

SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

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Lazydays Holdings, Inc.

CIK: **1721741** | IRS No.: **000000000** | State of Incorpor.: **DE** | Fiscal Year End: **1231**
Type: **10-Q** | Act: **34** | File No.: **001-38424** | Film No.: **211385102**
SIC: **5500** Auto dealers & gasoline stations

Mailing Address
250 W 57TH STREET
SUITE 2223
NEW YORK NY 10107

Business Address
250 W 57TH STREET
SUITE 2223
NEW YORK NY 10107
646-565-3861

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2021

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 001-38424

Lazydays Holdings, Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware	82-4183498
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
6130 Lazy Days Blvd, Seffner, Florida	33584
(Address of Principal Executive Offices)	(Zip Code)

813-246-4999

(Registrant's Telephone Number, Including Area Code)

(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

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	LAZY	Nasdaq Capital Market

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

Non-accelerated filer

Accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 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 Act). Yes No

There were 11,826,007 shares of common stock, par value \$0.0001, issued and outstanding as of November 3, 2021.

Lazydays Holdings, Inc.

Form 10-Q for the Quarter Ended September 30, 2021

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Part I – FINANCIAL INFORMATION

Item 1. Financial Statements

LAZYDAYS HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Amounts in thousands except for share and per share data)

	As of September 30, 2021 (Unaudited)	As of December 31, 2020 (Restated)
ASSETS		
Current assets		
Cash	\$ 67,027	\$ 63,512
Receivables, net of allowance for doubtful accounts of \$659 at September 30, 2021 and December 31, 2020	31,018	19,464
Inventories	140,741	116,267
Income tax receivable	-	1,898
Prepaid expenses and other	3,968	2,740
Total current assets	<u>242,754</u>	<u>203,881</u>
Property and equipment, net	118,643	106,320
Operating lease assets	29,051	15,472
Goodwill	81,473	45,095
Intangible assets, net	89,816	72,757
Other assets	582	473
Total assets	<u>\$ 562,319</u>	<u>\$ 443,998</u>

See the accompanying notes to the unaudited condensed consolidated financial statements.

LAZYDAYS HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS, CONTINUED
(Amounts in thousands except for share and per share data)

	As of September 30, 2021 (Unaudited)	As of December 31, 2020 (Restated)
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable, accrued expenses and other current liabilities	\$ 60,128	\$ 38,781
Income taxes payable	1,078	-
Dividends payable	1,210	1,210
Floor plan notes payable, net of debt discount	93,999	105,399
Financing liability, current portion	2,098	1,462
Long-term debt, current portion	6,053	24,161
Operating lease liability, current portion	5,975	3,164
Total current liabilities	<u>170,541</u>	<u>174,177</u>
Long term liabilities		
Financing liability, non-current portion, net of debt discount	88,701	78,634
Long term debt, non-current portion, net of debt discount	14,787	8,445

Operating lease liability, non-current portion	23,038	12,056
Deferred income tax liability	15,091	15,091
Warrant liabilities	15,489	15,096
Total liabilities	<u>327,647</u>	<u>303,499</u>
Commitments and Contingencies		
Series A Convertible Preferred Stock; 600,000 shares, designated, issued, and outstanding as of September 30, 2021 and December 31, 2020; liquidation preference of \$60,000 as of September 30, 2021 and December 31, 2020, respectively	54,983	54,983
Stockholders' Equity		
Preferred Stock, \$0.0001 par value; 5,000,000 shares authorized;	-	-
Common stock, \$0.0001 par value; 100,000,000 shares authorized; 11,665,423 and 9,656,041 shares issued and 11,524,124 and 9,514,742 outstanding at September 30, 2021 and December 31, 2020, respectively	-	-
Additional paid-in capital	100,277	71,226
Treasury Stock, at cost, 141,299 shares at September 30, 2021 and December 31, 2020, respectively	(499)	(499)
Retained earnings	79,911	14,789
Total stockholders' equity	<u>179,689</u>	<u>85,516</u>
Total liabilities and stockholders' equity	<u>\$ 562,319</u>	<u>\$ 443,998</u>

See the accompanying notes to the unaudited condensed consolidated financial statements.

LAZYDAYS HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Amounts in thousands except for share and per share data)
(Unaudited)

	For the Three Months Ended		For the Nine Months Ended	
	September 30, 2021	September 30, 2020 (Restated)	September 30, 2021	September 30, 2020 (Restated)
Revenues				
New and pre-owned vehicles	\$ 285,781	\$ 194,552	\$ 820,875	\$ 553,245
Other	32,947	21,171	91,637	67,293
Total revenues	<u>318,728</u>	<u>215,723</u>	<u>912,512</u>	<u>620,538</u>
Cost applicable to revenues (excluding depreciation and amortization shown below)				
New and pre-owned vehicles (including adjustments to the LIFO reserve of \$655, (\$1,431), \$1,409 and (\$1,481), respectively)	221,176	160,837	651,970	468,616
Other	7,289	5,544	19,947	17,154
Total cost applicable to revenue	<u>228,465</u>	<u>166,381</u>	<u>671,917</u>	<u>485,770</u>
Transaction costs	678	233	1,528	534
Depreciation and amortization	3,717	2,760	10,276	8,068
Stock-based compensation	132	219	815	1,239

Selling, general, and administrative expenses	47,597	28,598	130,109	87,991
Income from operations	38,139	17,532	97,867	36,936
Other income/expenses				
PPP loan forgiveness	-	-	6,626	-
Interest expense	(2,006)	(1,749)	(5,733)	(6,262)
Change in fair value of warrant liabilities	2,162	(7,899)	(11,090)	(10,245)
Inducement Loss on Warrant Conversion	-	-	(246)	-
Total other expense	156	(9,648)	(10,443)	(16,507)
Income before income tax expense	38,295	7,884	87,424	20,429
Income tax expense	(7,326)	(4,184)	(22,299)	(8,020)
Net income	\$ 30,969	\$ 3,700	\$ 65,125	\$ 12,409
Dividends on Series A Convertible Preferred Stock	(1,210)	(1,745)	(3,591)	(5,073)
Net income attributable to common stock and participating securities	\$ 29,759	\$ 1,955	\$ 61,534	\$ 7,336
EPS:				
Basic	\$ 1.69	\$ 0.12	\$ 3.58	\$ 0.44
Diluted	\$ 1.16	\$ 0.11	\$ 2.75	\$ 0.40
Weighted average shares outstanding:				
Basic	11,556,423	9,753,211	11,146,020	9,746,136
Diluted	21,007,513	10,807,368	20,833,731	10,747,370

See the accompanying notes to the unaudited condensed consolidated financial statements.

LAZYDAYS HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
JANUARY 1, 2021 THROUGH SEPTEMBER 30, 2021
(Amounts in thousands except for share and per share data)
(Unaudited)

	Common Stock		Treasury Stock		Additional Paid-In capital	Retained Earnings	Total Stockholders' Equity
	Shares	Amount	Shares	Amount			
Balance at December 31, 2020	9,656,041	\$ -	141,299	\$ (499)	\$ 71,226	\$ 14,789	\$ 85,516
Stock-based compensation	-	-	-	-	372	-	372
Conversion of warrants and options	1,049,915	-	-	-	21,687	-	21,687
Shares issued pursuant to the Employee Stock Purchase Plan	51,437	-	-	-	-	-	-
Dividends on Series A preferred stock	-	-	-	-	(1,184)	-	(1,184)
Net income	-	-	-	-	-	8,844	8,844
Balance at March 31, 2021	10,757,393	\$ -	141,299	\$ (499)	\$ 92,101	\$ 23,633	\$ 115,235
Stock-based compensation	-	-	-	-	311	-	311
Conversion of warrants and options	97,084	-	-	-	1,497	-	1,497
Shares issued pursuant to the Employee Stock Purchase Plan	-	-	-	-	327	-	327
Dividends on Series A preferred stock	-	-	-	-	(1,197)	-	(1,197)
Net income	-	-	-	-	-	25,309	25,309
Balance at June 30, 2021	10,854,477	\$ -	141,299	\$ (499)	\$ 93,039	\$ 48,942	\$ 141,482
Stock-based compensation	-	-	-	-	132	-	132
Conversion of warrants and options	787,276	-	-	-	8,316	-	8,316

Shares issued pursuant to the Employee Stock Purchase Plan	23,670	-	-	-	-	-	-
Dividends on Series A preferred stock	-	-	-	-	(1,210)	-	(1,210)
Net income	-	-	-	-	-	30,969	30,969
Balance at September 30, 2021	<u>11,665,423</u>	<u>\$ -</u>	<u>141,299</u>	<u>\$ (499)</u>	<u>\$ 100,277</u>	<u>\$ 79,911</u>	<u>\$ 179,689</u>

See the accompanying notes to the unaudited condensed consolidated financial statements.

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LAZYDAYS HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
JANUARY 1, 2020 THROUGH SEPTEMBER 30, 2020
(Amounts in thousands except for share and per share data)
(Unaudited) (Restated)

	Common Stock		Treasury Stock		Additional Paid-In capital	(Accumulated Deficit) Retained Earnings	Total Stockholders' Equity
	Shares	Amount	Shares	Amount			
Balance at December 31, 2019	8,506,666	\$ -	78,000	\$ (314)	\$ 70,195	\$ 4,802	\$ 74,683
Stock-based compensation	-	-	-	-	680	-	680
Repurchase of Treasury Stock	-	-	44,729	(145)	-	-	(145)
Dividends on Series A preferred stock	-	-	-	-	(1,644)	-	(1,644)
Net income	-	-	-	-	-	3,399	3,399
Balance at March 31, 2020	<u>8,506,666</u>	<u>\$ -</u>	<u>122,729</u>	<u>\$ (459)</u>	<u>\$ 69,231</u>	<u>\$ 8,201</u>	<u>\$ 76,973</u>
Stock-based compensation	-	-	-	-	340	-	340
Repurchase of Treasury Stock	-	-	18,570	(40)	-	-	(40)
Shares issued pursuant to the Employee Stock Purchase Plan	41,858	-	-	-	150	-	150
Dividends on Series A preferred stock	-	-	-	-	-	(1,684)	(1,684)
Net income	-	-	-	-	-	5,310	5,310
Balance at June 30, 2020	<u>8,548,524</u>	<u>\$ -</u>	<u>141,299</u>	<u>\$ (499)</u>	<u>\$ 69,721</u>	<u>\$ 11,827</u>	<u>\$ 81,049</u>
Stock-based compensation	-	-	-	-	219	-	219
Conversion of pre-funded warrants, warrants and options	1,044,626	-	-	-	-	-	-
Dividends on Series A preferred stock	-	-	-	-	-	(1,745)	(1,745)
Net income	-	-	-	-	-	3,700	3,700
Balance at September 30, 2020	<u>9,593,150</u>	<u>\$ -</u>	<u>141,299</u>	<u>\$ (499)</u>	<u>\$ 69,940</u>	<u>\$ 13,782</u>	<u>\$ 83,223</u>

See the accompanying notes to the unaudited condensed consolidated financial statements.

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LAZYDAYS HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in thousands)
(Unaudited)

For the nine months ended September 30, 2021	For the nine months ended September 30, 2020 (Restated)
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Cash Flows From Operating Activities				
Net income	\$	65,125	\$	12,409
Adjustments to reconcile net income to net cash provided by operating activities:				
Stock based compensation		815		1,239
Bad debt expense		11		319
Depreciation and amortization of property and equipment		6,068		4,925
Amortization of intangible assets		4,208		3,143
Amortization of debt discount		178		127
Non-cash lease expense		42		160
Gain on sale of property and equipment		136		8
PPP loan forgiveness		(6,626)		-
Change in fair value of warrant liabilities		11,090		10,245
Inducement loss on warrant conversion		246		-
Changes in operating assets and liabilities:				
Receivables		(8,770)		(4,092)
Inventories		(4,801)		100,060
Prepaid expenses and other		(1,229)		140
Income tax receivable/payable		2,976		2,534
Other assets		(109)		(53)
Accounts payable, accrued expenses and other current liabilities		16,872		12,758
Operating lease liability		-		(2,021)
Total Adjustments		21,107		129,492
Net Cash Provided By Operating Activities		86,232		141,901
Cash Flows From Investing Activities				
Cash paid for acquisitions		(63,036)		(2,749)
Proceeds from sales of property and equipment		139		4,963
Purchases of property and equipment		(16,907)		(9,219)
Net Cash Used In Investing Activities		(79,804)		(7,005)
Cash Flows From Financing Activities				
Net repayments under M&T bank floor plan		(23,995)		(96,199)
Borrowings under Houston mortgage with M&T bank		-		14,840
Repayment of long term debt with M&T bank		(2,815)		(1,450)
Proceeds from financing liability		12,001		1,343
Repayments of financing liability		(1,302)		(788)
Payment of dividends on Series A preferred stock		(3,591)		-
Repurchase of Treasury Stock		-		(185)
Proceeds from shares issued pursuant to the Employee Stock Purchase Plan		-		150
Proceeds from exercise of warrants		11,582		-
Proceeds from exercise of stock options		8,316		40
Repayments of acquisition notes payable		(2,244)		(2,320)
Loan issuance costs		(865)		(131)
Net Cash Used In Financing Activities		(2,913)		(84,700)
Net Increase In Cash		3,515		50,196
Cash - Beginning		63,512		31,458

Cash - Ending	\$	67,027	\$	81,654
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See the accompanying notes to the unaudited condensed consolidated financial statements.

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LAZYDAYS HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS, CONTINUED
(Dollar amounts in thousands)
(Unaudited)

	For the nine months ended September 30, 2021	For the nine months ended September 30, 2020
Supplemental Disclosures of Cash Flow Information:		
Cash paid during the period for interest	\$ 5,632	\$ 6,483
Cash paid during the period for income taxes net of refunds received	\$ 19,350	\$ 5,486
Non-Cash Investing and Financing Activities		
Accrued dividends on Series A Preferred Stock	\$ 1,210	\$ 5,073
Operating lease assets - ASC 842 adoption	\$ -	\$ (17,781)
Operating lease liabilities - ASC 842 adoption	\$ -	\$ 17,845
Operating lease assets	\$ (16,378)	\$ (756)
Operating lease liabilities	\$ 16,378	\$ 756
Net assets acquired in acquisitions	\$ 27,062	\$ 2,749

See the accompanying notes to the unaudited condensed consolidated financial statements.

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LAZYDAYS HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Dollar amounts in thousands, except share, per share and unit amounts)
(unaudited)

NOTE 1 – BUSINESS ORGANIZATION AND NATURE OF OPERATIONS

Lazydays Holdings, Inc. (the “Company” or “Holdings”), a Delaware corporation, was originally formed on October 24, 2017, as a wholly owned subsidiary of Andina Acquisition Corp. II (“Andina”), an exempted company incorporated in the Cayman Islands on July 1, 2015 for the purpose of entering into a merger, share exchange, asset acquisition, share purchase, recapitalization, reorganization or other similar business combination with one or more business targets. On October 27, 2017, a merger agreement was entered into by and among Andina, Andina II Holdco Corp. (“Holdco”), a Delaware corporation and wholly-owned subsidiary of Andina, Andina II Merger Sub Inc., a Delaware corporation and wholly-owned subsidiary of Holdco (“Merger Sub”), Lazy Days’ R.V. Center, Inc. (and its subsidiaries), a Delaware corporation (“Lazydays RV”) and solely for certain purposes set forth in the merger agreement, A. Lorne Weil (the “Merger Agreement”). The Merger Agreement provided for a business combination transaction by means of (i) a merger of Andina with and into Holdco, with Holdco surviving, changing its name to Lazydays Holdings, Inc. and becoming a new public company (the “Redomestication Merger”) and (ii) a merger of Lazydays RV with and into Merger Sub with Lazydays RV surviving and becoming a direct wholly-owned subsidiary of Holdings (the “Transaction Merger” and together with the Redomestication Merger, the “Mergers”). On March 15, 2018, the Mergers were consummated.

Lazydays RV has subsidiaries that operate recreational vehicle (“RV”) dealerships in fifteen locations including two in the state of Florida, two in the state of Colorado, two in the state of Arizona, three in the state of Tennessee, one in the state of Minnesota, two in the state of Indiana, one in the state of Oregon, one in the state of Washington and one in the state of Wisconsin. Lazydays RV also has a dedicated service center location near Houston, Texas. Through its subsidiaries, Lazydays RV sells and services new and pre-owned RVs, and related parts and accessories. The Company also arranges financing and extended service contracts for vehicle sales through third-

party financing sources and extended warranty providers. It also offers to its customers such ancillary services as overnight campground and restaurant facilities.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America (“GAAP”) and the rules and regulations of the United States Securities and Exchange Commission (the “SEC”). Accordingly, these condensed consolidated financial statements do not include all of the information and footnotes required by GAAP for complete financial statements. For additional information, these condensed consolidated financial statements should be read in conjunction with Lazydays Holdings, Inc.’s consolidated financial statements and notes as of December 31, 2020 and 2019 included in the Annual Report on Form 10-K/A filed with the SEC on June 25, 2021. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included.

Principles of Consolidation

The condensed consolidated financial statements include the accounts of Holdings, Lazydays RV and its wholly owned subsidiary LDRV Holdings Corp. LDRV Holdings Corp is the sole owner of Lazydays Land Holdings, LLC, Lazydays Tampa Land Holdings, LLC, Lazydays RV America, LLC, Lazydays RV Discount, LLC, Lazydays Mile Hi RV, LLC, LDRV of Tennessee LLC, Lazydays of Minneapolis LLC, Lazydays of Central Florida, LLC, Lone Star Acquisition LLC, Lone Star Diversified LLC, LDRV Acquisition Group of Nashville LLC, LDRV of Nashville LLC, Lazydays RV of Phoenix, LLC, Lazydays RV of Elkhart, LLC, Lazydays Land of Elkhart, LLC, Lazydays Service of Elkhart, LLC, Lazydays RV of Chicagoland, LLC, Lazydays Land of Chicagoland, LLC, Lazydays RV of Oregon, LLC, and Lazydays RV of Wisconsin, LLC (collectively, the “Company”, “Lazydays” or “Successor”). All significant inter-company accounts and transactions have been eliminated in consolidation.

Restatement of Previously Reported Financial Statements

The notes included herein should be read in conjunction with the Company’s restated audited consolidated financial statements included in the 2020 Form 10-K/A. As previously disclosed in the 2020 Form 10-K/A, the Company restated its previously issued consolidated financial statements for the years ended December 31, 2020, 2019 and 2018 to make the necessary accounting adjustments related to warrant accounting. The Company has restated herein its condensed consolidated financial statements for the three and nine months ended September 30, 2020 and related amounts within the accompanying footnotes to the condensed consolidated financial statements. Restated net income for the three months ended September 30, 2020 is \$3.7 million, a decrease of \$7.9 million from the previously disclosed net income of \$11.6 million. Restated net income for the nine months ended September 30, 2020 is \$12.4 million, a decrease of \$10.2 million from the previously disclosed net income of \$22.7 million.

The tables below set forth the unaudited condensed consolidated balance sheet as of September 30, 2020 originally reported, adjustments and the restated balances, and the condensed consolidated statement of income for the three and nine months ended September 30, 2020 originally reported, adjustments, and the restated balances and the condensed consolidated statement of cash flow amounts for the nine months ended September 30, 2020 originally reported, adjustments, and the restated balances.

	September 30, 2020 (unaudited)		
	As Previously Reported	Restatement Adjustments	As Restated
Total Assets	\$ 397,905	\$ -	\$ 397,905
Liabilities and Stockholder’ Equity			
Total current liabilities	\$ 137,808	\$ -	137,808
Financing liability, non-current portion, net of debt discount	71,095	-	71,095
Long term debt, non-current portion, net of debt discount	10,512	-	10,512
Operating lease liability, non-current portion	12,841	-	12,841
Deferred tax liability	16,451	-	16,451
Warrant liabilities	-	10,992	10,992
Total liabilities	248,707	10,992	259,699

Commitments and Contingencies

Series A Convertible Preferred Stock; 600,000 shares, designated, issued, and outstanding as of December 31, 2020; liquidation preference of \$60,000 as of December 31, 2020	54,983	-	54,983
Stockholders' Equity			
Preferred Stock, \$0.0001 par value; 5,000,000 shares authorized;	-	-	-
Common stock, \$0.0001 par value; 100,000,000 shares authorized; 9,593,150 shares issued and 9,451,851 outstanding at September 30, 2020	-	-	-
Additional paid-in capital	78,931	(8,991)	69,940
Treasury Stock, at cost, 141,299 shares at September 30, 2020	(499)	-	(499)
Retained earnings	15,783	(2,001)	13,782
Total stockholders' equity	94,215	(10,992)	83,223
Total liabilities and stockholders' equity	\$ 397,905	\$ -	\$ 397,905

	Three months ended September 30, 2020 (Unaudited)			Nine months ended September 30, 2020 (Unaudited)		
	As Previously Reported	Restatement Adjustments	As Restated	As Previously Reported	Restatement Adjustments	As Restated
Income from Operations	\$ 17,532	\$ -	\$ 17,532	\$ 36,944	\$ -	\$ 36,944
Other income/expenses						
Loss on sale of property and equipment	-	-	-	(8)	-	(8)
Interest expense	(1,749)	-	(1,749)	(6,262)	-	(6,262)
Change in fair value of warrant liabilities	-	(7,899)	(7,899)	-	(10,245)	(10,245)
Total other expense	(1,749)	(7,899)	(9,648)	(6,270)	(10,245)	(16,515)
Income before income tax expense	15,783	(7,899)	7,884	30,674	(10,245)	20,429
Income tax expense	(4,184)	-	(4,184)	(8,020)	-	(8,020)
Net income	\$ 11,599	\$ (7,899)	\$ 3,700	\$ 22,654	\$ (10,245)	\$ 12,409
Dividends of Series A Convertible Preferred Stock	(1,745)	-	(1,745)	(5,073)	-	(5,073)
Net income (loss) attributable to common stock and participating securities	\$ 9,854	\$ (7,899)	\$ 1,955	\$ 17,581	\$ (10,245)	\$ 7,336
EPS:						
Basic and diluted income (loss) per share	\$ 0.55	\$ (0.42)	\$ 0.13	\$ 1.00	\$ (0.50)	\$ 0.50
Weighted average shares outstanding basic and diluted	10,807,368	10,807,368	10,807,368	10,747,370	10,747,370	10,747,370

	Nine Months Ended September 30, 2020		
	As Previously Reported	Restatement Adjustments	As Restated
Net Income	\$ 22,654	\$ (10,245)	\$ 12,409

Adjustments to reconcile net income to net cash provided by operating activities:	119,247		119,247
Change in fair value of warrant liabilities	-	10,245	10,245
Net cash provided by operating activities	141,901	-	141,901
Net cash used in investing activities	(7,005)	-	(7,005)
Net cash used in financing activities	(84,700)	-	(84,700)
Net change in cash and cash equivalents	50,196	-	50,196
Cash - Beginning	31,458	-	31,458
Cash - Ending	\$ 81,654	\$ -	\$ 81,654

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include the assumptions used in the valuation of the net assets acquired in business combinations, goodwill and other intangible assets, provision for charge-backs, inventory write-downs, allowance for doubtful accounts, stock-based compensation and fair value of warrant liabilities.

Revenue Recognition

The core principle of revenue recognition is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Company applies a five-step model for revenue measurement and recognition.

Revenues are recognized when control of the promised goods or services is transferred to the customers at the expected amount the Company is entitled to for such goods and services. Taxes collected on revenue producing transactions are excluded from revenue in the condensed consolidated statements of income. The following table represents the Company's disaggregation of revenue:

	<u>Three months ended</u>		<u>Nine months ended</u>	
	<u>September 30, 2021</u>	<u>September 30, 2020</u>	<u>September 30, 2021</u>	<u>September 30, 2020</u>
New vehicle revenue	\$ 181,395	\$ 130,297	\$ 550,366	\$ 362,139
Preowned vehicle revenue	104,386	64,255	270,509	191,106
Parts, accessories, and related services	12,233	9,470	34,571	29,400
Finance and insurance revenue	20,130	11,073	54,476	35,108
Campground and other revenue	584	628	2,590	2,785
Total	<u>\$ 318,728</u>	<u>\$ 215,723</u>	<u>\$ 912,512</u>	<u>\$ 620,538</u>

Revenue from the sale of vehicles is recognized at a point in time on delivery, transfer of title and completion of financing arrangements.

Revenue from the sale of parts, accessories and related service is recognized as services and parts are delivered or as a customer approves elements of the completion of service. Revenue from the sale of parts, accessories and related service is recognized in other revenue in the accompanying condensed consolidated statements of income.

The Company receives commissions from the sale of insurance and vehicle service contracts to customers. In addition, the Company arranges financing for customers through various financial institutions and receives commissions. The Company may be charged back ("charge-backs") for financing fees, insurance or vehicle service contract commissions in the event of early termination of some contracts by its customers. The revenues from financing fees and commissions are recorded at the time of the sale of the vehicles and an allowance for future charge-backs is established based on historical operating results and the termination provision of the applicable contracts. The estimates for future charge-backs require judgment by management, and as a result there is an element of risk associated

with these revenue streams. The Company recognized finance and insurance revenues, less the additions to the charge-back allowance, which is included in other revenue as follows (unaudited):

	Three months ended		Nine months ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Gross finance and insurance revenues	\$ 22,193	\$ 13,073	\$ 60,113	\$ 39,573
Additions to charge-back allowance	(2,063)	(2,000)	(5,637)	(4,465)
Net Finance Revenue	\$ 20,130	\$ 11,073	\$ 54,476	\$ 35,108

The Company has an accrual for charge-backs, which totaled \$7,751 and \$5,553 at September 30, 2021 and December 31, 2020, respectively, and is included in “Accounts payable, accrued expenses and other current liabilities” in the accompanying condensed consolidated balance sheets.

Deposits on vehicles received in advance are accounted for as a liability and recognized into revenue upon satisfaction of each respective performance obligation. These contract liabilities are included in Note 5 – Accounts Payable, Accrued Expenses, and Other Current Liabilities as customer deposits. During the nine months ended September 30, 2021, \$4,573 of contract liabilities as of December 31, 2020 were recognized in revenue.

Inventories

Vehicle and parts inventories are recorded at the lower of cost or net realizable value, with cost determined by the last-in, first-out (“LIFO”) method. Cost includes purchase costs, reconditioning costs, dealer-installed accessories and freight. For vehicles accepted in trades, the cost is the fair value of such pre-owned vehicles at the time of the trade-in. Other inventory includes parts and accessories as well as retail travel and leisure specialty merchandise. The current replacement costs of LIFO inventories exceeded their recorded values by \$5,036 and \$3,627 as of September 30, 2021 and December 31, 2020, respectively.

Cumulative Redeemable Convertible Preferred Stock

The Company’s Series A Preferred Stock (See Note 10 – Preferred Stock) is cumulative redeemable convertible preferred stock. Accordingly, it is classified as temporary equity and is shown net of issuance costs and the fair value of warrants issued in conjunction with the issuance of the Series A Preferred Stock. Unpaid preferred dividends are accumulated, compounded at each quarterly dividend date and presented within the carrying value of the Series A Preferred Stock until a dividend is declared by the Company’s board of directors (the “Board”).

Stock Based Compensation

The Company accounts for stock-based compensation for employees and directors in accordance with ASC 718, Compensation. ASC 718 requires all share-based payments to employees, including grants of employee stock options, to be recognized in the statement of income based on their fair values. Under the provisions of ASC 718, stock-based compensation costs are measured at the grant date, based on the fair value of the award, and are recognized as expense over the employee’s requisite or derived service period. In accordance with ASC 718, excess tax benefits realized from the exercise of stock-based awards are classified as cash flows from operating activities. All excess tax benefits and tax deficiencies (including tax benefits of dividends on share-based payment awards) are recognized as income tax expenses or benefits in the condensed consolidated statements of income.

Earnings Per Share

The Company computes basic and diluted earnings/(loss) per share (“EPS”) by dividing net earnings/(loss) by the weighted average number of shares of common stock outstanding during the period.

The Company is required, in periods in which it has net income, to calculate EPS using the two-class method. The two-class method is required because the Company’s Series A Preferred Stock have the right to receive dividends or dividend equivalents should the Company declare dividends on its common stock as if such holder of the Series A Preferred Stock had been converted to common stock. Under the two-class method, earnings for the period are allocated to the common and preferred stockholders taking into consideration

Series A Preferred Stockholders participation in dividends on an as converted basis. The weighted-average number of common and preferred shares outstanding during the period is then used to calculate basic EPS for each class of shares.

In periods in which the Company has a net loss, basic loss per share is calculated by dividing the loss attributable to common stockholders by the weighted-average number of common shares outstanding during the period. The two-class method is not used, because the preferred stock does not participate in losses.

The following table summarizes net income attributable to common stockholders used in the calculation of basic and diluted income per common share:

	Three months ended		Nine months ended	
	September 30, 2021	September 30, 2020 (Restated)	September 30, 2021	September 30, 2020 (Restated)
(Dollars in thousands - except share and per share amounts)				
Distributed earning allocated to common stock	\$ -	\$ -	\$ -	\$ -
Undistributed earnings allocated to common stock	19,541	1,140	39,903	4,314
Net earnings allocated to common stock	19,541	1,140	39,903	4,314
Net earnings allocated to participating securities	10,218	815	21,631	3,022
Net earnings allocated to common stock and participating securities	\$ 29,759	\$ 1,955	\$ 61,534	\$ 7,336
Weighted average shares outstanding for basic earning per common share	11,256,066	9,753,211	10,845,663	9,746,136
Dilutive effect of warrants and options	300,357	1,054,157	300,357	1,001,234
Weighted average shares outstanding for diluted earnings per share computation	11,556,423	10,807,368	11,146,020	10,747,370
Basic income per common share	\$ 1.69	\$ 0.12	\$ 3.58	\$ 0.44
Diluted income per common share	\$ 1.16	\$ 0.11	\$ 2.75	\$ 0.40

During the three and nine months ended September 30, 2021 and 2020, respectively, the denominator of the basic EPS was calculated as follow:

	Three months ended		Nine months ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Weighted average outstanding common shares	11,256,066	9,452,854	10,845,663	9,445,779
Weighted average prefunded warrants	300,357	300,357	300,357	300,357
Weighted shares outstanding - basic	\$ 11,556,423	\$ 9,753,211	\$ 11,146,020	\$ 9,746,136

During the three and nine months ended September 30, 2021 and 2020, respectively, the denominator of the dilutive EPS was calculated as follows:

	Three months ended		Nine months ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Weighted average outstanding common shares	11,256,066	9,452,854	10,845,663	9,445,779
Weighted average prefunded warrants	300,357	300,357	300,357	300,357
Weighted average warrants	1,704,003	381,071	1,704,003	381,071
Weighted average options	1,664,106	673,086	1,664,106	620,163
Weighted average convertible preferred stock	6,082,981	-	6,319,602	-
Weighted shares outstanding - diluted	21,007,513	10,807,368	20,833,731	10,747,370

The following common stock equivalent shares were excluded from the computation of the diluted income per share, since their inclusion would have been anti-dilutive:

	Three months ended		Nine months ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Shares underlying Series A Convertible Preferred Stock	-	-	-	-
Shares underlying warrants	-	-	-	-
Stock options	20,000	150,000	20,000	150,000
Shares issuable under the Employee Stock Purchase Plan	17,129	20,529	17,129	20,259
Share equivalents excluded from EPS	<u>37,129</u>	<u>170,529</u>	<u>37,129</u>	<u>170,259</u>

As of September 30, 2021, the Company had declared dividends of \$1,210 on its Series A Convertible Preferred Stock, which are included in dividends payable on the accompanying Condensed Consolidated Balance Sheets. The dividend was paid on October 1, 2021. As a result, the Series A Convertible Preferred Stock was convertible into 5,962,733 shares of common stock as of September 30, 2021. Upon conversion, the Company has the option to pay accrued dividends in cash or allow conversion into common stock.

Prior Period Financial Statement Correction of an Immaterial Misstatement

During the fourth quarter of 2020, the Company identified adjustments required to correct earnings per share for the first three quarters of 2020. The errors discovered resulted in an understatement in earning per share of \$0.12 and \$0.21 for the three and nine months ended September 30, 2020, respectively.

Based on an analysis of “Accounting Changes and Error Corrections” (“ASC 250”), Staff Accounting Bulletin 99 – “Materiality” (“SAB 99”) and Staff Accounting Bulletin 108 – “Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements” (“SAB 108”), the Company determined that these errors were immaterial to the previously issued condensed consolidated financial statements, and as such, no restatement was necessary. Correcting prior period financial statements for immaterial errors would not require previously filed reports to be amended. Such correction may be made the next time the registrant files the prior period financial statements. Accordingly, the misstatements are being corrected prospectively in this Form 10-Q for the quarter ended September 30, 2021.

Advertising Costs

Advertising and promotion costs are charged to operations in the period incurred. Advertising and promotion costs totaled approximately \$5,881 and \$2,139 for the three months ended September 30, 2021 and September 30, 2020, respectively, and \$15,494 and \$9,229 for the nine months ended September 30, 2021 and September 30, 2020, respectively.

Income Taxes

The Company recognizes deferred tax liabilities and assets for the expected future tax consequences of events that have been included in the condensed consolidated financial statements or tax returns. Deferred tax assets and liabilities are determined based on the difference between the financial statement and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The Company estimates the degree to which tax assets and credit carry forwards will result in a benefit based on expected profitability by tax jurisdiction.

In its interim condensed consolidated financial statements, the Company follows the guidance in ASC 270, “Interim Reporting” and ASC 740 “Income Taxes”, whereby the Company utilizes the expected annual effective tax rate in determining its income tax provisions for the interim periods.

Seasonality

The Company’s operations generally experience modestly higher volumes of vehicle sales in the first half of each year due in part to consumer buying trends and the hospitable warm climate during the winter months at the Company’s Florida and Arizona

locations. In addition, the northern locations in Colorado, Tennessee, Minnesota, Indiana, Oregon, Washington and Wisconsin generally experience moderately higher vehicle sales during the spring months.

Vendor Concentrations

The Company purchases its new RVs and replacement parts from various manufacturers. During the three months ended September 30, 2021, three major manufacturers accounted for 46.7%, 31.8% and 18.0% of RV purchases. During the nine months ended September 30, 2021, three major manufacturers accounted for 46.3%, 30.3%, and 19.4% of RV purchases.

During the three months ended September 30, 2020, four major manufacturers accounted for 29.4%, 26.8%, 20.4% and 20.2% of RV purchases. During the nine months ended September 30, 2020, four major manufacturers accounted for 26.8%, 24.1%, 23.3% and 19.4% of RV purchases.

The Company is subject to dealer agreements with each manufacturer. The manufacturer is entitled to terminate the dealer agreement if the Company is in material breach of the agreement's terms.

Geographic Concentrations

The percent of revenues generated by the Florida locations, Colorado locations, Arizona locations and Tennessee locations, which generate greater than 10% of revenues, were as follows (unaudited):

	<u>Three months ended</u>		<u>Nine months ended</u>	
	<u>September 30, 2021</u>	<u>September 30, 2020</u>	<u>September 30, 2021</u>	<u>September 30, 2020</u>
Florida	44%	56%	49%	64%
Colorado	10%	17%	11%	15%
Arizona	10%	12%	11%	<10%
Tennessee	16%	<10%	14%	<10%

These geographic concentrations increase the exposure to adverse developments related to competition, as well as economic, demographic and weather.

Impact of COVID-19

In March 2020, the World Health Organization declared the outbreak of the novel coronavirus ("COVID-19") pandemic, which continues to spread throughout the United States and globally. Beginning in mid-to-late March of 2020, the COVID-19 pandemic led to severe disruptions in general economic activity as businesses and federal, state and local governments took increasingly broad actions to mitigate the impact of the COVID-19 pandemic on public health, including through "shelter in place" or "stay at home" orders in the states in which we operate. As we modified our business practices to conform to government guidelines and best practices to ensure the health and safety of our customers, employees and the communities we serve, we saw significant early declines in new and pre-owned vehicle unit sales, sales of parts, accessories and related services, including finance and insurance revenues as well as campground and miscellaneous revenues.

We took a number of actions in April 2020 to adjust resources and costs to align with reduced demand caused by the COVID-19 pandemic. These actions included:

- Reduction of our workforce by 25%;
- Temporary reduction of senior management salaries (April 2020 through May 2020);
- Suspension of 2020 annual pay increases;
- Temporary suspension of 401k match (April 2020 through May 2020);
- Delay of non-critical capital projects; and
- Focus of resources on core sales and service operations.

As described under Note 7 - Debt below, to further protect our liquidity and cash position, we negotiated with our lenders for the temporary suspension of scheduled principal and interest payments on our term and mortgage loans from April 15, 2020 through June

15, 2020 and for the temporary suspension of scheduled floorplan curtailment payments from April 1, 2020 through June 15, 2020. We also received \$8,704 in loans (the “PPP Loans”) under the Paycheck Protection Program of the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”). We applied for loan forgiveness under the PPP Loans. As of September 30, 2021, all of the PPP Loans had a portion forgiven for a total of \$6,626. We expect no further forgiveness of the remaining loans.

The improvement in sales beginning in May 2020 likely relates, at least in part, to an increase in consumer demand as consumers seek outdoor travel and leisure activities that permit appropriate social distancing. However, we can provide no assurances that such growth in sales will continue at the same rate that occurred between May 2020 and September 2021, or at all, over any time period, and sales may ultimately decline. Furthermore, our improved sales and cost savings measures to date may not be sufficient to offset any later impacts of the COVID-19 pandemic, including the Delta variant, and our liquidity could be negatively impacted, if prior sales trends from May 2020 through September 30, 2021 are reversed, which may occur, for example, if consumer preferences shift toward cruise line, air travel and hotel industries.

Our operations also depend on the continued health and productivity of our employees at our dealerships service locations and corporate headquarters throughout the COVID-19 pandemic. The extent to which the COVID-19 pandemic ultimately impacts our business, results of operations and financial condition will depend on future developments, which are highly uncertain and cannot be predicted, including the severity and duration of the COVID-19 pandemic, the efficacy and availability of vaccines, and further actions that may be taken by individuals, businesses and federal, state and local governments in response. Even after the COVID-19 pandemic has subsided, the Company may experience significant adverse effects to its business as a result of its global economic impact, including any economic recession or downturn and the impact of such a recession or downturn on unemployment levels, consumer confidence, levels of personal discretionary spending, credit availability and any long term disruptions in supply chains.

Reclassifications

Certain amounts in prior periods have been reclassified to conform to the current period presentation. These reclassifications had no effect on the previously reported net income.

