest Money and any interest accrued thereon shall be refunded to Buyer and each of the parties shall be released from further liability to the other (except for the indemnity obligations of Buyer under Section 5 above). Seller agrees that it will not enter into any new encumbrances, leases or other agreements applicable to the Real Property after the Effective Date of this Agreement without the prior written approval of Buyer, and Seller shall not enter into, extend, or renew beyond Closing any lease or other agreement covering any portion of the Real Property without the prior written approval of Buyer.

**7.Survey.** During the Due Diligence Period, Buyer shall have the right to obtain, at its sole cost and expense, a survey with respect to the Real Property prepared by a land surveyor registered and licensed in the State of Florida (the "**Survey**"). If the Survey discloses any matters objectionable to Buyer, Buyer shall promptly deliver written notice to Seller specifying such matters together with a copy of the Survey, and Seller shall make a good faith attempt to cure any such survey issues before the expiration of the Due Diligence Period, to the extent reasonably practicable. If Seller is not able to cure any objectionable survey matters before the expiration of the Due Diligence Period, Buyer may (i) waive such matters or defects and proceed to Closing without a diminution in the Purchase Price, or (ii) terminate this Agreement by written notice to Seller prior to expiration of the Due Diligence Period, in which event the Earnest Money and any interest accrued thereon shall be refunded to Buyer and each of the parties shall be released from further liability to the other (except for the indemnity obligations of Buyer under Section 5 above). Within five (5) business days from the Effective Date, Seller shall deliver to Buyer copies of prior surveys, plans, specifications, and engineering documents, if any.

**8.Conditions to Closing.** The parties acknowledge and agree that the Buyer's obligations under this Agreement (i.e., Buyer's obligations to close its purchase of the Property once the Due Diligence Period expires) are specifically contingent and conditioned upon the following (each a "**Condition to Closing**"):



(a) Assignment of Port Lease. Seller assigning to Buyer at Closing all of Seller's right, title and interest in and to the Lease Agreement between the Canaveral Port Authority, as lessor, and the Sea Ray Division of Brunswick Corporation, as lessee, dated April 1, 1998, as assigned to Vectorworks Merritt Island, LLC ("**VMI, LLC**") by the Sea Ray Division of Brunswick Corporation under the Assignment and Assumption of Lease Agreement dated February 22, 2012, and as assigned to Seller by VMI, LLC under the Assignment and Assumption of Lease Agreement dated October 26, 2020 (collectively the "**Port Lease**"), to enable Buyer to utilize the boat harbor on the northern side of the Real Property that is owned by the Canaveral Port Authority (the "**Port Authority**"). The parties acknowledge and agree that the Port Lease may not be assigned without the consent of the Port Authority, and Buyer shall be solely responsible for obtaining the consent of the Port Authority for assignment of the Port Lease to Buyer at Closing. Buyer agrees to exercise commercially reasonable efforts to obtain the consent of the Port Authority, and Seller agrees to work together with Buyer in good faith and exercise commercially reasonable efforts to assist Buyer in obtaining the consent of Port Authority for assignment of the Port Lease to Buyer at Closing.

(b)Assignment of Title V Air Quality Permit. Seller assigning to Buyer at Closing its current Title V air quality permit (the “*Air Permit*”) as provided in this Section 8(b). Buyer shall be solely responsible for obtaining any necessary governmental approvals for assignment of the Air Permit to Buyer at Closing, and Buyer agrees to exercise commercially reasonable efforts to obtain any such governmental approvals. Seller agrees to work together with Buyer in good faith and exercise commercially reasonable efforts to assist Buyer in obtaining any necessary governmental approvals for assignment of the Air Permit to Buyer at Closing. The parties acknowledge and agree: (i) that Seller will complete, execute and deliver at Closing the Application for Transfer of Air Permit that is required by the Florida Department of Environmental Protection (“*FDEP*”) for transfer of the Air Permit (the “*Application*”); (ii) that Buyer will have thirty (30) days from Closing to sign and file the Application with the FDEP to request transfer of the Air Permit to Buyer; and (iii) that Seller’s completion, execution and delivery of the Application at Closing shall constitute Seller’s assignment of the Air Permit to Buyer at Closing as required by this Agreement. Notwithstanding the foregoing, Seller agrees to work together with Buyer in good faith and exercise commercially reasonable efforts to assist Buyer with transfer of the Air Permit to Buyer after Closing, and Seller agrees to provide any information and execute any documents that may be reasonably requested by the Buyer and/or the FDEP in connection with the transfer of the Air Permit to Buyer after Closing.

(c)No Material Change. As of the Closing, there shall have been no material adverse change in the condition of the Property from the condition that existed on the Effective Date.

(d)Representations and Warranties. As of the Closing Date, all of Seller’s representations and warranties are true, correct, and accurate, and complete.

(e)Title. Seller’s fee simple title to the Property shall be marketable, free of defects and any liens, claims, encumbrances, leases, occupancies, easements, rights-of-way, encroachments, obligations, covenants, conditions, restrictions or limitations, recorded or unrecorded, excepting only Permitted Exceptions, and the Title Company shall be unconditionally prepared to issue the Title Policy at no greater than standard rates.

In the event that any of the foregoing conditions are not met or cannot be met on or before Closing Date (as defined in Section 9 below), despite Buyer's or Seller's, as applicable, commercially reasonable efforts to satisfy such conditions, Buyer shall have the option of (i) waiving any such condition in writing and proceeding with Closing, or (ii) terminating this Agreement upon written notice to Seller prior to the Closing Date, or (iii) extending the Closing Date for a period of time sufficient to allow Seller additional time to satisfy any remaining Condition to Closing that is Seller's responsibility or Buyer additional time to satisfy any remaining Condition to Closing that is Buyer's responsibility, or (iv) treat any failure of a Condition to Closing that is Seller's responsibility due to a breach of this Agreement or due to the action or inaction of Seller as a Seller default and avail itself of any of the remedies set forth in this Agreement for a Seller default. If after exercising option (iii) above, any Condition to Closing still has not been satisfied following such extension period, Buyer may then elect to exercise option (i), (ii), or (iv) above. If this Agreement is terminated by Buyer pursuant to this Section 8, the Earnest Money and any interest accrued thereon shall be returned to Buyer, and the parties hereto shall be relieved of all liabilities and obligations under this Agreement except to the extent expressly provided in this Agreement to the contrary. In the event of the waiver of any such condition by Buyer in writing, this Agreement shall continue in full force and effect as to all other terms and conditions.

**9.Closing.** Closing ("Closing") shall be conducted by and held at the offices of Title Company by mail on or prior to the fifteenth (15<sup>th</sup>) day after the expiration of the Due Diligence Period ("**Closing Date**"). At Closing, the Earnest Money and any interest accrued thereon shall be credited against the Purchase Price. Time shall be of the essence with respect to all matters herein.

**10.Seller's Deliveries.** At Closing, Seller shall deliver, or cause to be delivered, to Buyer, in form and content reasonably acceptable to Seller and Buyer, the following documents, each fully executed and acknowledged as required:

(a) General Warranty Deed. A general warranty deed conveying good and marketable fee simple title to the Real Property, free and clear of any and all liens, encumbrances, conditions, easements, rights of way, assessments and restrictions, subject only to the title exceptions approved or waived by Buyer in accordance with the provisions of Section 6 above (the "**Permitted Exceptions**").

(b) Bill of Sale. A bill of sale conveying good and marketable title to the Personal Property, free and clear of any and all liens and encumbrances.

(c) Affidavit. An owner's affidavit with respect to construction liens and parties in possession, in form reasonably acceptable to Buyer, sufficient to permit the Title Company to delete the "construction lien," "rights or claims of parties in possession" and "gap" exceptions from the title insurance policy, and stating that the Real Property is free and clear of all liens, encumbrances, licenses, contracts or claims of rights, which claims may serve as the basis of a lien or charge against the Real Property, whether due to services, material or labor supplied for the benefit of or delivered to the Real Property, except to the extent arising from Buyer's or Buyer's representative's acts or omissions or with respect to the Permitted Exceptions. The affidavit will also certify that there are no unpaid bills or claims relating to the Real Property as of the day of Closing.