Recently Issued Accounting Standards

In March 2020, the FASB issued ASU No. 2020-04, Reference Rate Reform (Topic 848) (“ASU 2020-04”). This standard, effective for reporting periods through December 31, 2022, provides accounting relief for contract modifications that replace an interest rate impacted by reference rate reform (e.g., London Interbank Offered Rate (“LIBOR”)) with a new alternative reference rate. The guidance is applicable to investment securities, receivables, loans, debt, leases, derivatives and hedge accounting elections and other contractual arrangements. The new standard provides temporary optional expedients and exceptions to current GAAP guidance on contract modifications and hedge accounting. Specifically, a modification to transition to an alternative reference rate is treated as an event that does not require contract remeasurement or reassessment of a previous accounting treatment. The standard is generally effective for all contract modifications made and hedging relationships evaluated through December 31, 2022, as a result of reference rate reform. The Company is currently evaluating the impact that this new standard will have on our condensed consolidated financial statements.

Recently Adopted Accounting Pronouncements

In June 2016, the FASB issued ASU No. 2016-13, Financial Instruments - Credit Losses (Topic 326) (“ASU 2016-13”). This standard requires the use of a forward-looking expected loss impairment model for trade and other receivables, held-to-maturity debt securities, loans and other instruments. This standard also requires impairments and recoveries for available-for-sale debt securities to be recorded through an allowance account and revises certain disclosure requirements. In April 2019, the FASB issued ASU 2019-04, Codification Improvements, which provides guidance on accounting for credit losses on accrued interest receivable balances and guidance on including recoveries when estimating the allowance. In May 2019, the FASB issued ASU 2019-05, Targeted Transition Relief, which allows entities with an option to elect fair value for certain instruments upon adoption of Topic 326. The standard was effective for the Company for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2020. The Company adopted ASU 2016-13 on January 1, 2021 and the adoption did not materially impact its condensed consolidated financial statements.

Lease recognition

At the inception of a contract, we determine whether an arrangement is or contains a lease. For all leases, we determine the classification as either operating or financing.

Operating lease assets represent our right to use an underlying asset for the lease term, and lease liabilities represent our obligation to make lease payments under the lease. Lease recognition occurs at the commencement date and lease liability amounts are based on the present value of lease payments over the lease term. Our lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. Because most of our leases do not provide information to determine an implicit interest rate, we use our incremental borrowing rate in determining the present value of lease payments. Operating lease assets also include any lease payments made prior to the commencement date and exclude lease incentives received. Operating lease expense is recognized on a straight-line basis over the lease term. We have lease agreements with both lease and non-lease components, which are generally accounted for together as a single lease component.

Subsequent Events

Management of the Company has analyzed the activities and transactions subsequent to September 30, 2021 through the date these condensed consolidated financial statements were issued to determine the need for any adjustments to or disclosures within the condensed consolidated financial statements. The Company did not identify any recognized or non-recognized subsequent events that would require disclosure in the condensed consolidated financial statements except the items below.

On October 4, 2021, the Company entered into an agreement for the sale of property to CARS-DB4, LLC (“CARS4”). The Company has entered into a lease agreement with CARS4 with lease payments commencing on October 1, 2021. The lease has been evaluated in accordance with ASC 842 and determined to be a failed sale leaseback. As such, it has been recorded as a finance lease and classified as financing liability in the Condensed Consolidated Balance Sheets.

NOTE 3 – BUSINESS COMBINATION

Acquisitions of Dealerships

On May 19, 2020, the Company consummated the acquisition contemplated by the Company’s asset purchase agreement with Korges Enterprises, Inc. (“Korges”). The purchase price consisted solely of cash paid to Korges. As part of the acquisition, the Company acquired the inventory of Korges and has added the inventory to the M&T Floor Plan Line of Credit (as defined below).

On October 6, 2020, the Company consummated the acquisition contemplated by the Company’s asset purchase agreement with Total Value Recreation Vehicles of Indiana, Inc. (“Total RV”). The purchase price consisted solely of cash paid to Total RV. As part of the acquisition, the Company acquired the inventory of Total RV and has added the inventory to the M&T Floor Plan Line of Credit (as defined below).

On December 1, 2020, the Company consummated the acquisition contemplated by the Company’s asset purchase agreement with Camp-Land, Inc. (“Camp-Land”). The purchase price consisted of cash paid to Camp-Land and a note payable to the seller of Camp-Land. The note payable is a four year note which matures on January 5, 2025, which requires annual payments of \$435 in principal and interest. The note bears interest at 3.35% per year. As part of the acquisition, the Company acquired the inventory of Camp-Land and has added the inventory to the M&T Floor Plan Line of Credit (as defined below).

On March 23, 2021, the Company consummated the acquisition contemplated by the Company’s asset purchase agreement with Chilhowee Trailer Sales, Inc. (“Chilhowee”). The purchase price consisted solely of cash paid to Chilhowee. As part of the acquisition, the Company acquired the inventory of Chilhowee and has added the inventory to the M&T Floor Plan Line of Credit (as defined below).

On August 3, 2021, the Company consummated the acquisition contemplated by the Company’s asset purchase agreement with BYRV, Inc., BYRV Oregon, Inc. and BYRV Washington, Inc. (“BYRV”). The purchase price consisted solely of cash paid to BYRV. As part of the acquisition, the Company acquired the inventory of BYRV and has added the inventory to the M&T Floor Plan Line of Credit (as defined below).

On August 24, 2021, the Company consummated the acquisition contemplated by the Company's asset purchase agreement with Burlington RV Superstore, Inc. ("Burlington"). The purchase price consisted solely of cash paid to Burlington. As part of the acquisition, the Company acquired the inventory of Burlington and has added the inventory to the M&T Floor Plan Line of Credit (as defined below).

The Company accounted for the asset purchase agreements as business combinations using the purchase method of accounting as it was determined that Korges, Total RV, Camp-Land, Chilhowee, BYRV and Burlington each constituted a business. The allocation of the fair value of the assets acquired is final for Korges. The allocation of the fair value of the assets acquired is still preliminary for Total RV, Camp-Land, Chilhowee, BYRV and Burlington primarily due to any final adjustments necessary to parts inventory as the examination and inventory of parts acquired is not yet complete. As a result, the Company determined its final allocation for Korges and preliminary allocation for Total RV, Camp-Land, Chilhowee, BYRV and Burlington of the fair value of the assets acquired and the liabilities assumed for these dealerships as follows:

	2021			2020
	BYRV	Other	Total	
Inventories	\$ 10,262	\$ 9,848	\$ 20,110	\$ 18,932
Accounts receivable and prepaid expenses	2,176	657	2,833	1,167
Property and equipment	939	629	1,568	5,417
Intangible assets	17,795	3,470	21,265	8,480
Total assets acquired	31,172	14,604	45,776	33,996
Accounts payable, accrued expenses and other current liabilities	2,367	2,062	4,429	1,004
Floor plan notes payable	6,912	7,373	14,285	20,855
Total liabilities assumed	9,279	9,435	18,714	21,859
Net assets acquired	\$ 21,893	\$ 5,169	\$ 27,062	\$ 12,137

The fair value of consideration paid was as follows:

	2021			2020
	BYRV	Other	Total	
Purchase Price:	\$ 49,506	\$ 13,530	\$ 63,036	\$ 16,653
Note payable issued to former owners	-	-	-	1,600
	\$ 49,506	\$ 13,530	\$ 63,036	\$ 18,253

Goodwill represents the excess of the purchase price over the estimated fair value assigned to tangible and identifiable intangible assets acquired and liabilities assumed from, Korges, Total RV, Camp-Land, Chilhowee, BYRV and Burlington. The primary items that generated the goodwill are the value of the synergies between the acquired businesses and the Company, and the growth and operational improvements that drive profitability growth, neither of which qualify for recognition as a separately identified intangible asset. Goodwill associated with the transactions is detailed below:

	2021			2020
	BYRV	Other	Total	
Total consideration	\$ 49,506	\$ 13,530	\$ 63,036	\$ 18,253
Less net assets acquired	21,893	5,169	27,062	12,137
Goodwill	\$ 27,613	\$ 8,361	\$ 35,974	\$ 6,116

Goodwill is expected to be deductible for income tax purposes to the extent the Company has income tax basis.

The following table summarizes the Company's allocation of the purchase price to the identifiable intangible assets acquired as of the date of the closings.

	Gross Asset Amount at Acquisition Date	Weighted Average Amortization Period in Years
Customer Lists	\$ 615	9.8 years
Dealer Agreements	\$ 28,900	9.8 years
Noncompete Agreement	\$ 230	5 years

The Company recorded approximately \$75,733 in revenue and \$11,492 in income before income taxes during the period from July 1, 2021 to September 30, 2021 related to these acquisitions. The Company recorded approximately \$158,970 in revenue and \$39,618 in income before income taxes for the nine months ended September 30, 2021 related to these acquisitions.

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Pro Forma Information

The following unaudited pro forma financial information summarizes the combined results of operations for the Company as though the purchase of Korges, Total RV, Camp-Land, Chilhowee, BYRV and Burlington had been consummated on January 1, 2020.

	For the three months ended September 30,		For the nine months ended September 30,	
	2021	2020	2021	2020
Revenue	\$ 338,132	\$ 275,100	\$ 1,015,664	\$ 1,090,244
Income before income taxes	\$ 40,835	\$ 10,603	\$ 88,915	\$ 95,216
Net income	\$ 32,976	\$ 5,848	\$ 77,249	\$ 18,565

The Company adjusted the combined income of Lazydays RV with Korges, Total RV, Camp-Land, Chilhowee, BYRV and Burlington and adjusted net income to eliminate business combination expenses, the incremental depreciation and amortization associated with the preliminary purchase price allocation as well as the income taxes for the previously untaxed acquired entities to determine pro forma net income.

NOTE 4 – INVENTORIES

Inventories consist of the following:

	As of September 30, 2021	As of December 31, 2020
	(Unaudited)	
New recreational vehicles	\$ 83,427	\$ 92,434
Pre-owned recreational vehicles	54,852	22,967
Parts, accessories and other	7,498	4,493
	145,777	119,894
Less: excess of current cost over LIFO	(5,036)	(3,627)
Total	\$ 140,741	\$ 116,267

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NOTE 5 – ACCOUNTS PAYABLE, ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accounts payable, accrued expenses and other current liabilities consist of the following:

	As of September 30, 2021	As of December 31, 2020
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	(Unaudited)	
Accounts payable	\$ 30,713	\$ 18,077
Other accrued expenses	6,469	4,713
Customer deposits	10,452	6,002
Accrued compensation	4,615	4,311
Accrued charge-backs	7,752	5,553
Accrued interest	127	125
Total	<u>\$ 60,128</u>	<u>\$ 38,781</u>

NOTE 6 – LEASES

The Company leases property and equipment throughout the United States primarily under operating leases. Leases with lease terms of 12 months or less are expensed on a straight-line basis over the lease term and are not recorded in the Condensed Consolidated Balance Sheets.

Most leases include one or more options to renew, with renewal terms that can extend the lease term up to 20 years (some leases include multiple renewal periods). The exercise of lease renewal options is at our sole discretion. In addition, some of our lease agreements include rental payments adjusted periodically for inflation. Our lease agreements neither contain any residual value guarantees nor impose any significant restrictions or covenants.

The Company leases properties for its RV retail locations through fifteen operating leases. The Company also leases billboards and certain of its equipment through operating leases. The related right-of-use (“ROU”) assets for these operating leases are included in operating lease assets.

On May 19, 2020, the Company entered into a new lease for the property associated with the Korges acquisition. The lease was evaluated as a finance lease. As a result, a right of use asset was recorded in property and equipment for \$4,015 with an offsetting \$4,015 financing liability.

As of September 30, 2021, the weighted-average remaining lease term and weighted-average discount rate of operating leases was 7.2 years and 5.0%, respectively.

Operating lease costs for the nine month period ended September 30, 2021 was \$1,929, including variable lease costs. There were no short term leases for the nine months ended September 30, 2021.

Maturities of lease liabilities as of September 30, 2021 were as follows:

Maturity Date	Operating Leases
Remaining six months ending December 31, 2021	\$ 1,520
2022	5,937
2023	5,753
2024	4,734
2025	3,805
Thereafter	13,013
Total lease payments	<u>34,762</u>
Less: Imputed interest	5,749
Present value of lease liabilities	<u>\$ 29,013</u>

The following presents supplemental cash flow information related to leases during 2021:

For the nine months ended September 30, 2021	For the nine months ended September 30, 2020
--	--

Cash paid for amounts included in the measurement of lease liability:			
Operating cash flows for operating leases	\$	1,929	\$ 2,894
ROU assets obtained in exchange for lease liabilities:			
Operating leases	\$	16,378	\$ 756
Finance lease	\$	24	\$ 4,015
	\$	<u>16,402</u>	<u>\$ 4,771</u>

On March 10, 2020, the Company entered into an agreement for the sale of land to LD Murfreesboro TN Landlord, LLC (“LDMTL”) for \$4,921. The Company has entered into a lease agreement with LDMTL with lease payments to commence upon granting of a certificate of occupancy and completion of planned construction, the cost of which was be paid for by LDMTL. The commencement date of the lease occurred at the completion of construction which occurred in late March 2021. The lease has been evaluated in accordance with ASC 842 and determined to be a failed sale leaseback. As such, it has been recorded as a finance lease and classified as financing liability in the Condensed Consolidated Balance Sheets. Lease payments began in April 2021.

On June 22, 2021, the Company entered into an agreement for the sale of property to CARS-DB13, LLC (“CARS”). The Company has entered into a lease agreement with CARS with lease payments commencing on June 22, 2021. The lease has been evaluated in accordance with ASC 842 and determined to be a failed sale leaseback. As such, it has been recorded as a finance lease and classified as financing liability in the Condensed Consolidated Balance Sheets.

On August 11, 2021, the Company entered into an agreement for the sale of property to LD Elkhart IN Landlord, LLC (“LD Elkhart”). The Company has entered into a lease agreement with LD Elkhart with lease payments to commence upon granting of a certificate of occupancy and completion of planned construction, the cost of which was be paid for by LD Elkhart. The commencement date of the lease will occur at the completion of construction.

NOTE 7 – DEBT

M&T Financing Agreement

On March 15, 2018, the Company terminated and replaced the Bank of America (“BOA”) credit facility with a \$200,000 Senior Secured Credit Facility with M&T Bank (the “M&T Facility”). The M&T Facility includes a Floor Plan Facility (the “M&T Floor Plan Line of Credit”), a Term Loan (the “M&T Term Loan”) and a Revolving Credit Facility (the “M&T Revolver”). The M&T Facility was originally due to mature on March 15, 2021. On February 13, 2021, the Company signed an agreement with M&T to extend the maturity date to June 15, 2021. On June 14, 2021, an additional agreement was signed to extend the maturity date to September 15, 2021. The M&T Facility requires the Company to meet certain financial and other covenants and is secured by substantially all the assets of the Company. The costs of the M&T Facility were recorded as a debt discount.

On March 6, 2020, the Company entered into the Third Amendment and Joinder to Credit Agreement (the “Third Amendment”) on the M&T Facility. Pursuant to the Third Amendment, Lone Star Land of Houston, LLC (the “Mortgage Loan Borrower”) and Lone Star Diversified, LLC (“Diversified”), wholly owned subsidiaries of LDRV Holdings Corp., became parties to the Credit Agreement and were identified as Additional Loan Parties. The existing borrowers and guarantors also requested that the lenders provide a mortgage loan credit facility in the aggregate principal amount of acquisition, construction and permanent mortgage financing for a property acquired by the Mortgage Loan Borrower. The amount borrowed under the mortgage was \$6,136. The mortgage shall bear interest at (a) LIBOR plus an applicable margin of 2.25% or (b) the Base Rate plus a margin of 1.25%. The mortgage requires monthly payments of principal of \$0.03 million and was originally due to mature on March 15, 2021. On February 13, 2021, the Company signed an agreement with M&T to extend the maturity date to June 15, 2021. On June 14, 2021, an additional agreement was signed to extend the maturity date to September 15, 2021.

To help mitigate the early effects of the COVID-19 pandemic, the Company entered into the Fourth Amendment to the M&T Facility on April 15, 2020 (the “Fourth Amendment”). Pursuant to the Fourth Amendment, the parties agreed to a suspension of scheduled principal payments on the term loans and mortgage loans (to the extent the permanent loan period has begun for the mortgage loans) for the period from April 15, 2020 through June 15, 2020. Interest on the outstanding principal balances of the term loans and mortgage loans continued to accrue and be paid at the applicable interest rate during the deferment period. At the end of the deferment period, the borrowers resumed making all required payments of principal on the term loans and mortgage loans. All principal payments of the

term loans and mortgage loans deferred during the deferment period are due and payable on the term loan maturity date or the mortgage loan maturity date, as applicable. Additionally, all principal payments deferred during the deferment period are due and payable (a) as described above or (b) if earlier, the date all outstanding amounts are otherwise due and payable under the terms of the credit documents (including, without limitation, upon maturity, acceleration or, to the extent applicable under the credit documents, demand for payment). In addition, the amendment includes a temporary suspension of scheduled curtailment payments required by the credit agreement for the period from April 1, 2020 through June 15, 2020. Amounts related to floor plan unused commitment fees and interest on the outstanding principal balance of the M&T Floor Plan Line of Credit (as defined below) continued to accrue and be paid at the applicable rate and on the terms set forth in the credit agreement during the suspension period.

On July 14, 2021, the Company entered into an amended and restated credit agreement with M&T, as a Lender, Administrative Agent, Swingline Lender, and Issuing Bank, and other financial institutions as Lender parties, (“new M&T Facility”). The credit agreement evidences an approximately \$369.1 million aggregate credit facility, consisting of a \$327 million floor plan credit facility, a term loan of approximately \$11.3 million, a \$25 million revolving credit and a \$5.8 million mortgage loan facility. The new M&T Facility requires the Company to meet certain financial and other covenants and is secured by substantially all the assets of the Company. The costs of the new M&T Facility were recorded as a debt discount.

Mortgage Loan Facility

The mortgage loan facility (“mortgage”) has LIBOR borrowings bearing interest at LIBOR plus 2.25% and a base rate margin of 1.25%. The mortgage requires monthly payments of principal of \$0.03 million. As of September 30, 2021, the mortgage balance was \$5,778 and the interest rate was 2.3328%.

As of September 30, 2021, the payment of dividends by the Company (other than from proceeds of revolving loans) was permitted under the new M&T Facility, so long as at the time of payment of any such dividend, no event of default existed under the new M&T Facility, or would result from the payment of such dividend, and so long as any such dividend was permitted under the new M&T Facility. As of September 30, 2021, the maximum amount of cash dividends that the Company could make from legally available funds to its stockholders was limited to an aggregate of \$64,125 pursuant to a trailing twelve month calculation as defined in the new M&T Facility.

Floor Plan Line of Credit

The \$327,000 M&T Floor Plan Line of Credit may be used to finance new vehicle inventory, but only \$90,000 may be used to finance pre-owned vehicle inventory and \$1,000 for permitted Company vehicles. Principal becomes due upon the sale of the related vehicle. The M&T Floor Plan Line of Credit shall accrue interest at either: (a) the fluctuating 30-day LIBOR rate plus an applicable margin which ranges from 2.00% to 2.30% based upon the Company’s total leverage ratio (as defined in the new M&T Facility) or (b) the Base Rate plus an applicable margin ranging from 1.00% to 1.30% based upon the Company’s total leverage ratio (as defined in the new M&T Facility). The Base Rate is defined in the new M&T Facility as the highest of M&T’s prime rate, the Federal Funds rate plus 0.50% or one-month LIBOR plus 1.00%. In addition, the Company will be charged for unused commitments at a rate of 0.15%. As of September 30, 2021, the interest rate on the M&T Floor Plan Line of Credit was approximately 2.08413%.

The M&T Floor Plan Line of Credit consists of the following:

	As of September 30, 2021	As of December 31, 2020
	(Unaudited)	
Floor plan notes payable, gross	\$ 94,704	\$ 105,486
Debt discount	(705)	(87)
Floor plan notes payable, net of debt discount	<u>\$ 93,999</u>	<u>\$ 105,399</u>

Term Loan

The \$11,300 M&T Term Loan will be repaid in equal monthly principal installments of \$242 plus accrued interest through the maturity date. At the maturity date, the Company must pay a principal balloon payment of \$2,600 plus any accrued interest. The M&T Term Loan shall bear interest at: (a) LIBOR plus an applicable margin of 2.25% to 3.00% based on the total leverage ratio (as defined

in the new M&T Facility) or (b) the Base Rate plus a margin of 1.25% to 2.00% based on the total leverage ratio (as defined in the new M&T Facility). As of September 30, 2021, there was \$10,817 outstanding under the M&T Term Loan. As of September 30, 2021, the interest rate on the M&T Term Loan was 2.3337%.

Revolver

The \$25,000 M&T Revolver allows the Company to draw up to \$25,000. The M&T Revolver bears interest at: (a) 30-day LIBOR plus an applicable margin of 2.25% to 3.00% based on the total leverage ratio (as defined in the new M&T Facility) or (b) the Base Rate plus a margin of 1.25% to 2.00% based on the total leverage ratio (as defined in the new M&T Facility). The M&T Revolver is also subject to unused commitment fees at rates varying from 0.25% to 0.50% based on the total leverage ratio (as defined in the new M&T Facility). During the three and nine month periods ended September 30, 2021, there were no outstanding borrowings under the M&T Revolver.

PPP Loan

In response to economic uncertainty caused by the COVID-19 pandemic, subsidiaries of the Company took the additional step of applying for the PPP Loans with M&T Bank (the “Lender”). On April 28, 2020, certain of the Company’s subsidiaries executed promissory notes (the “Notes”) in favor of the Lender for the PPP Loans in an aggregate amount of \$6,831 which mature on April 29, 2022. Applications were submitted by other subsidiaries of the Company, which resulted in the execution of a promissory note on April 30, 2020 for \$1,236 and on May 4, 2020 for \$637, which will mature on April 30, 2022 and May 4, 2022, respectively. Pursuant to the promissory notes evidencing the PPP Loans (the “Notes”), such PPP Loans will bear interest at a rate of 1.0% per year. Commencing six months after each PPP Loan was disbursed, monthly payments of principal and interest will be required in amounts necessary to fully amortize the principal amount by the maturity date. The PPP Loans are unsecured and are non-recourse obligations. The Notes provide for customary events of default, and the PPP Loans may be accelerated upon the occurrence of an event of default. All or a portion of the PPP Loans may be forgiven upon application to the Lender for payroll and certain other costs incurred during the 8-week period beginning on the date each PPP Loan is disbursed, in accordance with the requirements and limitations under the CARES Act. As of September 30, 2021, all of the PPP Loans had a portion forgiven for a total of \$6,626.

The following schedule includes future payments on the term loan, mortgage, PPP loans and loans for acquisitions.

Future Maturities of Long Term Debt

Years ending December 31,	
2021	\$ 1,636
2022	5,492
2023	3,575
2024	9,737
2025	400
Total	<u>\$ 20,840</u>

NOTE 8 – INCOME TAXES

The Company recorded a provision for federal and state income taxes of \$7,326 and \$4,184 for the three months ended September 30, 2021 and 2020, respectively, which represent effective tax rates of approximately 19.1% and 53.1%, respectively. The Company recorded a provision for federal and state income taxes of \$22,299 and \$8,020 for the nine months ended September 30, 2021 and 2020, respectively, which represent effective tax rates of 25.5% and 39.3%.

The Company’s effective tax rates differ from the federal statutory rate of 21% primarily due to local and state income tax rates, net of the federal tax effect as well as the non-deductibility of stock-based compensation expense, the tax benefit associated with the exercise of stock options and the change in the fair value of warrants recorded for financial statement purposes.

NOTE 9 - COMMITMENTS AND CONTINGENCIES

Employment Agreements

The Company entered into an employment agreement with the Chief Executive Officer (“CEO”) of the Company effective as of the consummation of the Mergers. The employment agreement with the CEO provides for an initial base salary of \$540 subject to annual discretionary increases. In addition, the CEO is eligible to participate in any employee benefit plans adopted by the Company from time to time and is eligible to receive an annual cash bonus based on the achievement of performance objectives. The CEO’s target bonus is 100% of his base salary. The employment agreement also provides that the CEO is to be granted an option to purchase shares of common stock of the Company (See Note 11 – Stockholders’ Equity).

The employment agreement provides that if the CEO is terminated for any reason, he is entitled to receive any accrued benefits, including any earned but unpaid portion of base salary through the date of termination, subject to withholding and other appropriate deductions. In addition, in the event the CEO resigns for good reason or is terminated without cause (all as defined in the employment agreement) prior to January 1, 2022, subject to entering into a release, the Company will pay the CEO severance equal to two times the base salary in effect immediately prior to the date of termination and the average of the annual bonus actually paid to the CEO in each of the three years immediately preceding the year in which the date of termination occurs.

During May 2018, the Company entered into an offer letter with the Chief Financial Officer (the “CFO”) of the Company. The offer letter provides for an initial base salary of \$325 per year subject to annual discretionary increases. In addition, the CFO is eligible to participate in any employee benefit plans adopted by the Company from time to time and is eligible to receive an annual cash bonus based on the achievement of performance objectives. The CFO’s target bonus is 75% of his annual base salary (with a potential to earn a maximum of up to 150% of his target bonus). He was also provided with a relocation allowance of \$100, which the CFO would have been required to repay if he had resigned from the Company or had been terminated by the Company for cause within two years of his start date. If he is terminated without cause, he will receive twelve months of his base salary as severance. If he is terminated following a change in control, he is also eligible to receive a pro-rated bonus, if the Board determines that the performance objectives have been met. He also was granted an option to purchase shares of common stock of the Company (See Note 11- Stockholders’ Equity).

Director Compensation

The Company’s non-employee members of the Board receive annual cash compensation of \$50 for serving on the Board, \$5 for serving on a committee of the Board (other than the Chairman of each of the committees) and \$10 for serving as the Chairman of any of the committees of the Board.

Legal Proceedings

The Company is a party to multiple legal proceedings that arise in the ordinary course of business. The Company has certain insurance coverage and rights of indemnification. The Company does not believe that the ultimate resolution of these matters will have a material adverse effect on the Company’s business, results of operations, financial condition, or cash flows. However, the results of these matters cannot be predicted with certainty and an unfavorable resolution of one or more of these matters could have a material adverse effect on the Company’s business, results of operations, financial condition and/or cash flows.

NOTE 10 – PREFERRED STOCK

On March 15, 2018, the Company consummated a private placement with institutional investors for the sale of convertible preferred stock, common stock and warrants for an aggregate purchase price of \$94,800 (the “PIPE Investment”). At the closing, the Company issued an aggregate of 600,000 shares of Series A Preferred Stock for gross proceeds of \$60,000. The investors in the PIPE Investment were granted certain registration rights as set forth in the securities purchase agreements. The holders of the Series A Preferred Stock include 500,000 shares owned by funds managed by a member of the Board.

The Series A Preferred Stock ranks senior to all outstanding stock of the Company. Holders of the Series A Preferred Stock are entitled to vote on an as-converted basis together with the holders of the common stock, and not as a separate class, at any annual or special meeting of stockholders. Each share of Series A Preferred Stock is convertible at the holder’s election at any time, at an initial conversion price of \$10.0625 per share, subject to adjustment (as applicable, the “Conversion Price”). Upon any conversion of the Series A Preferred Stock, the Company will be required to pay each holder converting shares of Series A Preferred Stock all accrued and unpaid dividends, in either cash or shares of common stock, at the Company’s option. The Conversion Price will be subject to adjustment for stock dividends, forward and reverse splits, combinations and similar events, as well as for certain dilutive issuances.

Dividends on the Series A Preferred Stock accrue at an initial rate of 8% per annum (the “Dividend Rate”), compounded quarterly, on each \$100 of Series A Preferred Stock (the “Issue Price”) and are payable quarterly in arrears. Accrued and unpaid dividends, until paid in full in cash, will accrue at the then applicable Dividend Rate plus 2%. The Dividend Rate will be increased to 11% per annum, compounded quarterly, in the event that the Company’s senior indebtedness less unrestricted cash during any trailing twelve-month period ending at the end of any fiscal quarter is greater than 2.25 times earnings before interest, taxes, depreciation and amortization (“EBITDA”). The Dividend Rate will be reset to 8% at the end of the first fiscal quarter when the Company’s senior indebtedness less unrestricted cash during the trailing twelve-month period ending at the end of such quarter is less than 2.25 times EBITDA.

If there is a current registration statement in effect, at any time following the second anniversary of the issuance of the Series A Preferred Stock, the volume weighted average price of the Company’s common stock equals or exceeds \$25.00 per share (as adjusted for stock dividends, splits, combinations and similar events) for a period of thirty consecutive trading days, the Company may elect to force the conversion of any or all of the outstanding Series A Preferred Stock at the Conversion Price then in effect. From and after the eighth anniversary of the issuance of the Series A Preferred Stock, the Company may elect to redeem all, but not less than all, of the outstanding Series A Preferred Stock in cash at the Issue Price plus all accrued and unpaid dividends. From and after the ninth anniversary of the issuance of the Series A Preferred Stock, each holder of Series A Preferred Stock has the right to require the Company to redeem all of the holder’s outstanding shares of Series A Preferred Stock in cash at the Issue Price plus all accrued and unpaid dividends.

In the event of any liquidation, merger, sale, dissolution or winding up of the Company, holders of the Series A Preferred Stock will have the right to (i) receive payment in cash of the Issue Price plus all accrued and unpaid dividends, or (ii) convert the shares of Series A Preferred Stock into common stock and participate on an as-converted basis with the holders of common stock.

So long as the Series A Preferred Stock is outstanding, the holders thereof, by the vote or written consent of the holders of a majority in voting power of the outstanding Series A Preferred Stock, shall have the right to designate two members to the Board.

In addition, five-year warrants to purchase 596,273 shares of common stock at an exercise price of \$11.50 per share were issued in conjunction with the issuance of the Series A Preferred Stock. The warrants may be exercised for cash or, at the option of the holder, on a “cashless basis” pursuant to the exemption provided by Section 3(a)(9) of the Securities Act. The warrants may be called for redemption in whole and not in part, at a price of \$0.01 per share of common stock, if the last reported sales price of the Company’s common stock equals or exceeds \$24.00 per share for any 20 trading days within a 30-day trading period ending on the third business day prior to the notice of redemption to warrant holders, if there is a current registration statement in effect with respect to the shares underlying the warrants.

The Series A Preferred Stock, while convertible into common stock, is also redeemable at the holder’s option and, as a result, is classified as temporary equity in the condensed consolidated balance sheets. An analysis of its features determined that the Series A Preferred Stock was more akin to equity. While the embedded conversion option (“ECO”) was subject to an anti-dilution price adjustment, since the ECO was clearly and closely related to the equity host, it was not required to be bifurcated and it was not accounted for as a derivative liability under ASC 815, Derivatives and Hedging.

After factoring in the fair value of the warrants issued in conjunction with the Series A Preferred Stock, the effective conversion price is \$9.72 per share, compared to the market price of \$10.29 per share on the date of issuance. As a result, a \$3,392 beneficial conversion feature was recorded as a deemed dividend in the condensed consolidated statement of income because the Series A Preferred Stock is immediately convertible, with a credit to additional paid-in capital. The fair value of the warrants issued with the Series A Preferred Stock of \$2,035 was recorded as a reduction to the carrying amount of the preferred stock in the condensed consolidated balance sheet. In addition, aggregate offering costs of \$2,981 consisting of cash and the value of five-year warrants to purchase 178,882 shares of common stock at an exercise price of \$11.50 per share issued to the placement agent were recorded as a reduction to the carrying amount of the preferred stock. The \$632 value of the warrants was determined utilizing the Black-Scholes option pricing model using a term of 5 years, a volatility of 39%, a risk-free interest rate of 2.61% and a 0% rate of dividends.

The discount associated with the Series A Preferred Stock was not accreted during the three or nine month periods ended September 30, 2021 because redemption was not currently deemed to be probable.

The Board declared a dividend payment on the Series A Preferred Stock of \$1,210 for the three months ended September 30, 2021 which is included in dividends payable in the accompanying condensed consolidated balance sheet. The dividend was paid on October 1, 2021 to the holders.

NOTE 11 – STOCKHOLDERS’ EQUITYAuthorized Capital

The Company is authorized to issue 100,000,000 shares of common stock, \$0.0001 par value, and 5,000,000 shares of preferred stock, \$0.0001 par value. The holders of the Company’s common stock are entitled to one vote per share. The holders of Series A Preferred Stock are entitled to the number of votes equal to the number of shares of common stock into which the holder’s shares are convertible. These holders of Series A Preferred Stock also participate in dividends if they are declared by the Board. See Note 10 – Preferred Stock, for additional information associated with the Series A Preferred Stock.

2019 Employee Stock Purchase Plan

On May 20, 2019, the Company’s stockholders approved the 2019 Employee Stock Purchase Plan (the “ESPP”). The ESPP reserved 900,000 shares of common stock for purchase by participants in the ESPP. Participants in the plan may purchase shares of common stock at a purchase price which will not be less than the lesser of 85% of the fair value per share of the common on the first day of the purchase period or the last day of the purchase period. The initial offering and purchase period under the ESPP commenced on July 7, 2019 with the first purchase date to be December 2, 2019. During the three and nine month periods ended September 30, 2021, the Company recorded \$41 and \$246, respectively, of stock based compensation related to the ESPP.

Warrants

The Company had the following activity related to shares of common stock underlying warrants:

	Shares Underlying Warrants	Weighted Average Exercise Price
Warrants outstanding January 1, 2021	4,632,087	\$ 11.50
Granted	-	\$ -
Cancelled or Expired	-	\$ -
Exercised	(1,127,263)	\$ -
Warrants outstanding September 30, 2021	<u>3,504,824</u>	<u>\$ 11.50</u>

The table above excludes perpetual non-redeemable prefunded warrants to purchase 300,357 shares of common stock with an exercise price of \$0.01 per share.

On March 17, 2021, two institutional investors exercised warrants issued in the PIPE Investment with respect to an aggregate of 1,005,308 shares of our common stock for cash, resulting in the issuance of 1,005,308 shares of common stock and gross proceeds to the Company of \$11,315,250 pursuant to agreements executed with the Company. The above issuances were exempt from registration under the Securities Act of 1933, as amended (the “Securities Act”) pursuant to Section 4(a)(2) of such act, and Rule 506(b) thereunder, as issuances made in a private placement to accredited investors. The Company recorded an inducement loss on warrant conversion of \$246 related to these warrant exercises.

The Company accounts for its warrants in the following ways: (i) the public warrants (“Public Warrants”) as equity for all periods presented; (ii) the private placement warrants (“Private Warrants”) as liabilities for all periods presented; and (iii) the warrants issued in connection with the Private Investment in Public Equity (“PIPE”) transaction (“PIPE Warrants”) as liabilities for all periods presented. The Company determined the following fair values for the outstanding common stock warrants recorded as liabilities:

September 30, 2021

December 31, 2020
(Restated)

PIPE Warrants	\$	13,666	\$	13,716
Private Warrants		1,823		1,380
Total warrant liabilities	\$	15,489	\$	15,096

2018 Long-Term Incentive Equity Plan

On March 15, 2018, the Company adopted the 2018 Long-Term Incentive Equity Plan (the “2018 Plan”). The 2018 Plan reserves up to 13% of the shares of common stock outstanding on a fully diluted basis. The 2018 Plan is administered by the Compensation Committee of the Board, and provides for awards of options, stock appreciation rights, restricted stock, restricted stock units, warrants or other securities which may be convertible, exercisable or exchangeable for or into common stock. Due to the fact that the fair value per share immediately following the closing of the Mergers was greater than \$8.75 per share, the number of shares authorized for awards under the 2018 Plan was increased by a formula (as defined in the 2018 Plan) not to exceed 18% of shares of common stock then outstanding on a fully diluted basis. On May 20, 2019, the Company’s stockholders approved the adoption of the Lazydays Holdings, Inc. Amended and Restated 2018 Long Term Incentive Plan (the “Incentive Plan”). The Incentive Plan amends and restates the previously adopted 2018 Plan in order to replenish the pool of shares of common stock available under the Incentive Plan by adding an additional 600,000 shares of common stock and making certain changes in light of the Tax Cuts and Jobs Act and its impact on Section 162(m) of the Internal Revenue Code of 1986, as amended. As of September 30, 2021, there were 329,557 shares of common stock available to be issued under the Incentive Plan.

Stock Options

Stock option activity is summarized below:

	Shares Underlying Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Aggregate Intrinsic Value
Options outstanding at January 1, 2021	4,063,362	\$ 10.60		
Granted	20,000	\$ 23.11		
Cancelled or terminated	(50,000)	\$ -		
Exercised	(858,467)	\$ 10.60		
Options outstanding at September 30, 2021	3,174,895	\$ 10.66	1.92	\$ 33,923
Options vested at September 30, 2021	2,107,922	\$ 10.82	1.90	\$ 23,861

Awards with Market Conditions

On March 16, 2018, the Company granted five-year incentive stock options to purchase an aggregate of 3,573,113 shares of common stock at an exercise price of \$11.10 per share to employees pursuant to the 2018 Plan, including 1,458,414 shares of common stock underlying the CEO’s stock options and 583,366 shares of common stock underlying the former CFO’s stock options. A set percentage of the stock options shall vest upon the volume weighted average price (“VWAP”) of the common stock, as defined in the option agreements, being equal to or greater than a specified price per share for at least 30 out of 35 consecutive trading days, as follows and are exercisable only to the extent that they are vested: 30% of the options shall vest upon the VWAP exceeding \$13.125 per share; an additional 30% of the options shall vest upon the VWAP exceeding \$17.50 per share; an additional 30% of the options shall vest upon the VWAP exceeding \$21.875 per share; and an additional 10% of the options shall vest upon exceeding \$35.00 per share; provided that the option holder remains continuously employed by the Company (and/or any of its subsidiaries) from the grant date through (and including) the relevant date of vesting. On May 7, 2018, the Company hired a new CFO who received a stock option award exercisable for 583,366 shares of common stock under the same terms as the former CFO. On June 15, 2018, the former CFO forfeited her existing 583,366 options.

The fair value of the awards issued on March 16, 2018 of \$15,004 was determined using a Monte Carlo simulation based on a 5-year term, a risk-free rate of 2.62%, an annual dividend yield of 0% and an annual volatility of 42.8%. The expense is being recognized over the derived service period of each vesting tranche which was determined to be 0.74 years, 1.64 years, 2.24 years and 3.13 years.

The fair value of the awards issued on May 7, 2018 of \$2,357 was determined using a Monte Carlo simulation based on a 5-year term, a risk-free rate of 2.74%, an annual volatility of 54.70% and an annual dividend yield of 0%. The expense is being recognized over the derived service period of each vesting tranche which was determined to be 0.97 years, 1.75 years, 2.15 years and 2.96 years.

The expense recorded for awards with market conditions was \$0 and \$96 during the three and nine month periods ended September 30, 2021, and \$75 and \$848 during the three and nine month periods ended September 30, 2020, which is included in stock-based compensation in the condensed consolidated statements of income.

Awards with Service Conditions

During the year ended December 31, 2020, stock options to purchase 530,000 shares of common stock were issued to employees and board members. The options have an exercise price of \$7.91, \$8.50 or \$14.68. The options had a five year life and a four year vesting period. The fair value of the awards of \$1,915 was determined using the Black-Scholes option pricing model based on a 3.50-3.75 year expected life, a risk free rate of 0.25%-0.43%, an annual dividend yield of 0% and an annual volatility of 55%-73%.

During the nine months ended September 30, 2021, stock options to purchase 20,000 shares of common stock were issued to board members. The options have an exercise price of \$23.11. The options have a five year life and a three year vesting period. The fair value of the awards of \$257 was determined using the Black-Scholes option pricing model. The fair values for the 2021 and 2020 options was based on the following range of assumptions:

	For the nine months ended September 30, 2021
Risk free interest rate	0.77%
Expected term (years)	3.5
Expected volatility	81%
Expected dividends	0.00%

The expected life was determined using the simplified method as the awards were determined to be plain-vanilla options.

The expense recorded for awards with service conditions was \$92 and \$473 for the three and nine month periods ended September 30, 2021, and \$130 and \$309 for the three and nine month periods ended September 30, 2020, which is included in stock-based compensation in the condensed consolidated statements of income.

As of September 30, 2021, total unrecorded compensation cost related to all non-vested awards was \$1,518 which is expected to be amortized over a weighted average service period of approximately 2.33 years.

NOTE 12 – FAIR VALUE MEASURES

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Company utilizes the suggested accounting guidance for the three levels of inputs that may be used to measure fair value:

- Level 1 - Observable inputs such as quoted prices in active markets for identical assets or liabilities;
- Level 2 - Observable inputs, other than Level 1 inputs in active markets, that are observable either directly or indirectly; and
- Level 3 - Unobservable inputs for which there is little or no market data, which require the reporting entity to develop its own assumptions

The Company has assessed that the fair value of cash and cash equivalents, trade receivables, trade payables, and other current liabilities approximate their carrying amounts.

The Public Warrants trade in active markets. When classified as liabilities, warrants traded in active markets with sufficient trading volume represent Level 1 financial instruments as they are publicly traded in active markets and thus have observable market prices which are used to estimate the fair value adjustments for the related common stock warrant liabilities. When classified as liabilities,

warrants not traded in active markets, or traded with insufficient volume, represent Level 3 financial instruments that are valued using a Black-Scholes option-pricing model to estimate the fair value adjustments for the related common stock warrant liabilities.

	September 30, 2021				December 31, 2020 (Restated)			
	Carrying Amount	Level 1	Level 2	Level 3	Carrying Amount	Level 1	Level 2	Level 3
PIPE Warrants	\$ 13,666	\$13,666	\$ -	\$ -	\$ 13,716	\$13,716	\$ -	\$ -
Private Warrants	1,823	-	-	1,823	1,380	-	-	1,380
Total	\$ 15,489	\$13,666	\$ -	\$ 1,823	\$ 15,096	\$13,716	\$ -	\$ 1,380

The PIPE Warrants are considered a Level 1 measurement, since they are similar to the Public Warrants which trade under the symbol LAZYW and thus have observable market prices which were used to estimate the fair value adjustments for the PIPE Warrants liabilities. The Private Warrants are considered a Level 3 measurement and were valued using a Black-Scholes Valuation Model to estimate the fair value adjustments for the Private Warrants liabilities.

Level 3 Disclosures

The Company utilizes a Black Scholes option-pricing model to value the Private Warrants at each reporting period and transaction date, with changes in fair value recognized in the statements of income. The estimated fair value of the warrant liabilities is determined using Level 3 inputs. Inherent in the pricing model are assumptions related to expected share-price volatility, expected life, risk-free interest rate and dividend yield. The Company estimates the volatility of its ordinary shares based on historical volatility that matches the expected remaining life of the warrants. The risk-free interest rate is based on the continuously compounded interest rate on U.S. Treasury Separate Trading of Registered Interest and Principal of Securities having a maturity similar to the contractual life of the warrants. The expected life of the warrants is assumed to be equivalent to their remaining contractual term. The dividend rate is based on the historical rate, which the Company anticipates to remain at zero.

The following table provides quantitative information regarding Level 3 fair value measurements:

	September 30, 2021	December 31, 2020 (Restated)
Stock Price	\$ 21.34	\$ 16.25
Strike Price	\$ 11.50	\$ 11.50
Expected life	1.45	2.20
Volatility	73.8%	81.2%
Risk Free rate	0.18%	0.14%
Dividend yield	0.00%	0.00%
Fair value of warrants	\$ 5.88	\$ 4.45

The following table presents changes in Level 3 liabilities measured at fair value for the nine months ended September 30, 2021:

	PIPE Warrants	Private Warrants
Balance at December 31, 2020 (restated)	\$ 13,717	\$ 1,380
Exercise or conversion	(10,697)	-
Measurement adjustment	10,646	443
Balance at September 30, 2021	\$ 13,666	\$ 1,823

Item 2 – Management’s Discussion and Analysis of Financial Condition and Results of Operations

Forward Looking Statements

Certain statements in this Quarterly Report on Form 10-Q (including but not limited to this Item 2 – “Management’s Discussion and Analysis of Financial Condition and Results of Operations”) constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical facts included in this Quarterly Report on Form 10-Q, including, without limitation, statements regarding the impact of the COVID-19 pandemic on the Company’s business, results of operations and financial condition and the measures the Company has taken in response to the COVID-19 pandemic, the Company’s future financial position, business strategy, budgets, projected costs and plans and objectives of management for future operations, are “forward-looking” statements. Forward-looking statements generally can be identified by the use of forward-looking terminology such as “may,” “will,” “expect,” “anticipate,” “intend,” “plan,” “believe,” “seek,” “estimate” or “continue” or the negative of such words or variations of such words and similar expressions. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions, which are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements and the Company can give no assurance that such forward-looking statements will prove to be correct. Important factors that could cause actual results to differ materially from those expressed or implied by the forward-looking statements, or “cautionary statements,” include, but are not limited to:

- The COVID-19 pandemic had a significant adverse impact on the Company’s business, results of operations and financial condition in the first months of the COVID-19 pandemic; while increased sales since then have more than offset the initial adverse impact, there can be no assurance that such sales growth will continue at the same rate or at all, and the Company’s sales may ultimately decline, meaning that, in the long term, COVID-19 could result in a net negative impact on its business.
- The Company’s business is affected by the availability of financing to it and its customers.

- The Company’s success will depend to a significant extent on the wellbeing, as well as the continued popularity and reputation for quality, of the Company’s manufacturers, particularly, Thor Industries, Inc., Winnebago Industries, Inc. and Forest River, Inc.
- Any change, non-renewal, unfavorable renegotiation or termination of the Company’s supply arrangements for any reason could have a material adverse effect on product availability and cost and the Company’s financial performance.

- The Company’s business is impacted by general economic conditions in its markets, and ongoing economic and financial uncertainties may cause a decline in consumer spending that may adversely affect its business, financial condition and results of operations.

- The Company depends on its ability to attract and retain customers.
- Competition in the market for services, protection plans and products targeting the RV lifestyle or RV enthusiast could reduce the Company’s revenues and profitability.

- The Company’s expansion into new, unfamiliar markets presents increased risks that may prevent it from being profitable in these new markets. Delays in acquiring or opening new retail locations could have a material adverse effect on the Company’s business, financial condition and results of operations.

- Natural disasters (including hurricanes), whether or not caused by climate change, unusual weather conditions, epidemic outbreaks, terrorist acts and political events could disrupt business and result in lower sales and otherwise adversely affect the Company’s financial performance.

- Unforeseen expenses, difficulties and delays encountered in connection with expansion through acquisitions could inhibit the Company’s growth and negatively impact its profitability.

- Failure to maintain the strength and value of the Company’s brands could have a material adverse effect on the Company’s business, financial condition and results of operations.

- Failure to successfully procure and manage inventory to reflect consumer demand in a volatile market and anticipate changing consumer preferences and buying trends could have a material adverse effect on the Company’s business, financial condition and results of operations.

- The Company’s same store sales may fluctuate and may not be a meaningful indicator of future performance.

- The cyclical nature of the Company's business has caused its sales and results of operations to fluctuate. These fluctuations may continue in the future, which could result in operating losses during downturns.
- The Company's business is seasonal, and this leads to fluctuations in sales and revenues.
- The Company's business may be adversely affected by unfavorable conditions in its local markets, even if those conditions are not prominent nationally.
- The Company may not be able to satisfy its debt obligations upon the occurrence of a change in control under its credit facility.
- The Company's ability to operate and expand its business and to respond to changing business and economic conditions will depend on the availability of adequate capital.
- The documentation governing the Company's credit facility contains restrictive covenants that may impair the Company's ability to access sufficient capital and operate its business.
- Uncertainty relating to the LIBOR calculation process and potential phasing out of LIBOR may adversely affect the Company.

- The Company depends on its relationships with third party providers of services, protection plans, products and resources and a disruption of these relationships or of these providers' operations could have an adverse effect on the Company's business and results of operations.
- A portion of the Company's revenue is from financing, insurance and extended service contracts, which depend on third party lenders and insurance companies. The Company cannot ensure these third parties will continue to provide RV financing and other products.
- Fuel shortages, or high prices for fuel, could have a negative effect on the Company's business.
- If the Company is unable to retain senior executives and attract and retain other qualified employees, the Company's business might be adversely affected.
- The Company's business depends on its ability to maintain sufficient quantity and quality of staff.
- The Company primarily leases its retail locations. If the Company is unable to maintain those leases or locate alternative sites for retail locations in its target markets and on terms that are acceptable to it, the Company's revenues and profitability could be adversely affected.
- The Company's business is subject to numerous federal, state and local regulations.
- Regulations applicable to the sale of extended service contracts could materially impact the Company's business and results of operations.
- If state dealer laws are repealed or weakened, the Company's dealerships will be more susceptible to termination, non-renewal or renegotiation of dealer agreements.
- The Company failing to comply with certain environmental regulations could adversely affect the Company's business, financial condition and results of operations.
- Climate change legislation or regulations restricting emission of "greenhouse gases" could result in increased operating costs and reduced demand for the RVs the Company sells.
- The Company may be unable to enforce its intellectual property rights and/or the Company may be accused of infringing the intellectual property rights of third parties which could have a material adverse effect on the Company's business, financial condition and results of operations.

- If the Company is unable to maintain or upgrade its information technology systems or if the Company is unable to convert to alternative systems in an efficient and timely manner, the Company's operations may be disrupted or become less efficient.
- Any disruptions to the Company's information technology systems or breaches of the Company's network security could interrupt its operations, compromise its reputation, compromise its data, expose it to litigation, government enforcement actions and costly response measures and could have a material adverse effect on the Company's business, financial condition and results of operations.
- Increases in the minimum wage or overall wage levels could adversely affect the Company's financial results.
 - The Company may be subject to liability claims if people or property are harmed by the products the Company sells and services and may be adversely impacted by manufacturer safety recalls.
 - The Company may be named in litigation, which may result in substantial costs and reputational harm and divert management's attention and resources.
 - The Company's risk management policies and procedures may not be fully effective in achieving their purposes.

- The Company could incur asset impairment charges for goodwill, intangible assets or other long-lived assets.
 - Future resales of the shares of common stock of the Company issued to the stockholders and the investors in the PIPE Investment may cause the market price of the Company's securities to drop significantly, even if the Company's business is doing well.
 - Nasdaq may delist the Company's common stock from its exchange, which could limit investors' ability to make transactions in the Company's common stock and subject the Company to additional trading restrictions.
- The Company, as a party to a prior transaction with a special purpose acquisition company (or SPAC), may receive negative scrutiny of, or attention towards, its financial statements (including from the Securities and Exchange Commission), which could have a material adverse effect on the Company's business, financial condition and results of operations.
- The Company's outstanding convertible preferred stock, warrants and options may have an adverse effect on the market price of its common stock.
 - Stockholders may become diluted as a result of the issuance of options under existing or future incentive plans or the issuance of common stock as a result of acquisitions or otherwise.
 - The price of the Company's common stock may be volatile for a variety of reasons.
 - The conversion of the Series A Preferred Stock into Company common stock may dilute the value for the other holders of Company common stock.
- The holders of Series A Preferred Stock own a large portion of the voting power of the Company common stock and have the right to nominate two members to the Company's board of directors (the "Board"). As a result, these holders may influence the composition of the Board and future actions taken by the Board.
- The holders of the Series A Preferred Stock have certain rights that may not allow the Company to take certain actions.
 - The Company's stock repurchase program could increase the volatility of the price of the Company's Common Stock.
- The Company's amended and restated certificate of incorporation provides to the fullest extent permitted by law that the Court of Chancery of the State of Delaware will be the exclusive forum for certain legal actions between the Company and its stockholders, which could limit the Company's stockholders' ability to obtain a judicial forum viewed by the stockholders as more favorable for disputes with the Company or the Company's directors, officers or employees.
- The fair value of warrant liabilities may fluctuate.

- The Company must be able to maintain an effective system of internal controls and accurately report our financial results and remediate material weaknesses.

The following discussion and analysis of the Company's financial condition and results of operations should be read together with the Company's financial statements and related notes included in Part I, Item 1 of this Form 10-Q, as well as the Annual Report on Form 10-K/A filed with the Securities and Exchange Commission on June 25, 2021.

The amounts set forth below are in thousands unless otherwise indicated except for unit (including the average selling price per unit), share and per share data.

Business Overview

Overview

Andina Acquisition Corp. II ("Andina") was originally formed for the purpose of effecting a business combination with one or more businesses or entities. On March 15, 2018, the initial business combination was consummated. As a result, the business of Lazy Days' R.V. Center, Inc. and its subsidiaries became the Company's business. Accordingly, Lazydays Holdings, Inc. is now a holding company operating through its direct and indirect subsidiaries.

Company History

Andina was formed as an exempted company incorporated in the Cayman Islands on July 1, 2015 for the purpose of entering into a merger, share exchange, asset acquisition, share purchase, recapitalization, reorganization or other similar business combination with one or more target businesses.

From the consummation of the initial public offering ("IPO") of Andina until October 27, 2017, Andina was searching for a suitable target business to acquire. On October 27, 2017, a merger agreement was entered into by and among Andina, Andina II Holdco Corp., a Delaware corporation and wholly owned subsidiary of Andina ("Holdco"), Andina II Merger Sub Inc., a Delaware corporation and wholly owned subsidiary of Holdco ("Merger Sub"), Lazy Days' R.V. Center, Inc. ("Lazydays RV") and solely for certain purposes set forth in the merger agreement, A. Lorne Weil (the "Merger Agreement"). The Merger Agreement provided for a business combination transaction by means of (i) the merger of Andina with and into Holdco, with Holdco surviving and becoming a new public company (the "Redomestication Merger") and (ii) the merger of Lazy Days' R.V. Center, Inc. with and into Merger Sub with Lazy Days' R.V. Center, Inc. surviving and becoming a direct wholly owned subsidiary of Holdco (the "Transaction Merger" and together with the Redomestication Merger, the "Mergers"). On March 15, 2018, Holdco held an extraordinary general meeting of the shareholders, at which the Andina shareholders approved the Mergers and other related proposals. On the same date, the Mergers were closed. In connection with the Mergers, the business of Lazy Days' R.V. Center, Inc. and its subsidiaries became the business of Holdco. As a result of the Mergers, the Company's stockholders and the shareholders of Andina became stockholders of Holdco and the Company changed the name of Holdco to "Lazydays Holdings, Inc."

Our Business

The Company operates recreational vehicle ("RV") dealerships and offers a comprehensive portfolio of products and services for RV owners and outdoor enthusiasts. The Company generates revenue by providing RV owners and outdoor enthusiasts a full spectrum of products: RV sales, RV repair and services, financing and insurance products, third-party protection plans, after-market parts and accessories and RV camping facilities. The Company provides these offerings through its Lazydays branded dealerships. Lazydays is known nationally as The RV Authority®, a registered trademark that has been consistently used by the Company in its marketing and branding communications since 2013. In this Quarterly Report on Form 10-Q, the Company refers to Lazydays Holdings, Inc. as "Lazydays," the "Company," "Holdco," "we," "us," "our," and similar words.

The Company believes, based on industry research and management's estimates, it operates the world's largest RV dealership, measured in terms of on-site inventory, located on 126 acres outside Tampa, Florida. We also have dealerships located at The Villages, Florida; Tucson and Phoenix, Arizona; Minneapolis, Minnesota; Knoxville, Nashville and Louisville, Tennessee; Loveland and Denver, Colorado; Elkhart and Burns Harbor, Indiana; Portland, Oregon; Vancouver, Washington; and Milwaukee, Wisconsin. We also have a dedicated Service Center location near Houston, Texas.

Lazydays offers one of the largest selections of leading RV brands in the nation featuring more than 3,000 new and pre-owned RVs. The Company has more than 400 service bays across all locations and has RV parts and accessories stores at all locations. Lazydays also has availability to two on-site campgrounds with over 700 RV campsites and operated RV rental fleets in Colorado that were phased out in 2019. The Company employs approximately 1,400 people at its dealership and service locations. The Company's locations are staffed with knowledgeable local team members, providing customers access to extensive RV expertise. The Company believes its dealership and service locations are strategically located in key RV markets. Based on information collected by the Company from reports prepared by Statistical Surveys, these key RV markets (Florida, Colorado, Arizona, Minnesota, Tennessee, Texas, Indiana, Oregon, Washington and Wisconsin) account for a significant portion of new RV units sold on an annual basis in the U.S. The Company's dealerships and service centers in these key markets attract customers from all states, except Hawaii.

The Company attracts new customers primarily through Lazydays dealership locations as well as digital and traditional marketing efforts. Once the Company acquires customers, those customers become part of the Company's customer database where the Company leverages customer relationship management ("CRM") tools and analytics to actively engage, market and sell its products and services.

Recent Developments

On January 4, 2021, the Company commenced sales and service operations at its new dealership in Murfreesboro, Tennessee located just outside of Nashville, Tennessee on I-24.

On March 23, 2021, the Company consummated its asset purchase agreement with Chilhowee Trailer Sales, Inc. ("Chilhowee"). The purchase price consisted solely of cash paid to Chilhowee. As part of the acquisition, the Company acquired the inventory of Chilhowee and has added the inventory to the M&T Floor Plan Line of Credit.

On July 14, 2021, the Company entered into an amended and restated credit agreement with M&T, as a Lender Administrative Agent, Swingline Lender, and Issuing Bank, and other financial institutions as Lender parties. The credit agreement evidences an approximately \$369.1 million aggregate credit facility, consisting of a \$327 million floor plan credit facility, a term loan of approximately \$11.3 million, a \$25 million revolving credit and a \$5.8 million mortgage loan facility.

On August 3, 2021, the Company completed its acquisition of BYRV, Inc. ("BYRV") located in Portland, Oregon and BYRV Washington, Inc. ("BYRV Washington") located in Woodland, Washington in one transaction ("BYRV"). The purchase price for the transaction consists of the following, in each case subject to adjustment in accordance with the terms of the purchase agreement: (a) a cash payment, subject to a working capital adjustment and an inventory adjustment and (b) the assumption of BYRV's floorplan debt, which was paid off and added to the Company's current floorplan.

On August 24, 2021, the Company consummated the acquisition contemplated by the Company's asset purchase agreement with Burlington RV Superstore, Inc. ("Burlington"). The purchase price consisted solely of cash paid to Burlington. As part of the acquisition, the Company acquired the inventory of Burlington and has added the inventory to the M&T Floor Plan Line of Credit (as defined below).

On September 13, 2021, the Board of Directors of the Company authorized the repurchase of up to \$25 million of the Company's common stock through December 31, 2022. These shares may be purchased from time-to-time in the open market at prevailing prices, in privately negotiated transactions or through block trades.

On October 4, 2021, the Company entered into an agreement for the sale of property to CARS-DB4, LLC ("CARS4"). The Company has entered into a lease agreement with CARS4 with lease payments commencing on October 1, 2021. The lease has been evaluated in accordance with ASC 842 and determined to be a failed sale leaseback. As such, it has been recorded as a finance lease and classified as financing liability in the Condensed Consolidated Balance Sheets.

COVID-19 Developments

In March 2020, the World Health Organization declared the outbreak of the novel coronavirus disease COVID-19 a pandemic, which continues to spread throughout the United States and globally. Beginning in mid-to-late March of 2020, the COVID-19 pandemic led to severe disruptions in general economic activity as businesses and federal, state and local governments took increasingly broad actions to mitigate the impact of the COVID-19 pandemic on public health, including through "shelter in place" or "stay at home" orders in the states in which we operate. As we modified our business practices to conform to government guidelines and best practices to ensure

the health and safety of our customers, employees and the communities we serve, we saw significant early declines in new and pre-owned vehicle unit sales, sales of parts, accessories and related services, including finance and insurance revenues as well as campground and miscellaneous revenues.

We took a number of actions in April 2020 to adjust resources and costs to align with reduced demand caused by the COVID-19 pandemic. These actions included:

- Reduction of our workforce by 25%;
- Temporary reduction of senior management salaries (April 2020 through May 2020);
- Suspension of 2020 annual pay increases;
- Temporary suspension of 401k match (April 2020 through May 2020);
- Delay of non-critical capital projects; and
- Focus of resources on core sales and service operations.

To further protect our liquidity and cash position, we negotiated with our lenders for the temporary suspension of scheduled principal and interest payments on our term and mortgage loans from April 15, 2020 through June 15, 2020 and for the temporary suspension of scheduled floorplan curtailment payments from April 1, 2020 through June 15, 2020. We also received \$8.7 million in loans under the Paycheck Protection Program (the “PPP Loans”). As of September 30, 2021, all of the PPP Loans had a portion forgiven for a total of \$6,626.

Starting in May 2020, we experienced significant improvement in sales of new and pre-owned vehicles. Senior management was able to resume normal salaries in late May 2020, and we adjusted our workforce where necessary to meet demand. We continued to aggressively manage and ration capital, and we are focusing our resources on core sales and service operations in response to the operational and financial impact of the COVID-19 pandemic.

The improvement in sales beginning in May 2020 likely relates, at least in part, to an increase in consumer demand as consumers seek outdoor travel and leisure activities that permit appropriate social distancing. However, we can provide no assurances that such growth in sales will continue at the same rate that occurred between May 2020 and September 2021, or at all, over any time period, and sales may ultimately decline. Furthermore, our improved sales and cost savings measures to date may not be sufficient to offset any later adverse impacts of the COVID-19 pandemic, and our liquidity could be negatively impacted, if prior sales trends from May 2020 through September 2021 are reversed, which may occur, for example, if the cruise line, air travel and hotel industries begin to recover.

Our operations also depend on the continued health and productivity of our employees at our dealerships service locations and corporate headquarters throughout the COVID-19 pandemic. The extent to which the COVID-19 pandemic ultimately impacts our business, results of operations and financial condition will depend on future developments, which are highly uncertain and cannot be predicted, including the severity and duration of the COVID-19 pandemic, the efficacy and availability of vaccines, and further actions that may be taken by individuals, businesses and federal, state and local governments in response. Even after the COVID-19 pandemic has subsided, we may experience significant adverse effects to our business as a result of its global economic impact, including any economic recession or downturn and the impact of such a recession or downturn on unemployment levels, consumer confidence, levels of personal discretionary spending, credit availability and any long term disruptions in supply chains.

The Biden administration recently announced a proposed regulation requiring all U.S. private businesses with 100 or more employees to ensure that their employees are fully vaccinated or require unvaccinated workers to undergo weekly COVID-19 testing. At this time, it is unclear if the vaccine mandate will apply to all employees and how compliance will be documented

How the Company Generates Revenue

The Company derives its revenues from sales of new RV units, sales of pre-owned RV units and other revenue. Other revenue consists of RV parts, service and repairs, commissions earned on sales of third-party financing and insurance products, Tampa campground and food facilities revenue and other revenues. During the three and nine month periods ended September 30, 2021 and 2020, the Company derived its revenues from these categories in the following percentages:

For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
2021	2020	2021	2020

New vehicles	56.9%	60.4%	60.3%	58.4%
Pre-owned vehicles	32.8%	29.8%	29.6%	30.8%
Other	10.3%	9.8%	10.1%	10.8%
	100.0%	100.0%	100.0%	100.0%

New and pre-owned RV sales accounted for approximately 90% of total revenues for the three and nine months ended September 30, 2021 and 90% and 89% of total revenues for the three and nine months ended September 30, 2020. These revenue contributions have remained relatively consistent.

Key Performance Indicators

Gross Profit and Gross Margins (excluding depreciation and amortization). Gross profit is total revenue less total costs applicable to revenue excluding depreciation and amortization. The vast majority of the cost applicable to revenues is related to the cost of vehicles. New and pre-owned vehicles have accounted for 97% of the cost of revenues for the three and nine months ended September 30, 2021 and 97% of the cost of revenues for the three and nine months ended September 30, 2020. Gross margin is gross profit as a percentage of revenue. Gross profit and gross margin are GAAP metrics commonly used (including by Company management) to compare results between periods and entities.

For the three months ended September 30, 2021 and 2020, gross profit was \$90.3 million and \$49.3 million, respectively, and gross margin was 28.3% and 22.9%, respectively. For the nine months ended September 30, 2021 and 2020, gross profit was \$240.6 million and \$134.8, respectively, and gross margin was 26.4% and 21.7%, respectively. Last-in, first-out (“LIFO”) adjustments were \$(0.7) million and \$1.4 million for the three and nine months ended September 30, 2021 which reduced gross profit. LIFO adjustments were \$1.4 million and \$1.5 million for the three and nine months ended September 30, 2020 which positively affected gross profit.

For the three and nine months ended September 30, 2021, gross margins were favorably impacted by margin expansion in the Company’s new and pre-owned vehicle sales revenues primarily driven by the scarcity of dealer inventory as manufacturers ramp up production to support increased consumer demand and restock dealers to make up lost production from COVID related shutdowns. Vehicle sales margins are generally lower than the Company’s other lines of business but represent by far the majority of the Company’s revenues. New and pre-owned vehicle margins excluding LIFO impacts increased from 15.0% in the first three quarters of 2020 to 20.7% in 2021.

SG&A as a percentage of Gross Profit. Selling, general and administrative (“SG&A”) expenses consist primarily of wage-related expenses, selling expenses related to commissions and advertising, lease expenses and corporate overhead expenses. Historically, salaries, commissions and benefits represent the largest component of the Company’s total selling, general and administrative expense and typically average approximately 55% to 62% of total selling, general and administrative expenses. SG&A expenses do not include transaction costs, stock based compensation and depreciation and amortization expense. SG&A expenses as a percentage of gross profit allows the Company to monitor its overhead expenses relative to profitability over a period of time.

The Company calculates SG&A expenses as a percentage of gross profit by dividing SG&A expenses for the period by total gross profit. For the three months ended September 30, 2021 and 2020, SG&A, as a percentage of gross profit was 52.7% and 58.0%, respectively. For the nine months ended September 30, 2021 and 2020, SG&A, as a percentage of gross profit was 54.1% and 65.3%, respectively. The decrease in this percentage reflects the fact that the growth in gross profit exceeded the growth in SG&A costs, driven primarily by the overall growth of the business improving fixed cost operating leverage, as well as overhead cost reductions implemented in April 2020.

Adjusted EBITDA. Adjusted EBITDA is a not a GAAP financial measure, but it is one of the primary non-GAAP measures management uses to evaluate the financial performance of the business. Adjusted EBITDA is also frequently used by analysts, investors and other interested parties to evaluate companies in the recreational vehicle industry. The Company uses Adjusted EBITDA and Adjusted EBITDA Margin to supplement GAAP measures of performance as follows:

- as a measurement of operating performance to assist in comparing the operating performance of the Company’s business on a consistent basis, and remove the impact of items not directly resulting from the Company’s core operations;
- for planning purposes, including the preparation of the Company’s internal annual operating budget and financial projections;

- to evaluate the performance and effectiveness of the Company’s operational strategies; and
- to evaluate the Company’s capacity to fund capital expenditures and expand the business.

The Company believes Adjusted EBITDA can provide a more complete understanding of the underlying operating results and trends and an enhanced overall understanding of financial performance and prospects for the future. The Company defines Adjusted EBITDA as net income excluding depreciation and amortization of property and equipment, non-floor plan interest expense, amortization of intangible assets, income tax expense, stock-based compensation, transaction costs and other supplemental adjustments which for the periods presented includes LIFO adjustments, PPP loan forgiveness, severance costs, other one-time charges, gain (loss) on sale of property and equipment and change in fair value of warrant liabilities. The Company believes Adjusted EBITDA, when considered along with other performance measures, is a useful measure as it reflects certain operating drivers of the business, such as sales growth, operating costs, selling and administrative expense and other operating income and expense.

Adjusted EBITDA is not intended to be a measure of liquidity or cash flows from operations, or a measure comparable to net income as it does not take into account certain requirements such as non-recurring gains and losses which are not deemed to be a normal part of the underlying business activities. The Company’s measure of Adjusted EBITDA is not necessarily comparable to similarly titled captions of other companies due to different methods of calculation. The Company strives to compensate for these limitations by using Adjusted EBITDA as only one of several measures for evaluating business performance. In addition, capital expenditures, which impact depreciation and amortization, interest expense, and income tax expense, are reviewed separately by management. For a reconciliation of Adjusted EBITDA to net income, a reconciliation of Adjusted EBITDA Margin to net income margin, and a further discussion of how the Company utilizes these non-GAAP financial measures, see “Non-GAAP Financial Measures” below.

Results of Operations

Three Months

The following table sets forth information comparing certain components of net income for the three months ended September 30, 2021 and 2020.

Summary Financial Data

(in thousands)

Three Months Ended September 30, 2021 Compared to the Three Months Ended September 30, 2020

	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020
Revenues		
New and pre-owned vehicles	\$ 285,781	\$ 194,552
Other	32,947	21,171
Total revenue	<u>318,728</u>	<u>215,723</u>
Cost of revenues (excluding depreciation and amortization expense)		
New and pre-owned vehicles	221,831	162,269
Adjustments to LIFO reserve	(655)	(1,432)
Other	7,289	\$ 5,544
Total cost of revenues (excluding depreciation and amortization)	<u>228,465</u>	<u>166,381</u>
Gross profit (excluding depreciation and amortization)	90,263	49,342
Transaction costs	678	233
Depreciation and amortization expense	3,717	2,760
Stock-based compensation expense	132	219

Selling, general, and administrative expenses	47,597	28,598
Income from operations	38,139	17,532
Other income/expenses		
PPP loan forgiveness	-	-
Interest expense	(2,006)	(1,749)
Change in fair value of warrant liabilities	2,162	(7,899)
Total other expense	156	(9,648)
Income before income tax expense	38,295	7,884
Income tax expense	(7,326)	(4,184)
Net income	\$ 30,969	\$ 3,700

Revenue

Revenue increased by approximately \$103.0 million, or 47.7%, to \$318.7 million from \$215.7 million for the three months ended September 30, 2021 and 2020, respectively.

New and Pre-Owned Vehicles Revenue

Revenue from new and pre-owned vehicle sales increased by approximately \$91.2 million, or 46.9%, to \$285.8 million from \$194.6 million for the three months ended September 30, 2021 and 2020, respectively.

Revenue from new vehicle sales increased by approximately \$51.1 million, or 39.2%, to \$181.4 million from \$130.3 million for the three months ended September 30, 2021 and 2020, respectively. This increase was due to an increase in the number of new vehicle units sold from 1,645 to 2,192, as well as an increase in the average selling price from \$76,900 to \$82,800 per unit

Revenue from pre-owned vehicle sales increased by approximately \$40.2 million, or 62.6%, to \$104.4 million from \$64.2 million for the three months ended September 30, 2021 and 2020, respectively. This was primarily due to an increase in the number of pre-owned vehicles sold, excluding wholesale units, from 950 to 1,417, as well as an increase in the average revenue per unit sold from approximately \$62,900 to \$70,900 per unit.

Other Revenue

Other revenue consists of sales of parts, accessories and related services. It also consists of finance and insurance revenues as well as campground and miscellaneous revenues. Other revenue increased by approximately \$11.7 million, or 55.2%, to \$32.9 million from \$21.2 million for the three months ended September 30, 2021 and 2020, respectively.

As a component of other revenue, sales of parts, accessories and related services increased by approximately \$2.7 million, or 28.4%, to \$12.2 million from \$9.5 million primarily due to increased volume in service.

Finance and insurance revenue increased by approximately \$9.0 million, or 81.1%, to \$20.1 million from \$11.1 million for the three months ended September 30, 2021 as compared to September 30, 2020, respectively, primarily due to higher unit sales.

Gross Profit (excluding depreciation and amortization)

Gross profit consists of gross revenues less cost of sales and services and excludes depreciation and amortization. Gross profit increased by approximately \$41.0 million, or 82.9%, to \$90.3 million from \$49.3 million for the three months ended September 30, 2021 and 2020, respectively. This increase was attributable to growth in all lines of business.

New and Pre-Owned Vehicles Gross Profit

New and pre-owned vehicle gross profit increased \$30.9 million, or 91.6%, to \$64.6 million from \$33.7 million for the three months ended September 30, 2021 and 2020, respectively. The increase is primarily attributable to the increase in units sold, the increase in the average selling price of new and pre-owned units, and the expansion of vehicle sales margins due to industry-wide reduced inventory levels, and a \$0.8 million decrease in LIFO adjustments due to increases in inventory levels.

Other Gross Profit

Other gross profit increased by \$10.1 million, or 64.7% to \$25.7 million from \$15.6 million for the three months ended September 30, 2021 and 2020, respectively, due to increased finance and insurance revenues associated with increased RV sales.

Selling, General and Administrative Expenses

Selling, general and administrative (“SG&A”) expenses, which, as explained above, do not include transaction costs, stock-based compensation and depreciation and amortization, increased \$19.0 million, or 66.4%, to \$47.6 million for the three months ended September 30, 2021, from \$28.6 million for the three months ended September 30, 2020. The increase was related to the Phoenix dealership acquired in May 2020, the Elkhart dealership acquired in October 2020, the Burns Harbor dealership acquired in December 2020, the Louisville, Tennessee dealership acquired in March 2021, and the Portland, Oregon, Vancouver, Washington and Milwaukee, Wisconsin dealerships acquired in August 2021 and increased performance wages as a result of the increased unit sales and revenues for the period ending September 30, 2021.

Interest Expense

Interest expense increased by approximately \$0.3 million to \$2.0 million from \$1.7 million for the three months ended September 30, 2021 and 2020, respectively, due primarily to higher floorplan balances, offset by slightly more favorable interest rates, and the use of an interest reduction equity account.

Income Taxes

Income tax expense was \$7.3 million and \$4.2 million for the three month periods ending September 30, 2021 and 2020, respectively.

Results of Operations

Nine Months

The following table sets forth information comparing certain components of net income for the nine months ended September 30, 2021 and 2020.

Summary Financial Data

(in thousands)

Nine Months Ended September 30, 2021 Compared to the Nine Months Ended September 30, 2020

	<u>Nine Months Ended September 30, 2021</u>	<u>Nine Months Ended September 30, 2020</u>
Revenues		
New and pre-owned vehicles	\$ 820,875	\$ 553,245
Other	91,637	67,293
Total revenue	<u>912,512</u>	<u>620,538</u>
Cost of revenues (excluding depreciation and amortization expense)		
New and pre-owned vehicles	650,561	470,097
Adjustments to LIFO reserve	1,409	(1,481)
Other	19,947	17,154
Total cost of revenues (excluding depreciation and amortization)	<u>671,917</u>	<u>485,770</u>
Gross profit (excluding depreciation and amortization)	240,595	134,768

Transaction costs	1,528	534
Depreciation and amortization expense	10,276	8,068
Stock-based compensation expense	815	1,239
Selling, general, and administrative expenses	130,109	87,991
Income from operations	97,867	36,936
Other income/expenses		
PPP Loan forgiveness	6,626	-
Interest expense	(5,733)	(6,262)
Change in fair value of warrant liabilities	(11,090)	(10,245)
Inducement Loss on Warrant Conversion	(246)	-
Total other expense	(10,443)	(16,507)
Income before income tax expense	87,424	20,429
Income tax expense	(22,299)	(8,020)
Net income	\$ 65,125	\$ 12,409

Revenue

Revenue increased by approximately \$292.0 million, or 47.1%, to \$912.5 million from \$620.5 million for the nine months ended September 30, 2021 and 2020, respectively.

New and Pre-Owned Vehicles Revenue

Revenue from new and pre-owned vehicles sales increased by approximately \$267.7 million, or 48.4%, to \$820.9 million from \$553.2 million for the nine months ended September 30, 2021 and 2020, respectively.

Revenue from new vehicle sales increased by approximately \$188.2 million, or 52.0%, to \$550.4 million from \$362.1 million for the nine months ended September 30, 2021 and 2020, respectively. This increase was due to an increase in the number of new vehicle units sold from 4,815 to 7,097 and an increase in the average selling price from \$73,400 for the nine months ended September 30, 2020 as compared to \$77,500 for the nine months ended September 30, 2021.

Revenue from pre-owned vehicle sales increased by approximately \$79.4 million, or 41.5%, to \$270.5 million from \$191.1 million for the nine months ended September 30, 2021 and 2020, respectively. This was due to an increase in the number of pre-owned vehicles sold, excluding wholesale units sold, from 3,106 to 3,917, and an increase in the average revenue per unit sold from approximately \$58,000 for the nine months ended September 30, 2020 as compared to \$65,800 for the nine months ended September 30, 2021, respectively.

Other Revenue

Other revenue consists of sales of parts, accessories, and related services. It also consists of finance and insurance revenues as well as campground and miscellaneous revenues. Other revenue increased by approximately \$24.3 million, or 36.2%, to \$91.6 million from \$67.3 million for the nine months ended September 30, 2021 and 2020, respectively.

As a component of other revenue, sales of parts, accessories and related services increased by approximately \$5.2 million, or 17.6%, to \$34.6 million from \$29.4 million due to increased volume.

Finance and insurance revenue increased by approximately \$19.4 million, or 55.2%, to \$54.5 million from \$35.1 million for the nine months ended September 30, 2021 as compared to September 30, 2020, respectively, primarily due to higher unit sales.

Gross Profit (excluding depreciation and amortization)

Gross profit consists of gross revenues less cost of sales and services and excludes depreciation and amortization. Gross profit increased by approximately \$105.8 million, or 78.5%, to \$240.6 million from \$134.8 million for the nine months ended September 30, 2021 and 2020, respectively. This increase was attributable to growth in RV sales and associated products and services.