(d) FIRPTA Affidavit. A FIRPTA non-foreign transfer certificate in accordance with Section 1445 of the Internal Revenue Code.

(e) Closing Statement. A closing statement setting forth the Purchase Price, Earnest Money and interest accrued thereon, all credits, adjustments and prorations between Buyer and Seller, the net cash to close due Seller and all closing costs and other expenses.

(f) Entity Documents. A resolution or other appropriate documentation authorizing the transactions contemplated by this Agreement.

(g) Assignment of Port Lease. An Assignment of the Port Lease in substantially the same form as the Assignment and Assumption of Lease Agreement between Seller and VMI, LLC dated October 26, 2020 and reasonably acceptable to Buyer.

(h) Assignment of Air Permit. A completed and executed Application for transfer of the Air Permit to Buyer in accordance with the provisions of Section 8(b) above.

**11. Buyer's Deliveries.** At Closing, Buyer shall deliver, or cause to be delivered, to Seller, in form and content reasonably acceptable to Seller and Buyer, simultaneously with Seller's delivery of the documents required pursuant to the preceding section, the following, each fully executed and acknowledged as required:

(a) Purchase Price. The Purchase Price, adjusted for the Earnest Money and interest accrued thereon, and prorations and adjustments provided for in this Agreement.

(b) Closing Statement. A closing statement between Seller and Buyer, reflecting the Purchase Price, Earnest Money and interest accrued thereon, prorations and adjustments set forth in this Agreement, and all closing costs and other expenses.

(c) Entity Documents. A resolution or other appropriate documentation authorizing Buyer's consummation of the transactions contemplated by this Agreement and Buyer's execution and delivery of all documents in conjunction therewith.

(d) Assumption of Port Lease. An assumption of Seller's obligations under the Port Lease from and after Closing and indemnifying Seller with respect to same.

**12. Closing and Recording Costs.** Seller shall pay the cost of documentary stamp taxes on the warranty deed, the title exam fees, municipal lien search fees, the cost of the Title Commitment and Title Policy in the amount of the Purchase Price, the commission due Seller's Broker (as hereinafter defined), the cost of any tax certificates, and one-half (1/2) of the customary fees of the Title Company for serving as the escrow agent and the closing agent. Buyer shall pay the cost to record the deed, the cost of the Survey, the cost of any endorsements to the Title Policy desired by Buyer, and one-half (1/2) of the customary fees of the Title Company for serving as the escrow agent and the closing agent. Each party shall pay its respective legal fees. Seller shall receive a credit on the closing statement for the security deposit, if any, that the Canaveral Port Authority is holding under the Port Lease.

**13. Adjustments and Prorations.** The following are to be prorated and adjusted as of the Closing Date:

a. Taxes. Any real estate taxes and personal property taxes for the year of Closing shall be prorated at Closing, and Seller shall be responsible for any real estate taxes and personal property taxes allocable to any prior year. Buyer shall receive a credit against the Purchase Price for Seller's share of the taxes for the year of Closing and shall assume payment of such taxes and assessments for the year of Closing and subsequent years. In the event the assessed valuation of the Real Property or the tax rates for the year of Closing are not known at the time of the Closing, the proration of taxes and assessments for the year of Closing shall be made on the basis of the most recent valuation and tax rates with an appropriate adjustment made between the parties when the actual valuation and tax rates are known.

b. It shall be the obligation of Buyer to determine, during the Due Diligence Period, whether there shall exist any certified, confirmed and ratified special assessment liens, or any special assessment for public or subdivision services benefiting the Real Property. Notwithstanding the foregoing, Seller shall disclose to Buyer any certified, confirmed and ratified special assessment liens, or any special assessments for public or subdivision services benefiting the Real Property of which Seller has knowledge. The same shall constitute Permitted Exceptions, provided that Seller shall be responsible for payment of the portion of any special assessment that covers the period of Seller's ownership of the Real Property prior to Closing.

c. Seller and Buyer will cooperate to transfer accounts, to the extent transferable, with the various utility services serving the Property in such a way as to avoid any interruption in service and to obtain accurate figures with respect to prorating the cost of same as of the Closing Date.

d. Any other expenses, rents, and revenues of the Property shall be prorated through the date of Closing.

e. All sums due for accounts payable which are Seller's responsibility and which are due and owing and were incurred by Seller or with respect to the Property for periods prior to the Closing Date will be paid by Seller. All accounts payable incurred or attributable to periods after the Closing Date will be paid by Buyer or reimbursed to Seller by Buyer.

**14.Possession**. At Closing, Buyer shall be granted full, complete and exclusive possession of the Property.

**15.Representations and Warranties of Seller**. Seller represents and warrants to Buyer as follows:

(a) Seller is a limited liability company duly organized, validly existing and in good standing in the State of Tennessee.

(b) Seller is authorized to execute this Agreement and bind Seller to the terms hereof without the consent or joinder of any other person or entity or any such consent or joinder

has been obtained.

(c) The person signing this Agreement on behalf of Seller has the authority to do so, and this Agreement constitutes a valid and binding obligation of Seller.

(d) Seller is solvent and is able to pay its debts as they mature. No proceeding in bankruptcy or for the appointment of any receiver for all or any portion of the Property, real or personal, has been filed by or against Seller in any federal or state court.

(e) There is no litigation pending or, to Seller's knowledge threatened, against Seller or the Property which would have any material, adverse effect on Seller's ability to perform its obligations under this Agreement.

(f) The execution of this Agreement and the consummation of the transaction contemplated herein does not and will not violate the terms of any agreement or court order which is binding upon Seller or the Property.

(g) Seller has not received notice from any governmental authority having jurisdiction over the Property that the Property does not presently comply with any applicable federal, state, county and municipal laws, ordinances, rules and regulations.

(h) Neither Seller nor any of Seller's direct or indirect members, partners or equity holders is, and none of such parties will be, a person or entity with whom Buyer is restricted from doing business under the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, H.R. 3162, Public Law 107-56 (commonly known as the "*USA Patriot Act*") or Executive Order Number 13224 on Terrorism Financing, effective September 24, 2001 and regulations promulgated pursuant thereto, including without limitation persons and entities named on the Office of Foreign Asset Control Specially Designated Nationals and Blocked Persons List.

(i) Seller has been engaged in the boat manufacturing business and has maintained, or does maintain, "hazardous substances" on the Real Property in accordance with all applicable environmental laws. These hazardous substances include, but are not necessarily limited to, vinylester, polyester, epoxy resins, primer and paint, solvents for multiple uses, and other similar and related material in conjunction with the boat manufacturing business.

(j) There are no parties in possession of any portion of the Property as lessees, tenants at sufferance or trespassers. Further, no person, firm, corporation, or other entity has any right or option to acquire the Property or any part thereof, whether or not superior to Buyer's rights under this Agreement.

Each of the representations and warranties contained in this Section 15 shall be deemed made as of the date of this Agreement and again as of the Closing Date, and shall survive Closing for a period of one (1) year.

**16.Representations and Warranties of Buyer.** Buyer hereby represents and warrants to Seller as follows:

(a) Buyer is a corporation duly organized, validly existing and in good standing in the State of Florida.



(b) Any entity that is or becomes a permitted assignee of Buyer shall be duly organized, validly existing and in good standing in the place of its formation.

(c) Buyer is authorized to execute this Agreement and bind Buyer to the terms hereof without the consent or joinder of any other person or entity.

(d) The person signing this Agreement on behalf of Buyer has the authority to do so, and this Agreement constitutes a valid and binding obligation of Buyer.

(e) Buyer is solvent and is able to pay its debts as they mature. No proceeding in bankruptcy or for the appointment of any receiver for all or any portion of Buyer's property, real or personal, has been filed by or against Buyer in any federal or state court.

(f) There is no litigation pending or, to the best of Buyer's knowledge, threatened against Buyer which would have any material adverse effect on Buyer's ability to perform its obligations under this Agreement.

(g) The execution of this Agreement and the consummation of the transaction contemplated hereby does not and shall not violate the terms of any agreement or court order which is binding upon Buyer.

(h) Neither Buyer nor any of Buyer's direct or indirect members, partners or equity holders is, and none of such parties will be, a person or entity with whom Seller is restricted from doing business under the USA Patriot Act or Executive Order Number 13224 on Terrorism Financing, effective September 24, 2001 and regulations promulgated pursuant thereto, including without limitation persons and entities named on the Office of Foreign Asset Control Specially Designated Nationals and Blocked Persons List.

Each of the representations and warranties contained in this Section 16 shall be deemed made as of the date of this Agreement and again as of the Closing Date, and shall survive Closing for a period of one (1) year.

**17. Broker Commissions.** Seller has agreed to pay Lightle Beckner Robinson, Inc., as Agent and Broker for Seller ("**Seller's Broker**") a commission at Closing pursuant to a separate agreement. Seller shall indemnify and hold the Buyer harmless against any and all liability, cost, damage and expense (including, but not limited to, reasonable attorneys' fees) which Buyer shall incur because of any claim by Seller's Broker or any other broker or agent claiming to have been engaged by Seller, whether or not meritorious, for any commission or other compensation with respect to this Agreement or to the purchase and sale of the Property in accordance with this Agreement.

Buyer hereby warrants to the Seller that Buyer has not dealt with any broker or agent with respect to the purchase and sale of the Property as contemplated by this Agreement other than

Seller's Broker. Buyer shall indemnify and hold the Seller harmless against any and all liability, cost, damage and expense (including, but not limited to, reasonable attorneys' fees) which Seller shall incur because of any claim by any other broker or agent claiming to have been engaged by Buyer, whether or not meritorious, for any commission or other compensation with respect to this Agreement or to the purchase and sale of the Property in accordance with this Agreement.

**18. Condemnation.** In the event that, prior to Closing, any part of the Real Property shall be acquired, taken or condemned for any public or quasi-public use or purpose resulting in an adverse impact upon the Real Property, then provided Buyer is not in default under this Agreement, Buyer shall have the option to either (i) terminate this Agreement and receive a refund of the Earnest Money and any interest accrued thereon, or (ii) proceed, subject to all other terms, covenants and conditions of this Agreement, to the Closing of the transaction contemplated hereby without a reduction of the Purchase Price and receive an assignment at Closing of Seller's interest in any and all damages, awards or other compensation arising from or attributable to such acquisition or condemnation proceedings. Notwithstanding the foregoing, Buyer shall not have the right to terminate this Agreement, or the right to receive a diminution of the Purchase Price, on account of a condemnation that does not materially impact the Buyer's anticipated use and operation of the Property, such as a condemnation of an easement right, or public right of way, or a strip of land along the public roadway for widening the roadway or installation of utilities therein.

**19. Casualty.** If any part of the Property is damaged or destroyed by fire or other casualty after the Effective Date, Seller will promptly provide written notice of such casualty event to Buyer. Provided Buyer is not in default under this Agreement, Buyer shall then have the option to either (i) terminate this Agreement, in which event the Earnest Money and any interest accrued thereon will be refunded to Buyer, or (ii) accept at Closing the Property in its damaged condition, an assignment of any insurance proceeds Seller is entitled to receive along with the insurer's consent to the assignment and a credit to the Purchase Price in the amount of any unpaid deductible under insurance policy for the loss.

**20. Default by Buyer.** In the event of a default by Buyer, and if such default is not remedied within ten (10) business days after written notice to Buyer, then Seller shall have the right, upon written notice to Buyer, to either: (i) terminate this Agreement, and to receive and recover the Earnest Money and any interest accrued thereon as liquidated and mutually agreed upon damages, in which event the parties shall thereafter be relieved from all further obligations hereunder other than Buyer's indemnification obligations under this Agreement and obligations under any provision of this Agreement which, by its terms, is to survive the termination of this Agreement; or (ii) exercise the equitable right of specific performance against Buyer with respect to this Agreement. The remedies provided for herein shall be Seller's sole and exclusive remedies in the event of a default by Buyer. Under no circumstances shall Buyer be liable for any consequential, punitive, exemplary, speculative, special, or indirect damages, provided that Seller shall be entitled to recover its attorney's fees and other costs as provided in Section 31 below in the event that Seller is the prevailing party in an action for specific performance against Buyer.

**21. Default by Seller.** In the event of a default by Seller, and if such default is not remedied within ten (10) business days after written notice to Seller, then at the option of Buyer, and as Buyer's sole and exclusive remedies: (a) Buyer shall have the right, upon written notice to Seller, to terminate this Agreement whereupon Earnest Money and any interest accrued thereon

shall be returned to Buyer, Seller shall pay to Buyer an amount equal to Buyer's actual and documented third party costs and expenses incurred in connection with this Agreement, provided that Seller's liability for such costs and expenses shall not exceed the sum of Fifty Thousand Dollars (\$50,000.00), and thereafter the parties shall be relieved from all further obligations, under this Agreement other than Buyer's indemnification obligations and obligations under any provision of this Agreement which, by its terms, is to survive the termination of this Agreement; or (b) Buyer shall have the right to proceed against Seller in an action for specific performance to force closing. Notwithstanding anything in the foregoing to the contrary, with respect to a default by Seller of any of its obligations under this Agreement which cannot be remedied by specific performance or that survive termination of this Agreement or Closing, Buyer may seek actual monetary damages from Seller and/or pursue any and all other remedies that may be available to Buyer, at law or in equity. No other action may be taken to recover costs or damages, provided that Buyer shall be entitled to recover its attorney's fees and other costs as provided in Section 31 below in the event that Buyer is the prevailing party in an action for specific performance against Seller.

**22. Entire Agreement.** This Agreement constitutes the entire agreement between the parties hereto in respect of the subject matter hereof and supersedes any and all other written or oral agreements, representations, documents, memoranda, and understandings between the parties relating to such subject matter.

**23. Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, devisees, personal representatives, successors and permitted assigns.

**24. Survival of Provisions.** All representations, warranties and agreements contained herein shall not, except where survival beyond Closing is specifically provided for in this Agreement, survive the Closing contemplated by this Agreement.

**25. Waiver; Modification.** The failure by the Buyer or Seller to insist upon or enforce any of their rights shall not constitute a waiver thereof, and except to the extent conditions are waived by the express terms of this Agreement, nothing shall constitute a waiver of the Buyer's right to insist upon strict compliance with the terms of this Agreement. Either party may waive the benefit of any provision or condition for its benefit which is contained in this Agreement. No oral modification of this Agreement shall be binding upon the parties and any modification must be in writing and signed by the parties.

**26. Governing Law.** This Agreement shall be governed by and construed under the laws of the State of Florida, without regard to the conflict of law or choice of law principles thereof.

**27. Jurisdiction and Venue.** Each of the parties irrevocably and unconditionally: (a) agrees that any suit, action or other legal proceeding arising out of or relating to this Agreement shall be in the state courts of Brevard County, Florida or the United States District Court for the Middle District of Florida, Orlando Division; (b) consents to the jurisdiction of such courts in any such suit, action or proceeding; and (c) waives any objection which it may have to the laying of venue in those courts of any such suit, action or proceeding in any of such courts.

**28.Headings**. The section headings as set forth in this Agreement are for convenience or reference only and shall not be deemed to vary the content of this Agreement or limit or enlarge the provisions or scope of any section herein.