New and Pre-Owned Vehicles Gross Profit

New and pre-owned vehicle gross profit increased \$84.3 million, or 99.6%, to \$168.9 million from \$84.6 million for the nine months ended September 30, 2021 and 2020, respectively. The increase is primarily attributable to the increase in units sold and the increase in the average selling price of both new motorized and pre-owned motorized and towable vehicles.

Other Gross Profit

Other gross profit increased by \$21.6 million, or 43.0% to \$71.7 million from \$50.1 million for the nine months ended September 30, 2021 and 2020, respectively, due to increased finance and insurance revenues associated with increased RV sales.

Selling, General and Administrative Expenses

Selling, general and administrative (“SG&A”) expenses, which, as explained above, do not include transaction costs, stock-based compensation and depreciation and amortization, increased \$42.1 million, or 47.9%, to \$130.1 million for the nine months ended September 30, 2021, from \$88.0 million for the nine months ended September 30, 2020. The increase was related to overhead associated with the new service center near Houston, the Phoenix dealership acquired in May 2020, the Elkhart dealership acquired in October 2020, the Burns Harbor dealership acquired in December 2020, the Louisville, Tennessee dealership acquired in March 2021, and the Portland, Oregon, Vancouver, Washington and Milwaukee, Wisconsin dealerships acquired in August 2021 and increased performance wages as a result of the increased unit sales and revenues for the period ending September 30, 2021.

Interest Expense

Interest expense decreased by approximately \$.5 million to \$5.7 million from \$6.3 million for the nine months ended September 30, 2021 and 2020, respectively, due primarily to lower floorplan balances, more favorable interest rates and the use of an interest reduction equity account.

Income Taxes

Income tax expense was \$22.3 million and \$8.0 million for the nine month periods ending September 30, 2021 and 2020, respectively.

Non-GAAP Financial Measures

The Company uses certain non-GAAP financial measures, such as EBITDA and Adjusted EBITDA, to enable it to analyze its performance and financial condition, as described in “Key Performance Indicators”, above. The Company utilizes these financial measures to manage the business on a day-to-day basis and believes that they are relevant measures of performance. The Company believes that these supplemental measures are commonly used in the industry to measure performance. The Company believes these non-GAAP measures provide expanded insight to measure revenue and cost performance, in addition to the standard GAAP-based financial measures.

The presentation of non-GAAP financial information should not be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP. You should read this discussion and analysis of the Company’s financial condition and results of operations together with the consolidated financial statements of the Company and the related notes thereto also included herein.

EBITDA is defined as net income excluding depreciation and amortization of property and equipment, interest expense, net, amortization of intangible assets and income tax expense.

Adjusted EBITDA is defined as net income excluding depreciation and amortization of property and equipment, amortization of intangible assets, income tax expense, non-floor plan interest expense, stock-based compensation, transaction costs and other supplemental adjustments which for the periods presented includes LIFO adjustments, PPP Loan forgiveness, other one-time charges, gain or loss on sale of property and equipment and change in fair value of warrant liabilities.

Adjusted EBITDA Margin is defined as Adjusted EBITDA as a percentage of total revenues.

Reconciliations from Net Income per the Condensed Consolidated Statements of Income to EBITDA and Adjusted EBITDA and Net income margin to EBITDA margin and Adjusted EBITDA margin for the three months ended September 30, 2021 and 2020 are shown in the tables below.

	Three Months Ended September 30,	
	2021	2020 (Restated)
EBITDA		
Net income	\$ 30,969	\$ 3,700
Interest expense, net*	2,006	1,749
Depreciation and amortization of property and equipment	2,099	1,712
Amortization of intangible assets	1,618	1,048
Income tax expense	7,326	4,184
Subtotal EBITDA	<u>44,018</u>	<u>12,393</u>
Floor plan interest	(414)	(293)
LIFO adjustment	(655)	(1,431)
Transaction costs	678	233
Gain on sale of property and equipment	(133)	-
Change in fair value of warrant liabilities	(2,162)	7,899
Stock-based compensation	132	219
Adjusted EBITDA	<u>\$ 41,464</u>	<u>\$ 19,020</u>

* Interest expense includes \$1,201 and \$1,189 relating to finance lease payments for the three months ended September 30, 2021 and 2020, respectively. Depreciation on leased assets under finance leases is included in depreciation expense and included in net income. Operating lease payments are included as rent expense and included in net income.

	Three Months Ended September 30,	
	2021	2020 (Restated)
EBITDA margin		
Net income margin	9.7%	1.7%
Interest expense, net	0.6%	0.8%
Depreciation and amortization of property and equipment	0.7%	0.8%
Amortization of intangible assets	0.5%	0.5%
Income tax expense	2.3%	1.9%
Subtotal EBITDA margin	<u>13.8%</u>	<u>5.7%</u>
Floor plan interest	-0.1%	-0.1%
LIFO adjustment	-0.2%	-0.7%
Transaction costs	0.2%	0.1%
Loss on sale of property and equipment	0.0%	0.0%
Change in fair value of warrant liabilities	-0.7%	3.7%
Stock-based compensation	0.0%	0.1%
Adjusted EBITDA	<u>13.0%</u>	<u>8.8%</u>

Note: Figures in the table may not recalculate exactly due to rounding.

Reconciliations from Net Income per the Condensed Consolidated Statements of Income to EBITDA and Adjusted EBITDA and Net income margin to EBITDA margin and Adjusted EBITDA margin for the nine months ended September 30, 2021 and 2020 are shown in the tables below.

	Nine Months Ended September 30,	
	2021	2020 (Restated)
EBITDA		
Net income	\$ 65,125	\$ 12,409
Interest expense, net*	5,733	6,262
Depreciation and amortization of property and equipment	6,068	4,925
Amortization of intangible assets	4,208	3,143
Income tax expense	22,299	8,020
Subtotal EBITDA	<u>103,433</u>	<u>34,759</u>
Floor plan interest	(1,197)	(1,888)
LIFO adjustment	1,409	(1,481)
Transaction costs	1,528	534
PPP loan forgiveness	(6,626)	-
(Gain) loss on sale of property and equipment	(136)	8
Change in fair value of warrant liabilities	11,090	10,245
Inducement loss on warrant conversion	246	-
Stock-based compensation	815	1,239
Adjusted EBITDA	<u>\$ 110,562</u>	<u>\$ 43,416</u>

* Interest expense includes \$3,619 and \$3,589 relating to finance lease payments for the nine months ended September 30, 2021 and 2020, respectively. Depreciation on leased assets under finance leases is included in depreciation expense and included in net income. Operating lease payments are included as rent expense and included in net income.

	Nine Months Ended September 30,	
	2021	2020 (Restated)
EBITDA margin		
Net income margin	7.1%	2.0%
Interest expense, net	0.6%	1.0%
Depreciation and amortization of property and equipment	0.7%	0.8%
Amortization of intangible assets	0.5%	0.5%
Income tax expense	2.4%	1.3%
Subtotal EBITDA margin	<u>11.3%</u>	<u>5.6%</u>
Floor plan interest	-0.1%	-0.3%
LIFO adjustment	0.2%	-0.2%
Transaction costs	0.2%	0.1%
PPP loan forgiveness	-0.7%	0.0%
Loss on sale of property and equipment	0.0%	0.0%
Change in fair value of warrant liabilities	1.2%	1.7%
Inducement loss on warrant conversion	0.0%	0.0%
Stock-based compensation	0.1%	0.2%
Adjusted EBITDA	<u>12.1%</u>	<u>7.0%</u>

Note: Figures in the table may not recalculate exactly due to rounding.

Liquidity and Capital Resources

Cash Flow Summary

(\$ in thousands)

	Nine Months Ended September 30,	
	2021	2020
Net income	\$ 65,125	\$ 12,409
Non cash adjustments	16,168	20,166
Changes in operating assets and liabilities	4,939	109,326
Net cash provided by operating activities	86,232	141,901
Net cash used in investing activities	(79,804)	(7,005)
Net cash used in financing activities	(2,913)	(84,700)
Net increase in cash	\$ 3,515	\$ 50,196

Net Cash from Operating Activities

The Company generated cash from operating activities of approximately \$86.2 million for the nine months ended September 30, 2021, compared to cash provided by operating activities of approximately \$141.9 million for the nine months ended September 30, 2020. Net income increased by approximately \$52.7 million for the nine months ended September 30, 2021 compared to the nine months ended September 30, 2020. Adjustments for non-cash expenses, included in net income, decreased \$4.0 million to \$16.2 million for the nine months ended September 30, 2021 compared to the prior period. For the nine months ended September 30, 2021, there was approximately \$4.9 million of cash changes in operating assets and liabilities as compared to \$109.3 million of cash changes in operating assets and liabilities for the nine months ended September 30, 2020. The fluctuations in assets and liabilities for the nine months ended September 30, 2021 were primarily due to the increase in accounts receivable of \$8.8 million, the increase in inventory of \$4.8 million, the increase in prepaid expenses of \$1.3, the increase of \$16.9 million in accounts payable and accrued expenses and other current liabilities, and the increase of \$3.0 in income tax receivable/payable. The fluctuations in assets and liabilities for the nine months ended September 30, 2020 were primarily due to the increase in accounts receivable of \$4.1 million, the increase of \$12.8 million in accounts payable and accrued expenses and other current liabilities, respectively, the increase of \$2.5 million in income tax receivable/payable, respectively, plus the impact of a decrease in inventory of \$100.1 million as inventory declined due to supply constraints.

Net Cash from Investing Activities

The Company used cash in investing activities of approximately \$79.8 million for the nine months ended September 30, 2021, compared to cash used in investing activities of approximately \$7.0 million for the nine months ended September 30, 2020. Net cash used in investing activities for the nine months ended September 30, 2021 was primarily related to cash used for purchases of property and equipment of \$16.9 million (including \$5.8 million associated with failed sale leasebacks) and cash paid for acquisitions of \$63.0 million.

Net Cash from Financing Activities

The Company had cash used in financing activities of approximately \$2.9 million for the nine months ended September 30, 2021, compared to approximately \$84.7 million for the nine months ending September 30, 2020. Net cash used in financing activities for the nine months ended September 30, 2021 was primarily related to net repayments on the M&T Floor Plan Line of Credit of \$24.0 million, and dividend payments of \$3.6 million. These payments were partially offset by cash provided by the exercise of warrants of \$11.6 million, cash provided by the exercise of options of \$8.3 million and proceeds from financing liabilities of \$12.0 million associated with the failed sale leasebacks.

Funding Needs and Sources

The Company has historically satisfied its liquidity needs through cash from operations and various borrowing arrangements. Cash requirements consist principally of scheduled payments of principal and interest on outstanding indebtedness (including indebtedness under its existing floor plan credit facility), the acquisition of inventory, capital expenditures, salary and sales commissions and lease expenses and also consisted of acquisitions of four dealerships in 2021 and three dealerships in 2020. The Company expects that it has adequate cash on hand, cash from operations and borrowing capacity to meet its liquidity needs for the next twelve months. Management continually evaluates capital requirements and options to facilitate our growth strategy, and currently believes capital is adequate to support the business and its growth strategy under various market conditions.

As of September 30, 2021, the Company had liquidity of approximately \$67.0 million in cash and had working capital of approximately \$72.2 million.

Capital expenditures include expenditures to extend the useful life of current facilities and expand operations. For the nine months ended September 30, 2021, the Company invested approximately \$16.9 million in capital expenditures (including \$5.8 million associated with failed sale leasebacks).

The Company maintains sizable inventory in order to meet the expectations of its customers and believes that it will continue to require working capital consistent with past experience. Historically, the Company has funded its operations with internally generated cash flow and borrowings. Changes in working capital are driven primarily by levels of business activity. The Company maintains a floor plan credit facility to finance its vehicle inventory. At times, the Company has made repayments on its existing floor plan credit facility using excess cash flow from operations.

M&T Credit Facility

On March 15, 2018, the Company replaced its existing debt agreements with Bank of America with the M&T Facility. The M&T Facility includes a \$175 million M&T Floor Plan Line of Credit, a \$20 million M&T Term Loan and a \$5 million M&T Revolver. The M&T Facility was originally due to mature on March 15, 2021. The maturity date was subsequently extended to September 15, 2021. The M&T Facility requires the Company to meet certain financial covenants and is secured by substantially all of the assets of the Company.

On March 6, 2020, the Company entered into the Third Amendment and Joinder to Credit Agreement (“Third Amendment”) on the M&T Facility. Pursuant to the Third Amendment, the Mortgage Loan Borrower and Diversified, wholly owned subsidiaries of LDRV, became parties to the Credit Agreement and were identified as Additional Loan Parties. The Existing Borrowers and Guarantors also requested that the Lenders provide a mortgage loan credit facility in the aggregate principal amount of acquisition, construction, and permanent mortgage financing for a property acquired by the Mortgage Loan Borrower. The amount borrowed under the M&T Mortgage was \$6.136 million. The mortgage shall bear interest at (a) LIBOR plus an applicable margin of 2.25% or (b) the Base Rate plus a margin of 1.25%. The mortgage requires monthly payments of principal of \$0.03 million and matures on September 15, 2021 when all remaining principal and accrued interest payments become due.

In order to mitigate the early effects of the COVID-19 pandemic, the Company entered into the Fourth Amendment to the M&T credit agreement on April 16, 2020. Pursuant to the Fourth Amendment, the parties agreed to a suspension of scheduled principal payments on the term loans and mortgage loans (to the extent the permanent loan period has begun for the mortgage loans) for the period from April 15, 2020 through September 15, 2020. Interest on the outstanding principal balances of the term loans and mortgage loans continued to accrue and was paid at the applicable interest rate during the deferment period. At the end of the deferment period, the borrowers resumed making all required payments of principal on the term loans and mortgage loans. All principal payments of the term loans and mortgage loans deferred during the deferment period are due and payable on the term loan maturity date or the mortgage loan maturity date, as applicable. Additionally, all principal payments deferred during the deferment period are due and payable: (a) as described above; or (b) if earlier, the date all outstanding amounts are otherwise due and payable under the terms of the credit documents (including, without limitation, upon maturity, acceleration or, to the extent applicable under the credit documents, demand for payment). In addition, the amendment includes a temporary suspension of scheduled curtailment payments required by the credit agreement for the period from April 1, 2020 through September 15, 2020. Amounts related to floor plan unused commitment fees and interest on the outstanding principal balance of the M&T Floor Plan Line of Credit continued to accrue and are paid at the applicable rate and on the terms set forth in the credit agreement during the suspension period.

On July 14, 2021, the Company entered into an amended and restated credit agreement with M&T, as a Lender, Administrative Agent, Swingline Lender, and Issuing Bank, and other financial institutions as Lender parties, (“new M&T Facility”). The credit agreement evidences an approximately \$369.1 million aggregate credit facility, consisting of a \$327 million floor plan credit facility, a term loan of approximately \$11.3 million, a \$25 million revolving credit and a \$5.8 million mortgage loan facility. The new M&T Facility requires the Company to meet certain financial and other covenants and is secured by substantially all the assets of the Company. The costs of the new M&T Facility were recorded as a debt discount.

The mortgage loan facility (“mortgage”) has LIBOR borrowings bearing interest at LIBOR plus 2.25% and a base rate margin of 1.25%. The mortgage requires monthly payments of principal of \$0.03 million. As of September 30, 2021, the mortgage balance was \$5,778 and the interest rate was 2.3328%.

The M&T Floor Plan Line of Credit may be used to finance new vehicle inventory, but only \$90 million may be used to finance pre-owned vehicle inventory and \$1.0 million may be used to finance permitted Company vehicles. Principal becomes due upon the sale of the respective vehicle. The M&T Floor Plan Line of Credit shall accrue interest at either: (a) the fluctuating 30-day LIBOR rate plus an applicable margin which ranges from 2.00% to 2.30% based upon the Company's total leverage ratio (as defined in the new M&T Facility); or (b) the Base Rate plus an applicable margin ranging from 1.00% to 1.30% based upon the Company's total leverage ratio (as defined in the new M&T Facility). The Base Rate is defined in the agreement as the highest of M&T's prime rate, the Federal Funds rate plus 0.50% or one-month LIBOR plus 1.00%. In addition, the Company will be charged for unused commitments at a rate of 0.15%.

The M&T Term Loan will be repaid in equal monthly principal installments of \$242,000 plus accrued interest through the maturity date. At the maturity date, the Company will pay a principal balloon payment of \$2.6 million plus any accrued interest. The M&T Term Loan shall bear interest at: (a) LIBOR plus an applicable margin of 2.25% to 3.00% based on the total leverage ratio (as defined in the new M&T Facility); or (b) the Base Rate plus a margin of 1.25% to 2.00% based on the total leverage ratio (as defined in the new M&T Facility).

The M&T Revolver allows the Company to draw up to \$25 million. The M&T Revolver shall bear interest at: (a) 30-day LIBOR plus an applicable margin of 2.25% to 3.00% based on the total leverage ratio (as defined in the new M&T Facility); or (b) the Base Rate plus a margin of 1.25% to 2.00% based on the total leverage ratio (as defined in the new M&T Facility). The M&T Revolver is also subject to the unused commitment fees at rates varying from 0.25% to 0.50% based on the total leverage ratio (as defined).

As of September 30, 2021, there was \$94.7 million outstanding under the M&T Floor Plan Line of Credit, \$10.8 million outstanding under the M&T Term Loan and \$5.8 million outstanding on the M&T Mortgage.

Contractual and Commercial Commitments

During the nine months ended September 30, 2021, the Company did not have any material changes in its contractual and commercial commitments outside of the ordinary course of business.

Off-Balance Sheet Arrangements

As of September 30, 2021, there were no off-balance sheet arrangements, as defined in Item 303(a)(4)(ii) of Regulation S-K.

Inflation

Although the Company cannot accurately anticipate the effect of inflation on its operations, it believes that inflation has not had, and is not likely in the foreseeable future to have, a material impact on the results of operations.

Cyclicality

Unit sales of RV vehicles historically have been cyclical, fluctuating with general economic cycles. During economic downturns, the RV retailing industry tends to experience similar periods of decline and recession as the general economy. The Company believes that the industry is influenced by general economic conditions and particularly by consumer confidence, the level of personal discretionary spending, fuel prices, interest rates and credit availability.

Seasonality and Effects of Weather

The Company's operations generally experience modestly higher volumes of vehicle sales in the first half of each year due in part to consumer buying trends and the hospitable warm climate during the winter months at our Florida and Arizona locations. In addition, the northern locations in Colorado, Tennessee, Minnesota, Indiana, Oregon, Washington and Wisconsin generally experience modestly higher vehicle sales during the spring months.

The Company's largest RV dealership is located near Tampa, Florida, which is in close proximity to the Gulf of Mexico. A severe weather event, such as a hurricane, could cause severe damage to property and inventory and decrease the traffic to our dealerships. Although the Company believes that it has adequate insurance coverage, if the Company were to experience a catastrophic loss, the Company may exceed its policy limits, and/or may have difficulty obtaining similar insurance coverage in the future.

Critical Accounting Policies and Estimates

The Company prepares its condensed consolidated financial statements in accordance with GAAP, and in doing so, it has to make estimates, assumptions and judgments affecting the reported amounts of assets, liabilities, revenues and expenses, as well as the related disclosure of contingent assets and liabilities. The Company bases its estimates, assumptions and judgments on historical experience and on various other factors it believes to be reasonable under the circumstances. Different assumptions and judgments would change estimates used in the preparation of the condensed consolidated financial statements, which, in turn, could change the results from those reported. The Company evaluates its critical accounting estimates, assumptions and judgments on an ongoing basis.

Please refer to Note 2 of the accompanying unaudited condensed consolidated financial statements for the update to the Company's revenue recognition policies as a result of the adoption of ASC 606 and ASC 842. There have been no other material changes in the Company's critical accounting policies from those previously reported and disclosed in its Annual Report on Form 10-K.

Item 3. — Quantitative and Qualitative Disclosures About Market Risk.

Information requested by this Item 3 is not applicable as the Company has elected scaled disclosure requirements available to smaller reporting companies with respect to this Item 3

Item 4. — Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this Quarterly Report on Form 10-Q, the Company conducted an evaluation, under the supervision and with the participation of management, including the Chief Executive Officer and the Chief Financial Officer, of the effectiveness of the design and operation of the disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). That evaluation included consideration of the views expressed in the SEC Staff Statement in which the SEC staff clarified its interpretations of certain generally accepted accounting principles related to warrants issued by SPACs. Prior to the SEC Staff Statement, we believed that our warrant accounting was consistent with generally accepted accounting principles. This position was consistent with market practice, informed by third-party advisors with whom we consult from time to time on complex technical accounting matters, and was contained and fully disclosed in our audited financial statements, SEC filings and investor communications. However, based on the clarifications expressed in the SEC Staff Statement which resulted in the restatement discussed further in Note 2 to the condensed consolidated financial statements, the Company's management and the Chief Executive Officer and Chief Financial Officer subsequently concluded that the Company's disclosure controls and procedures were not effective due to a material weakness in internal control over financial reporting related to the accounting for warrants. The Company's control to evaluate the accounting for warrants did not effectively lead us to correctly apply the provisions of ASC 815-40 as further interpreted by the SEC on April 12, 2021, and the Company's controls were not appropriately designed to reassess the classification of the warrants at each reporting date thereafter. As a result, a material weakness was determined to exist. A material weakness is a deficiency, or combination of deficiencies, in internal controls over financial reporting, such that there is a reasonable possibility that the material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis. Subsequent to the SEC Staff Statement, we implemented a remediation plan that addressed the material weakness in internal control over financial reporting, which related to the accounting for our warrants. In connection with the warrant restatement on Form 10-K/A, the Company has conformed its accounting for its warrants to the SEC Statement. The Company has also designed and implemented a new control to reassess the classification of liability- or equity-classified warrants to conform the accounting for warrants consistent with the SEC Staff Statement, which will be executed at each reporting date by individuals with sufficient experience and training. In 2021, the Company implemented a remediation plan to address this material weakness, including the addition of several new controls, and will test the operational effectiveness of the controls during 2021.

Notwithstanding the material weakness discussed above, the Company's management, including the Chief Executive Officer and Chief Financial Officer, has concluded that the Company's financial statements included in this Form 10-Q present fairly, in all material respects, the Company's financial position, results of operations and cash flows for the periods presented in accordance with U.S. generally accepted accounting principles.

Changes in Internal Control over Financial Reporting

In connection with the above described restatement, the Company has designed and implemented a new control to reassess the classification of liability- or equity-classified warrants consistent with the SEC Staff Statement, which control will be executed at each reporting date. This new control has been and will be executed by individuals with sufficient experience and training.

Other than the item discussed above, there were no significant changes in our internal control over financial reporting during the most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1 – Legal Proceedings

The Company is a party to multiple legal proceedings that arise in the ordinary course of its business. The Company does not believe that the ultimate resolution of these matters will have a material adverse effect on its business, results of operations, financial condition or cash flows. However, the results of these matters cannot be predicted with certainty and an unfavorable resolution of one or more of these matters could have a material adverse effect on the Company’s business, results of operations, financial condition and/or cash flows.

Item 1A – Risk Factors

Item 1A of Part I of our Annual Report on Form 10-K for the year ended December 31, 2020, includes a detailed discussion of the risk factors that could materially affect our business, financial condition or future prospects. We encourage you to read these risk factors in their entirety.

Item 2 – Unregistered Sales of Equity Securities and Use of Proceeds

Stock Repurchases

The table below sets forth the information with respect to purchases made by or on behalf of Lazydays Holdings, Inc. or any “affiliated purchaser” (as defined in Rule 10b-18(a)(3) under the Exchange Act) of our shares of common stock during the nine months ended September 30, 2021.

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (1)
July 1, 2021 - July 31, 2021	-	\$ -	-	
August 1, 2021 - August 31, 2021	-	\$ -	-	
September 1, 2021 - September 30, 2021	-	\$ -	-	
Total				\$ 25,000

- (1) On September 13, 2021, we announced that the Board authorized a stock repurchase program authorizing us to repurchase up to \$25.0 million of our shares of common stock. The program will be effective through December 31, 2022.

Item 3 – Default Upon Senior Securities

None.

Item 4 – Mine Safety Disclosures

None.

Item 5 – Other Information

None.

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Item 6. — Exhibits.

- 2.1* [Asset Purchase Agreement among BYRV, Inc., BYRV Washington, Inc., Bruce Young, Mark Bretz, The Bruce A. Young Revocable Trust, The Bruce A. Young 2021 Gift Trust and Lazydays RV of Oregon, LLC, effective as of July 9, 2021](#)
- 10.1* [Amended and Restated Credit Agreement, dated as of July 14, 2021, by and among LDRV Holdings Corp., Lazydays RV America, LLC, Lazydays RV Discount, LLC and Lazydays Mile HI RV, LLC, Manufacturers and Traders Trust Company, as Administrative Agent, Swingline Lender, Issuing Bank and a Lender, and other financial institutions as Lender parties thereto](#)
- 31.1* [Certification of Chief Executive Officer pursuant to Rule 13a-14 and Rule 15d-14\(a\), promulgated under the Securities Exchange Act of 1934, as amended](#)
- 31.2* [Certification of Chief Financial Officer pursuant to Rule 13a-14 and Rule 15d-14\(a\), promulgated under the Securities Exchange Act of 1934, as amended](#)
- 32.1** [Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 \(Chief Executive Officer\)](#)
- 32.2** [Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 \(Chief Financial Officer\)](#)
- 101 INS* XBRL Instance Document
- 101 SCH* Inline XBRL Taxonomy Extension Schema Document
- 101 CAL* Inline XBRL Taxonomy Extension Calculation Linkbase Document
- 101 DEF* Inline XBRL Taxonomy Extension Definition Linkbase Document
- 101 LAB* Inline XBRL Extension Label Linkbase Document
- 101 PRE* Inline XBRL Taxonomy Extension Presentation Linkbase Document
- 104* Cover Page Interactive Data File (Embedded within the Inline XBRL document and included in Exhibit 101)

* Filed herewith.

** Furnished herewith.

Exhibits 32.1 and 32.2 are being furnished and shall not be deemed to be “filed” for purposes of Section 18 of the Exchange Act or otherwise subject to the liability of that section, nor shall such exhibits be deemed to be incorporated by reference in any registration statement or other document filed under the Securities Act or the Exchange Act, except as otherwise stated in any such filing.

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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.

Lazydays Holdings, Inc.

Dated November 5, 2021

/s/ WILLIAM P. MURNANE

William P. Murnane
Chief Executive Officer
(Duly authorized officer and
principal executive officer)

Dated November 5, 2021

/s/ NICHOLAS J. TOMASHOT

Nicholas J. Tomashot
Chief Financial Officer
(Duly authorized officer and
principal financial and accounting officer)

ASSET PURCHASE AGREEMENT
BYRV, INC.
BYRV WASHINGTON, INC.

THIS ASSET PURCHASE AGREEMENT (this “**Agreement**”) is made as of this 3rd day of August, 2021, by and among **BYRV, INC.**, a Montana corporation (“**BYRV**”), **BYRV WASHINGTON, INC.**, a Washington corporation (“**BYRV Washington**”) (each of BYRV, and BYRV Washington are a “**Seller**” and together the “**Sellers**”), **Bruce Young** (“**Young**”), **Mark Bretz** (“**Bretz**”), **Young as the Trustee of the XXXX Revocable Trust** (the “**Revocable Trust**”) and **Young as the Trustee of the XXXX Gift Trust** (the “**Gift Trust**” and together with the Revocable Trust, the “**Trusts**”) (each of Young, Bretz, the Revocable Trust and the Gift Trust are a “**Principal**” and together the “**Principals**”), and **Lazydays RV of Oregon, LLC**, a Delaware limited liability company (“**Purchaser**”).

Background of Agreement

Sellers are each a party to one or more manufacturer agreements with Sylvan, Jayco, Grand Design, Thor Motor Coach, Dutchmen, Dynamax, Tiffin Motorhomes, Vanleigh RV, and Coachman (collectively, the “**Manufacturers**” and each a “**Manufacturer**”) for the sale, lease, rental and/or service of new and used recreational vehicles.

Sellers own certain assets which they desire to sell and which, subject to the terms and conditions of this Agreement, Purchaser desires to purchase, which assets are related to and/or used in the operation of each Sellers’ new and used recreational vehicle dealership sales and ancillary business operations, including repair services, restoration and body shop services at the Dealership Properties (collectively, the “**Business**”).

BYRV conducts the operation of the new and used recreational vehicle dealership, sales, and related business operations at 16803 SE McLoughlin Boulevard, Portland, Oregon 97267 (the “**Milwaukie Property**”). BYRV Washington conducts the operation of the new and used recreational vehicle dealership, sales, and related business operations at 1986 Atlantic Avenue, Woodland, Washington 98674 (the “**Woodland Property**” and together with the Milwaukie Property, the “**Dealership Properties**”). The Dealership Properties (which are more fully described on **Exhibit “A”** attached hereto and made a part hereof), together with all appurtenant easements, rights of way, and all improvements, buildings and structures constructed thereon and all fixtures located therein, are owned by affiliates of Sellers.

As used in this Agreement, the term “**recreational vehicles**” shall be deemed to refer to Class A, Class B and Class C motorhomes, travel trailers, fifth wheels, tent campers/pop up campers and toy haulers.

Principals collectively own all of the capital stock and any other equity interests of Sellers (with Young holding capital stock as the trustee of the Revocable Trust and the Gift Trust), and, as a condition to Purchaser entering into this Agreement, Principals have agreed to enter into and be bound by this Agreement as provided below.

The parties are entering into this Agreement to set forth their understanding with respect to the transactions described herein.

Agreement

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

1. SALE AND PURCHASE OF ASSETS.

1.1 **Acquired Assets.** Upon the terms and subject to the conditions set forth in this Agreement, on the Closing Date (as hereinafter defined), Sellers shall sell, assign, transfer and convey to Purchaser the Acquired Assets (as hereinafter defined) and Purchaser shall purchase and acquire the Acquired Assets on the Closing Date, free and clear of all Liens and Encumbrances (as hereinafter defined). The “**Acquired Assets**” shall mean any and all assets, whether tangible or intangible, used in the operation of the Business (excluding the Excluded Assets), including, but not limited to, the following assets of Sellers located at the Dealership Properties on the Closing Date:

1.1.1 All 2021 and newer model year Manufacturer recreational vehicles located at the Dealership Property on the Closing Date and all recreational vehicles that have been ordered by Sellers from the Manufacturers in their normal course of business prior to the Closing Date, but which have not been delivered to the applicable Dealership Properties as of the Closing Date (the “**In-transits**”): (i) which have never been reported as or titled or registered in connection with a sale at retail; (ii) for which there is an unreported retail delivery card or the equivalent thereof; (iii) which have never been materially damaged; provided that, irrespective of such damage, such vehicle may still be titled as a new vehicle under applicable Laws and such damage (even if previously repaired) will not trigger a requirement under applicable Law to disclose such damage to a consumer; (iv) which are in complete working order on the Closing Date; and (v) which have less than 5,000 miles on the odometer on the Closing Date (the “**New Recreational Vehicle Inventory**”). A list of the New Recreational Vehicle Inventory as of the Closing Date is attached hereto as **Schedule 1.1.1** and made a part hereof.

1.1.2 All recreational vehicles other than the New Recreational Vehicle Inventory (the “**Used Recreational Vehicle Inventory**”). A list of the Used Recreational Vehicle Inventory as of the Closing Date is attached hereto as **Schedule 1.1.2** and made a part hereof. The New Recreational Vehicle Inventory and the Used Recreational Vehicle Inventory are hereinafter collectively referred to as the “**Purchased Recreational Vehicle Inventory**.”

1.1.3 All parts and accessories whatsoever (including parts and accessories purchased from a Manufacturer, jobber or other third party, tires, batteries, other items held for sale to customers) (collectively, the “**Parts and Accessories**”).

1.1.4 All gas, fuel oil, motor oil and grease, vehicle reconditioning and repair supplies and other shop supplies and materials, freon, connectors, nuts, bolts and fasteners, fuses (but excluding damaged, unusable and/or leaking cans and drums of paint, solvents and other supplies or materials), and all other similar expendable shop supplies and inventories which are useable or saleable in the ordinary course of the Business (the “**Miscellaneous Supplies**”).

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1.1.5 All non-inventory items of tangible property that are used in the Business, including but not limited to: all tools and diagnostic equipment owned by Sellers, all other machinery and shop equipment, lifts, all signs (of any size or nature), including those that bear the name or logo of a Manufacturer, mobile service trucks, all furniture, all office equipment and supplies (which will be maintained at minimum levels consistent with continued business operations of Sellers), all leasehold improvements, all computer hardware and licensed software that Sellers have the right to transfer or assign, all telephones and the telephone systems, all manufacturer communication systems and equipment, all training and service books and manuals, all showroom display items, all marketing materials, and brochures and/or literature, and all company-owned vehicles (collectively, the “**Tangible Assets**”). Attached hereto as **Schedule 1.1.5** and thereby made a part hereof is a list of the Tangible Assets. All tangible assets used in the Business (other than the Excluded Assets) shall be considered Tangible Assets regardless of their inclusion on **Schedule 1.1.5**.

1.1.6 All partially completed service and body shop repair work that are in process on the Closing Date, that originated less than ninety (90) days prior to the Closing Date, that are on customary terms and conditions, and that are consistent with industry and historical practices of Sellers (“**Work-In-Process**”). Attached hereto as **Schedule 1.1.6** shall be a list of all Work-In-Process as of the Closing Date, indicating the date of origin of each.

1.1.7 All certificates, permits, approvals and licenses pertaining to the Dealership Properties or any of the Acquired Assets; any occupancy permits required by any state and/or local political subdivision pertaining to the Dealership Properties and the improvements located thereon; the telephone and facsimile numbers of Sellers (the “**Telephone and Facsimile Numbers**”); exclusive rights in perpetuity to the customer sales (new and used), service, repair, and restoration records of Sellers (all in electronic format usable by Purchaser); all CDK, Reynolds and Reynolds, Motility and/or DealerTrack (and/or such other operating system utilized by Sellers) information and computer files including F&I files and records; all service or body repair orders; all customer leads and/or prospects; all deal jackets and all other records of Sellers which may be helpful to Purchaser in the operation of the Business, including exclusive rights in and to all other records of Sellers related to the Business, including, but not limited to, books of account, ledgers and general, financial and accounting records, and internal financial statements; all web sites, domain names, URLs, Facebook and other social media pages, and email addresses of Sellers (the “**Internet Assets**”); the fictitious name “B. Young RV” and any acronyms, national extensions, or names derived from or bearing a resemblance thereto (collectively, the “**Names**”) and the B. Young RV logo; the goodwill and going-concern value of Sellers relating to the conduct of the Business; all promotional literature, advertising materials, signage and other similar materials relating to the Business and the promotion of the Business; and all of Sellers’ rights, to the extent transferable, in and to the agreements with any manufacturer of new recreation vehicles sold in the Business (all Acquired Assets listed in this **Section 1.1.7** are collectively referred to herein as the “**Intangibles**”).

1.1.8 The Assigned Contracts (as hereinafter defined) and the Recreational Vehicle Contracts (as hereinafter defined), including all prepaid amounts, credits and/or deposits (including security deposits) related to or arising from the Assigned Contracts and/or the Recreational Vehicle Contracts.

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1.1.9 All prepaid expenses and/or deposits whatsoever, including without limitation, prepaid advertising, prepaid insurance, prepaid rents and/or deposits from customers or deposits (including security deposits) paid by Sellers.

1.1.10 All trade or accounts receivable (including any security held for the payment thereof) whatsoever, including without limitation, all vehicle accounts receivable, service and parts accounts receivable, F&I receivables, all service contract receivables, contracts in transit, finance and similar reserves, all other customer or third-party accounts receivable and all Manufacturer receivables, including but not limited to warranty receivables (collectively, the “**Accounts Receivable**”); *provided, however*, that, notwithstanding anything to the contrary in this Agreement, the calculation of Net Working Capital in accordance with the Sample Calculation shall only reflect: (i) recreational vehicle sales Accounts Receivable that are thirty (30) days or less outstanding, and (ii) all other Accounts Receivable that are ninety (90) days or less outstanding. Sellers’ Accounts Receivable as of the Closing Date are listed on **Schedule 1.1.10** attached hereto and made a part hereof. Sellers and Principals hereby authorize Purchaser to open any and all mail addressed to a Seller or a Principal (if delivered to Purchaser or any Dealership Property) if received on or after the Closing Date and hereby grants to Purchaser a power of attorney to endorse and cash any checks or instruments made payable or endorsed to a Seller or its order and received by Purchaser and which are received by Purchaser in payment of a purchased Account Receivable pursuant to this **Section 1.1.10**. Sellers and Principals agree that, within three (3) business days after receipt, they will forward to Purchaser any monies, checks or instruments received by a Seller or a Principal after the Closing Date with respect to the Accounts Receivable purchased pursuant to this **Section 1.1.10**.

1.1.11 All refunds, credits, reimbursements, rebates (or the like) to Sellers which relate in any way to the Business to the extent such amounts are included in the Net Working Capital, including without limitation any and all refunds, rebates or the like that relate to the Purchased Recreational Vehicle Inventory, or that arise out of the cancellation of any insurance policy, contract or other agreement regardless of whether such policy, contract or agreement is cancelled before, on or after the Closing Date.

1.1.12 All advertising accounts and/or monies held by or paid to a Manufacturer or third party for purposes of advertising the Business and/or Sellers or related to Sellers participating in any upcoming outdoor or RV shows.

In the event that Principals, Sellers or their respective officers, directors, or shareholders receive any payments or other amounts that constitute Acquired Assets after the Closing, Sellers hereby agree to remit such amounts to Purchaser within five (5) business days.

1.2 **Excluded Assets**. Except as otherwise provided in this Agreement or as may be required by this Agreement, the following assets and property of Sellers are not included in the sale to Purchaser and shall constitute “**Excluded Assets**”:

1.2.1 All cash, cash equivalents and securities.

1.2.2 All unusable, damaged and/or leaking cans and drums of solvents and other materials.

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1.2.3 All contracts or leases whatsoever of a Seller other than the Assigned Contracts (as hereinafter defined) and Recreational Vehicle Contracts (as hereinafter defined).

1.2.4 All of Sellers’ right, title and interest in and to this Agreement, including, but not limited to, the Purchase Price.

1.2.5 The minute books, capital stock records, and tax returns of Sellers.

1.2.6 Any recreational vehicles or other items held by Sellers on consignment.

1.2.7 Any asset, tangible or intangible, leased by Sellers, unless such asset is the subject of an Assigned Contract.

1.2.8 Any Tangible Assets that are Acquired Assets which Purchaser, by notice delivered to either Seller on or before the Closing Date, elects to exclude from the transactions contemplated hereby.

1.2.9 Any Purchased Recreational Vehicle Inventory that is subject to a stop sale or open recall.

1.2.10 The assets listed on **Schedule 1.2.10** attached hereto and made a part hereof.

1.2.11 All partially completed service and body shop repair work that are in process on the Closing Date and that originated ninety (90) days or more prior to the Closing Date unless the parties mutually agree otherwise.

1.2.12 Any inventory held for sale by Sellers that are not recreational vehicles.

1.2.13 Such other assets specifically delineated in this Agreement as excluded from the transactions contemplated hereby.

All Excluded Assets shall be removed from the Dealership Properties by Sellers, at their sole cost and expense, on or prior to the Closing Date, unless otherwise expressly provided in this Agreement or agreed to in writing by Purchaser. Any Excluded Assets not removed by Sellers within the requisite time period shall become the property of Purchaser and any and all costs of disposal thereof by Purchaser shall constitute Losses (as hereinafter defined) hereunder.

1.3 Limited Assumption of Sellers' Liabilities by Purchaser. Subject to the terms and conditions set forth herein, Purchaser shall assume and agree to pay, perform and discharge only the following specifically identified Liabilities (as defined in Section 1.4.1 below) of Sellers and no other Liabilities whatsoever (collectively, the "**Assumed Liabilities**"):

1.3.1 On the Closing Date, Sellers shall assign to Purchaser and, subject to the following, Purchaser shall assume all rights and obligations of Sellers arising out of customer contracts for the sale and purchase of recreational vehicles to be delivered on or after the Closing Date (the "**Recreational Vehicle Contracts**"). The Recreational Vehicle Contracts to be assigned to and assumed by Purchaser on the Closing Date shall be listed in Schedule 1.3.1 and such Recreational Vehicle Contracts shall be on commercially reasonable terms consistent with the standards and practices in the industry. All customer deposits with respect to the Recreational Vehicle Contracts shall be included as a Current Liability in the Sample Calculation for purposes of calculating the Net Working Capital.

1.3.2 On the Closing Date, Sellers shall assign and Purchaser shall assume the obligation to purchase and pay when due any amounts relating to the In-transits that are not otherwise included among the Acquired Assets; provided, however, that Sellers and Purchaser shall attempt to have all such In-transits re-invoiced to Purchaser by the applicable Manufacturer. All In-transits to be assigned to and assumed by Purchaser on the Closing Date shall be listed in Schedule 1.3.2.

1.3.3 On the Closing Date, Sellers shall assign and Purchaser shall assume the obligation to perform the services and/or provide the accessories due to customers of Sellers as specifically listed on Schedule 1.3.3 (the "**We-Owes**"). Schedule 1.3.3 shall list all We-Owes of which Sellers have knowledge after a reasonably diligent inquiry. Pursuant to the Sample Calculation (as hereinafter defined), the Net Working Capital shall be adjusted by the estimated cost to Purchaser of performing any such We-Owes post-Closing (as reasonably determined by Purchaser and Sellers, acting in good faith).

1.3.4 Subject to the provisions of this Section 1.3.4, on the Closing Date, Sellers shall assign to Purchaser and Purchaser shall assume all rights and obligations of Sellers arising after the Closing Date out of those leases and contracts expressly identified and attached to Schedule 1.3.4, which is attached hereto and made a part hereof (the "**Assigned Contracts**"). For the avoidance of doubt, Purchaser shall only assume those Liabilities under the Assigned Contracts that are required to be performed after the Closing Date, were incurred in the ordinary course of business and do not relate to any failure to perform, improper performance, breach of warranty or other breach, default or violation by Sellers prior to the Closing. Subject to Section 7.8, on or before the Closing Date, Sellers shall be responsible for obtaining any consents to assignment which are required under the Assigned Contracts. Notwithstanding anything to the contrary contained herein, Purchaser shall not be obligated to assume any Assigned Contract which is in default or any

Assigned Contract for which Sellers cannot secure a required consent. Neither Seller is a party to any real property leases other than the real property leases set forth on **Schedule 5.20**.

1.3.5 On the Closing Date, Purchaser shall assume the obligation to pay those certain unrelated third party accounts payable of Sellers that are (i) included in Net Working Capital, (ii) are not delinquent as of the Closing Date, and (iii) described in detail (i.e., payee name, address and amount of payable which amount must be the same as the amount included in Net Working Capital) on **Schedule 1.3.5** (the “**Net Working Capital Accounts Payable**”).

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1.4 No Other Liabilities Assumed.

1.4.1 Except for the Assumed Liabilities, Purchaser does not assume and shall not assume any liability, debt, commitment or other obligation, or contract or lease, or any other liability whatsoever (including tax liabilities) of any kind or nature, absolute or contingent, known or unknown, asserted or unasserted, accrued or unaccrued, matured or unmatured (“**Liabilities**”), including those Liabilities incurred or arising out of or in connection with the Dealership Properties, the Acquired Assets and/or the operation of the Business or transactions occurring prior to the Closing Date (collectively, the “**Retained Liabilities**”). Without limiting the generality of the immediately preceding sentence, the Retained Liabilities shall include any and all claims by any person or entity arising out of any Liabilities of Sellers not specifically assumed by Purchaser in accordance with Section 1.3 above, including, but not limited to, the following:

1.4.1.1 All Liabilities under any contracts other than those Liabilities expressly assumed by Purchaser in Section 1.3 with respect to the Assigned Contracts and the Recreational Vehicle Contracts.

1.4.1.2 Any and all accounts payable other than the Net Working Capital Accounts Payable.

1.4.1.3 All Liabilities of a Seller arising on or before the Closing Date except as specifically provided herein with respect to the Recreational Vehicle Contracts and We-Owes.

1.4.1.4 All Liabilities of a Seller with respect to any Excluded Assets.

1.4.1.5 All Liabilities of a Seller for federal, state (including, but not limited to Oregon or Washington, as applicable, sales tax on recreational vehicles sold by either Seller) and local taxes (including transfer taxes) incurred in respect of or measured by the income of a Seller earned prior to the Closing Date or as a result of the transactions contemplated by this Agreement (collectively, “**Pre-Closing Taxes**”).

1.4.1.6 All Liabilities of a Seller for the cost of workers’ compensation indemnity payments with respect to injuries occurring prior to the Closing Date.

1.4.1.7 All Liabilities of a Seller in connection with the violation of any federal, state or local law or regulation.

1.4.1.8 All Liabilities for occupational injury or disease to the extent they arise out of or are in any manner connected with exposure to an occupational hazard which existed during the period of any employee’s employment with a Seller.

1.4.1.9 All Liabilities of a Seller to its customers arising under any warranties (express or implied) provided by or sold by such Seller to its customers for new or used recreational vehicles and/or parts and labor sold or provided prior to the Closing Date.

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1.4.1.10 All Liabilities of a Seller to its customers arising under any warranties (express or implied) provided by such Seller to its customers, including but not limited to any warranties, covenants or promises made by such Seller to customers pursuant to any “Tires for Life,” “State Inspections for Life,” “Free Oil Changes,” and/or other value-added or marketing programs offered by such Seller, whether funded or unfunded.

1.4.1.11 All Liabilities of a Seller for product liability claims (i) pending on the Closing Date or (ii) arising on or after the Closing Date with respect to such Seller's business operations prior to the Closing Date, including, but not limited to, recreational vehicles sold or repaired or parts and labor sold or provided on or before the Closing Date by such Seller.

1.4.1.12 All Liabilities incurred by a Seller, in connection with the negotiation, execution and performance of this Agreement.

1.4.1.13 All Liabilities of a Seller for wages, salary, accrued pension benefits, severance benefits, vacation pay, sick pay, accrued health and life insurance premiums, and termination costs of such Seller's employees (whether salaried or hourly) and retirees.

1.4.1.14 All Liabilities arising out of or connected with any employee benefits or employee benefit plan (as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended) ("**ERISA**") maintained at any time by a Seller or to which such Seller ever made any contributions, including, but not limited to, Liabilities of such Seller arising out of the Consolidated Omnibus Reconciliation Act of 1985 ("**COBRA**").

1.4.1.15 All Liabilities of a Seller arising under or in connection with any recourse obligation incurred by such Seller prior to the Closing Date.

1.4.1.16 All Liabilities of a Seller arising out of any circumstance or condition giving rise to any threatened or actual Liability or noncompliance with any law, regulation, order, ordinance, permit, or other enforceable policy or guideline including those related or pertaining to protection of human health or the environment.

1.4.1.17 All Liabilities of a Seller arising under any Manufacturer agreements and any and all related agreements entered into by and between such Seller and a Manufacturer or a third party utilized by a Manufacturer (including, without limitation, the open account obligations of such Seller), and any and all chargeback Liabilities, including, but not limited to, chargeback Liabilities in connection with retail purchase contracts or finance contracts, warranty contracts or service contracts or insurance products accruing or incurred before the Closing Date.

1.4.1.18 All of each Seller's Indebtedness; *provided, however*, Purchaser has agreed to pay off the Floor Plan Principal Balance (as defined below) on behalf of Sellers pursuant to Section 2.1.4. For purposes of this Agreement, "**Indebtedness**" means, without duplication, (a) the principal, accreted value, accrued and unpaid interest, prepayment and redemption premiums or penalties (if any), unpaid fees or expenses and other monetary obligations in respect of (i) indebtedness for money borrowed by Sellers and/or Principals and (ii) indebtedness evidenced by notes, debentures, bonds or other similar instruments for the payment of which such person or entity is responsible or liable; (b) all obligations of such person or entity under capitalized leases (other than any Assigned Contract); (c) all obligations of such person or entity for the reimbursement of any obligor on any letter of credit, banker's acceptance or similar credit transaction; (d) all obligations of such person or entity under interest rate or currency swap transactions (valued at the termination value thereof); (e) the floor plan facility with Bank of America (the "**Floor Plan**") or other financing, including any prepayment premiums or penalties, and (f) all obligations of the type referred to in clauses (a) through (e) of any person or entity for the payment of which such person or entity is responsible or liable, directly or indirectly, as obligor, guarantor, surety or otherwise, including guarantees of such obligations; and (g) all obligations of the type referred to in clauses (a) through (e) of other persons or entities secured by (or for which the holder of such obligations has an existing right, contingent or otherwise, to be secured by) any Lien or Encumbrances on any property or asset of such person or entity (whether or not such obligation is assumed by such person or entity).

1.4.1.19 Any value-added, marketing or rewards programs or offer any post-sale programs or promises to Sellers' customers such as tires for life, free safety inspections, or the like.

2. PURCHASE PRICE AND PAYMENT

2.1 Purchase Price. The purchase price for the Acquired Assets (the "**Purchase Price**") shall be as follows:

2.1.1 \$XXXX, *plus or minus*

2.1.2 the Final Net Working Capital Adjustment made pursuant to Section 2.5, below, if any, *plus or minus*

2.1.3 the Inventory Adjustment made pursuant to Section 2.3, below, if any, *plus*

2.1.4 an amount equal to the outstanding principal balance of the Floor Plan with respect to the Purchased Recreational Vehicle Inventory as of the Closing Date, but not including any past due amounts, interest or penalties (the “**Floor Plan Principal Balance**”).

2.2 Net Working Capital.

2.2.1 Sellers and Purchaser have mutually agreed on and delivered a sample calculation of Net Working Capital (defined below) based on the average monthly Net Working Capital for Sellers’ trailing 12 months of operations, which is attached hereto as **Exhibit B**.

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2.2.2 As used in this Agreement, “**Net Working Capital**” shall be determined in accordance with the Sample Calculation, and shall be the difference between the (a) “Current Assets” which means those items listed as current assets in the Sample Calculation; and (b) the “Current Liabilities” which means those items listed as current liabilities in the Sample Calculation. For purposes of clarification, (i) intercompany payables and receivables, cash, and Indebtedness of Sellers and (ii) the Purchased Recreational Vehicle Inventory (and the Floor Plan indebtedness thereon), are not included in the definitions of Current Assets or Current Liabilities for purposes of determining Net Working Capital. Except as otherwise provided for in the Sample Calculation, Net Working Capital shall be calculated in accordance with generally accepted accounting principles in effect in the United States of America (“GAAP”) and the mutually agreed upon accounting methodology used in connection with the Sample Calculation.

2.3 Inventory Adjustment.

2.3.1 On or prior to the Closing Date an inventory will be conducted of the Purchased Recreational Vehicle Inventory to determine the cost of those Acquired Assets. The cost of the New Recreational Vehicle Inventory shall be the factory invoice price of such vehicle (net of any discounts, credits, rebates, holdbacks, and other dealer incentives received or to be received by either Seller). The cost of the Used Recreational Vehicle Inventory shall be the actual cash, wholesale value of such vehicles, as mutually and in good faith agreed to by Sellers and Purchaser. If the parties cannot reach an agreement as to the value of any particular Used Recreational Vehicle Inventory, such vehicle shall be deemed an Excluded Asset. The aggregate cost of the Purchased Recreational Vehicle Inventory less the Floor Plan Principal Balance is the “Closing Inventory Amount”.

2.3.2 If the Closing Inventory Amount is more than \$0, then the Purchase Price shall be increased by such amount (the “Positive Inventory Adjustment”).

2.3.3 If the Closing Inventory Amount is less than \$0, then the Purchase Price shall be reduced by such amount (the “Negative Inventory Adjustment” and together with the Positive Inventory Adjustment, the “Inventory Adjustment”).

2.4 Payment of Purchase Price. The Purchase Price, adjusted in accordance with the provisions of this Agreement, shall be paid as follows:

2.4.1 By certified check or by wire transfer of funds on the Closing Date to an account of Sellers designated by Sellers:

2.4.1.1 \$XXXX, *minus*

2.4.1.2 payments of any Indebtedness, other than the Floor Plan Principal Balance, if any, in the amounts set forth on **Schedule 2.4.1.2**, if any; *plus* or *minus*

2.4.1.3. any Inventory Adjustment made pursuant to Section 2.3, above, *minus*

2.4.1.4. all costs and expenses related to the R&W Insurance Policy (as defined below), including the total premium, underwriting costs, brokerage commissions, taxes related to such policy and other fees and expenses of such policy, *minus*

2.4.1.5. \$XXXX (the “NWC Holdback Amount”) which shall be payable as determined by Section 2.5.5 and Section 2.6, minus

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2.4.1.6. the Tax Holdback Amount (as defined in Section 7.12) which shall be as determined by Section 7.12, minus

2.4.1.7 the Repair Estimate (as defined in Section 7.11).

2.4.2 An amount equal to the Floor Plan Principal Balance shall be paid by Purchaser’s floor plan lender to Sellers’ floor plan lenders as payment for the Floor Plan Principal Balance.

2.5 Final Net Working Capital Adjustment.

2.5.1 Within 30 days after the Closing Date, Purchaser shall deliver to Sellers (i) a balance sheet of the Business as of 12:01 a.m. Portland, Oregon time on the Closing Date (the “**Closing Balance Sheet**”), which shall be prepared in accordance with the provisions of this Agreement, GAAP, and the Sample Calculation, and (ii) based on the Closing Balance Sheet, a calculation of the proposed final Net Working Capital as of the Closing Date (the “**Proposed Final Net Working Capital**”), plus Purchaser’s proposed adjustment, if any, to the Purchase Price in accordance with this Section 2.5 (the “**Proposed Final Net Working Capital Adjustment**”), which shall be calculated in a manner consistent with the Sample Calculation and the Working Capital Range as more particularly described in this Section 2.5. Sellers shall give Purchaser full and timely access to financial and accounting information and other documentation of Sellers so that Purchaser can calculate the Proposed Final Net Working Capital.

2.5.2 If Sellers do not accept the Closing Balance Sheet or the calculation of the Proposed Final Net Working Capital Adjustment (including the calculation of the Proposed Final Net Working Capital) prepared and delivered by Purchaser, Sellers shall give written notice (the “**Objection Notice**”) to Purchaser within 30 days after Sellers’ receipt thereof. During such 30-day period, Purchaser shall give Sellers full and timely access to financial and accounting information and other documentation used by Purchaser in calculating the Proposed Final Net Working Capital, so that Sellers can verify the Proposed Final Net Working Capital calculations. Sellers shall be deemed to have accepted the Closing Balance Sheet and the computation of the Proposed Final Net Working Capital Adjustment of Purchaser to the extent Sellers have not by then given Purchaser an Objection Notice specifying in reasonable detail the basis for each objection, and Purchaser’s Proposed Final Net Working Capital and Final Net Working Capital Adjustment shall be the “**Final Net Working Capital**” and “**Final Net Working Capital Adjustment**,” respectively.

2.5.3 If Sellers reject the Proposed Final Net Working Capital and Proposed Final Net Working Capital Adjustment, Sellers and Purchaser shall use commercially reasonable efforts to resolve such dispute within 30 days after delivery of Sellers’ Objection Notice. If Sellers and Purchaser are unable to resolve any disagreement within 30 days after delivery of Sellers’ Objection Notice, the parties shall engage a mutually agreed upon independent accountant to resolve the issues in dispute (the “**Independent Accountant**”), acting as an expert and not as an arbitrator. The Independent Accountant (i) shall apply accounting principles, in accordance with Section 2.2, to the issues at hand, (ii) shall not have the power to alter, modify, amend, add to or subtract from any term or provision of this Agreement, (iii) shall be limited in scope to the disputed issues and amounts specified by Sellers (each such issue, an “**Objection**”) in the Objection Notice, and (iv) shall, with respect to each Objection, make its determination in favor of the position set forth by either Purchaser or Sellers. The parties shall instruct the Independent Accountant to render its decision within 30 days of the engagement, and such decision shall be binding on the parties and shall be the Final Net Working Capital and Final Net Working Capital Adjustment. Purchaser and Sellers shall each pay their own costs associated with this dispute and shall split the costs of the Independent Accountant.

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2.5.4 Subject to (i) the determination of the Final Net Working Capital and the Final Net Working Capital Adjustment and (ii) the provisions in Section 2.5.5, if such Final Net Working Capital is more than \$XXXX (the “**Upper Target**”) or less than \$XXXX (the “**Lower Target**”), the Purchase Price shall be adjusted up, dollar for dollar, for each dollar in excess of the Upper Target or adjusted down, dollar for dollar, for each dollar below the Lower Target (such concept hereinafter referred to as the “**Working Capital Range**”). If the Final Net Working Capital is within the Working Capital Range, including, if the Final Net Working Capital equals the Upper Target or equals the Lower Target, then there shall be no adjustment to the Purchase Price. For example purposes only, (i) if the Final Net Working Capital is \$XXXX, the Purchase Price would be increased by \$XXXX, (ii) if the Final Net Working Capital

is \$XXXX, then the Purchase Price would be decreased by \$XXXX, and (iii) if the Final Net Working Capital is \$XXXX, there would be no adjustment to the Purchase Price.

2.5.5 Within five (5) business days after the Final Net Working Capital and the Final Net Working Capital Adjustment are deemed final and binding as provided in this Section 2.5, the following shall occur: (i) If the Final Net Working Capital Adjustment exceeds the Upper Target, Purchaser shall pay to Sellers such excess *plus* the NWC Holdback Amount, by wire transfer of immediately available funds to an account or accounts that Sellers shall designate in writing to Purchaser (“Sellers Designated Account”), or (ii) Subject to the remainder of this Section 2.5.5, if the Final Net Working Capital Adjustment is less than the Lower Target (a “Working Capital Deficit”), Purchaser shall disburse the NWC Holdback Amount less the Working Capital Deficit to the Sellers Designated Account. If the available NWC Holdback Amount is insufficient to pay the entire amount of the Working Capital Deficit, the Sellers, severally but not jointly, and the Principals, severally and not jointly, in accordance with each Principal’s Pro Rata Share (as defined below) (provided that Young and the Trusts shall be jointly and severally liable for the portion of the Working Capital deficit attributable to the Trusts or Young), shall promptly pay to Purchaser the amount by which the Working Capital Deficit exceeds the NWC Holdback Amount by wire transfer of immediately available funds to the account designated in writing by Purchaser, and neither the Sellers nor the Principals shall have any right to the NWC Holdback Amount. For an avoidance of doubt, any adjustments to the Purchase Price caused by the Final Net Working Capital Adjustment shall be controlled by Section 2.5.4.

2.6 NWC Holdback. At the Closing, the NWC Holdback Amount shall be deducted from the Purchase Price otherwise payable to Sellers pursuant to Section 2.4.1 and shall be held by Purchaser until the Final Net Working Capital Adjustment is determined pursuant to Section 2.5, at which time, the NWC Holdback Amount shall be distributed as set forth in Section 2.5.5. The NWC Holdback Amount shall be held in order to provide a primary (but not exclusive) source for the payment of any Working Capital Deficit owed to Purchaser by Sellers under Section 2.5.

3. **[RESERVED]**.

4. **CLOSING DATE AND PLACE**.

4.1 Closing Date.

4.1.1 The consummation of the transactions referred to in this Agreement (the “**Closing**”) shall occur on August 3, 2021 (the “**Closing Date**”). The Closing shall be effective as of 12:01 am EST on the Closing Date.

4.1.2 All revenues earned and expenses incurred on the Closing Date in connection with the operation of the Business shall be the property of and attributed to Purchaser.

4.1.3 Time is of the essence of each and every provision of this Agreement.

4.2 Closing Place. The Closing shall occur at the Dealership Property, commencing at 10:00 a.m., local time, on the Closing Date.

5. **REPRESENTATIONS, WARRANTIES AND COVENANTS OF SELLERS AND PRINCIPALS**.

In order to induce Purchaser to consummate the transactions referred to in this Agreement, and with the knowledge that Purchaser is relying on the representations and warranties herein contained, Sellers and Principals, jointly and severally, represent, warrant and covenant to and with Purchaser as of the date hereof as follows:

5.1 Organization. BYRV is a Montana corporation which is duly formed and validly existing and in good standing under the laws of the State of Montana and has full power and authority to own or lease its assets and properties and conduct its business as now conducted. BYRV Washington is a Washington corporation which is duly formed and validly existing and in good standing under the laws of the State of Washington and has full power and authority to own or lease its assets and properties and conduct its business as now conducted. The ownership of each Seller is set forth on Schedule 5.1 attached hereto and made a part hereof. The ownership of each Seller is uncontested. There are not now nor have there ever been any lawsuits, challenges, claims, or demands whatsoever related to or arising out of the current or past ownership of either Seller.

5.2 Authorization. Each of Young and Bretz are natural persons and have full legal capacity to execute and deliver this Agreement and the agreements related hereto to which such person is a party, to perform such person's obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. Young, as the trustee of Revocable Trust and the Gift Trust, has the power, authority and legal capacity and has taken all required action necessary under the documents governing each of the Revocable Trust and the Gift Trust on the trustee's party necessary to permit and duly authorize him to execute and deliver this Agreement and the other Seller Closing Documents (as defined below). The execution and delivery of this Agreement and the documents to be delivered at Closing by Sellers (the "**Seller Closing Documents**") and the performance by Sellers of their respective obligations hereunder and thereunder has been duly authorized by all requisite corporate action and has been approved by each of their shareholders (collectively, the "**Authorizing Resolutions**") and no further action or approval is required in order that this Agreement and the agreements, documents or instruments to be executed or delivered in connection with the transactions contemplated by this Agreement be binding upon Sellers. This Agreement and the Seller Closing Documents are binding upon Sellers and Principals and enforceable against each Seller and each Principal in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, or other similar laws and legal and equitable principles limiting or affecting the rights of creditors generally.

5.3 No Violation. The execution and carrying out of this Agreement and compliance with the provisions hereof by Sellers and Principals will not violate, with or without the giving of notice and/or the passage of time, any provision of law, and will not conflict with, or result in any breach of any of the terms, conditions or provisions of, or constitute a default under, or result in the creation of any lien, charge or encumbrance upon any of the Acquired Assets or the Dealership Properties, pursuant to any corporate charter, bylaw, partnership agreement, operating agreement, indenture, lease, mortgage, agreement or other instrument to which a Seller is a party or by which it is bound nor will it require the approval or consent of any other person or entity. To the knowledge of Sellers and Principals, there is no basis for any lawsuit by any person arising out of or related to a Seller and/or Principals entering into this Agreement.

5.4 Taxes. Each Seller shall have filed on or before the Closing Date with all appropriate governmental agencies (whether federal, state or local) all tax returns required to be filed by it, all of which will have been prepared accurately and in conformity with all laws and regulations applicable thereto. Without limiting the generality of the foregoing, each Seller shall have filed all income tax, capital stock tax, employment and payroll tax, sales and use tax, and other tax returns and reports required to be filed prior to the date hereof and prior to the Closing Date with respect to all federal, state and local taxes, and such Seller shall have paid all taxes, penalties, interest, assessments, and deficiencies related thereto and related to the period ending on the Closing Date, whether or not measured in whole or in part by net income and whether or not disputed, which at any time, now or hereafter, have been or shall be determined to be due, owing and payable with respect to the Dealership Properties, the existence and operation of Sellers and the conduct of their businesses (including the Business) up to and including the Closing Date.

5.5 Title to Acquired Assets. On the Closing Date, each Seller shall own and have good and marketable title to its respective Acquired Assets, free and clear of any and all mortgages, pledges, claims, liens, conditional sales or other agreements, leases, encumbrances, rights, contracts, security interests, title defects or other charges of any nature (collectively referred to as "**Liens and Encumbrances**").

5.6 Litigation; Liens.

5.6.1 Except as set forth on **Schedule 5.6.1**, there are no actions, suits, proceedings or investigations pending or, to Sellers' knowledge, threatened, at law or in equity, before or by any federal, state, municipal or other governmental instrumentality which (i) involves the possibility of any judgment or Liability against a Seller, the Business, the Dealership Properties, or the Acquired Assets, (ii) question the validity or enforceability of this Agreement or the transactions contemplated herein, or (iii) may result in any material adverse change in the Business, the Dealership Properties, the Acquired Assets, or either Seller, including each Seller's operations, properties or assets or in the condition, financial or otherwise, of either Seller, and, in each case, there is no basis for any of the foregoing; and

5.6.2 Neither Seller is in default with respect to any order, writ, injunction or decree of any court or federal, state, municipal or other governmental department, commission, board, bureau or instrumentality; and

5.6.3 There are no tax liens or unsatisfied judgments against a Seller.

5.7 Employment Matters.

5.7.1 Employees. **Schedule 5.7.1** attached hereto and made a part hereof: (a) lists and identifies all employees of each Seller involved in the operation of the Business, and their current salaries or wage rates, (b) states the date of hire by such Seller of each such employee, (c) summarizes present compensation arrangements, the benefit plans, programs and policies that apply to such employees, (d) specifically delineates the vacation and sick time available to each employee for the current year, and (e) the vacation and sick time unused by each employee as of the Closing Date. The copy of each Seller's employee handbook previously provided to Purchaser is a true, correct and current copy containing all of such Seller's material employee policies. No Seller is delinquent in payments to any of its employees for any wages, salaries, commissions, bonuses or other compensation for any services performed by them or amounts required to be reimbursed to such employees.

5.7.2 Employment. No Seller is currently a party to a collective bargaining agreement which covers any of its employees, nor has either Seller ever been a party to such an agreement. There have been no attempts by a union or other representative to organize any of Sellers' employees. No Seller has, at any time, recognized or been asked to recognize a labor union as the representative of any of its employees. No Seller has ever been named in, or served with, a National Labor Relations Board Certification of Representative (RC) Petition. There are no written contracts of employment between a Seller and any of its employees and all oral contracts of employment are terminable at will. Each Seller is and has been in compliance in all material respects with all applicable laws pertaining to employment and employment practices to the extent they relate to employees, consultants and independent contractors of the Business. All individuals characterized and treated by each Seller as consultants or independent contractors of the Business are properly treated as independent contractors under all applicable Laws.

5.7.3 Employee Plan Compliance. For purposes of this Agreement, the term "**Employee Plan**" means each employee benefit plan as defined in Section 3(3) of ERISA, and each other bonus, incentive compensation, deferred compensation, severance or similar plan, policy of payroll practice providing compensation or employee benefits maintained by a Seller on behalf of or for the benefit of a Seller or to which a Seller is a participating employer or is obligated to contribute or has any legally enforceable Liability and under which any person presently employed by a Seller as an employee or consultant (an "**Employee**") or formerly employed by a Seller or its predecessors as an employee or consultant (a "**Former Employee**"). The terms Employee and Former Employee will include, where applicable, the beneficiaries, spouses and dependents of an Employee or Former Employee. Each Seller has delivered or made available to Purchaser current and complete copies of all such policies, plans and program documents.

5.7.3.1 All of Sellers' Employee Plans are listed **Schedule 5.7.3** and each Employee Plan has been maintained in all material respects in accordance with its terms and with applicable law. Except as set forth on **Schedule 5.7.3**, each Employee Plan (including the related trust) which is intended to qualify under the Internal Revenue Code of 1986, as amended (the "**Code**"), or comparable foreign law, does so qualify and is exempt from taxation pursuant to the Code. None of the Employee Plans listed on **Schedule 5.7.3** are Multi-employer Plans (as defined within the meaning of ERISA) or defined benefit plans and neither Seller nor any ERISA Affiliate has Liability under or with respect to, and does not contribute to, any Multi-employer Plan or defined benefit plan. For purposes of this Agreement, "**ERISA Affiliate**" means any corporation as part of the same controlled group of corporations with a Seller within the meaning of 414(b) of the Code, any trade or business whether or not incorporated under common control of a Seller within the meaning of 414(c) of the Code and any other entity that is treated as a single employer together with such Seller under Section 414(m) of the Code.

5.7.3.2 As of the Closing Date, each Seller shall have made or shall make full payment by direct contributions of all amounts which such Seller is required to make under the terms of each Employee Plan in respect of periods ending on or prior to the Closing Date.

5.7.3.3 Each Employee Plan is in compliance in all material respects with the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act (collectively, the "Healthcare Reform Law"), to the extent applicable, and the operation of the Employee Plans is not reasonably anticipated to result in the incurrence of any penalty to a Seller, any ERISA Affiliate or Purchaser pursuant to the Healthcare Reform Law.

5.7.3.4 There is no accumulated funding deficiency (as defined in the Code), waived funding deficiency (as defined in the Code), or failure to make any payment on or before a required installment due date (as defined in the Code) with respect to any defined benefit plan (as defined in ERISA) maintained by a Seller.

5.7.3.5 No Seller has incurred nor reasonably expects to incur any Liability under ERISA (or comparable foreign law) arising in connection with the termination of, or withdrawal from, any plan covered or previously covered by ERISA (or comparable foreign law).

5.7.3.6 To Sellers' knowledge, no event has occurred that could subject a Seller or Purchaser to an excise tax under the Code or a civil penalty under ERISA or any comparable section under any foreign law.

5.7.3.7 To Sellers' knowledge, There exists no condition or set of circumstances which could result in the imposition of any Liability under ERISA, the Code or other applicable law with respect to the Employee Plans.

5.8 Condition and Sufficiency of the Acquired Assets.

5.8.1 All of the Acquired Assets are in good operating condition and repair (ordinary wear and tear excepted with respect to the non-inventory Acquired Assets). The Acquired Assets are sufficient for the continued conduct of the Business after the Closing in substantially the same manner as conducted immediately prior to the Closing and constitute all of the rights, property and assets reasonably necessary to conduct the Business as currently conducted. None of the Excluded Assets are material to the Business. Sellers shall deliver possession of all Acquired Assets to Purchaser at the applicable Dealership Property. The mechanical, plumbing, electrical and structural components of the improvements located on the Dealership Properties (including but not limited to the HVAC and roof) are in good working order and condition subject to ordinary wear and tear.

5.8.2 To Sellers' knowledge, none of the vehicles included in the New Recreational Vehicle Inventory have ever been materially damaged and all such units may be represented to customers as "new" under Oregon or Washington law, as applicable, and are saleable in the ordinary course. The warranty with respect to any New Recreational Vehicle Inventory has not yet started to run. Any known material damage to any other vehicles included in the Acquired Assets has been repaired and no disclosure thereof to the customer is required under Oregon or Washington law or otherwise.

5.9 Use of Dealership Properties. There is no condition on the Dealership Properties that would prevent or materially adversely impact the use by Purchaser of the Dealership Properties as a sales, service, body work and display facility for new and used recreational vehicles.

5.10 Environmental Matters. Each Seller's business operations at the Dealership Properties (including the Business) and the Dealership Properties and, to the knowledge of Sellers, all of their respective predecessor's business operations and use of the Dealership Properties, are and have been, at all times, in compliance, in all material respects, with all applicable federal, state or local laws, codes, ordinances, orders, permits, enforceable guidelines and policies and all rules and regulations promulgated thereunder (collectively "**Laws**"), including Laws regarding protection of human health or the natural environment ("**Environmental Laws**") including, but not limited to the use, generation, treatment, containment, recycling, cleanup, emission, transportation, arrangement for transportation or disposal, storage, processing, or disposal of any substance regulated under any Law, including but not limited to petroleum products and additives, any waste, or any toxic, radioactive or hazardous chemical, waste or substance (herein collectively, "**Regulated Substances**"). There is no action, demand, enforcement, proceeding, claim or Liability instituted or pending as a result of any such condition of the Dealership Properties or business of or action by a Seller or, to the knowledge of Sellers, by or through any entity which either Seller contracted, transferred, transported, treated, recycled, agreed, allowed, or arranged for any action with respect to a Regulated Substance.

5.10.1 There has been no release, leaking, discharge, escape, emission, abandonment or disposal of any Regulated Substance in contravention of Environmental Laws as part of a Seller's business operations on the Dealership Properties.

5.10.2 No Seller has received notice that any third party has alleged or suffered any damage or injury, including, without limitation, damage or injury alleging noncompliance with Environmental Laws or related to any Regulated Substance, as a result of the business operations of a Seller or in any way connected with a Seller or the Dealership Properties.

5.10.3 To the knowledge of Sellers, no mold or PCBs are present on the Dealership Properties and no products containing asbestos or lead paint are a part of any improvements located on the Dealership Properties. Except as disclosed on **Schedule 5.10.3**, there are no wells located on the Dealership Properties.

5.10.4 Each Seller has filed all necessary notifications, reports and documents with appropriate governmental or regulatory authorities as required by Environmental Laws and have been issued and have maintained in current status all permits, licenses, certificates, approvals and authorizations required by each and every applicable Environmental Law.

5.10.5 The Dealership Properties have not been used for production of methamphetamines. All, if any, arrangements with third parties regarding treatment, use, recycling, storage, disposal, or the transportation of Regulated Substances, have been made in conformity with all applicable Laws. Each Seller hereby expressly warrants that it has not selected disposal sites or entered into agreements with third parties who have selected disposal sites resulting in the ultimate disposal by a Seller of Regulated Substances, which are not approved sites (under applicable Laws) for the Regulated Substances wastes being disposed of, which are listed or formally proposed for listing on the National Priority List promulgated pursuant to CERCLA, or which are contained or formally proposed to be contained on a list of hazardous substance sites requiring investigation or cleanup promulgated under any other Laws.

5.10.6 Except as set forth on **Schedule 5.10.6**, attached hereto and made a part hereof, no Seller has ever maintained or used and there exists no above ground storage tanks (“ASTs”), landfills, pits, lagoons, detention basins, or, to Sellers’ knowledge, underground storage tanks (“USTs”), or any other underground storage or disposal system for Regulated Substances or wastes, including, without limitation, petroleum products located at, on or under the Dealership Properties. Copies of all tank closure reports for any USTs closed or removed from Dealership Properties, if any, are attached to **Schedule 5.10.6**. To Sellers’ knowledge, each, if any, of the ASTs and USTs listed on **Schedule 5.10.6** are in compliance with applicable law including registration, operation, document retention, notification and maintenance requirements.

5.10.7 No Dealership Property is listed on, nor have they been proposed for listing on, the National Priorities List (or CERCLIS) pursuant to the Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA”), or any similar state list. No notification of release of toxic or hazardous substances or wastes pursuant to CERCLA or the Federal Clean Water Act, or any other Environmental Laws, has been filed as to any Dealership Property.

5.10.8 To the knowledge of Sellers, no portion of the Dealership Properties constitutes any of the following “**Environmentally Sensitive Areas**”: (i) a wetland or other “water of the United States” for purposes of Section 404 of the Federal Clean Water Act, 33 U.S.C. Section 1344 or under state regulations or laws; (ii) a flood plain or other flood hazard area; or (iii) any other area which is specially restricted under applicable law by reason of its physical characteristics.

5.11 **Brokers**. No broker, finder, agent or other person claiming to have acted in any such capacity for or under the authority of a Seller is entitled to any fee or commission arising out of the transactions contemplated herein. Sellers, jointly and severally, and Principals, severally and not jointly, in accordance with each Principal’s pro rata share set forth on **Exhibit C** attached hereto (“**Pro Rata Share**”), shall be solely liable for any and all such fees (provided that Young and the Trusts shall be jointly and severally liable for the portion of such fees attributable to the Trusts or Young).

5.12 **Manufacturer Agreements**. Neither Sellers nor Principals have received a written notice from any Manufacturer, oral or written, that such Manufacturer has exercised any right it may have under its manufacturer agreement with a Seller to terminate such agreement. No Manufacturer has notified either Seller or Principals of (a) the awarding or possible awarding of a franchise to an entity or entities (including either Seller) in the Metropolitan Statistical Area (or PMA or AOR or like term) in which a Seller operates or (b) has protested any action by a Seller. Sellers have provided Purchaser with true, complete and correct copies of all manufacturer agreements to which a Seller is a party. Each Seller and, to the knowledge of Sellers, each Manufacturer have performed their respective obligations required to be performed by them to date and are not in default or alleged to be in default under any manufacturer agreement, are otherwise in compliance with the manufacturer agreements, and there exists no event, condition or occurrence which, after notice or lapse of time, or both, would constitute such a default. Each Seller has complied with all Manufacturer policies and procedures, recall notices, service bulletins and any other Manufacturer directive.

5.13 **Financial Statements; No Undisclosed Liabilities; Accounts Receivable.**

5.13.1 Attached hereto as **Schedule 5.13.1** are the following (i) the internally prepared financial statements for each Seller for the fiscal years ended December 31, 2020, 2019, and 2018, and (ii) the unaudited financial statements for each Seller

for the period ending June 30, 2021 (the “**Interim Financial Statements**”), (the financial statements referred to in clause (i) and clause (ii) are referred to herein as the “**Financial Statements**”). The balance sheet of Sellers dated as of June 30, 2021 (the “**Balance Sheet Date**”) included in the Financial Statements is referred to herein as the “**Current Balance Sheet.**” The Financial Statements fairly present in all material respects the financial condition of the Business as of the respective dates indicated and the results of the operations of the Business for the periods indicated. The Financial Statements have been prepared in accordance with the books and records of Sellers and the past financial accounting practices of Sellers consistently applied throughout the periods indicated. There are no special or nonrecurring items of income or expense during the periods covered by the Financial Statements prepared by Sellers or their independent accountants and the balance sheets included in the Financial Statements do not reflect any write up or revaluation increasing the book value of any assets.