**29. Notices.** All notices, requests and consents hereunder to any party, shall be deemed to be sufficient if in writing and (i) delivered in person, (ii) delivered via facsimile or electronic mail with delivery confirmation received, and with the original or a copy of such notice being sent the same day by any other method provided in this Section 29 (e.g., sent via electronic mail and overnight delivery service on the same day), (iii) duly sent by registered, certified or priority mail, postage prepaid, with return receipt or delivery confirmation requested, or (iv) duly sent by overnight delivery service, addressed to such party at the address set forth below (or at such other addresses as shall be specified by like notice):

If to Seller:   Aviara Boats, LLC Attention: Timothy M. Oxley 100  
Cherokee Cove Drive Vonore, Tennessee  
37885  
Tel.: (423) 884-2221  
Fax: (423) 884-7781  
Email: tim.oxley@mastercraft.com

with a copy to:

Egerton, McAfee, Armistead & Davis, P.C. Attention: Norman  
G. Templeton, Esq.  
900 S. Gay Street, Suite 1400  
Knoxville, Tennessee 37902  
Tel.: (865) 546-0500  
Fax: (865) 525-5293  
Email: ntempleton@emlaw.com

If to Buyer:   RMI Holdings, Inc. Attention: Sean Cuda 2300  
Jetport Drive  
Orlando, Florida 32809  
Tel.: (407) 447-9297  
Fax: (\_\_\_\_) \_\_\_\_-\_\_\_\_  
Email: scuda@regalboats.com

with a copy to:

Shuffield, Lowman & Wilson, P.A. Attention: Bill Lowman  
1000 Legion Place, Suite 1700  
Orlando, FL 32801  
Tel.: (407) 581-9800  
Fax: (\_\_\_\_) \_\_\_\_-\_\_\_\_

Email: wlowman@shuffieldlowman.com

If to Title Company: Goldman, Monaghan, Thakkar & Bettin, P.A.  
Attention: Mitch Goldman, Esq. 96 Willard Street,  
#302  
Cocoa, Florida 32922  
Tel.: (866) 583-9950  
Fax: (321) 639-9950  
Email: mitch@cflawoffice.com

All such notices and communications shall be deemed to have been given when transmitted in accordance herewith to the foregoing persons at the addresses set forth above; provided, however, that the time period in which a response to any such notice must be given shall commence on the date of receipt thereof; provided, further, that rejection or other refusal to accept or inability to deliver because of changed address for which no notice has been received shall also constitute receipt. The respective attorneys for Seller and Buyer are authorized to send notices and demands hereunder on behalf of their respective clients. If more than one method of delivery is utilized by the sender, such as delivery of the notice by both electronic mail and overnight delivery service, the notice shall be deemed effective when first delivered.

**30. Assignment.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors, and permitted assigns. Buyer shall be permitted to close in the name of any nominee selected by Buyer so long as such nominee entity is solvent and free from any bankruptcy proceedings, but any such assignment shall not relieve Buyer of or release Buyer from its obligations hereunder. Each of Buyer and Seller shall also have the right to assign this Agreement to a qualified intermediary in connection with effecting a tax-deferred exchange under Internal Revenue Code Section 1031, as amended, and in the event either party so elects, the other party shall cooperate in this regard.

**31. Attorneys' Fees.** In connection with any litigation arising out of this Agreement, the prevailing party, whether Buyer or Seller, shall be entitled to recover from the other party all costs incurred, including reasonable attorneys' fees and paralegal charges for services rendered in connection with such litigation, whether incurred before, during or after trial, on appeal, or in conjunction with post-judgment, administrative or bankruptcy proceedings. The provisions of this section shall survive the Closing and any termination of this Agreement.

**32. Time of the Essence.** Time is of the essence with respect to each provision of this Agreement which requires that action be taken by either party within a stated time period, or upon a specified date. Provided however, if the date for performance is on a Saturday, Sunday or Federal holiday, the date for performance shall be extended to the next business day. The provisions of this section shall survive the Closing and any termination of this Agreement.

**33. Construction.** Each party hereto hereby acknowledges that all parties hereto participated equally in the drafting of this Agreement and that, accordingly, no court construing this Agreement shall construe it more stringently against one party than the other.

**34. Waiver of Jury Trial.** Each party hereby waives any right to a jury trial in connection with any dispute between the parties arising out of or concerning this Agreement or any course of conduct related hereto.

**35. Agreement Not Recordable.** Neither this Agreement, nor any notice of it, shall be recorded in the Public Records of the county in which the Property is located.

**36. No Third-Party Rights.** Nothing expressed or referred to in this Agreement will be construed to give any third party any legal or equitable right, remedy or claim under or with respect to this Agreement or any provision of this Agreement.

**37. Acceptance of Property in As Is Condition.** BUYER ACKNOWLEDGES AND AGREES THAT SELLER HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, AS TO ANY ASPECT OF THE PROPERTY WHATSOEVER, EXCEPT FOR: (I) THE REPRESENTATIONS AND WARRANTIES OF SELLER SET FORTH IN SECTION 15 OF THIS AGREEMENT; AND (II) THE WARRANTY OF TITLE IN THE DEED THAT WILL BE DELIVERED TO BUYER AT CLOSING. NO PERSON ACTING ON BEHALF OF SELLER IS AUTHORIZED TO MAKE, AND BY EXECUTION HEREOF THE BUYER ACKNOWLEDGES THAT NO PERSON HAS MADE (EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT), ANY REPRESENTATION, AGREEMENT, STATEMENT, WARRANTY, GUARANTY OR PROMISE REGARDING THE PROPERTY OR THE TRANSACTION CONTEMPLATED HEREIN; AND NO SUCH REPRESENTATION, WARRANTY, AGREEMENT, GUARANTY, STATEMENT OR PROMISE IF ANY, MADE BY ANY PERSON ACTING ON BEHALF OF SELLER SHALL BE VALID OR BINDING UPON SELLER UNLESS EXPRESSLY SET FORTH HEREIN. BUYER FURTHER ACKNOWLEDGES AND AGREES THAT HAVING BEEN GIVEN THE OPPORTUNITY TO INSPECT THE PROPERTY BUYER IS RELYING SOLELY ON ITS OWN INVESTIGATION OF THE PROPERTY AND NOT ON ANY INFORMATION PROVIDED OR TO BE PROVIDED BY SELLER (EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT) AND AGREES (IF BUYER ELECTS TO PROCEED TO CLOSING) TO ACCEPT THE PROPERTY AT THE CLOSING AND WAIVE ALL OBJECTIONS OR CLAIMS AGAINST SELLER (INCLUDING, BUT NOT LIMITED TO, ANY RIGHT OR CLAIM OF CONTRIBUTION) ARISING FROM OR RELATED TO THE PROPERTY. BUYER FURTHER ACKNOWLEDGES AND AGREES THAT ANY INFORMATION PROVIDED OR TO BE PROVIDED WITH RESPECT TO THE PROPERTY WAS OBTAINED FROM A VARIETY OF SOURCES AND THAT SELLER HAS NOT MADE ANY INDEPENDENT INVESTIGATION OR VERIFICATION OF SUCH INFORMATION AND MAKES NO REPRESENTATIONS AS TO THE ACCURACY, TRUTHFULNESS OR COMPLETENESS OF SUCH INFORMATION. SELLER IS NOT LIABLE OR BOUND IN ANY MANNER BY ANY VERBAL OR WRITTEN STATEMENT, REPRESENTATION OR INFORMATION PERTAINING TO THE PROPERTY FURNISHED BY ANY REAL ESTATE BROKER, CONTRACTOR, AGENT, EMPLOYEE, SERVANT OR OTHER PERSON. BUYER FURTHER ACKNOWLEDGES AND AGREES THAT TO THE MAXIMUM EXTENT PERMITTED BY LAW, THE SALE OF THE PROPERTY AS PROVIDED FOR



HEREIN IS MADE ON AN "AS IS, WHERE IS" CONDITION AND BASIS WITH ALL FAULTS. THE PROVISIONS OF THIS SECTION SHALL SURVIVE THE CLOSING OR ANY TERMINATION HEREOF. "PROPERTY" INCLUDES BOTH THE REAL PROPERTY AND PERSONAL PROPERTY TO BE CONVEYED TO BUYER.

**38. Counterparts.** This Agreement may be executed in any number of separate counterparts by the parties hereto, each of which, when so executed and delivered, shall be deemed to be an original, and all of which counterparts, taken together, shall constitute one and the same instrument. Any signature page from any such counterpart may be attached to any other counterpart to complete a fully executed counterpart of this Agreement. Signatures to this Agreement (or to any assignment or amendment to this Agreement) transmitted in a commonly accepted electronic format that reproduces an image of the actual executed signature page shall be deemed a binding original and shall have the same legal effect, validity, and enforceability as a manually executed counterpart of the document to the extent and as provided for in the Federal Electronic Signatures in Global and National Commerce Act and the applicable state law based on the Uniform Electronic Transactions Act.

*[Signatures on Following Page.]*

[SIGNATURE PAGE TO REAL ESTATE PURCHASE AND SALE AGREEMENT]

**IN WITNESS WHEREOF**, Seller and Buyer have executed this Real Estate Purchase and Sale Agreement as of the date set forth below, to be effective as of the Effective Date set forth in Section 1 above.

SELLER:

**AVIARA BOATS, LLC**

By: \_\_\_\_\_ Timothy M. Oxley  
Chief Financial Officer, Secretary and Treasurer Date: \_\_\_\_\_

BUYER:

**RMI HOLDINGS, INC.**

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

**EXHIBIT A**

**LEGAL DESCRIPTION OF THE LAND**

**PARCEL 1: (FEE SIMPLE ESTATE):**

**A PORTION OF SECTION 12, TOWNSHIP 24 SOUTH, RANGE 36 EAST AND SECTION 7, TOWNSHIP 24 SOUTH, RANGE 37 EAST, BREVARD COUNTY, FLORIDA, BEING ALL THOSE LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 2374, PAGE 1636; OFFICIAL RECORDS BOOK 2391, PAGE 80; OFFICIAL RECORDS BOOK 2391, PAGE 1384; OFFICIAL RECORDS BOOK 2406, PAGE 2146; AND OFFICIAL RECORDS BOOK 2647, PAGE 2618, ALL OF THE PUBLIC RECORDS OF BREVARD COUNTY, FLORIDA, LESS AND EXCEPT ROAD RIGHT-OF-WAY FOR LAMBERT ROAD AS DESCRIBED IN OFFICIAL RECORDS BOOK 2596, PAGE 847, THE SUBJECT PARCEL BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:**

**COMMENCE AT THE SOUTHEAST CORNER OF SAID SECTION 12; THENCE NORTH 00 DEGREES 03 MINUTES 42 SECONDS WEST, ALONG THE EAST LINE OF SAID SECTION 12, FOR A DISTANCE OF 250.00 FEET TO THE POINT OF BEGINNING BEING THE SOUTHEAST CORNER OF THOSE LANDS AS DESCRIBED IN OFFICIAL RECORDS BOOK 2406, PAGE 2146; THENCE NORTH 89 DEGREES 13 MINUTES 18 SECONDS WEST, ALONG THE SOUTH LINE OF SAID LANDS AND THE SOUTH LINE OF THOSE LANDS AS DESCRIBED IN OFFICIAL RECORDS BOOK 2647, PAGE 2618, FOR A DISTANCE OF 562.03 FEET TO THE SOUTHWEST CORNER OF THOSE LANDS AS DESCRIBED IN SAID OFFICIAL RECORDS BOOK 2647, PAGE 2618; THENCE NORTH 04 DEGREES 46 MINUTES 42 SECONDS EAST, ALONG THE WEST LINE OF SAID LANDS, FOR A DISTANCE OF 885.23 FEET TO THE NORTHWEST CORNER OF SAID LANDS, BEING A POINT ON THE SOUTH LINE OF THE CANAVERAL PORT AUTHORITY BARGE CANAL AS RECORDED IN DEED BOOK 329 AT PAGES 572 THROUGH 600 OF THE PUBLIC RECORDS OF BREVARD COUNTY, FLORIDA; THENCE NORTH 89 DEGREES 46 MINUTES 46 SECONDS EAST, ALONG SAID SOUTH LINE ALSO BEING THE NORTH LINE OF OFFICIAL RECORDS BOOK 2647, PAGE 2618 AND OFFICIAL RECORDS BOOK 2406, PAGE 2146, FOR A DISTANCE OF 487.28 FEET TO A POINT ON THE EAST LINE OF SAID SECTION 12; THENCE NORTH 00 DEGREES 03 MINUTES 42 SECONDS WEST, ALONG SAID EAST LINE, FOR A DISTANCE OF 50.00 FEET TO THE NORTHWEST CORNER OF THOSE LANDS AS DESCRIBED IN SAID OFFICIAL RECORDS BOOK 2374, PAGE 1636, ALSO BEING ON THE SOUTH LINE OF SAID CANAVERAL PORT AUTHORITY BARGE CANAL; THENCE NORTH 89 DEGREES 46 MINUTES 46 SECONDS EAST, ALONG SOUTH LINE AND THE NORTH LINE OF THOSE LANDS DESCRIBED IN SAID OFFICIAL RECORDS BOOK 2374, PAGE 1636, OFFICIAL RECORDS BOOK 2391, PAGE 80, AND OFFICIAL RECORDS BOOK 2391, PAGE 1384, A DISTANCE OF 1200.00 FEET; THENCE RUN THE FOLLOWING THREE (3) COURSES AND DISTANCES ALONG THE EAST LINE OF SAID LANDS AS DESCRIBED IN OFFICIAL RECORDS BOOK 2391, PAGE 1384: 1) SOUTH 00 DEGREES 03 MINUTES 42 SECONDS EAST, FOR A DISTANCE OF 675.76 FEET; 2) SOUTH 04 DEGREES 31 MINUTES 25 SECONDS WEST, FOR A DISTANCE OF 50.04**

FEET; 3) SOUTH 00 DEGREES 03 MINUTES 42 SECONDS EAST, FOR A DISTANCE OF 266.13 FEET TO THE NORTH LINE OF LAMBERT ROAD DESCRIBED IN OFFICIAL RECORDS BOOK 2596, PAGE 847; THENCE SOUTH 89 DEGREES 47 MINUTES 02 SECONDS WEST ALONG SAID NORTH RIGHT-OF-WAY LINE A DISTANCE OF 1121.73 FEET TO A POINT ON THE SOUTHERLY LINE OF AFORESAID PROPERTY DESCRIBED IN OFFICIAL RECORDS BOOK 2374, PAGE 1636; THENCE NORTHERLY, ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 66 FEET, A CENTRAL ANGLE OF 29 DEGREES 09 MINUTES 57 SECONDS AND CHORD BEARING NORTH 14 DEGREES 38 MINUTES 41 SECONDS WEST, AN ARC DISTANCE OF 33.60 FEET TO A POINT OF TANGENCY; THENCE THE FOLLOWING TWO (2) COURSES AND DISTANCES ALONG SAID SOUTHERLY LINE OF PROPERTY DESCRIBED IN OFFICIAL RECORDS BOOK 2374, PAGE 1636: 1) NORTH 00 DEGREES 03 MINUTES 42 SECONDS WEST, FOR A DISTANCE OF 82.66 FEET; 2) NORTH 89 DEGREES 13 MINUTES 08 SECONDS WEST, FOR A DISTANCE OF 66.04 FEET TO A POINT ON THE EAST LINE OF SAID SECTION 12; THENCE SOUTH 00 DEGREES 03 MINUTES 42 SECONDS EAST, ALONG SAID LINE, FOR A DISTANCE OF 66.00 FEET TO THE POINT OF BEGINNING.

**PARCEL II: (NON-EXCLUSIVE EASEMENT ESTATE):**

TOGETHER WITH A NON-EXCLUSIVE EASEMENT FOR THE BENEFIT OF PARCEL I AS SET FORTH IN GRANT OF EASEMENT RECORDED IN OFFICIAL RECORDS BOOK 2382, PAGE 2427, AND OFFICIAL RECORDS BOOK 2399, PAGE 618, OF THE PUBLIC RECORDS OF BREVARD COUNTY, FLORIDA, LESS AND EXCEPT ANY PORTION THEREOF LYING WITHIN THE ROAD RIGHT-OF-WAY OF SEA RAY DRIVE.