5.13.2 No Seller has Liabilities, including but not limited to any dealer Liabilities, chargeback Liabilities in connection with prepayments or repossessions regarding retail installment contracts, or obligations under any warranties, guarantees or coupons (e.g., free or discounted parts, tire rotations, oil changes, recreational vehicle washes or other repair or maintenance services) or Liabilities of a type required to be reflected on a balance sheet prepared in accordance with GAAP, except: (i) those which are adequately reflected or reserved against in the Balance Sheet as of the Balance Sheet Date; and (ii) Liabilities incurred in the ordinary course of business consistent with past practice since the date of the Current Balance Sheet, all of which will be accounted for in the calculation of Net Working Capital.

5.13.3 All Accounts Receivable, to the extent uncollected on the Closing Date, will have arisen from bona fide transactions in the ordinary course of business and will represent valid, collectible obligations to Sellers. There are no refunds, discounts or other adjustments payable in respect of the Accounts Receivable. There are no defenses, right of set-off, assignments, restrictions, liens or other encumbrances enforceable by third parties with respect to any of the Accounts Receivable other than normal cash discounts accrued in the ordinary course of business consistent with past practice.

5.14 Zoning. The zoning classification of the Dealership Properties under the applicable zoning ordinance authorizes the uses now being made of the Dealership Properties. All of the Dealership Properties are zoned commercial. The Dealership Properties are not the subject of any variance. There are no current zoning restrictions or other restrictions upon the use of the Dealership Properties which, either individually or in the aggregate, prevent the use, location and construction of the Dealership Properties and improvements located thereon as presently used, located and constructed nor which prohibit future construction. Neither the Dealership Properties and improvements located thereon, nor the use, occupancy, operation or maintenance thereof, nor any substance, material or condition thereon, is in violation in any material respect of any restriction, covenant, or laws (including, without limitation, any building, zoning, subdivision, health, fire, safety or other ordinance, code or regulation). No notice has been served upon a Seller, Principals, or upon the Dealership Properties, claiming violation of any restriction, covenant, or laws (including, without limitation, any building, zoning, subdivision, health, fire, safety or other ordinance, code or regulation), or requiring or calling attention to the need for any work, repairs, construction, alterations, or installation in connection with such property or claiming any monies due with respect thereto.

5.15 Dealership Properties Compliance with Laws. The Dealership Properties, any improvements erected or situated thereon, and the uses currently conducted thereon or therein do not violate any Laws and no Seller has received any notices, oral or written, from any governmental body with respect to the same.

5.16 Public Improvements. No Seller has received any notices, oral or written, from any governmental body that there are any planned or commenced public improvements which may result in special or benefit assessments or which may otherwise affect the Dealership Properties.

5.17 Eminent Domain; Access; Condemnation. Neither Seller nor Principals have received any notices, oral or written, or has knowledge that any governmental body intends to exercise the power of eminent domain or a similar power with respect to all or any part of the Dealership Properties. The Dealership Properties have access to and from public highways, streets or roads, and no Seller has knowledge that there is any pending or threatened governmental proceeding which would impair or result in the termination of such access. To the knowledge of Sellers, there is no pending or contemplated eminent domain or condemnation proceedings affecting all or any part of the Dealership Properties.

5.18 Insurance. There is presently in force fire, theft and general casualty insurance covering the Acquired Assets and the Dealership Properties for their full insurable value, and general liability insurance covering each Seller's sales and leasing operations in commercially reasonable amounts. There are no claims related to the Business, the Acquired Assets, the Dealership Properties or the Assumed Liabilities pending under any such insurance policies as to which coverage has been questioned, denied or disputed or in respect of which there is an outstanding reservation of rights. No Seller has received any written notice of cancellation of, premium increase with respect to, or alteration of coverage under, any of such insurance policies. All such insurance policies (i) are in full force and effect and enforceable in accordance with their terms; (ii) are provided by carriers who are financially solvent; and (iii) have not been subject to any lapse in coverage.

5.19 Violation of Laws. Each Seller has complied, and is currently in material compliance with all Laws (including Environmental Laws) applicable to the Business (as conducted currently and in the past), the Acquired Assets and the Dealership Properties, and no Seller has received any notice alleging any failure to comply, and to the knowledge of Sellers, no event has occurred or circumstance exists that could (with or without notice or lapse of time) (a) constitute or result in a violation by a Seller of, or a failure on the part of a Seller to comply with, any Law or (b) give rise to any obligation on the part of a Seller to undertake, or to bear all or any portion of the costs of, any remedial action.

5.20 Real Property. No Seller owns any real property. Set forth on **Schedule 5.20** is a list of all real property leased by Sellers for use in connection with the Business (collectively, the "**Dealership Property Leases**"). To Sellers' knowledge, there is no dispute involving or concerning the location of the lines and corners of any Dealership Property and there are no encroachments on any Dealership Property.

5.21 Solvency; Floor Plan.

5.21.1 Each Seller is "solvent" as said term is defined by bankruptcy or fraudulent conveyance law. Neither Seller has made a general assignment for the benefit of creditors or been adjudicated bankrupt or insolvent, nor has a receiver, liquidator, or trustee for any of such Seller's properties (including the Dealership Properties) been appointed or a petition filed by or against a Seller for bankruptcy, reorganization or arrangement pursuant to the Federal Bankruptcy Act or any similar federal or state statute, or any proceeding instituted for the dissolution or liquidation of either. The Purchase Price is sufficient to satisfy, in full, all secured and unsecured creditors of Sellers, and Sellers shall use the purchase price received for such purpose. The Purchase Price represents the product of arms' length negotiations and represents the fair market value for the Acquired Assets. Not including the Floor Plan, Sellers' secured debt does not exceed the sum of One Million and 00/100 Dollars. No Seller is out of trust under the Floor Plan. No Seller is delinquent or late in any of its lease payments.

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5.21.2 Sellers' only floor plan lines of credit are the Floor Plans (as defined in Section 1.4.1.18). **Schedule 5.21.2** attached hereto and made a part hereof lists the Floor Plan Principal Balance as of the date hereof as well as all units by make, model and VIN currently on the Floor Plan comprising such principal balance.

5.22 Leases; Assigned Contracts. Except as included in the Assigned Contracts, there will be no leases or contracts affecting the Acquired Assets or the Dealership Properties. Sellers and, to Sellers' knowledge, each other party thereto has performed all obligations required to be performed by them and are not in default under any of the Assigned Contracts, including, without limitation, the Dealership Property Leases. Except as set forth on **Schedule 5.22**, each of the Assigned Contracts is in full force and effect and constitutes the legal, valid and binding obligation of the respective parties thereto, enforceable in accordance with its terms, and has not been modified, amended or extended.

5.23 Insurance Claims. There are no pending insurance claims by a Seller with respect to loss or damage to the Dealership Properties or the Acquired Assets.

5.24 Intellectual Property; Intangible Assets. There is no unlicensed software installed on the computers included within the Tangible Assets. **Except as set forth on Schedule 5.24**, all licensed software installed on the computers that are included within the Tangible Assets is transferable to Purchaser without consent, penalty, premium or payment. No Seller is infringing upon the intellectual property rights of any other person. Sellers own or have the right to use all customer lists, software, and other information to be transferred to Purchaser on the Closing Date pursuant to this Agreement. No Seller is making any unlawful use of any confidential information, copyrighted materials, know-how, or trade secrets of any third party, including, without limitation, any former employer of any present or past employee of a Seller. At no time has a Seller transferred, sold, or licensed any of its customer lists or customer information or other intangible Acquired Assets.

5.25 Warranties; Loyalty Programs.

5.25.1 No Seller has any warranty obligations to its customers other than those set forth in the express warranty of the applicable recreational vehicle Manufacturer. No Seller participates in any value-added, marketing or rewards programs or offer any post-sale programs or promises to its customers such as tires for life, free safety inspections, or the like, whether funded or unfunded. No Seller has any coupons or gift cards outstanding, except as set forth on **Schedule 5.25** attached hereto and made a part hereof.

5.25.2 No Seller has released or modified any warranties of builders, contractors or other trade persons that have been given to a Seller.

5.26 Third Party Rights. No Seller is a party to any agreement related to the Acquired Assets, the Dealership Properties (or any part thereof), or a Seller's capital stock which would, directly or indirectly, if consummated, transfer title to the Acquired Assets to any other person. There are no leases, service contracts, management agreements or other agreements or instruments in force or effect, oral or written, that grant to any third party any right, title, interest or benefit in or to all or any part of the Acquired Assets or any rights relating to the use, operation, management, maintenance or repair of all or any part of the Dealership Properties.

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5.27 Work-In-Process; We-Owes.

5.27.1 All Work-In-Process, if any, (i) has been accepted by Sellers in the ordinary course of business and subject to Sellers' normal and customary charges, and (ii) all work performed by Sellers has been performed in a good and workmanlike manner.

5.27.2 All We-Owes (i) have been documented and accounted for in each Seller's general ledger and set forth in **Schedule 1.3.3** and (ii) are on commercially reasonable terms, consistent with such Seller's past practices.

5.28 Extensions of Credit. No Seller has received any letters or notices from any indirect lender with whom it does business or from the Department of Justice or the CFPB of any potential disparities between the finance rate spreads of presumed minority and presumed non-minority customers of a Seller.

5.29 Tools. Each Seller has at the Dealership Properties, and included in the Acquired Assets are, all or substantially all of the tools required by the Manufacturers for a new recreational vehicle dealer.

5.30 Recalls; Interior Components; Compliance with Service Bulletins. None of the vehicles included in the Acquired Assets are subject to an open recall or stop sale order. To Sellers' knowledge, all interior components of all New Recreational Vehicles included within the Acquired Assets are in good working order. Sellers have complied with any and all service bulletins, safety bulletins or similar documents issued by any of the Manufacturers.

5.31 Accounting of Used Recreational Vehicle Inventory. All Used Recreational Vehicle Inventory is carried on the books at cost, as determined in accordance with GAAP.

5.32 Upcoming Events. Set forth on **Schedule 5.32** attached hereto and made a part hereof is a list of all prior shows and events that Sellers have participated in during 2018, 2019 and 2020 as well as a list of all upcoming shows and events that Sellers have registered to participate in or has otherwise indicated to the producer that it will participate.

5.33 Full Disclosure. No representation or warranty contained in this Agreement, nor any certificate furnished or to be furnished by Sellers pursuant to this Agreement or in connection with the transactions contemplated hereby, contains or shall contain any untrue statement of a material fact or omits or will omit to state a material fact necessary to make any representation or warranty contained herein, in light of the circumstances in which they are made, not misleading.

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6. REPRESENTATIONS, WARRANTIES AND COVENANTS OF PURCHASER.

In order to induce Sellers to consummate the transactions referred to in this Agreement, and with the knowledge that Sellers are relying on the representations, warranties and covenants herein contained, Purchaser represents, warrants and covenant to Sellers as follows:

6.1 Organization. Purchaser is a limited liability company which is duly formed, validly existing and in good standing under the laws of the State of Delaware and has full power and authority to own or lease its assets and properties and to conduct its business as now conducted.

6.2 Authorization. The execution and delivery of this Agreement and the documents to be delivered by Purchaser (the “**Buyer Closing Documents**”) and the performance by Purchaser of its obligations hereunder and thereunder will be duly authorized by any and all requisite corporate action and will be approved by its directors, and no further action or approval will be required in order that this Agreement and the Buyer Closing Documents shall be binding upon Purchaser and enforceable against Purchaser in accordance with their terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, or other similar laws and legal and equitable principles limiting or affecting the rights of creditors generally.

6.3 No Violation. The execution and carrying out of this Agreement and compliance with the provisions hereof by Purchaser will not violate, with or without the giving of notice and/or the passage of time, any provision of law, and will not conflict with, or result in any breach of any of the terms, conditions or provisions of, or constitute a default under any bylaw, operating agreement, indenture, mortgage, agreement or other instrument to which Purchaser is a party or by which it is bound.

6.4 Brokers. No broker, finder, agent or other person claiming to have acted in any such capacity for or under the authority of Purchaser is entitled to any fee or commission arising out of the transactions contemplated herein.

7. COVENANTS OF THE PARTIES.

7.1 Employee Matters.

7.1.1 Those employees who receive and accept offers of employment, successfully clear Purchaser’s background check requirements, and commence employment with Purchaser shall be referred to herein as “**Transferred Employees.**” From and after the Closing Date, Transferred Employees shall be eligible to participate in the employee benefit plans, agreements, programs, policies and arrangements of Purchaser (the “**Buyer Plans**”) in accordance with their respective terms on the same basis as similarly-situated employees of Purchaser and its affiliates. Subject to applicable Laws and provided permitted by the Buyer Plans, Transferred Employees shall be given credit for all purposes, including for purposes of eligibility and vesting (and accrual of vacation) and other entitlement to benefits or rights, under each Buyer Plan in which such Transferred Employee is eligible to participate under the terms of the applicable Buyer Plan, for all service with Sellers or any of their affiliates.

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7.1.2 At the close of business the day before Closing, Sellers shall terminate all employees of Sellers involved in the operation of the Business. Sellers shall pay such terminated employees, on or before the Closing Date or on Sellers’ next regularly scheduled pay date, all wages and accrued and unused vacation time and sick leave time which has been earned and which is due to them as of the Closing Date. Sellers shall perform all their obligations arising under ERISA, COBRA and the Code relating to employee benefit plans, including but not limited to providing COBRA notices and continuation coverage to its employees who do not become Transferred Employees and existing COBRA beneficiaries, if any, who are entitled thereto. Purchaser shall not be responsible for providing COBRA notice or continuation coverage to any of the employees terminated by Sellers and not hired by Purchaser as Transferred Employees.

7.1.3 Sellers shall bear full responsibility for providing any notice to Sellers’ employees which may be required pursuant to the Federal Worker Adjustment and Retraining Notification Act of 1988 (“**WARN**”) or any similar applicable law for any employment loss which occurs before the Closing Date in connection with this Agreement and Sellers shall solely bear any Liability or obligation which may accrue to the employees, any unit of local government or otherwise under WARN or any similar applicable law as the result of improper or untimely notice, and Sellers, jointly and severally, and Principals, severally and not jointly, in accordance with their Pro Rata Share, shall indemnify and hold Purchaser harmless from and against any and all Losses (provided that Young and the Trusts shall be jointly and severally liable for the portion of such Losses attributable to the Trusts or Young) associated with or related to Sellers’ failure to comply with WARN with respect to the Employees.

7.1.4 Nothing herein express or implied by this Agreement shall confer upon any employee, or legal representative thereof (other than the parties to this Agreement), any rights or remedies, including any right to employment or benefits for any specified period, of any nature or kind whatsoever, under or by reason of this Agreement. Without limiting the generality of the

foregoing sentence, all offers of employment to Transferred Employees shall be on an “at will” basis, and Purchaser shall retain all rights and decision making authority with respect to terminating the employment of any Transferred Employees following the Closing.

7.2 Condition of Recreational Vehicles. Sellers shall disclose (and certify) to Purchaser the full extent to which any recreational vehicle in the Acquired Assets has been damaged or repaired, regardless of whether such damage or other issue has been repaired. Sellers shall provide Purchaser with (i) an invoice showing, with respect to each Work-In-Process, the work performed and parts installed by Sellers, (ii) an itemization of the work to be performed and the parts to be installed by Purchaser, (iii) a copy of all required Manufacturer and other authorizations, if any, with respect to repairs made or to be made under warranty, and (iv) physical possession of each vehicle.

7.3 List of Work-In-Process, We-Owes, In-transits and Recreational Vehicle Contracts. Sellers shall provide Purchaser with a list of the Work-In-Process, We-Owes, In-transits and Recreational Vehicle Contracts on the Closing Date. All required supporting documentation, as provided for in this Agreement, also shall be provided to Purchaser on such date.

7.4 Customer Lists. Sellers shall deliver to Purchaser, on the Closing Date, the only copy of its new and used customer sales, rental, leasing, service, restoration, and body work lists and records and shall destroy any and all other copies (whether electronic or hard copies) of the foregoing.

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7.5 Removal of Records. Neither Seller nor Principals shall copy or remove any records to be transferred hereunder related to Sellers’ Business or any other Intangibles or Tangible Assets and shall return any such records/items previously removed. Sellers and Principals agree that such information is extremely important to Purchaser and promises to retain such information in strict confidence and will not disclose any such information to anyone nor shall Sellers or Principals ever use the information at any time in the future. From and after the Closing Date, Purchaser shall own exclusive rights to all of the customer records and information transferred to it pursuant to this Agreement. Notwithstanding anything to the contrary contained in this Agreement, following the Closing, the confidentiality and non-disclosure provisions of this Section 7.5 shall never expire or terminate.

7.6 Removal of Excluded Assets. Sellers, at their sole cost and expense, shall remove on the Closing date or shall have removed prior to the Closing Date the Excluded Assets from the Dealership Properties.

7.7 Access to Books and Records. In order to facilitate the resolution of any claims made against or incurred by Sellers, Principals, or Purchaser, or for any other reasonable and lawful purpose not inconsistent with this Agreement, for a period of five years after the Closing Date, (i) Purchaser shall (a) retain the books and records transferred to it hereunder and delivered to it at Closing by Sellers related to the Business and relating to periods prior to the Closing; and (b) upon reasonable notice, afford Sellers and Principals reasonable access (including the right to make, at their expense, photocopies), during normal business hours, of all such books and records relating to the Business and (ii) Sellers and Principals shall (a) retain their books and records not transferred to Purchaser hereunder related to the Business; and (b) upon reasonable notice, afford Purchaser reasonable access (including the right to make, at their expense, photocopies), during normal business hours, of all such books and records.

7.8 Third Party Consents. To the extent that Sellers’ rights under any contract, permit, or certificate constituting an Acquired Asset, or any other Acquired Asset, may not be assigned to Purchaser without the consent of another individual or entity which has not been obtained, this Agreement shall not constitute an agreement to assign the same if an attempted assignment would constitute a breach thereof or be unlawful, and Sellers, at their expense, shall use their reasonable best efforts to obtain any such required consent(s) as promptly as possible. If any such consent shall not be obtained or if any attempted assignment would be ineffective or would impair Purchaser’s rights under the Acquired Asset in question so that Purchaser would not in effect acquire the benefit of all such rights, Sellers, to the maximum extent permitted by Law and the Acquired Asset, shall act after the Closing as Purchaser’s agent in order to obtain for it the benefits thereunder and shall cooperate, to the maximum extent permitted by Law and the Acquired Asset, with Purchaser in any other reasonable arrangement designed to provide such benefits to Purchaser.

7.9 Current Financial Statements; Audit.

7.9.1 Not later than August 31, 2021, Sellers and Principals shall provide, or cause to be provided, unaudited financial statements for Sellers for the year-to-date period ending on the Closing Date.

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7.9.2 Following the Closing, Sellers and Principals, to the extent requested by Purchaser in writing, shall reasonably cooperate with Purchaser to facilitate an audit of Sellers' financial results and condition for the fiscal year 2020 (and 2019 if required by the SEC), and a review of Sellers' financial results and condition through year to date 2021, and shall consent, and hereby consents, to the filing of the resulting audited financial statements with the Securities and Exchange Commission. Purchaser shall be solely responsible for the cost of any such audit.

7.10 R&W Insurance Policy. Prior to or in connection with the Closing, Purchaser shall have taken all action necessary to obtain and bind the R&W Insurance Policy and Sellers acknowledge and agree that all costs and expenses related to the R&W Insurance Policy, including the total premium, underwriting costs, brokerage commissions, taxes related to such policy and other fees and expenses of such policy, shall be paid by Sellers out of Sellers' closing proceeds in accordance with Section 2.4, provided that such costs and expenses do not exceed \$XXXX. For the purposes of this Agreement, "**R&W Insurance Policy**" means that certain Representations and Warranties Insurance Policy with a coverage amount of \$XXXX and a retention in the amount of \$XXXX (the "**Retention**"), Policy Number #####, effected through Lloyd's, London (the "**R&W Insurer**") issued to Purchaser on the date hereof. Except as set forth in Section 10.3.1, Purchaser shall be solely responsible for the retention under the R&W Insurance Policy.

7.10.1 The R&W Insurance Policy shall provide that the insurer of such policy shall waive its rights to bring any claim against Sellers by way of subrogation, claim for contribution or otherwise (other than in the case of fraud).

7.10.2 Purchaser shall not amend or waive any provision of the R&W Insurance Policy in any manner adverse to Sellers without Sellers' prior written consent. Purchaser shall not cause the termination of the R&W Insurance Policy without Sellers' prior written consent.

7.11 Facility Repairs. Sellers and Purchaser each hereby acknowledge and agree that Purchaser received certain property condition assessment reports that noted certain items of disrepair with respect to the Milwaukie Property. Those items consist of replacement of the shop floor slab with underground piping repairs, replacement of some HVAC units, and asphalt repairs in paved areas throughout the site. Each of these items will come at an unexpected expense, and in order to induce Buyer to consummate the Contemplated Transactions, the parties agreed that this unexpected expense will be addressed by deducting such expense from the Purchase Price. As of the date hereof, Sellers and Purchaser agree that the aggregate estimated expense for repairing the items equals \$XXXX (the "**Repair Estimate**"). The parties agree that Purchaser shall complete such repairs within twenty-four (24) months after the Closing Date. To the extent the ultimate cost of such repairs exceeds the Repair Estimate, Sellers shall be responsible for such excess up to a maximum of \$XXXX.

7.12 Known Sales Tax Liability. Sellers and Purchaser each hereby acknowledge and agree that Purchaser obtained a Tax Due Diligence report (the "**Tax Report**") prepared by RSM that noted a potential tax Liability of the Sellers ("**Warranty Tax Liability**") related to the collection of Washington sales tax on the Sellers sales of service warranty contracts. The Tax Report estimated the Warranty Tax Liability to be approximately \$XXXX (the "**Tax Holdback Amount**"). At the Closing, the Tax Holdback Amount shall be deducted from the Purchase Price otherwise payable to Sellers pursuant to Section 2.4.1 and shall be held by Purchaser until the earlier of (i) the Sellers delivery to Purchaser of evidence satisfactory to Purchaser from the applicable Governmental Authority that such Warranty Tax Liability has been satisfied in full and (ii) the Purchaser, as directed by the Sellers, distributes the Tax Holdback Amount directly to the applicable Governmental Authority on behalf of Sellers, plus any other amounts in excess of the Tax Holdback Amount necessary to satisfy such Warranty Tax Liability (which such excess amounts shall be responsibility of Sellers) in full satisfaction of the Warranty Tax Liability. To the extent the Tax Holdback Amount is greater than the final Warranty Tax Liability, and upon Purchaser's receipt of satisfactory evidence that the Warranty Tax Liability has been satisfied in full, the Purchaser shall distribute such excess amount to Sellers by wire transfer of funds to an account of Sellers designated by Sellers. Notwithstanding anything to the contrary contained in this Section 7.12, the entire Warranty Tax Liability is the sole and exclusive responsibility of the Sellers.

8. CONSUMMATION OF CLOSING.

8.1 Transactions of Sellers and Principals. At Closing, Sellers and Principals (as applicable) shall do and/or deliver the following:

8.1.1 Sellers shall execute and deliver all bills of sale, assignments and assumptions, intellectual property and domain name assignments, titles, and other appropriate instruments of transfer in form and substance reasonably satisfactory to Purchaser, and as shall be sufficient to: (i) convey and transfer to Purchaser the Acquired Assets and all right, title and interest of Sellers therein

and thereto free and clear from all Liens and Encumbrances; and (ii) effect the assignment to and assumption by Purchaser of Sellers' rights and obligations arising out of the Acquired Assets, including Assigned Contracts, Recreational Vehicle Contracts, In-Transits, and We-Owes.

8.1.2 Sellers shall deliver to Purchaser at the Dealership Properties a manufacturer invoice, manufacturers certificate or statement of origin (or title, if applicable), navigation discs, all recreational vehicle equipment and accessories listed in the Manufacturer invoices, and all sets of keys and all manuals and guides provided to Sellers by the applicable Manufacturer for each recreational vehicle in the Acquired Assets. It is understood that certain manufacturers certificates or statements of origin may not yet have been received with respect to vehicles-in-transit or recently received vehicles, and in such cases Sellers will promptly assign over to Purchaser those upon receipt thereof. Further, Sellers shall deliver to Purchaser a Limited Power of Attorney, duly executed by each Seller, granting Purchaser, and its members, managers, officers, and/or agents, full power and authority to execute and assign any bills of sale, manufacturers certificate or statement of origin, motor vehicle titles and/or any associated documentation required for the transfer of title to all Purchased Recreational Vehicle Inventory to Purchaser hereunder.

8.1.3 A certified copy (certified as of the Closing Date) of the resolutions adopted by the shareholder(s) and director(s) of each Seller approving and authorizing the execution and delivery of this Agreement and the consummation of the transactions contemplated herein.

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8.1.4 Current state and local occupancy permits for each of the improvements located on the Dealership Properties.

8.1.5 The damage disclosure certificate referred to in [Section 7.2](#).

8.1.6 Sellers shall (i) terminate any and all of its agreements with the Manufacturers, and (ii) execute and deliver any and all forms required by any Manufacturer in connection with Sellers' termination or the approval of Purchaser.

8.1.7 The original of a letter prepared by Purchaser (but reasonably acceptable to Sellers) addressed to the customers of Sellers, advising them of the sale and encouraging them to contact Purchaser for all their recreational vehicle sales and service needs, the mailing or other delivery of which shall be the sole responsibility of Purchaser.

8.1.8 Sellers shall execute and deliver any and all necessary amendments, cancellations and/or terminations (as reasonably determined by Purchaser) to amend, cancel and/or terminate, as applicable, any and all fictitious name registrations held or owned by it for the name "B. Young RV" and "B. Young RV & Marine."

8.1.9 All required third party consents listed on [Schedule 8.1.9](#).

8.1.10 Any and all payoff letters evidencing the payoff of all Indebtedness of Sellers and the release of any Liens or Encumbrances (other than Assumed Liabilities) against any of the Acquired Assets or any fixtures or improvements located at, on or under the Dealership Properties.

8.1.11 Each Seller and Principal shall execute and deliver to Purchaser the Non-Compete, Non-Solicitation and Non-Disclosure Agreement (the "**Non-Compete Agreement**") in the form attached hereto as [Exhibit "D"](#).

8.1.12 Lease agreements between Sellers or their respective affiliates and Purchaser or its affiliates with respect to the Dealership Properties (collectively, the "**Leases**").

8.1.13 BYRV Washington shall deliver to Purchaser a Tax Status letter obtained from the Washington State Department of Revenue dated no later than fifteen (15) days prior to the Closing Date evidencing that BYRV Washington has filed and paid all excise tax returns through the date of the Tax Status Letter.

8.1.14 Such other instruments, documents or certificates required by this Agreement or as Purchaser or its counsel shall reasonably request.

8.2 [Transactions of Purchaser](#). At the Closing, Purchaser, contemporaneously with the performance by Sellers, shall do and/or deliver the following:

8.2.1 Purchaser shall pay Sellers the Purchase Price in accordance with the provisions of this Agreement.

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8.2.2 A certified copy of the resolutions adopted by Purchaser approving and authorizing the execution and delivery of this Agreement and the consummation of the transactions contemplated herein.

8.2.3 Purchaser shall execute and deliver all bills of sale, assignments and assumptions, intellectual property and domain name assignments, titles, and other appropriate instruments of transfer in form and substance reasonably satisfactory to Sellers, and as shall be sufficient to: (i) convey and transfer to Purchaser the Acquired Assets and all right, title and interest of Sellers therein and thereto free and clear from all Liens and Encumbrances; and (ii) effect the assignment to and assumption by Purchaser of Sellers' rights and obligations arising out of the Acquired Assets, including the Assigned Contracts, Recreational Vehicle Contracts, In-Transits, and We-Owes.

8.2.4 The bound R&W Insurance Policy, which shall be in full force and effect as of the Closing Date.

8.2.5 Purchaser shall execute and deliver each Non-Compete Agreement.

8.2.6 Such other instruments, documents or certificates required by this Agreement or as Sellers or their counsel shall reasonably request.

8.3 Cooperation. At any time and from time to time after the Closing Date, upon the reasonable request by Purchaser, Sellers shall do, execute, acknowledge and deliver, or shall cause to be done, executed, acknowledged and delivered, all such further acts, bills of sale, assignments, titles, transfers, conveyances and assurances as may be reasonably required for the assigning, transferring, granting, conveying, assuring and confirming to Purchaser (or its successors and assigns). For a period of ninety (90) days following the Closing, Purchaser and Sellers shall cooperate with each other in fully providing for correct applications of debits and credits from each of the Manufacturers. To the extent either Purchaser or Sellers receive a credit from a Manufacturer due to the other party pursuant to the terms of this Agreement, it shall pay the sum within five (5) days of receipt.

9. EXPENSES.

9.1 Expenses. Each party shall pay its own expenses incident to preparing for, entering into, and carrying into effect this Agreement and the transactions contemplated hereby.

10. INDEMNIFICATION.

10.1 Scope of Indemnification.

10.1.1 Indemnification by Sellers and Principals. From and after the Closing Date, Sellers, severally and not jointly, and Principals, severally and not jointly in accordance with each Principal's Pro Rata Share, agree to hold harmless, reimburse, defend and indemnify Purchaser, its members, managers, affiliates, officers, employees, agents and representatives and its successors and assigns (collectively, the "**Purchaser's Indemnitees**"), from and against any claim, action, loss, Liability, damage, penalty, fine, interest or cost and expense of whatever kind, including, without limitation, reasonable expert and attorneys' costs and fees, and the costs of defense, enforcement or collection (hereinafter collectively referred to as "**Losses**"), resulting from or arising out of:

(a) Any breach or inaccuracy of any representation or warranty, on the part of Sellers or Principals contained in this Agreement, in a schedule or in any certificate or other signed document delivered pursuant hereto;

(b) Any nonperformance or breach of any agreement, covenant, promise or obligation, to be performed by Sellers or Principals contained in this Agreement;

(c) The Retained Liabilities;

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- (d) The Excluded Assets;
- (e) Any actual or threatened litigation claims against Sellers that are pending prior to the Closing Date;
- (f) All Pre-Closing Taxes;
- (g) Any debt, debt-like items or transaction expenses to the extent not taken into account in calculating the Purchase Price or the Final Net Working Capital,
- (h) Any fraud or intentional misrepresentation; or
- (i) Any failure to include commissions and non-discretionary bonuses in the regular rate calculation for overtime purposes for Sellers' non-exempt employees.

Notwithstanding the foregoing, Young and the Trusts shall be jointly and severally liable for the portion of such Losses attributable to the Trusts or Young incurred hereunder.

10.1.2 Indemnification by Purchaser. From and after the Closing Date, Purchaser agrees to hold harmless, reimburse, defend and indemnify Sellers and their respective shareholders, managers, officers, employees, agents and representatives, from and against any Losses resulting from or arising out of:

- (a) Any breach or inaccuracy of any representation or warranty, on the part of Purchaser contained in this Agreement or in any certificate or other signed document delivered pursuant hereto;
- (b) Any nonperformance or breach of any agreement, covenant, promise or obligation, to be performed by Purchaser contained in this Agreement; or

- (c) any Assumed Liability.

10.1.3 Materiality. For purposes of this Article 10, any inaccuracy in or breach of any representation or warranty and the Losses suffered therefrom shall be determined without regard to any materiality, material adverse change or other similar qualification contained in or otherwise applicable to such representation or warranty.

10.2 Survival. Except as otherwise provided in this Agreement, all representations and warranties contained in this Agreement are made by the applicable person or entity making the representation and warranty as of the Agreement Date and as of the Closing and shall survive Closing but shall expire and terminate fifteen (15) months after the Closing Date, except as follows: (i) representations and warranties set forth in Sections 5.1 (Organization), 5.2 (Authorization), 5.4 (Taxes), 5.5 (Title to Acquired Assets), 5.11 (Brokers), and 5.19 (Violation of Laws) (such sections the “**Fundamental Reps**”), shall expire or terminate on the later of (a) the expiration of the applicable statute of limitations (giving effect to any waiver, mitigation or extension thereof) and (b) the maximum period set forth in the R&W Insurance Policy for such representations; and (ii) representations and warranties set forth in Section 5.10 (Environmental Matters) shall expire and terminate three (3) years after the Closing Date. Except as otherwise provided in this Agreement, all other indemnification obligations of the parties hereto shall survive closing and expire and terminate on the later of (a) the expiration of the applicable statute of limitations (giving effect to any waiver, mitigation or extension thereof) and (b) the five (5) year anniversary of the Closing Date. Notwithstanding the foregoing, there will be no survival period other than the statute of limitations (giving effect to any waiver, mitigation or extension thereof) with respect to claims related to fraud or intentional misrepresentation against the party who committed the fraud or intentional misrepresentation (or had actual knowledge thereof).

10.3 Certain Limitations. The party making a claim under this Article 10 is referred to as the “**Indemnified Party**,” and the party against whom such claims are asserted under this Article 10 is referred to as the “**Indemnifying Party**”. The indemnification provided for in Section 10.1.1 and Section 10.1.2 shall be subject to the following:

10.3.1 Notwithstanding anything in this Agreement to the contrary, the parties acknowledge and agree that (i) the sole recourse of Purchaser for any indemnification claim under Section 10.1.1(a) (except with respect to claims related to breaches of Fundamental Reps) shall be to make claims under the R&W Insurance Policy and thereafter Purchaser shall have no recourse against

Sellers or Principals and (ii) with respect to any indemnification claim under Section 10.1.1(a) with respect to breaches of Fundamental Reps, to the extent that such claim is covered by the R&W Insurance Policy, Purchaser shall proceed first by using commercially reasonable efforts to recover the claim under the R&W Insurance Policy, and then shall be entitled to pursue recovery against Sellers and/or Principals directly. With respect to any recovery for any other indemnification claims by Purchaser under this Agreement, including claims under Sections 10.1.1(b) – (i), Purchaser shall, to the extent there is a reasonable good faith belief the claim is covered by the R&W Insurance Policy, proceed first by using commercially reasonable efforts to recover the claim under the R&W Insurance Policy (provided that, in the event the claim is denied coverage under the R&W Insurance Policy or the R&W Insurer does not timely pay the claim, Purchaser shall have no obligation to commence or pursue any action, suit or proceeding against the R&W Insurer or any other person or entity), and if the claim is not covered shall be entitled to pursue recovery against Sellers and/or Principals directly. Any recovery for any other indemnification claims for which there is no coverage under the R&W Insurance Policy, shall be paid directly from Sellers and/or Principals, subject to the first sentence of Section 10.1.1. With respect to any recovery for any other indemnification claims by Purchaser under this Agreement, including claims under Sections 10.1.1(b) – (i), that are covered by the R&W Policy, to the extent all or a portion of the Retention remains outstanding, the Sellers and the Principals shall, severally and not jointly, be responsible for and shall promptly deliver to the Purchaser the amounts (not to exceed the amount of such claims) necessary to satisfy the Retention with respect to such claim (provided that Young and the Trusts shall be jointly and severally liable for the portion of the Retention attributable to the Trusts or Young).

10.3.2 If, due to timing or otherwise, any indemnification claims are paid by the R&W Insurance Policy with respect to a breach of a Fundamental Representation or Losses arising under Sections 10.1.1(b) – (i) (the “**Special Claims**”) before payment is received by Purchaser from the insurer under the R&W Insurance Policy with respect to a claim made in respect of Losses arising from the breach of any representation or warranty (a “**Capped Claim**”), and, as a result, the limit or amounts capable of being paid to Purchaser under the R&W Insurance Policy with respect to such Capped Claim have been eroded (the aggregate amount of such erosion of the R&W Insurance Policy as the result of the Special Claims, the “**Eroded Amount**”), then notwithstanding any limitations set forth in this Article VII, in connection with the satisfaction of the Capped Claims, the Sellers and Principals will indemnify, defend and hold harmless Purchaser for the amount of any Losses suffered by the Purchaser Indemnitees with respect to such Capped Claims up to and not to exceed the Eroded Amount.

10.4 Indemnification Procedures.

10.4.1 Third Party Claims. If any Indemnified Party receives notice of the assertion or commencement of any action made or brought by any person or entity who is not a party to this Agreement or an affiliate of a party to this Agreement or a representative of the foregoing (a “**Third Party Claim**”) against such Indemnified Party with respect to which the Indemnifying Party is obligated to provide indemnification under this Agreement, the Indemnified Party shall give the Indemnifying Party prompt written notice thereof (and in no event later than 30 days). The failure to give such prompt written notice shall not, however, relieve the Indemnifying Party of its indemnification obligations, except and only to the extent that the Indemnifying Party forfeits rights or defenses by reason of such failure. Such notice by the Indemnified Party shall describe the Third Party Claim in reasonable detail. Subject to this Section 10.4.1, the Indemnifying Party shall have the right to participate in, or by giving written notice to the Indemnified Party, to assume the defense of any Third Party Claim at the Indemnifying Party’s expense and by the Indemnifying Party’s own counsel provided it diligently defends such action and accepts and acknowledges in writing to the Indemnified Party full Liability therefore. Notwithstanding the foregoing, if the Indemnifying Party is a Seller and/or a Principal, such Indemnifying Party shall not have the right to defend or direct the defense of any Third Party Claim, unless otherwise agreed to in writing by the Indemnified Party, (i) that is asserted directly by or on behalf of a Manufacturer, (ii) that seeks an injunction or other equitable relief against the Indemnified Party; (iii) that involves a significant business relationship of the Purchaser or (iv) that is asserted directly by or on behalf of any governmental or regulatory authorities or bodies; provided, however, that if the Indemnified Party elects to defend or direct the defense of such a Third Party Claim, then the Indemnified Party shall provide information regarding the Third Party Claim to, cooperate with, and keep the Sellers informed in all reasonable respects in connection with the defense of such Third Party Claim and the Indemnified Party shall not enter into settlement of any Third Party Claim without the prior written consent of the Sellers (which consent shall not be unreasonably withheld or delayed).

10.4.2 In the event that the Indemnifying Party assumes the defense of any Third Party Claim, such Third Party Claim shall be conclusively deemed a Liability of the Indemnifying Party and, subject to Section 10.4.3, it shall have the right to take such action as it deems necessary to avoid, dispute, defend, appeal or make counterclaims pertaining to any such Third Party Claim in the name and on behalf of the Indemnified Party. The Indemnified Party shall have the right, at its own cost and expense, to participate

in the defense of any Third Party Claim with counsel selected by it. Subject to Section 10.4.1, if the Indemnifying Party elects not to compromise or defend such Third Party Claim or fails to promptly notify the Indemnified Party in writing of its election to defend as provided in this Agreement, the Indemnified Party may, subject to Section 10.4.3, pay, compromise, defend such Third Party Claim and seek indemnification for any and all Losses based upon, arising from or relating to such Third Party Claim. The Indemnified Party and the Indemnifying Party shall cooperate with each other in all reasonable respects in connection with the defense of any Third Party Claim, including making available records relating to such Third Party Claim and furnishing, without expense (other than reimbursement of actual out-of-pocket expenses) to the defending party, management employees of the non-defending party as may be reasonably necessary for the preparation of the defense of such Third Party Claim.