**PARCEL III: (NON-EXCLUSIVE EASEMENT ESTATE):**

TOGETHER WITH A NON-EXCLUSIVE EASEMENT FOR THE BENEFIT OF PARCEL I AS SET FORTH IN CORRECTIVE GRANT OF EASEMENT RECORDED IN OFFICIAL RECORDS BOOK 2422, PAGE 2457, OF THE PUBLIC RECORDS OF BREVARD COUNTY, FLORIDA, LESS AND EXCEPT ANY PORTION THEREOF LYING WITHIN THE ROAD RIGHT-OF-WAY OF SEA RAY DRIVE.

**PARCEL IV: (NON-EXCLUSIVE EASEMENT ESTATE):**

TOGETHER WITH A NON-EXCLUSIVE EASEMENT FOR THE BENEFIT OF PARCEL I AS SET FORTH IN EASEMENT RECORDED IN OFFICIAL RECORDS BOOK 2647, PAGE 2622, AND ASSIGNED IN OFFICIAL RECORDS 3796, PAGE 938, OF THE PUBLIC RECORDS OF BREVARD COUNTY, FLORIDA.

**PARCEL V: (LEASEHOLD ESTATE):**

**LEASEHOLD ESTATE CREATED UNDER THAT CERTAIN LEASE AGREEMENT BY AND BETWEEN CANAVERAL PORT AUTHORITY, LESSOR, AND SEA RAY DIVISION OF BRUNSWICK CORPORATION, LESSEE, DATED APRIL 1, 1998, RECORDED IN OFFICIAL RECORDS BOOK 3830, PAGE 1252, AS ASSIGNED TO VECTORWORKS MERRITT ISLAND, LLC BY ASSIGNMENT AND ASSUMPTION OF LEASE AGREEMENT RECORDED IN OFFICIAL RECORDS BOOK 6594, PAGE 1993, AS AMENDED BY MEMORANDUM OF AMENDED LEASE RECORDED IN OFFICIAL RECORDS BOOK 8887, PAGE 2695, OF THE PUBLIC RECORDS OF BREVARD COUNTY, FLORIDA, DEMISING THE FOLLOWING DESCRIBED LANDS:**

**A PART OF SECTION 7, TOWNSHIP 24 SOUTH, RANGE 37 EAST, BREVARD COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: FROM THE SOUTHWEST CORNER OF AFORESAID SECTION 7, TOWNSHIP 24 SOUTH, RANGE 37 EAST, RUN NORTH 00 DEGREES 03 MINUTES 42 SECONDS WEST ALONG THE WEST LINE OF SAID SECTION 7, A DISTANCE OF 250.00 FEET TO THE NORTHERLY RIGHT-OF-WAY LINE OF LAMBERT ROAD AND THE SOUTHEAST CORNER OF PROPERTY DESCRIBED IN OFFICIAL RECORDS BOOK 2406, PAGE 2146, PUBLIC RECORDS OF BREVARD COUNTY, FLORIDA; THENCE CONTINUE NORTH 00 DEGREES 03 MINUTES 42 SECONDS WEST, ALONG SAID WEST LINE OF SECTION 7, A DISTANCE OF 941.66 FEET TO A JOG CORNER IN THE SOUTH RIGHT-OF-WAY LINE OF THE CANAVERAL PORT AUTHORITY BARGE CANAL RIGHT-OF-WAY; THENCE NORTH 89 DEGREEES 46 MINUTES 46 SECONDS EAST, ALONG SAID SOUTH RIGHT-OF-WAY LINE OF THE BARGE CANAL RIGHT-OF-WAY, A DISTANCE OF 445.00 FEET TO THE POINT OF BEGINNING OF THE HEREIN DESCRIBED PARCEL; THENCE NORTH 00 DEGREES 13 MINUTES 14 SECONDS WEST, A DISTANCE OF 128 FEET, MORE OR LESS, TO THE SOUTHERLY WATER'S EDGE OF AFORESAID CANAVERAL PORT AUTHORITY BARGE CANAL; THENCE EASTERLY ALONG THE SOUTHERLY WATER'S EDGE OF SAID BARGE CANAL, A DISTANCE OF 401 FEET, MORE OR LESS; THENCE SOUTH 00 DEGREES 13 MINUTES 14 SECONDS EAST, A DISTANCE OF 132 FEET, MORE OR LESS, TO AFORESAID SOUTH RIGHT-OF-WAY LINE OF THE BARGE CANAL RIGHT-OF-WAY; THENCE SOUTH 89 DEGREES 46 MINUTES 46 SECONDS WEST, A DISTANCE OF 400.00 FEET TO THE POINT OF BEGINNING.**

**EXHIBIT B**

**THE PERSONAL PROPERTY**

<b>Asset Number</b>	<b>Asset Description</b>	<b>In Svc Date</b>
<b>Class = AE</b>		
001917	Travel Lift for Aviara 000	06/30/18
001938	MVP Putty Unit SN#TS17505 001	10/15/18
002051	Posi turner for Aviara 000	02/15/19
002225	Aviara Wet Gun 000	02/15/20
002283	70 Ton Travel Lift 000	12/01/20
002284	Compressor 100 HP 000	12/01/20
002285	Dryer 460 Volt 000	12/01/20
002286	Eastman CNC Cutter 000	12/01/20
002287	Oil Lube Vane Vaccum Pump 000	12/01/20
002288	Electric Forklift 000	12/01/20
002289	2009 Forklift 000	12/01/20
002291	Double Needle Machine 000	12/01/20
002292	4WD Diesel Boom Lift 000	12/01/20
002293	Quilting Machine 000	12/01/20
002294	2007 CAT C5000LP Forklift 000	12/01/20
002295	Fabric Carousel 000	12/01/20
002296	(4) - Digital Crane Scales 40,000 x 10 lbs. 000	12/01/20
002299	GEN-MIBW-Assets-Shelving _ MIBW - Assets - Weldshop Shelving 000	12/01/20
002300	Warehouse Racks 000	12/01/20
<b>Class = AE</b>		



	000		11/01/20
002308	Gel Guns		
	000		12/15/20
002309	Zund Cutter		
	000		12/15/20
002313	Golf Cart		
	000		12/15/20
002314	2 AC Units for Mfg. Line (Spot Coolers)		
	000		12/15/20
002325	Tractor Large Capacity (Additional Charges)		
	000		12/15/20
002330	Toyota Fork Lift (Propane)		
	000		12/01/20
002337	Zund Cutter - Freight Charges (SYS 2309)		
	000		02/01/21
002346	Aviara -2 Chopper Systems		
	000		10/15/18
002350	KOMO CNC Machine - Xtreme XL 510		
	000		02/01/21
002353	Bins, Carts, Drum Dolly, Fork Lift Extension, Plastic Pallets		
	000		03/22/21
002354	Outdoor Booth Alterations (Removal)		
	000		03/24/21
002361	Gel Guns		
	002		03/23/21
002362	Fuel Tank		
	000		03/24/21
002388	Material Picker		
	000		05/08/21
002390	Zund Cutter - Additional Charges - SYS 2309-2337		
	000		05/01/21
002391	Zund Fiberglass Carousel		
	000		05/01/21
002393	Brush Hog		
	000		05/03/21
002394	Lamination Lab Equipment		
	000		05/03/21
002396	Light RTM		
	000		05/01/21
<b>Class = AE</b>			
002397	Additional Charges - KOMO CNC Machine - sYS 2350		
	000		05/01/21
002398	Clean Air System - Large Grinding Booth		
	000		05/01/21
002410	Clean Air System - Lg Grinding Booth		
	000		06/05/21
002430	2 HV-55-1510-EXLR-T Vacuum w/S'ush, Jack & 55 Gal Explosion Proof Silencer		
	000		07/01/21
002431	Komo Vacuum System		