10.4.3 Settlement of Third Party Claims. The Indemnifying Party shall not enter into settlement of any Third Party Claim without the prior written consent of the Indemnified Party (which consent shall not be unreasonably withheld or delayed), except as provided in this Section 10.4.3. If a firm offer is made to settle a Third Party Claim solely involving monetary damages without leading to liability or the creation of a financial or other obligation on the part of the Indemnified Party and provides, in customary form, for the unconditional and full release of each Indemnified Party from all liabilities and obligations in connection with such Third Party Claim and the Indemnifying Party desires to accept and agree to such offer, including agreeing to pay in full all amounts thereunder, the Indemnifying Party shall give written notice to that effect to the Indemnified Party and promptly provide the Indemnified Party with any documentation and information the Indemnified Party may reasonably request in order to evaluate such firm offer. If the Indemnified Party fails to consent to such firm offer within ten (10) days after its receipt of such notice, the Indemnified Party may continue to contest or defend such Third Party Claim and, in such event, the maximum Liability of the Indemnifying Party as to such Third Party Claim shall not exceed the amount of such settlement offer. If the Indemnified Party fails to consent to such firm offer and also fails to assume defense of such Third Party Claim, the Indemnifying Party may settle the Third Party Claim upon the terms set forth in such firm offer to settle such Third Party Claim.

10.4.4 Direct Claims. Any claim by an Indemnified Party on account of Losses which do not result from a Third Party Claim (a “**Direct Claim**”) shall be asserted by the Indemnified Party giving the Indemnifying Party prompt written notice thereof after the Indemnified Party becomes aware of such Direct Claim. Such notice by the Indemnified Party shall describe the Direct Claim in reasonable detail, shall include copies of all material written evidence thereof and shall indicate the estimated amount, if reasonably practicable (which amount or estimated amount shall not be conclusive of the final amount, if any, of the Indemnified Party’s Losses), of the Loss that has been or may be sustained by the Indemnified Party. The Indemnifying Party shall have 30 days after its receipt of such notice to respond in writing to such Direct Claim. During such 30-day period, the Indemnified Party shall, at no cost to the Indemnified Party and without any disruption whatsoever to its business operations, allow the Indemnifying Party and its professional advisors to reasonably investigate the matter or circumstance alleged to give rise to the Direct Claim, and whether and to what extent any amount is payable in respect of the Direct Claim and the Indemnified Party shall assist the Indemnifying Party’s investigation by giving such information and assistance (including the right to examine and copy any accounts, documents or records) as the Indemnifying Party or any of its professional advisors may reasonably request. If the Indemnifying Party does not so respond within such 30-day period, the Indemnifying Party shall be deemed to have rejected such claim, in which case the Indemnified Party shall be free to pursue such remedies as may be available to the Indemnified Party on the terms and subject to the provisions of this Agreement.

10.5 Tax Treatment of Indemnification Payments. All indemnification payments made under this Agreement shall be treated by the parties as an adjustment to the Purchase Price for tax purposes, unless otherwise required by Law.

11. MISCELLANEOUS PROVISIONS.

11.1 Notices. Any notice or other communication required or which may be given hereunder shall be in writing and shall be deemed duly given when delivered in person, or when mailed by certified (with the sender’s receipt postmarked by a postal employee) or registered mail (in either case, with a copy by ordinary first-class mail) or express mail, or when sent by Federal Express or similar overnight delivery service company, postage or express charges prepaid, in a securely wrapped envelope addressed to the intended recipient as follows:

11.1.1 If to Sellers or Principals:

BYRV, Inc.
16803 SE McLoughlin Blvd.
Portland, OR 97267
Attention: Bruce Young

BYRV Washington, Inc.
1986 Atlantic Avenue
Woodland, WA 98674

Bruce Young
6228 NW El Rey Drive
Camas, WA 98607

Mark Bretz
4800 Grant Creek Road
Missoula, MT 59808

With a copy to:

Farleigh Wada Witt
121 SW Morrison Street, Suite 600
Portland, OR 97204
Attention: Paul Migchelbrink

11.1.2 If to Purchaser:

LDRV Holdings Corp.
6130 Lazy Days Blvd.
Seffner, Florida 33584
Nicholas J. Tomashot

With a copy to:

Hill Ward Henderson P.A.
101 East Kennedy Blvd, Suite 3700
Tampa, Florida 33602
Attention: David S. Felman and Ryan Angel

The designation of the person to be so notified or the address of such person for the purposes of such notice may be changed from time to time by notice hereunder.

11.2 Parties in Interest. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors, executors, personal representatives and permitted assigns, but shall not be assigned by any party without the written consent of the other parties hereto (which consent may be withheld in the sole discretion of such other parties). Notwithstanding the provisions of the first sentence of this Section 11.2 to the contrary, Purchaser shall be permitted, without the consent of any of the other parties hereto, to (i) assign this Agreement, in whole or in part, to one or more affiliated corporations or other entities or (ii) to any lender under Purchaser's or its affiliates' financing arrangements.

11.3 Entire Agreement. This Agreement along with the schedules and exhibits attached hereto and to be attached hereto at Closing sets forth all of the promises, covenants, agreements, conditions and understandings between and among Sellers, Principals and Purchaser with respect to the subject matter hereof, and supersedes all prior and contemporaneous agreements and understandings, inducements or conditions, express or implied, oral or written, with respect hereto, except as contained herein. Moreover, no waiver by any party of any condition, or of the breach of any term, covenant, representation or warranty contained in this Agreement, whether by conduct or otherwise, in any one or more instances, shall be deemed or construed as a further or continuing waiver of any such condition or breach or a waiver of any other condition or of the breach of any other term, covenant, representation or warranty set forth in this Agreement.

11.4 Amendments. This Agreement may not be amended, modified, superseded, canceled, renewed or extended except by a written instrument or document signed by all parties hereto.

11.5 Schedules and Exhibits. Concurrently with the execution of this Agreement, the parties have attached to this Agreement certain schedules and exhibits referred to herein, which schedules and exhibits are hereby made a part hereof by reference thereto. Certain schedules shall be attached hereto after the execution hereof and shall be true, accurate and complete as of the date of attachment.

11.6 Controlling Law; Venue; Dispute Resolution; Waiver of Jury Trial.

11.6.1 This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware (without regard to conflicts of laws principles).

11.6.2 VENUE FOR ANY DISPUTE ARISING UNDER THIS AGREEMENT OR ANY OTHER AGREEMENTS EXECUTED IN CONNECTION HERewith SHALL BE IN THE FEDERAL COURTS (OR, IF THE FEDERAL COURTS DO NOT HAVE JURISDICTION, THE STATE COURTS) LOCATED IN OR FOR CLACKAMAS COUNTY, OREGON WHICH COURTS SHALL HAVE EXCLUSIVE JURISDICTION OVER THE PERSONS AND SUBJECT MATTER OF THE SAME. SERVICE OF PROCESS, SUMMONS, NOTICE OR OTHER DOCUMENT BY MAIL TO SUCH PARTY'S ADDRESS SET FORTH HEREIN SHALL BE EFFECTIVE SERVICE OF PROCESS FOR ANY SUIT, ACTION OR OTHER PROCEEDING BROUGHT IN ANY SUCH COURT. THE PARTIES IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY OBJECTION TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR ANY PROCEEDING IN SUCH COURTS AND IRREVOCABLY WAIVE AND AGREE NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

11.6.3 In the event of any dispute, the parties shall first submit the dispute to mediation conducted in Clackamas County, Oregon to a mediator mutually agreeable to the parties. If the parties cannot agree on a mediator, each party shall select one mediator, and the mediators so selected by the parties shall jointly select a third mediator, who shall mediate the dispute. If a party is unsatisfied with the determination of the mediator, such party shall have the right to file suit pursuant to Section 11.6.2 above. Any costs of the mediation shall be shared equally by the parties; *provided, however*, if a party files suit over the dispute that was mediated and is not the prevailing party in any subsequent litigation regarding the dispute, such party shall be liable for reimbursing the prevailing party for any mediation costs incurred.

11.6.4 EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT OR THE AGREEMENTS EXECUTED IN CONNECTION HERewith IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH SUCH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LEGAL ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE AGREEMENTS EXECUTED IN CONNECTION HERewith OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. EACH PARTY TO THIS AGREEMENT CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT SEEK TO ENFORCE THE FOREGOING WAIVER IN THE EVENT OF A LEGAL ACTION, (B) SUCH PARTY HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 11.6.4.

11.7 Captions. The captions of the various sections, subsections and clauses are solely for the convenience of the parties hereto and shall not control or affect the meaning or construction of this Agreement.

11.8 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall constitute an original agreement but all of which together shall constitute one and the same instrument. Facsimile and PDF versions of signatures shall be acceptable as originals.

11.9 Allocation Schedule. Sellers and Purchaser agree that the Purchase Price and the Assumed Liabilities (plus other relevant items) shall be allocated among the Acquired Assets for all purposes (including tax and financial accounting) as shown on the allocation schedule included in Schedule 11.9 of the Disclosure Schedules (the "**Allocation Schedule**"). All tax filings shall be made in

accordance with and consistent with the Allocation Schedule. Any adjustments to the Purchase Price pursuant to this Agreement shall be allocated in a manner consistent with the Allocation Schedule.

11.10 Right to Set-Off. Purchaser shall be entitled at its election to offset all amounts payable by Purchaser to Sellers and/or the Principals, and any of their affiliates (collectively, the “**Set-Off Party**”), including without limitation, payments owed under the Lease, against all amounts owed to any Purchaser Indemnitee pursuant to this Agreement, *provided, however*, that (i) Purchaser shall first give written notice of intent to set-off describing the specific breach applicable to Sellers or Principals giving rise to such indemnification obligation (“**Set-Off Notice**”) to Sellers and Sellers shall have 20 days to respond to such notice, (ii) if Sellers do not dispute the set-off contemplated by such Set-Off Notice, then Purchaser may set-off the amounts set forth in such Set-Off Notice from any amounts payable by Purchaser to a Set-Off Party, including, without limitation, under the Lease, and (iii) if Sellers dispute the Set-off Notice the amounts so disputed by Sellers (the “**Disputed Amounts**”) shall be placed into an escrow account and held until a final resolution or determination is made pursuant to the provisions of Section 11.6 above. Such escrow account shall be mutually established by the parties hereto at a financial institution agreed to by the parties. The escrow shall be maintained pursuant to an escrow agreement to be agreed to by the parties, and unless and until agreed, shall be substantially in the form of the standard form of escrow agreement provided by the financial institution. The costs of such escrow shall be borne equally by the parties and, unless otherwise determined in accordance with the dispute resolution process in Section 11.6, interest on the escrowed amounts shall be allocated to the prevailing party in the dispute.

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11.11 Ambiguity. The parties have jointly participated in the negotiation and drafting of this Agreement. In the event of an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties and no presumptions or burdens of proof shall arise favoring any party by virtue of the authorship of any of the provisions of this Agreement.

11.12 Disclosures. Nothing in the disclosure schedules shall be deemed adequate to disclose an exception to a representation or warranty made herein unless the disclosure schedule identifies the exception with reasonable particularity and describes the relevant facts in reasonable detail. Without limiting the generality of the foregoing, the mere listing (or inclusion of a copy) of a document or other item shall not be deemed adequate to disclose an exception to a representation or warranty made herein (unless the representation or warranty relates solely to the existence of the document or other items itself).

11.13 Attorneys’ Fees. In the event of any action at law or suit in equity arising out of or in connection with this Agreement, the prevailing party or parties, in addition to all other sums which the other party or parties may be called upon to pay, shall be entitled to recover such additional sum for the prevailing party’s or prevailing parties’ reasonable attorneys’ fees and costs incurred therein.

11.14 Termination of Prior Agreements. Effective as of the date hereof, without any further action by either party hereto or thereto, any and all written or oral confidentiality agreements or other agreements, by and between/among Sellers and Purchaser or any entity operating under the name “LazyDays” shall be terminated in their entirety and of no further force or effect.

11.15 Public Announcements. Purchaser shall have the right to issue any press release or make any public statement, including, but not limited to, those required by the U.S. Securities and Exchange Commission, with respect to the consummation of the transactions contemplated hereby; *provided, however*, Purchaser shall consult with Sellers and permit Sellers to review any press release prior to its issuance. Notwithstanding the foregoing or anything to the contrary in this Agreement, after Closing, Purchaser shall not be required to obtain Sellers’ consent to any press release unless the press release states more about Sellers than just its name and the name of the dealerships or collision centers located on the Dealership Properties. In the event consent of Sellers is required, any such consent from Sellers shall not be unreasonably withheld, conditioned or delayed. Except as required by applicable Laws, no Seller nor Principal shall issue any press release or make any public statement regarding this Agreement, or regarding any of the transactions contemplated by this Agreement, without the prior written consent of Purchaser (which consent shall not be unreasonably withheld, conditioned or delayed).

11.16 Interpretation. For purposes of this Agreement, the words “to the knowledge of Sellers”, “to Sellers” knowledge” or any other similar knowledge qualification means the actual knowledge of each Principal, and that knowledge that such Principal would reasonably be expected to discover after reasonable inquiry into such fact or matter, including consultation with the general manager, chief operating officer, controller, sales manager, parts manager, service manager and other key employees of the Business.

[REMAINDER OF THE PAGE INTENTIONALLY BLANK]

IN WITNESS WHEREOF, and intending to be legally bound hereby, the parties have caused this Agreement to be signed in their respective corporate or other names by authorized officers or signatories and their hands and seals to be hereunto affixed, all as of the date first above written.

SELLERS:

BYRV, INC.

By: _____
Bruce A. Young, President

BYRV WASHINGTON, INC.

By: _____
Bruce A. Young, President

PRINCIPALS:

Bruce A. Young

Mark Bretz

XXXX REVOCABLE TRUST

By: _____
Bruce A. Young, Trustee

XXXX GIFT TRUST

By: _____
Bruce A. Young, Trustee

(Signature Page to Asset Purchase Agreement)

PURCHASER:
LAZYDAYS RV OF OREGON, LLC

By _____
Name: _____
Title: _____

EXHIBIT A
DEALERSHIP PROPERTIES

Street Address: 16803 SE McLoughlin, Portland, OR 97267

Legal Description:

A tract of land in the Northeast quarter of Section 13, Township 2 South, Range 1 East, of the Willamette Meridian, and being in the B.B. Rogers Donation Land Claim, in the County of Clackamas and State of Oregon, being more particularly described as follows:

Beginning at a point of intersection of the Westerly right-of-way line of the Portland-Oregon City Super Highway with the Southerly right-of-way of Naef Road, which is the true point of beginning; thence South 54°36'10" West (by Deed South 54°37'10" West) along the Southerly line of Naef Road 344.79 feet; thence South 35°02'45" East 588.96 feet, more or less, to the Southerly line of tract described as Parcel IV in Fee No. 68-12970, Deed Records; thence North 56°07' East (Deed 55°17' East) along the Southerly line of said tract, to the Westerly right-of-way line of said Super Highway; thence North 28°08'40" West, along said Westerly right of way, 600.97 feet, more or less, to the true point of beginning.

EXCEPTING THEREFROM that portion conveyed to Clackamas County by Warranty Deed recorded April 9, 1990 as Fee No. 90 15725.

Street Address: 1986 Atlantic Ave, Woodland, WA 98674

Legal Description:

Parcel A (PN 50615):

BEING IN A PORTION OF THE SQUIRE AND MILLIE BOZARTH D.L.C. IN THE EAST ONE HALF OF SECTION 13 TOWNSHIP 5 NORTH, RANGE 1 WEST, OF THE WILLAMETTE MERIDIAN AND THE WEST ONE HALF OF SECTION 18, TOWNSHIP 5 NORTH, RANGE 1 EAST, OF THE WILLAMETTE MERIDIAN, CITY OF WOODLAND, COWLITZ COUNTY, WASHINGTON MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF LOT 9 BLOCK 2 "NORTHFIELD" RECORDED IN VOLUME 8, PAGE 79, RECORDS OF COWLITZ COUNTY;

THENCE ALONG THE SOUTH LINE OF SAID "NORTHFIELD" SOUTH 88°50'39" EAST, FOR A DISTANCE OF 411.12 FEET;

THENCE LEAVING SAID SOUTH LINE SOUTH 01°07'50" WEST, FOR A DISTANCE OF 517.87 FEET;

THENCE NORTH 88°58'05" WEST FOR A DISTANCE OF 205.00 FEET;

THENCE SOUTH 01°07'51" WEST FOR A DISTANCE OF 314.57 FEET;

THENCE ALONG A 130.00 FOOT RADIUS CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 32°31'45" FOR AN ARC DISTANCE OF 73.81 FEET, A CHORD OF WHICH BEARS SOUTH 47°16'40" WEST 72.82 FEET;

THENCE SOUTH 31°00'47" WEST FOR A DISTANCE OF 18.45 FEET;

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THENCE ALONG A 70.00 FOOT RADIUS CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 59°52'32" FOR AN ARC DISTANCE OF 73.15 FEET, A CHORD OF WHICH BEARS SOUTH 60°57'03" WEST 69.87 FEET;

THENCE NORTH 89°06'41" WEST FOR A DISTANCE OF 389.63 FEET TO THE EAST RIGHT OF WAY OF INTERSTATE 5 FRONTAGE ROAD (ATLANTIC AVENUE);

THENCE ALONG SAID RIGHT OF WAY NORTH 21°10'10" WEST FOR A DISTANCE OF 651.13 FEET;
THENCE NORTH 18°13'39" WEST FOR A DISTANCE OF 246.96 FEET;

THENCE LEAVING SAID RIGHT OF WAY SOUTH 88°50'46" EAST FOR A DISTANCE OF 251.03 FEET TO THE SOUTHWEST CORNER OF LOT 9 "MEADOW PARK" RECORDED IN VOLUME 14, PAGE 73, RECORDS OF COWLITZ COUNTY;

THENCE ALONG THE SOUTH LINE OF SAID "MEADOW PARK" SOUTH 88°26'10" EAST, FOR A DISTANCE OF 381.43 FEET;

THENCE NORTH 02°17'21" EAST FOR A DISTANCE OF 103.77 FEET TO THE POINT OF BEGINNING

CONTAINING 15.83 ACRES MORE OR LESS

SUBJECT TO AND TOGETHER WITH PUBLIC ROADS, EASEMENTS AND RESTRICTIONS OF RECORD.

Parcel B (50613-500):

BEING IN A PORTION OF THE SQUIRE AND MILLIE BOZARTH D.L.C. IN THE EAST ONE HALF OF SECTION 13 TOWNSHIP 5 NORTH, RANGE 1 WEST, OF THE WILLAMETTE MERIDIAN AND THE WEST ONE HALF OF SECTION 18, TOWNSHIP 5 NORTH, RANGE 1 EAST, OF THE WILLAMETTE MERIDIAN, CITY OF WOODLAND, COWLITZ COUNTY, WASHINGTON MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF LOT 9 BLOCK 2 "NORTHFIELD" RECORDED IN VOLUME 8, PAGE 79, RECORDS OF COWLITZ COUNTY;

THENCE ALONG THE SOUTH LINE OF SAID "NORTHFIELD" SOUTH 88°50'39" EAST, FOR A DISTANCE OF 411.12 FEET;

THENCE LEAVING SAID SOUTH LINE SOUTH 01°07'50" WEST, FOR A DISTANCE OF 517.87 FEET TO THE POINT OF BEGINNING;

THENCE NORTH 88°58'05" WEST FOR A DISTANCE OF 205.00 FEET;

THENCE SOUTH 01°07'51" WEST FOR A DISTANCE OF 199.76 FEET TO THE NORTHWEST CORNER OF CHERRY BLOSSOM ADDITION" RECORDED IN VOLUME 8, PAGE 77 RECORDS OF COWLITZ COUNTY;

THENCE ALONG THE NORTH LINE OF SAID CHERRY BLOSSOM ADDITION" SOUTH 88°57'39" EAST FOR A DISTANCE OF 209.55 FEET;

THENCE LEAVING SAID NORTH LINE NORTH 01°12'21" EAST FOR A DISTANCE OF 199.79 FEET;

THENCE NORTH 88°58'05" WEST FOR A DISTANCE OF 4.23 FEET TO THE POINT OF BEGINNING;

CONTAINING 0.96 ACRES MORE OR LESS

SUBJECT TO AND TOGETHER WITH PUBLIC ROADS, EASEMENTS AND RESTRICTIONS OF RECORD

EXHIBIT B
SAMPLE CALCULATION

[REDACTED]

EXHIBIT C
PRO RATA SHARE

BYRV, Inc.:

Shareholder	Pro Rata Share
Bruce A. Young, as Trustee of the XXXX Revocable Trust	46.8%
Bruce A. Young, as Trustee of the XXXX Gift Trust	33.3%
Mark Bretz	19.9%

BYRV Washington, Inc.:

Shareholder	Pro Rata Share
Bruce A. Young, as Trustee of the XXXX Revocable Trust	80.1%
Mark Bretz	19.9%

EXHIBIT D
NON-COMPETE AGREEMENT

RESTRICTIVE COVENANTS ADDENDUM

WHEREAS, Bruce A. Young (“**Young**”), Mark Bretz (“**Bretz**”) and the XXXX Revocable Trust (“**Revocable Trust**,” and together with Young and Bretz, the “**Principals**”) are the direct and indirect owners of BYRV, Inc., an Oregon corporation (“**BYRV**”) and BYRV Washington, Inc., a Washington corporation (“**BYRV Washington**,” and together with BYRV, the “**Asset Sellers**”). Each Asset Seller operates a new and used recreational vehicle dealership sales business (collectively, the “**Business**”) being more particularly described in the Asset Purchase Agreement dated August 3, 2021 (the “**Purchase Agreement**”), among the Principals, Asset Sellers, and Lazydays RV of Oregon, LLC (“**Asset Purchaser**”); and

WHEREAS, if the Principals or Asset Sellers (collectively, the “**Sellers**” and each Principal and Asset Seller, a “**Seller**”) engaged in certain competitive activities after the purchase of the Business by Asset Purchaser, Asset Purchaser would be deprived of the full benefit of the value, reputation and goodwill associated with the Business, as the Business may exist on and after the date hereof;

NOW, THEREFORE, as a material condition of and in order to induce Asset Purchaser to enter into the Purchase Agreement and purchase the Business (including the payment of the purchase price for such purchase by Asset Purchaser to Asset Seller, and indirectly to the Principals), and for other good and valuable consideration, receipt and sufficiency of which is acknowledged, Sellers hereby covenant and agree as follows:

1. *Restricted Period*: In the following provisions, the phrase “**Restricted Period**” is agreed and understood to mean five years following Asset Purchaser’s purchase of the Business.

2. *Non-Solicitation of Customers*: During the Restricted Period, no Seller will, directly or indirectly solicit or attempt to solicit any Customers known by Sellers to be located within 200 miles (measured by driving distance) of the current locations of the Business (“**Restricted Territory**”) for the purpose of the retail sale of new or used recreational vehicles or recreational vehicle accessories (the “**Restricted Business**”). Sellers agree and understand that “**Customers**” includes any business or person which transacted any business related to recreational vehicle products or services with the Business at any time in the last five years prior to the purchase of the Business by Asset Purchaser. This Section 2 shall not apply to the operation of an Internet website, general Internet advertising, or TV or radio advertising by a Seller located outside the Restricted Territory that does not target any specific Customer in the Restricted Territory.

3. *Non-Competition*: During the Restricted Period, no Seller will, directly or indirectly, own any interest in, manage, be employed by, or operate a Restricted Business within the Restricted Territory. This promise will apply within the Restricted Territory. Notwithstanding the foregoing, ownership by a Seller of not more than two percent (2%) in the aggregate of any class of equity security of any publicly held corporation shall not, of itself, constitute a violation of this Section 3.

4. *Non-Recruitment*: During the Restricted Period, no Seller will directly or indirectly, recruit or attempt to recruit any employee of Asset Purchaser or former employee of the Business who was an employee of the Business within one year prior to the date of

recruitment or attempted recruitment (a “Covered Employee”); provided that this Section 4 shall not restrict any Seller from placing general advertisements or general solicitations not targeted at a Covered Employee. During the Restricted Period, the Asset Sellers and Bretz’s two (2) Appleway RV dealerships shall be prohibited under this Section 4 from recruiting or hiring any Covered Employee. Any other RV dealership owned in whole or in part by Bretz shall not be restricted from hiring a Covered Employee who responds to a general advertisement or general solicitation.

5. *Confidential Information*: During the Restricted Period, No Seller shall use or disclose any Confidential Information relating to the Business to any other person or entity. Confidential Information shall mean any financial information, financial data, financial plans, customer lists, information concerning customers, supplier or vendor lists, information concerning suppliers and vendors, or product plans or strategies of the Business which are valuable to the Business or their respective customers and not generally known to competitors of the Business or their respective customers. Confidential Information shall not include and the provisions of this Section 5 shall not apply to (i) information that a Seller can demonstrate with reasonable evidence is generally known to the public other than as a result of the breach of this Section 5 by a Seller or (ii) information that is required to be disclosed pursuant to applicable laws. If a Seller becomes compelled by any applicable law to disclose any Confidential Information, such Seller shall provide Asset Purchaser with prompt written notice of such requirement so that Asset Purchaser may seek a protective order or other remedy in respect of such compelled disclosure.

6. *Injunctive Relief*: Each Seller agrees that any breach of the covenants in this Addendum may result in irreparable harm to Asset Purchaser and its business, and that Asset Purchaser shall be entitled to seek an injunction, both preliminary and final, enforcing said covenants in the event of any breach, or threatened breach by a Seller, in addition to any other damages or remedies available to Asset Purchaser at law or in equity.

7. *Sellers Acknowledgment*. Sellers acknowledge that each (a) will receive substantial direct and indirect economic and other benefits in connection with, and as a result of, the consummation of the transactions contemplated by the Purchase Agreement, including, without limitation, the payment of certain consideration from purchase price proceeds, (b) understands, acknowledges, and recognizes Asset Purchaser’s interests in protecting, among other things, the Business (including competitive relationships with employees, consultants, contractors, customers, suppliers and others, and the goodwill associated with the ongoing operation of the Business) and (c) has considered the effects of this agreement, considers them reasonable and is willing to enter into and be bound by this agreement as it applies to each of them.

8. *Construction*. It is the intent of the parties that this Addendum shall be considered severable in part and in whole, and that if any covenant or term shall be determined to be unenforceable in any part, that portion of the Addendum shall be severed or modified by the Court so as to permit enforcement of the remaining terms of the Addendum to the extent reasonable. Each Seller agrees that the promises set forth herein shall be considered to be independent of any other obligations between the parties, and the existence of any other claim or defense shall not affect the enforceability of this Addendum or the available remedies.

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9. *Choice of Law*: The parties agree and understand that Delaware law will govern any disputes relating to this Addendum and that any legal action or proceeding arising out of or in connection with this Addendum may be brought in any state or federal court located in Clackamas County, Oregon (or in any court in which appeal from such courts may be taken).

10. *Reasonableness*: Each Seller acknowledges and agrees that all restrictions in this Addendum are necessary and fundamental to the protection of the interests of Asset Purchaser and are reasonable and valid.

11. *Successors and Assigns*: Neither this agreement nor any right, remedy, obligation or liability arising hereunder or by reason hereof nor any of the documents executed in connection herewith may be assigned or delegated by either party hereto, nor may either party cause any obligation or liability hereunder to be assumed by any person, without the consent of the other party or its applicable successors or assigns, which consent may be given or withheld in the sole discretion of such other party or any such successor or assign. Notwithstanding the foregoing, Asset Purchaser may assign its rights hereunder, without the consent of Sellers, to one or more affiliates or to any person that acquires the Business and substantially all of the assets of Asset Purchaser related thereto.

12. *Legal Expenses*: The prevailing party shall be entitled to recover its reasonable attorneys’ fees and expenses in any action arising from or relating to enforcement of any provision of this Addendum, including attorneys’ fees and costs incident to appeal.

[Signature page follows]

WHEREFORE, having agreed to all the above terms, the undersigned have executed this agreement on the 3rd day of August, 2021.

Asset Sellers

BYRV, Inc.

By: _____
Bruce A. Young, President

BYRV Washington, Inc.

By: _____
Bruce A. Young, President

Principals

Bruce A. Young, individually and as Trustee for the XXXX Revocable Trust

Mark Bretz

Asset Purchaser

Lazydays RV of Oregon, LLC

By: _____
Name: William P. Murnane
Title: Chief Executive Officer

AMENDED AND RESTATED CREDIT AGREEMENT

Among

LDRV HOLDINGS CORP.,
a Delaware Corporation, and
LAZYDAYS RV AMERICA, LLC, LAZYDAYS RV DISCOUNT, LLC, AND LAZYDAYS MILE HI RV, LLC,
Each a Delaware Limited Liability Company

And

VARIOUS OTHER AFFILIATED ENTITIES HEREAFTER PARTIES HERETO,

“As Borrowers”

and

MANUFACTURERS AND TRADERS TRUST COMPANY,
A New York Banking Corporation,

“As Administrative Agent, Swingline Lender and Issuing Bank”

and

MANUFACTURERS AND TRADERS TRUST COMPANY,
A New York Banking Corporation,

AND VARIOUS OTHER FINANCIAL INSTITUTIONS
NOW OR HEREAFTER PARTIES HERETO

“As Lenders”

Dated: To Be Effective As Of July 14, 2021

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AMENDED AND RESTATED CREDIT AGREEMENT

THIS AMENDED AND RESTATED CREDIT AGREEMENT is dated to be effective as of July 14, 2021, by and between **LDRV HOLDINGS CORP.**, a Delaware corporation (“*LDRV*”), **LAZYDAYS RV AMERICA, LLC**, **LAZYDAYS RV DISCOUNT, LLC**, and **LAZYDAYS MILE HI RV, LLC**, each a Delaware limited liability company (together with LDRV and each Subsidiary of LDRV identified on the signature pages hereto as a “Borrower”, each a “*Borrower*” and, collectively, the “*Borrowers*”), each lender from time to time that is a party hereto (each a “*Lender*” and collectively, the “*Lenders*”), and **MANUFACTURERS AND TRADERS TRUST COMPANY**, a New York banking corporation, as Administrative Agent, Swingline Lender and Issuing Bank.

RECITALS:

The Borrowers, certain of the Lenders (the “Existing Lenders”) and Manufacturers and Traders Trust Company, as administrative agent, are parties to that certain Credit Agreement, dated as of March 15, 2018, (as amended, modified or supplemented from time to time through the date hereof, the “Credit Agreement”).

The Borrowers have requested that the Existing Lenders and the Administrative Agent amend and restate the Existing Credit Agreement and the Lenders (a) establish (i) a floor plan line of credit facility in an aggregate amount of up to **\$327,000,000**, (ii) a mortgage loan facility in an aggregate amount of up to **\$5,829,199.96** and (iii) a revolving credit facility in an aggregate amount of up to **\$25,000,000** in favor of, and (b) make term loans in an aggregate principal amount equal to **\$11,299,999.88** on the Closing Date to, the applicable Borrowers, in each case on the terms and conditions of this Agreement.

Subject to the terms and conditions of this Agreement, the Existing Lenders and the Administrative Agent are willing to amend and restate the Existing Credit Agreement, and the Lenders, to the extent of their respective Commitments as defined herein, are willing severally to establish the requested floor plan line of credit facility, mortgage loan facility, and revolving credit facility, in favor of, and severally to make certain term loans to, the applicable Borrowers, in each case on the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, and other valuable consideration, and intending to be legally bound hereby, the parties hereby covenant and agree as follows:

**ARTICLE 1
CERTAIN DEFINITIONS; RULES OF CONSTRUCTION**

Section 1.01. *Certain Definitions.* In addition to the terms defined elsewhere in this Agreement, the following terms shall have the following meanings, respectively, unless the context hereof clearly requires otherwise:

“*Account*” means any “account” within the meaning of that term under the Uniform Commercial Code.

“*Account Debtor*” means any “account debtor” within the meaning of that term under the Uniform Commercial Code, including any Person who is obligated to pay an Account.

“*Adjusted Base Rate*” means that rate of interest equal to the Base Rate plus the Applicable Margin.

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“*Adjusted Base Rate Borrowing*” means each amount of the unpaid principal balance of a Loan which accrues interest at the Adjusted Base Rate.

“*Adjusted Daily LIBOR Borrowing*” means each unpaid principal balance of a Loan which accrues interest at the Adjusted Daily LIBOR Rate.

“*Adjusted Daily LIBOR Rate*” means with respect to the unpaid principal balances of the Floor Plan Loans, that rate per annum that is equal to the sum of: (a) the Daily LIBOR Rate; plus (b) the Applicable Margin.

“*Adjusted LIBOR Rate*” means for any LIBOR Borrowing for any Interest Period, an interest rate per annum that is equal to the sum of the LIBOR Rate for such Interest Period plus the Applicable Margin.

“*Adjusted LIBOR Rate Borrowing*” means each unpaid principal balance of a Loan which accrues interest at the Adjusted LIBOR Rate.

“*Administrative Agent*” means M&T Bank, in its capacity as Administrative Agent for the Lenders in accordance with this Agreement, and its successors and assigns in such capacity as authorized by the terms of this Agreement.

“*Affected Financial Institution*” shall mean (a) any EEA Financial Institution or (b) any UK Financial Institution.

“*Affiliate*” means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

“*Agent Parties*” has the meaning provided to such term in Section 10.10.4 of this Agreement.

“*Agreement*” means this Credit Agreement, as it may be amended or modified from time to time, together with all schedules and exhibits hereto.

“*Amended Charter*” means (i) the Amended and Restated Certificate of Incorporation attached as Exhibit A to the Certificate of Merger of Andina Acquisition Corp. II and Andina II Holdco Corp. dated March 15, 2018, and filed with the office of the Secretary of State for the State of Delaware on March 15, 2018, and including the Certificate of Designations, and (ii) the Amended and Restated Certificate of Incorporation attached as Exhibit A to the Certificate of Merger of Lazy Days’ R.V. Center, Inc. and Andina II Merger Sub, Inc. dated March 15, 2018 and as filed with the office of the Secretary of State for the State of Delaware on March 15, 2018.

“*Amortization Period*” shall be 20 years, and shall mean the approximate number of years, starting on the Closing Date, needed to result in the full repayment of the aggregate principal amount of the Mortgage Loans, if all regularly scheduled payments are made at the required intervals over that period. The Amortization Period may be longer than the remaining term of the Mortgage Loans and shall not compromise the enforceability of the Mortgage Loan Maturity Date.

“*Anti-Corruption Laws*” means all applicable Laws of any jurisdiction concerning or relating to bribery or corruption, including without limitation, the Foreign Corrupt Practices Act of 1977.

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“*Anti-Terrorism Laws*” means any Laws of the United States relating to terrorism or money laundering (including the U.S. Foreign Corrupt Practices Act of 1977) and any regulation, order (including executive orders), or directive promulgated, issued or enforced pursuant to such Laws.

“Applicable Credit Facility” means the Floor Plan Facility, Term Loan Facility, Mortgage Loan Facility and the Revolving Credit Facility, as the context may require.

“Applicable Curtailment Date” means, with respect to any Floor Plan Vehicle or Unit and a Floor Plan Loan relating to such Floor Plan Vehicle or Unit, the date that a curtailment payment is due based on the following methodology: The phrase “Applicable Curtailment Date” is typically followed by a numeral, which represents the number of days after the Applicable Starting Date for the Floor Plan Vehicle or Unit. For example, “Applicable Curtailment Date 365” refers initially to a date (a “Target Date”) that is 365 days after the date of the Applicable Starting Date for the Floor Plan Vehicle or Unit. However, the Target Date is not necessarily the actual payment date. The actual curtailment payment date is the tenth (10th) day of the month following the calendar month that contains the Target Date. Again, as an example, if the Applicable Starting Date for a Floor Plan Vehicle or Unit was January 20, 2021, then “Applicable Curtailment Date 365” for that unit would be the tenth (10th) day in February 2022.

“Applicable Margin” (a) With respect to the Loans, fees, and other Obligations listed in the pricing grid below, the following percentages corresponding to the Total Net Leverage Ratio in effect as of the most recent Calculation Date:

TIER LEVEL	TOTAL NET LEVERAGE RATIO	APPLICABLE MARGIN FOR ADJUSTED BASE RATE BORROWINGS		APPLICABLE MARGIN FOR LIBOR BORROWINGS		APPLICABLE MARGIN FOR FLOOR PLAN UNUSED COMMITMENT FEES	APPLICABLE MARGIN FOR REVOLVING CREDIT UNUSED COMMITMENT FEES	APPLICABLE MARGIN FOR LETTER OF CREDIT FEES
		REVOLVING CREDIT LOANS, TERM LOANS, AND SWINGLINE LOANS	FLOOR PLAN LOANS	REVOLVING CREDIT LOANS AND TERM LOANS	FLOOR PLAN LOANS			
1	2.50 ≤ X	2.00%	1.30%	3.00%	2.30%	0.15%	0.500%	3.00%
2	2.00 ≤ X < 2.50	1.75%	1.15%	2.75%	2.15%	0.15%	0.375%	2.75%
3	1.50 ≤ X < 2.00	1.50%	1.10%	2.50%	2.10%	0.15%	0.375%	2.50%
4	X < 1.50	1.25%	1.00%	2.25%	2.00%	0.15%	0.250%	2.25%

The initial Applicable Margin shall be based on Tier Level 4. Beginning with the Calculation Date immediately following the Fiscal Quarter of the Borrowers ending on June 30, 2021 and after each consecutive Fiscal Quarter thereafter, the Applicable Margin shall be determined and adjusted by the then current Total Net Leverage Ratio as determined in accordance with the quarterly Compliance Certificates to be provided by the Borrowers in accordance with this Agreement. If the Borrowers fail to timely provide a Compliance Certificate for any Fiscal Quarter of the Borrowers as required by and within the time limitations set forth in this Agreement, the Applicable Margin from the applicable date of such failure shall be based on Tier Level 1 until five (5) Business Days after a Compliance Certificate has been provided, whereupon the applicable Tier Level shall be determined by the Total Net Leverage Ratio set forth in such Compliance Certificate. Except as set forth above, each Applicable Margin shall be effective from a Calculation Date until the next Calculation Date. If, as a result of any restatement of or other adjustment to the financial statements of the Borrowers and their Subsidiaries or for any other reason, the Borrowers or the Lenders determine that (a) the Total Net Leverage Ratio (or any component thereof) as calculated by the Borrowers as of any applicable date was inaccurate, and (b) a proper calculation would have resulted in higher pricing for such period, the Borrowers shall immediately and retroactively be obligated to pay to the Administrative Agent for the account of the applicable Lenders or the Issuing Bank promptly on demand by Administrative Agent (or, after the occurrence of an actual or deemed entry of an order for relief with respect to the Borrowers under the Bankruptcy Code, automatically and without further action by Administrative Agent, any Lender or the Issuing Bank), an amount equal to the excess of the amount of interest and fees that should have been paid for such period over the amount of interest and fees actually paid for such period. The obligations of the Borrowers to make such payment shall survive the termination of the Commitments and the repayment of all other Obligations hereunder.