002432	Travel Lift Maintenance 000	07/01/21
002453	Chop Guns 000	08/02/21
002454	Toyota 8FGU25 Internal Combustion Lift Truck 000	08/02/21
002469	Chop Guns 000	09/01/21
002489	Relocate 2 3 Ton Cranes 000	10/01/21
002523	MVP Chop Guns 000	12/01/21
002525	Reach Forklift 000	12/12/21
002529	Patriot Internal Mix FIT Chopper System 000	01/03/22
002557	Toyota Forklift 000	03/01/22
002599	MasterMovers 000	06/30/22
002600	Aircraft Tow Tractor 000	06/30/22
002601	40 Foot Container 000	06/30/22
002610	Radio System Upgrade 000	07/29/22
002624	Stocker 1000lb 64in Movalbe Hydraulic Lift 000	08/24/22
002633	Lamination Layout Changes 000	09/26/22
<b>Class = AE</b>		
002634	Data Acquisition Computer Test Equipment 000	09/01/22
002649	MVP Innovator Unit 000	11/17/22
002650	MVP Patriot Chop Units (2) 000	11/17/22
002664	RRID RTM Printer 000	12/21/22
002665	RFID RTM Sandbox 000	12/21/22
002671	Camera Upgrade 000	01/01/23
002686	Baler 000	03/24/23
002700	Repair 2 Cranes 000	05/25/23
002701	Shop Fans 000	05/25/23



	000		05/26/23
002733	Warehouse Racks for AV28		
	000		07/01/23
002771	Monorail w/ Hoist + Cranes AV26+28		
	000		10/24/23
002772	Grizzly Metal Cutting Band Saw		
	000		10/24/23
002773	5S Self Dumping Hopper		
	000		10/02/23
002777	1 AV Fork Truck		
	000		05/02/23
002784	MVP Adhesive Unit		
	000		11/01/23
002791	Zund Nesting/Additional License		
	000		12/01/23
002794	Safety Ladder		
	000		12/31/23
<b>Class = AE</b>			
002809	Viscometer for Gel & Resin Testing		
	000		04/01/24
002810	MVP Gel Gun		
	000		04/11/24
002822	Upgrade new PI Area		
	000		06/28/24
002824	Equipment for Building Expansion		
	000		06/26/24
<b>Class = AI</b>			
002306	Interior paint booth removal in Lam building		
	000		12/15/20
002307	Mold Patch Concrete Repair		
	000		12/29/20
002315	Assembly Mezzanine Move		
	000		12/15/20
002379	New Lighting in LAM		
	000		04/29/21
002395	Facilities Maintenance		
	000		05/01/21
002518	Gel Coat Booth		
	000		12/01/21
002519	Large Grinding Booth		
	000		12/01/21
002520	Small Grinding Booth		
	000		12/01/21
002521	Outdoor Booth Alterations		
<b>Class = AI</b>			
	000		12/01/21
002530	High Bay Lights in Assembly		



002579	Diesel Fire Pump 000	04/04/22
002597	Heaters in Lamination 000	06/30/22
002598	Lamination Layout Changes 000	06/30/22
002632	Aviara Sign 000	09/01/22
002667	5 Ton Trane Split System AC Unit 000	12/01/22
002720	Replace AC in LAM Warehouse 000	06/28/23
002732	Engineering Review Build Layout Mods 000	07/01/23
002741	Modular Office in Assembly 000	08/01/23
002775	P-2 Lighting Project 000	10/24/23
002776	Assembly Air, Vac + Electric 000	10/24/23
002793	Engineering Office Layout - Additional 000	12/01/23
002795	Assembly Air, Vacuum and Electric Improvements 000	12/12/23
002811	Gutter Repair 000	04/01/24

**Class = AL**

002281	Land - Merritt Island Facility 000	11/01/20
002336	Reallocation Property Taxes - Land 2281 000	01/15/21

**Class = AB**

002282	Building Purchase - Merritt Island 000	11/01/20
002311	Building Purchase - Merritt Island (Additional Charges) 000	12/15/20
002331	Aviara Building Purchase - Additional Legal Fees 000	12/15/20
002499	Cost Segregation Study - Land Improvement 000	11/01/20
002500	Cost Segregation Study - Personal Property 000	11/01/20
002501	Cost Segregation Study - Information Systems 000	11/01/20
002502	Cost Segregation Study - Machinery & Equipment	



002503	Cost Segregation Study - Dry Docks 000	11/01/20
002806	Final Finish Building 000	03/11/24
002807	Building Expansion Maintenance Building 000	03/11/24
002815	Building Expansion 000	05/01/24
002821	Fire Suppression System 000	06/28/24
002766	Engineering Office Layout 000	09/29/23
002801	Engineering Office Layout 000	02/23/24



## EXHIBIT C

### ESCROW AGREEMENT

This **ESCROW AGREEMENT** (this “*Agreement*”) is made and entered this \_\_\_day of \_\_\_, 2024, by and between **AVIARA BOATS, LLC**, a Tennessee limited liability company whose principal place of business is located at 100 Cherokee Cove Drive, Vonore, Tennessee 37885 (“*Seller*”); **RMI HOLDINGS, INC.**, a Florida corporation whose principal place of business is located at 2300 Jetport Drive, Orlando, Florida 32809 (“*Buyer*”); and **GOLDMAN, MONAGHAN, THAKKAR & BETTIN, P.A.**, a Florida professional association with an address of 96 Willard Street, #302, Cocoa, Florida 32922 (“*Title Company*”).

#### W I T N E S S E T H:

WHEREAS, Buyer and Seller are parties to a Purchase and Sale Agreement with an Effective Date of September \_\_\_, 2024 (the “*PSA*”), to which this Escrow Agreement is attached as Exhibit C, for Buyer to purchase from Seller a tract of real property and improvements thereon located at 1200-1230 Nautical Way, Merritt Island, Florida 32952, said property being more particularly described on Exhibit A to the PSA (the “*Real Property*”); and

WHEREAS, the PSA requires Buyer to deposit with Title Company the Earnest Money (as defined in Section 4 of the PSA), to be held and disbursed by Title Company in accordance with the terms and conditions of the Agreement; and

WHEREAS, Buyer, Seller and Title Company desire to enter into this Agreement to establish and delineate Title Company’s rights and obligations with respect to the PSA and the Earnest Money thereunder.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and intending to be legally bound, the parties agree as follows:

**1. Definitions.** For all purposes of this Agreement, unless otherwise expressly provided in this Agreement or unless the context in which such term is used indicates a contrary intent, capitalized terms not otherwise defined herein shall have the respective meanings ascribed to such terms in the PSA.

**2. Escrow Deposit.** Within three (3) business days following the Effective Date of the PSA, Buyer shall deliver to Title Company the Earnest Money in the amount of FIVE HUNDRED THOUSAND AND NO/100 DOLLARS (\$500,000.00) in cash. Upon receipt of the Earnest Money from Buyer, Title Company shall (i) notify Seller of its receipt of the Earnest Money, (ii) execute this Agreement and promptly provide a fully executed copy hereof to both Buyer and Seller, and (iii) deposit the Earnest Money in an interest bearing account, subject to the remaining terms and conditions of the PSA and this Agreement. The Earnest Money shall also be hereinafter referred to as the “*Escrow Funds*.”

### **3. Duties and Responsibilities of Title Company.**

(a) Title Company (i) shall not be responsible for any of the agreements referred to herein but shall be obligated only for the performance of such duties as are specifically set forth in this Agreement; (ii) shall not be obligated to take any legal or other action hereunder which might in its judgment involve any expense or liability unless it shall have been furnished with acceptable indemnification; (iii) may rely on and shall be protected in acting or refraining from acting upon any written notice, instruction, instrument, statement, request or document furnished to it hereunder and believed by it to be genuine and to have been signed or presented by the proper person, and shall have no responsibility for determining the accuracy thereof, and (iv) may consult counsel satisfactory to it, including house counsel, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in accordance with the opinion of such counsel.

(b) Neither the Title Company nor any of its directors, officers or employees shall be liable to anyone for any action taken or omitted to be taken by it or any of its directors, officers or employees hereunder except in the case of gross negligence or willful misconduct. Buyer and Seller, jointly and severally, covenant and agree to indemnify Title Company and hold it harmless, without limitation, from and against any loss, liability or expense of any nature incurred by Title Company arising out of or in connection with this Agreement or with the administration of its duties hereunder, including, but not limited to legal fees and other costs and expenses of defending or preparing to defend against any claim or liability in the premises, unless such loss, liability or expense shall be caused by Title Company's willful misconduct or gross negligence. In no event shall Title Company be liable for indirect, special or consequential damages.

(c) Buyer and Seller, jointly and severally, shall assume any and all obligations imposed now or hereafter by any applicable tax law with respect to the payment of the Escrow Funds under this Agreement, and shall indemnify and hold Title Company harmless from and against any taxes, additions for late payment, interest, penalties and other expenses that may be assessed against Title Company for its activities under this Agreement.

**4.Termination.** This Agreement shall terminate on the date Title Company no longer holds any Escrow Funds hereunder. Prior to such date, this Agreement may be amended or terminated only by an instrument in writing duly executed by Buyer and Seller and delivered to Title Company; provided, however, that the duties, liabilities and obligations of Title Company shall not be increased or modified without its written consent. The Title Company shall not be responsible to solicit any documents or notices referred to in this Escrow Agreement.

**5.Notices.** Notices under this Agreement shall be given as between the parties as provided in Section 29 of the Contract.

**6.Binding Effect.** This Agreement shall be binding upon the respective parties hereto and their heirs, executors, successors and assigns.

**7.Modifications.** This Agreement may not be altered or modified without the express written consent of the parties hereto. No course of conduct shall constitute a waiver of any of the terms and conditions of this Agreement, unless such waiver is specified in writing, and then only to the extent so specified. A waiver of any of the terms and conditions of this Agreement on one occasion shall not constitute a waiver of the other terms of this Agreement, or of such terms and

conditions on any other occasion.

## **8. General Provisions.**

**8.1 Entire Agreement.** This Agreement sets forth the entire agreement and understanding between the parties with respect to the subject matter hereof, and specifically with respect to the responsibilities of Title Company in holding and disbursing the Escrow Funds, and supersedes all other prior proposals, agreements, understandings and communications, whether oral or written, and no other promises, agreements or understandings between them shall be binding unless set forth in writing and signed by both parties. Each party hereby acknowledges that they have read this Agreement, understand it, and agree to be bound by its terms and conditions, and that they have executed the same of their own free will, respectively.

**8.2 Time of Essence.** Time is of the essence with respect to all matters to be performed pursuant to this Agreement.

**8.3 Amendment.** No portion of this Agreement may be amended, modified, revoked or waived except by a written instrument signed by a duly authorized representative of each of the parties hereto.

**8.4 Assignment.** This Agreement is personal to the parties hereto. Therefore, none of the parties may assign or transfer this Agreement, or its respective rights or obligations under this Agreement, without the prior written consent of all of the other parties hereto.

**8.5 Severability.** If any portion of the Agreement should ever be declared invalid or unenforceable for any reason, such invalidity shall not affect the remaining provisions of the Agreement and the parties hereto shall use their best efforts to agree upon a replacement for such invalid or unenforceable provision in terms which correspond as closely as possible to the original provision. However, if such replacement is unable to be accomplished then the same will be deemed omitted, and the validity and/or enforceability of the remaining provisions of this Agreement will not in any way be effected or impaired thereby.

**8.6 Governing Law.** The validity, construction, and interpretation of this Agreement shall be governed by and construed in accordance with the laws of the State of Florida, without regard to the conflict of law or choice of law principles thereof.

**8.7 Jurisdiction and Venue.** Each of the parties irrevocably and unconditionally: (a) agrees that any suit, action or other legal proceeding arising out of or relating to this Agreement shall be in the state courts of Brevard County, Florida or the United States District Court for the Middle District of Florida, Orlando Division; (b) consents to the jurisdiction of such courts in any such suit, action or proceeding; and (c) waives any objection which it may have to the laying of venue in those courts of any such suit, action or proceeding in any of such courts.

**8.8 Headings.** The headings used in this Agreement have been inserted only for purposes of convenience and the same shall not be construed or interpreted so as to limit or define the intent or the scope of any part of this Agreement.

**8.9 Construction of Agreement.** This Agreement shall not be construed more strictly for or against any party by reason of such party's drafting of this Agreement, and each and every provision of this Agreement shall be construed as though all parties hereto participated equally in the drafting thereof. As a result of the foregoing, any rule of construction that a document is to be construed against the drafting party shall not be applicable.

**8.9 Counterparts.** This Agreement may be executed in any number of separate counterparts by the parties hereto, each of which, when so executed and delivered, shall be deemed to be an original, and all of which counterparts, taken together, shall constitute one and the same instrument. Any signature page from any such counterpart may be attached to any other counterpart to complete a fully executed counterpart of this Agreement. Signatures to this Agreement (or to any assignment or amendment to this Agreement) transmitted in a commonly accepted electronic format that reproduces an image of the actual executed signature page shall be deemed a binding original and shall have the same legal effect, validity, and enforceability as a manually executed counterpart of the document to the extent and as provided for in the Federal Electronic Signatures in Global and National Commerce Act and the applicable state law based on the Uniform Electronic Transactions Act.

*[Signatures on Following Page.]*

IN WITNESS WHEREOF, the parties hereto have caused this Escrow Agreement to be duly executed as of the date first above written.

SELLER:      BUYER:

**AVIARA BOATS, LLC,**  
a Tennessee limited liability company

By: /s/ Timothy M. Oxley  
Name: Timothy M. Oxley  
Title: CFO  
Date: 9/10/24

RMI HOLDINGS, INC.,  
a Florida corporation

By: /s/ Duane Kuck  
Name: Duane Kuck  
Title: President  
Date: 9/11/24



TITLE COMPANY:

**GOLDMAN, MONAGHAN, THAKKAR & BETTIN, P.A.,**  
a Florida professional association

By: /s/ Mitchell S. Goldman  
Name: Mitchell S. Goldman  
Title: President  
Date: 9/11/24

**EXHIBIT D**

**PROPERTY INFORMATION**

1. Copy of most recent title report or Seller's title policy for the Real Property.
2. Copy of most recent survey of the Real Property.
3. Copies of all current leases, including any modifications, supplements, or amendments.
4. A current inventory of all Personal Property to be conveyed under this Agreement and copies of any leases for such Personal Property.
5. Copies of all previous environmental assessments, geotechnical reports, studies, or analyses made on or relating to the Real Property.
6. Copies of any recent appraisals conducted for the Real Property (within the past two (2) years).
7. Copies of any inspection reports related to the Property.

## CERTIFICATIONS

I, Bradley M. Nelson, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the fiscal quarter ended September 29, 2024 of MasterCraft Boat Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 6, 2024

/s/ BRADLEY M. NELSON

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Bradley M. Nelson  
Chief Executive Officer and Director  
(Principal Executive Officer)

## CERTIFICATIONS

I, Timothy M. Oxley, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the fiscal quarter ended September 29, 2024 of MasterCraft Boat Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 6, 2024

/s/ TIMOTHY M. OXLEY

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Timothy M. Oxley  
Chief Financial Officer, Treasurer and Secretary  
(Principal Financial and Accounting Officer)

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Bradley M. Nelson, Chief Executive Officer of MasterCraft Boat Holdings, Inc. (the “Company”), hereby certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

- (1) The Quarterly Report on Form 10-Q of the Company for the fiscal quarter ended September 29, 2024 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

November 6, 2024

/s/ BRADLEY M. NELSON

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Bradley M. Nelson  
Chief Executive Officer and Director  
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Timothy M. Oxley, Chief Financial Officer of MasterCraft Boat Holdings, Inc. (the “Company”), hereby certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

- (1) The Quarterly Report on Form 10-Q of the Company for the fiscal quarter ended September 29, 2024 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

November 6, 2024

/s/ TIMOTHY M. OXLEY

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Timothy M. Oxley  
Chief Financial Officer, Treasurer and Secretary  
(Principal Financial and Accounting Officer)