(b) With respect to the Mortgage Loans, the “Applicable Margin” means 2.25% with respect to LIBOR Borrowings and 1.25% with respect to Adjusted Base Rate Borrowings.

“Applicable Starting Date” means, with respect to any Eligible New Floor Plan Unit, Permitted Company Vehicle, or Eligible Used Floor Plan Unit, the date of the original borrowing of Floor Plan Loans for such Floor Plan Vehicle or Unit. For the

avoidance of doubt, if an M&T Advance is made with respect to any such Floor Plan Vehicle or Unit, the Applicable Starting Date shall be the date of such M&T Advance.

“*Approved Fund*” means a Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender, or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

“*Arranger*” means M&T Bank, in its capacity as arranger.

“*Assignment And Assumption*” means an Assignment And Assumption entered into by a Lender and an Eligible Assignee, and accepted by the Administrative Agent, substantially in the form of Exhibit A or any other form approved by the Administrative Agent.

“*Attributable Indebtedness*” means, on any date, (a) in respect of any Capital Lease of any Person, the capitalized amount thereof that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP, and (b) in respect of any Synthetic Lease Obligation, the capitalized amount of the remaining lease payments under the relevant lease that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP if such lease were accounted for as a Capital Lease.

“*Authorized Officer*” means, with respect to any Person (other than a natural Person), any officer, partner, member, manager or other representative authorized to act on behalf of such Person and shall include, with respect to any Loan Party, those Persons duly designated as such in any incumbency certificates delivered to the Administrative Agent from time to time.

“*Availability*” means, as of any applicable date, the amount by which the Line Cap at such time exceeds the aggregate amount of the Revolving Credit Exposure on such date.

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“*Availability Period*” means:

(a) in the case of the Floor Plan Facility, the period from and including the Closing Date to the earliest of (i) the Floor Plan Line of Credit Termination Date, (ii) the date of termination of all of the Floor Plan Commitments pursuant to Section 2.01.16, and (iii) the date of termination of the Floor Plan Commitments pursuant to Section 8.01; or

(b) in the case of the Revolving Credit Facility, the period from and including the Closing Date to the earliest of (i) the Revolving Credit Termination Date, (ii) the date of termination of all Revolving Credit Commitments pursuant to Section 2.03.6, and (iii) the date of termination of the Revolving Credit Commitments pursuant to Section 8.01.

“*Available Tenor*” means, as of any date of determination and with respect to the then-current Benchmark, as applicable, (x) if the then-current Benchmark is a term rate, any tenor for such Benchmark or (y) otherwise, any payment period for interest calculated with reference to such Benchmark, as applicable, that is or may be used for determining the length of an Interest Period pursuant hereto as of such date.

“*Bail-In Action*” means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

“*Bail-In Legislation*” means, (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

“*Bank Products*” means any one or more of the following types of services or facilities extended to any of the Loan Parties by any Credit Party or Affiliate of a Credit Party: (a) Automated Clearing House (ACH) transactions and other similar money transfer services; (b) cash management, lockbox services, controlled disbursement accounts, treasury management arrangements, and other similar services; (c) the establishment and maintenance of depository accounts; (d) credit cards, debit cards, purchase cards, or stored value cards; (e) merchant services; (f) foreign currency exchange; and (g) other similar or related bank products and services.

“*Bankruptcy Code*” means the bankruptcy code of the United States of America codified in Title 11 of the United States Code, as from time to time amended or supplemented.

“*Base Rate*” means, for any day, the fluctuating rate per annum equal to the highest of (a) the Prime Rate for such day, (b) the Federal Funds Rate in effect on such day plus fifty (50) Basis Points, and (c) the one-month LIBOR Rate, determined on a daily basis, plus one hundred (100) Basis Points; provided that to the extent such highest rate as calculated above shall, at any time, be less than zero percent (0.00%), such rate shall be deemed to be zero percent (0.00%) for all purposes herein. Any change in the Base Rate shall be effective on the opening of business on the day of such change.

“*Base Rate Loan*” means a Loan that bears interest based on the Base Rate.

“*Basis Point*” means one one-hundredth (.01) of one percent.

“*Benchmark*” means, initially, LIBOR; provided that if a Benchmark Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date have occurred with respect to LIBOR or the then-current Benchmark, then “*Benchmark*” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 2.07.10(a).

“*Benchmark Replacement*” means, for any Available Tenor, the first alternative set forth in the order below that is applicable (based on the applicability restrictions below) and can be determined by the Administrative Agent for the applicable Benchmark Replacement Date:

- (1) the sum of: (a) Term SOFR and (b) the related Benchmark Replacement Adjustment;
- (2) the sum of: (a) Daily Simple SOFR and (b) the related Benchmark Replacement Adjustment;
- (3) the sum of: (a) the alternate benchmark rate that has been selected by the Administrative Agent and the Borrower Representative as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement for the then-current Benchmark for U.S. dollar-denominated syndicated credit facilities at such time and (b) the related Benchmark Replacement Adjustment.

Notwithstanding the above, for any application of clause (1), (2) or (3) above, (i) to the extent the Floor (if any) is equal to (or less than) zero percent (0.00%), if the applicable Unadjusted Benchmark (used to determine the Benchmark Replacement) would be less than the Floor, such Unadjusted Benchmark Replacement will be deemed to be the Floor, and (ii) to the extent the Floor (if any) is greater than zero percent (0.00%), if the Benchmark Replacement would be less than the Floor, such Benchmark Replacement will be deemed to be the Floor.

“*Benchmark Replacement Adjustment*” means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement for any applicable Interest Period and Available Tenor for any setting of such Unadjusted Benchmark Replacement:

- (1) for purposes of clauses (1) and (2) of the definition of “*Benchmark Replacement*,” the first alternative set forth in the order below that can be determined by the Administrative Agent:
 - (a) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) as of the Reference Time such Benchmark Replacement is first set for such Interest Period that has been selected or recommended by the Relevant Governmental Body for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for the applicable Corresponding Tenor;
 - (b) the spread adjustment (which may be a positive or negative value or zero) as of the Reference Time such Benchmark Replacement is first set for such Interest Period that would apply to the fallback rate for a

derivative transaction referencing the ISDA Definitions to be effective upon an index cessation event with respect to such Benchmark for the applicable Corresponding Tenor; and

- for purposes of clause (3) of the definition of “Benchmark Replacement,” the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrower Representative for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for
- (2) calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body on the applicable Benchmark Replacement Date or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated syndicated credit facilities.

“*Benchmark Replacement Conforming Changes*” means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including, without limitation, changes to the definition of “Business Day,” the definition of “Interest Period,” timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Administrative Agent decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of such Benchmark Replacement exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of the loan evidenced hereby).

“*Benchmark Replacement Date*” means the earliest to occur of the following events with respect to the then-current Benchmark:

- in the case of clause (1) or (2) of the definition of “Benchmark Transition Event,” the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof);
- (1)
- (2) in the case of clause (3) of the definition of “Benchmark Transition Event,” the date of the public statement or publication of information referenced therein; or
- in the case of an Early Opt-in Election, the sixth (6th) Business Day after the date notice of such Early Opt-in Election is provided to the Lenders, so long as the Administrative Agent has not received, by 5:00 p.m. Eastern Time on the fifth (5th) Business Day after the date notice of such Early Opt-in Election is provided to the Lenders, written notice of objection to such Early Opt-in Election from Lenders comprising the Required Lenders.
- (3)

For the avoidance of doubt, (i) if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination and (ii) the “Benchmark Replacement Date” will be deemed to have occurred in the case of clause (1) or (2) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

“*Benchmark Transition Event*” means, with respect to any then-current Benchmark, the occurrence of a public statement or publication of information by or on behalf of the administrator of the then-current Benchmark, the regulatory supervisor for the administrator of such Benchmark, the Board of Governors of the Federal Reserve System, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark, a resolution authority with jurisdiction over the administrator for such Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark, announcing or stating that (a) such administrator has ceased, or will cease on a specified date, to provide all Available

Tenors of such Benchmark permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark; or (b) all Available Tenors of such Benchmark are or will no longer be representative of the underlying market and economic reality that such Benchmark is intended to measure and indicating that representativeness will not be restored.

“*Benchmark Unavailability Period*” means the period (if any) (x) beginning at the time that a Benchmark Replacement Date pursuant to clauses (1) or (2) of that definition has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Credit Document in accordance with Section 2.07.10 and (y) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Credit Document in accordance with this Section 2.07.10.

“*Beneficial Ownership Certification*” means a certification regarding beneficial ownership as required by the Beneficial Ownership Regulation.

“*Beneficial Ownership Regulation*” means 31 C.F.R. § 1010.230.

“*Borrower*” means each of the entities set forth in the preamble to this Agreement and identified as a Borrower and “*Borrowers*” means all of such entities.

“*Borrower Pro Rata Share*” means the amount of proceeds of the Loans advanced to or for the benefit of a Borrower, including without limitation the refinancing of existing Indebtedness for which the Borrower is an obligor.

“*Borrower Representative*” means LDRV, and any successor thereto as appointed by all of the Borrowers.

“*Borrowing*” means, as the context requires, a (a) Floor Plan Borrowing, (b) M&T Advance, (c) Mortgage Loan Borrowing of a particular Class or (d) Term Loan Borrowing of a particular Class.

“*Borrowing Base*” means an amount equal to:

(1) 100% of the New Unit Invoiced Amount of all Eligible New Floor Plan Units and Permitted Company Vehicles; plus

(2) 80% of the Used Unit Book Value of all Eligible Used Floor Plan Units that are the then-current model year or any of the previous seven model years; plus

(3) 65% of the Used Unit Book Value of all Eligible Used Floor Plan Units that are any of the previous eighth, ninth or tenth model years; plus

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(4) 40% of the Used Unit Book Value of all Eligible Used Floor Plan Units that are any of the previous eleventh and twelfth model years; plus

(5) the face amount of Eligible Contracts in Transit multiplied by 100%; plus

(6) the face amount of Eligible Accounts multiplied by 80%;

(7) the Value of Eligible Inventory multiplied by 50%;

(8) the net book value of the Eligible Equipment multiplied by 40%; plus

(9) the lesser of (x) 25% of Unrestricted Cash and Equivalents and (y) \$10,000,000 of Unrestricted Cash and Equivalents; minus

(10) the then-amount of all Reserves.

“*Borrowing Base Certificate*” has the meaning provided to such term in Section 5.09.14.

“*Borrowing Base Test Date*” means (i) the last day of each calendar month for which a Borrowing Base Certificate has been delivered in accordance with Section 5.09.14, and (ii) if the Borrower Representative either (x) voluntarily has delivered a Borrowing Base Certificate (including in connection with a Permitted Acquisition) or (y) is requesting a Borrowing or an issuance of a Letter of Credit in accordance with Section 4.02.4, as of the last day of the calendar month ended at least fourteen (14) days (or such lesser number of days as the Borrower Representative may elect in its discretion) prior to the date on which such Borrowing Base Certificate was delivered.

“*Borrowing Date*” means any Business Day on which the Borrowers have requested that the Lenders advance proceeds of the Floor Plan Loans or Revolving Credit Loans, that M&T advances proceeds of the M&T Advances, or that the Swingline Lender advances proceeds of the Swingline Loans, as the case may be, to or for the account of the Borrowers.

“*Business Day*” means (a) any day other than a Saturday or Sunday or a legal holiday on which commercial banks in either the State of New York are authorized or required to be closed under the Laws of either the State of New York, and (b) if the applicable Business Day relates to any day for the determination of LIBOR, any day that satisfies the conditions of clause (a) above which is also a day on which dealings in Dollar deposits are conducted by and between banks in the London Interbank Eurodollar Market.

“*Calculation Date*” means each of the dates upon which the Applicable Margins are to be determined and adjusted, which adjustments shall be made quarterly on the date occurring five (5) Business Days after the date on which the Administrative Agent receives the quarterly Compliance Certificate in accordance with the provisions of this Agreement, or otherwise as required by the terms of this Agreement.

“*Capital Expenditures*” means for any Person for any period of determination thereof, (a) all net expenses incurred during such period by such Person in connection with capital replacements, additions, renewals or improvements to any of the capital assets of such Person which are required to be capitalized on the books and accounts of such Person in accordance with GAAP, and (b) the amount of Capital Lease Obligations paid by such Person during such period; provided, however, Capital Expenditures shall not include (i) expenditures for fixed assets acquired in connection with a Permitted Acquisition, (ii) the acquisition of any Permitted Company Vehicles if such Permitted Company Vehicles are financed with Floor Plan Loans; (iii) amounts spent on property acquisition or development to be funded by lessors on real property leases, or (iv) amounts spent on acquired or developed assets which are in the process of being financed or are financed within nine (9) months of having been acquired or developed.

“*Capitalized Rents*” means, as of any date of determination, the total amount of all operating rents and leases due for the Measurement Period multiplied by a factor of eight (8).

“*Capital Lease*” means, with respect to any Person, any lease by that Person which requires such Person to concurrently recognize the acquisition of an asset and the incurrence of a liability in accordance with GAAP.

“*Capital Lease Obligations*” means, with respect to any Person and a Capital Lease, the amount of the obligations of such Person as the lessee under such Capital Lease that would, in accordance with GAAP, appear as a liability on a balance sheet of such Person.

“*Capital Stock*” means (a) in the case of a corporation, capital stock, (b) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of capital stock, (c) in the case of a partnership, partnership interests (whether general or limited), (d) in the case of a limited liability company, membership interests, and (e) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person.

“*Cash Collateral Account*” means a special deposit account maintained by the Administrative Agent, for the benefit of the Administrative Agent, the Issuing Bank and the Revolving Credit Lenders, and under the Administrative Agent’s sole dominion and control.

“*Cash Collateralize*” means, to pledge and deposit with or deliver to the Administrative Agent, for the benefit of the M&T Bank, in its capacity as lender of the M&T Advances, the Issuing Bank and/or Lenders, as collateral for Obligations in respect of M&T Advances, L/C Obligations or obligations of Lenders to fund participations in respect of L/C Obligations, or as otherwise required under this Agreement with respect to other Obligations, cash or deposit account balances or, if M&T Bank, the Administrative Agent and

the Issuing Bank shall agree in their sole discretion, other credit support, in each case pursuant to documentation in form and substance satisfactory to M&T Bank, the Administrative Agent and the Issuing Bank. “Cash Collateral” shall have a meaning correlative to the foregoing and shall include the proceeds of such cash collateral and other credit support.

“Cash Equivalents” means (a) securities issued or directly and fully guaranteed or insured by the United States Government or any agency or instrumentality thereof having maturities of not more than one year from the date of acquisition, (b) time deposits, certificates of deposit and Eurodollar time deposits with maturities of not more than six months from the date of acquisition, bankers’ acceptances with maturities not exceeding six months from the date of acquisition and overnight bank deposits, in each case with the Administrative Agent or any Lender or with any domestic commercial bank having capital and surplus in excess of Five Hundred Million Dollars (\$500,000,000), (c) repurchase obligations with a term of not more than thirty (30) days for underlying securities of any of the types described in clause (a) or (b) and entered into with any bank meeting the qualifications specified in clause (b) above, (d) commercial paper maturing in one hundred eighty (180) days or less rated not lower than A-1 or A-2 by Standard & Poor’s Ratings Group or P-1 or P-2 by Moody’s Investors Service, Inc. on the date of acquisition, and (e) interests in pooled investment funds (including mutual funds and money market funds) the assets of which are invested in investments referred to in items (a) through (d) above.

“Cash Taxes” means, with respect to any referenced Person, for any applicable period, the taxes paid in cash by such Person during such period.

“Casualty Event” means any loss of or damage to, or any condemnation or other taking of, any of the Collateral for which any Loan Party receives insurance proceeds, or proceeds of a condemnation award or other compensation.

“CEA” means the Commodity Exchange Act (7 U.S.C. §1 et seq.), as amended from time to time, and any successor statute.

“CFTC” means the Commodity Futures Trading Commission.

“Certificate of Designations” means the Certificate of Designations of Series A Convertible Preferred Stock Par Value \$0.0001 Per Share of Lazydays Holdings, Inc. pursuant to Section 151 of the General Corporation Law of the State of Delaware duly adopted by the Board of Directors of Lazydays Holdings, Inc., a Delaware corporation (Pubco Guarantor hereunder and under the Credit Documents), which has not been amended, restated, supplemented or otherwise modified since the date of the Existing Credit Agreement.

“Change in Control” means an event or series of events by which:

(a) (i) Pubco Guarantor does not own legally and beneficially, directly or indirectly, 100% of the Equity Interests of Parent Guarantor, free and clear of all Liens, except Liens in favor of the Credit Parties; or

(ii) Parent Guarantor does not own legally and beneficially, directly or indirectly, 100% of the Equity Interests of LDRV, free and clear of all Liens, except Liens in favor of the Credit Parties;

(iii) LDRV does not own legally and beneficially, directly or indirectly 100% of the Equity Interests of Lazydays RV America, LLC, Lazydays RV Discount, LLC, Lazydays Mile Hi RV, LLC, and Lazydays Land Holdings, LLC, free and clear of all Liens, except Liens in favor of the Credit Parties; or

(b) any “person” or “group” (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, but excluding any employee benefit plan of such person or its subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) becomes the “beneficial owner” (as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934, except that a person or group shall be deemed to have “beneficial ownership” of all securities that such person or group has the right to acquire, whether such right is exercisable immediately or only after the passage of time (such right, an “option right”)), directly or indirectly, of, in the case of Permitted Holders, forty percent (40%) or more, or, in any other case, twenty-five percent (25%) or more, of the Capital Stock of Pubco Guarantor entitled to vote for members of the board of directors or equivalent governing body of Pubco Guarantor on a fully-diluted basis (and taking into account all such securities that such person or group has the right to acquire pursuant to any option right); or

(c) during any period of twelve (12) consecutive months, a majority of the members of the board of directors or other equivalent governing body of Pubco Guarantor, Parent Guarantor, or LDRV cease to be composed of individuals (i) who were members

of that board or equivalent governing body on the first day of such period, (ii) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in clause (i) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body or (iii) whose election or nomination to that board or other equivalent governing body was approved by individuals referred to in clauses (i) and (ii) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body; or

(d) any Person or two or more Persons acting in concert shall have acquired by contract or otherwise, or shall have entered into a contract or arrangement that, upon consummation thereof, will result in its or their acquisition of the power to exercise, directly or indirectly, a controlling influence over the management or policies of Pubco Guarantor, or control over the equity securities of Pubco Guarantor entitled to vote for members of the board of directors or equivalent governing body of Pubco Guarantor on a fully-diluted basis (and taking into account all such securities that such Person or group has the right to acquire pursuant to any option right) representing, in the case of Permitted Holders, forty percent (40%) or more, or, in any other case, twenty-five percent (25%) or more, or more of the combined voting power of such securities; or

(e) there is consummated any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all of the assets of any of the Loan Parties to any Person or group of Persons, together with any Affiliates thereof; or

(f) the direct or indirect holders of Equity Interests of the Borrower Representative or Parent Guarantor approve any plan or proposal for the liquidation or dissolution of the Parent Guarantor, LDRV or any of the other Borrowers; or

(f) the Administrative Agent ceases to hold for the ratable benefit of the Secured Parties a perfected, first priority Lien in all issued and outstanding Capital Stock of all of the Parent Guarantor, the Borrowers and their Subsidiaries.

“*Change in Law*” means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any Law, rule, regulation or treaty, (b) any change in any Law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of Law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law”, regardless of the date enacted, adopted or issued.

“*Class*” means, (a) when used with respect to Lenders, refers to whether such Lenders have Loans or Commitments with respect to a particular Class of Loans or Commitments, (b) when used with respect to Commitments, refers to whether such Commitments are Floor Plan Commitments, Term Loan Commitments, Mortgage Loan Commitments or Revolving Credit Commitments, in each case not designated part of another existing Class, and (c) when used with respect to Loans or a Borrowing, refers to whether such Loans, or the Loans comprising such Borrowing, are Floor Plan Loans, Term Loans, Mortgage Loans or Revolving Credit Loans, in each case not designated part of another existing Class. Commitments (and, in each case, the Loans made pursuant to such Commitments) that have different terms and conditions shall be construed to be in different Classes. Commitments (and, in each case, the Loans made pursuant to such Commitments) that have identical terms and conditions shall be construed to be in the same Class.

“*Closing*” means the execution and delivery of this Agreement by the parties hereto.

“*Closing Date*” means the above stated effective date of this Agreement.

“*Closing Date Transactions*” means, collectively, (a) the execution of this Agreement and the other Credit Documents, (b) the funding of the initial Floor Plan Loans, and any Revolving Credit Loans and the recast of the Term Loans, the Mortgage Loans, in each case on the Closing Date, (c) the consummation of any other transactions in connection with the foregoing and (d) the payment of fees and expenses incurred in connection with any of the foregoing.

“Code” means the Internal Revenue Code of 1986, as the same may be amended or supplemented from time to time, and any successor statute of similar import, and the rules and regulations thereunder, as from time to time in effect.

“Coliseum” means Coliseum Capital Management, LLC, any affiliate thereof, or any successor thereto which is the “Coliseum Purchaser” under the Securities Purchase Agreement or otherwise a holder of Preferred Stock under a Securities Purchase Agreement.

“Collateral” means all of the assets, rights, and interests in property, including tangible and intangible assets and personal property, in which the Administrative Agent on behalf of the Credit Parties is from time to time granted a Lien under any Security Document (other than the Mortgages) as security for all or any portion of the Obligations and the Mortgage Obligations Collateral; provided, however, that Collateral shall not include any Excluded Property.

“Collateral Information Certificate” means each of the Collateral Information Certificates prepared, executed and delivered to the Administrative Agent by an Authorized Officer of a Loan Party.

“Commercial Account” means the commercial checking account to be established and maintained with the Administrative Agent by the Borrowers and which may be utilized as the means of advancing funds under the Loans.

“Commitment Percentages” means, with respect to any Lender, such Lender’s Floor Plan Loan Commitment Percentage, Revolving Credit Commitment Percentage, Term Loan Commitment Percentage and Mortgage Loan Commitment Percentage, and with respect to all Lenders, all of the Floor Plan Loan Commitment Percentages, all of the Revolving Credit Commitment Percentages, all of the Term Loan Commitment Percentages and all of the Mortgage Loan Commitment Percentage.

“Commitments” means, with respect to any Lender, such Lender’s Floor Plan Loan Commitment, obligations hereunder to purchase participations in M&T Advances, Revolving Credit Commitment, Term Loan Commitment, Mortgage Loan Commitment, and obligations hereunder to purchase participations in L/C Obligations and Swingline Loans, and with respect to all Lenders, all Floor Plan Loan Commitments, obligations of all Lenders hereunder to purchase participations in M&T Advances, Revolving Credit Commitments, Term Loan Commitments, Mortgage Loan Commitments, and obligations of all Lenders hereunder to purchase participations in L/C Obligations and Swingline Loans.

“Communications” has the meaning provided to such term in Section 10.10.4 of this Agreement.

“Compliance Certificate” means a certificate provided by the Chief Financial Officer, Chief Executive Officer or President of the Borrower Representative in accordance with the requirements of Section 5.09.5 of this Agreement in form and substance as Exhibit B attached hereto.

“Concentrated Customer” means each of the Loan Party customers identified on the attached Schedule 1.01(b), as may be revised from time to time upon a Loan Party’s request, subject to approval by Administrative Agent in its Permitted Discretion.

“Connection Income Taxes” means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

“Consolidated EBITDA” means, for any Measurement Period, for Pubco Guarantor and its Subsidiaries on a consolidated basis, without duplication, an amount equal to:

(a) Consolidated Net Income for the most recently completed Measurement Period plus

(b) the following to the extent deducted in accordance with GAAP in calculating such Consolidated Net Income (without duplication):

(i) Consolidated Interest Expense for such period (other than Consolidated Interest Expense with respect to the Floor Plan Loans),

(ii) the provision for Federal, state, local and foreign income taxes payable by Pubco Guarantor and its Subsidiaries for such period,

(iii) depreciation and amortization expense for such period,

(iv) non-recurring cash fees, costs and expenses incurred in connection with the Closing Date Transactions, in an aggregate amount not to exceed Two Million Dollars (\$2,000,000.00) for such period,

(v) non-cash charges for such period (including, without limitation, stock-based compensation expense, non-cash expenses related to the recognition of a change in the fair market value of warrants issued by Pubco Guarantor, currency translations, impairment charges, gains or losses on asset dispositions, and the net change in the LIFO Reserve, but excluding noncash charges related to receivables) which do not represent a cash item in such period or any future period,

(vi) non-recurring cash fees, costs and expenses incurred in connection with Permitted Acquisitions and other permitted Investments, in each case, whether or not consummated, for such period in an aggregate amount not to exceed (Seven Hundred Fifty Thousand Dollars (\$750,000.00) in any Measurement Period, and

(vii) reasonable out of pocket general administrative fees, costs and expenses of Pubco Guarantor or Parent Guarantor for such period (which may include out of pocket legal, accounting and filing costs, director fees and other reasonable and customary corporate overhead expenses incurred in the ordinary course of business), and other extraordinary or non-recurring cash fees, costs, expenses and losses for such period, in an aggregate amount not to exceed, in any Measurement Period, five percent (5%) of Consolidated EBITDA for such Measurement Period (before giving effect to such addback) and minus

(c) the following to the extent included in calculating such Consolidated Net Income:

(i) Federal, state, local and foreign income tax credits of Pubco Guarantor or any of its Subsidiaries for such period; and

(ii) all non-cash items increasing Consolidated Net Income for such period (including non-cash gains related to the recognition of a change in the fair market value of warrants issued by Pubco Guarantor).

“*Consolidated EBITDAR*” means, for any Measurement Period, for Pubco Guarantor and its Subsidiaries on a consolidated basis, without duplication, an amount equal to Consolidated Net Income for such period plus, (a) the following to the extent deducted in accordance with GAAP in calculating such Consolidated Net Income (without duplication): (i) items (b)(i) – (vii) in the definition of Consolidated EBITDA above, plus (ii) net rents (excluding non-cash capitalized or deferred rents as required under FASB ASC 840-10, 840-20 and 420-10), and minus (b) the following to the extent included in calculating such Consolidated Net Income: (i) Federal, state, local and foreign income tax credits of Pubco Guarantor or any of its Subsidiaries for such period and (ii) all non-cash items increasing Consolidated Net Income for such period. For the avoidance of doubt, for the determination of “net rents” in clause (a)(ii) above in this definition, real property leases shall be deemed operating leases rather than capital leases regardless of their treatment under GAAP, as further set forth in Section 1.04 of this Agreement.

“*Consolidated Fixed Charges*” means, for any period of determination, for Pubco Guarantor and its Subsidiaries determined on a consolidated basis, the sum of (a) the sum of all scheduled principal payments upon Consolidated Funded Indebtedness made during such period (including the principal components of Capital Lease payments during such period), plus (b) Consolidated Interest Expense (other than Consolidated Interest Expense on account of the Floor Plan Loans), including Letter of Credit Fees and other fees paid in connection with Letters of Credit, including fronting, issuance, amendment and processing fees. For purposes of this definition, “scheduled principal payments” shall (a) be determined without giving effect to any reduction of such scheduled payments resulting from the application of any mandatory or voluntary prepayments (including any prepayments required pursuant to Section 2.06.3 and 2.06.4 of this Agreement) made during the applicable period, (b) shall be deemed to include the Attributable Indebtedness in respect of Capital Lease Obligations and Synthetic Lease Obligations, and (c) shall not include any principal payment required to be made on the maturity date of any such Consolidated Funded Indebtedness. For the avoidance of doubt, for purposes of this definition, “scheduled principal payments” shall not include any balloon payment upon maturity of the Mortgage Loans.

“*Consolidated Fixed Charge Coverage Ratio*” means, as of the date of determination for any Measurement Period, the ratio for such Measurement Period of (a) Consolidated EBITDA of Pubco Guarantor and its Subsidiaries for such period minus (i) the aggregate amount of all Non-Financed Capital Expenditures of Pubco Guarantor and its Subsidiaries for such period, (ii) Cash Taxes

For Pubco Guarantor and its Subsidiaries on a consolidated basis paid during such period, (iii) all dividends, distributions, and other Restricted Payments paid in cash by Pubco Guarantor or any Subsidiary on a consolidated basis during such period, excluding a one-time cash dividend payment by Pubco Guarantor to the Preferred Stockholders on account of its Series A Preferred Stock in the amount of Ten Million Dollars (\$10,000,000.00) that was paid prior to December 31, 2020, to (b) Consolidated Fixed Charges for such period.

“*Consolidated Funded Indebtedness*” means, as of any date of determination, all Indebtedness of Pubco Guarantor and its Subsidiaries on a consolidated basis, excluding Indebtedness of the type described in clauses (b) (unless drawn) and (c) and the amount of any COVID-19 Loan other than the amount of such COVID-19 Loan that has been determined by a governmental authority to not be forgiven. For the avoidance of doubt, Consolidated Funded Indebtedness shall not include Indebtedness in the nature of the clause (g) of the definition of Indebtedness to preferred shareholders with respect to the Series A Convertible Preferred Stock of Pubco Guarantor under the Securities Purchase Agreement, the Certificate of Designation, or other related documents.

“*Consolidated Interest Expense*” means, for any period, for the Pubco Guarantor and its Subsidiaries on a consolidated basis, the sum of (a) all interest, premium payments, debt discount, fees, charges and related expenses of Pubco Guarantor and its Subsidiaries in connection with Consolidated Funded Indebtedness, in each case to the extent treated as interest in accordance with GAAP, and (b) the portion of rent expense of Pubco Guarantor and its Subsidiaries with respect to such period under Capital Leases that is treated as interest in accordance with GAAP.

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“*Consolidated Net Income*” means, for any period, for Pubco Guarantor and its Subsidiaries on a consolidated basis, the net income of Pubco Guarantor and its Subsidiaries (excluding extraordinary gains and extraordinary losses) for such period, determined in accordance with GAAP.

“*Contamination*” means the presence of any Hazardous Substance at any real property owned or leased by any Loan Party which may require investigation, clean-up or remediation under any Environmental Law.

“*Contract In Transit*” means any right of any Loan Party in any written agreement with any finance company that is providing financing for, or that is paying all or any portion of the purchase price of, any Floor Plan Unit sold or leased by such Loan Party in the ordinary course of business.

“*Control*” means with respect to a Person (a) the direct or indirect ownership of, or power to vote twenty-five percent (25%) or more of the issued and outstanding Equity Interests of such Person, or (b) the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. “*Controlling*” and “*Controlled*” have meanings correlative thereto.

“*Corresponding Tenor*” with respect to any Available Tenor means, as applicable, either a tenor (including overnight) or an interest payment period having approximately the same length (disregarding business day adjustment) as such Available Tenor.

“*COVID-19 Governmental Financial Support Program*” means, collectively, any government loan program (current or future) providing assistance with respect to COVID-19 economic disruption, including loans under the Paycheck Protection Program of the Coronavirus Aid Relief And Economic Security Act guaranteed by the U.S. Small Business Administration.

“*COVID-19 Loan*” means any loan borrowed by any Loan Party under any COVID-19 Governmental Financial Support Program.

“*Credit Documents*” means collectively, this Agreement, the Notes, the Guaranty Agreements, all Borrowing Base Certificates, the Security Documents, the L/C Documents, the Mortgage Loan Notes, the Mortgage, the Mortgaged Property Support Documentation, and all agreements, instruments and documents evidencing or securing the Obligations, including without limitation each document listed as a “Credit Document” on a Closing Index dated as of the Closing Date, and all amendments and modifications thereto; provided, however, that the definition of “Credit Documents” is not intended to include Swap Agreements.

“*Credit Parties*” means the Administrative Agent, the Lenders (including but not limited to M&T in connection with the M&T Advances), the Swingline Lender, and the Issuing Bank, and their respective successors and assigns as permitted by the terms of this Agreement.

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“*Credit Party Expenses*” means, without duplication (a) all costs and expenses incurred by the Administrative Agent, the Arranger, and their Affiliates, including the reasonable fees, charges, and disbursements of counsel for the Administrative Agent arising out of, pertaining to, or in any way connected with this Agreement, any of the other Credit Documents or the Obligations, the administration thereof, the due diligence performed in connection with the transactions contemplated hereby, the syndication of the credit facilities provided for herein, or otherwise in connection with such credit facilities, (b) all costs and reimbursements required to be paid by the Borrowers to the Administrative Agent by the terms of the Credit Documents, (c) all costs and expenses incurred by the Administrative Agent and the Arranger relating to the Platform or to Intralinks, SyndTrak or to any other dedicated agency web page on the internet to distribute to the Lenders and to other investors or potential investors any required documentation and financial information regarding the Credit Documents and the Loans, (d) taxes and insurance premiums advanced or otherwise paid by the Administrative Agent or any other Credit Party in connection with the Collateral or on behalf of any of the Loan Parties, (e) filing and recording costs, title insurance premiums, environmental and consulting fees, audit fees, search fees, appraisal fees, and other expenses paid or incurred by the Administrative Agent, (f) reasonable costs and expenses incurred by the Administrative Agent in the collection of the accounts (with or without the institution of legal action), or to enforce any provision of this Agreement or any other Credit Document on behalf of the Credit Parties, or in gaining possession of, maintaining, handling, evaluating, preserving, storing, shipping, selling, preparing for sale and/or advertising to sell or foreclose upon the Collateral or any other property of any of the Loan Parties whether or not a sale is consummated, (g) reasonable costs and expenses of litigation incurred by the Credit Parties, including reasonable attorney’s fees, in enforcing or defending this Agreement or any portion hereof or any other Credit Document, or in collecting any of the Obligations after the occurrence and during the continuance of any Event of Default, (h) reasonable attorneys’ fees and expenses incurred by the Administrative Agent in obtaining advice or the services of its attorneys with respect to the structuring, drafting, negotiating, reviewing, amending, terminating, waiving, enforcing or defending of this Agreement and the other Credit Documents, or any agreement or matter related hereto, whether or not litigation is instituted, (i) reasonable travel expenses of the Administrative Agent or its agents (including its counsel and consultants) related to any of the foregoing, and (j) all reasonable costs and expenses, including reasonable attorneys’ fees and expenses, incurred by the Administrative Agent or the Issuing Bank in connection with the Letters of Credit and L/C Obligations.

“*Daily LIBOR Rate*” means, for any day, LIBOR for a term of one (1) month, determined at approximately 11:00 a.m. London, England time (or as soon thereafter as practicable) on such day, or if such day is not a Business Day, then the immediately preceding Business Day. The Daily LIBOR Rate shall fluctuate and be adjusted with each change in such rate.

“*Daily Simple SOFR*” means, for any day, SOFR, with the conventions for this rate (which will include a lookback) being established by the Administrative Agent in accordance with the conventions for this rate selected or recommended by the Relevant Governmental Body for determining “Daily Simple SOFR” for business loans; provided, that if the Administrative Agent decides that any such convention is not administratively feasible for the Administrative Agent, then the Administrative Agent may establish another convention in its reasonable discretion

“*Debtor Relief Laws*” means the Bankruptcy Code, and all other liquidation, conservatorship, insolvency, assignment for the benefit of creditors, moratorium, rearrangement, receivership, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect.

“*Default*” means any occurrence, event or condition which with notice, the passage of time, or both would constitute an Event of Default.

“*Default Rate*” means (a) with respect to Loans accruing interest by reference to LIBOR, such Loans shall bear interest at a rate per annum of 2% in excess of the rate otherwise then applicable thereto, (b) with respect to all other Loans and outstanding Obligations, including Loans accruing interest by reference to LIBOR as the Interest Periods for such Loans then in effect expire, such Loans and other Obligations shall bear interest at the Adjusted Base Rate plus two hundred (200) Basis Points per annum; or (c) with respect to the Letters of Credit, the Letter of Credit Fees otherwise payable under this Agreement plus two hundred (200) Basis Points per annum.

“*Defaulting Lender*” means, subject to Section 2.14.2, any Lender that (a) has failed to (i) fund all or any portion of its Loans within two (2) Business Days of the date such Loans were required to be funded hereunder unless such Lender notifies the Administrative Agent and the Borrowers in writing that such failure is the result of such Lender’s determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to the Administrative Agent, M&T as the lender of the M&T Advances, any Issuing

Bank, any Swingline Lender or any other Lender any other amount required to be paid by it hereunder (including in respect of its participation in M&T Advances, Letters of Credit, or Swingline Loans) within two (2) Business Days of the date when due, (b) has notified the Borrowers, the Administrative Agent, M&T, the Issuing Bank, or the Swingline Lender in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender's obligation to fund a Loan hereunder and states that such position is based on such Lender's determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three (3) Business Days after written request by the Administrative Agent or the Borrowers, to confirm in writing to the Administrative Agent and the Borrowers that it will comply with its prospective funding obligations hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent and the Borrowers), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity, or (iii) become the subject of a Bail-In Action; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.14.2) upon delivery of written notice of such determination to the Borrowers, the Issuing Bank, the Swingline Lender, and each Lender.

"Disposition" means the sale, transfer, license, lease or other disposition (including any Sale and Leaseback Transaction) of any real or personal property by any Loan Party or any Subsidiary of a Loan Party (other than the sale or lease of Inventory in the ordinary course of business), including any sale, assignment, transfer or other disposal, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith.

"Diversified" means Lone Star Diversified, LLC, a Delaware limited liability company.

"Dollar," "Dollars," "U.S. Dollars" and the symbol "\$" means lawful money of the United States of America.

"Domestic Subsidiary" means any Subsidiary that is organized and existing under the Laws of the United States or any state thereof or under the Laws of the District of Columbia.

"Early Opt-in Election" means, if the then-current Benchmark is LIBOR, the occurrence of:

- a notification by the Administrative Agent to (or the request by the Borrowers to the Administrative Agent to notify) each of the other parties hereto that at least ten (10) currently outstanding U.S. dollar-denominated
- (1) syndicated credit facilities at such time contain (as a result of amendment or as originally executed) a SOFR-based rate (including SOFR, a term SOFR or any other rate based upon SOFR) as a benchmark rate (and such syndicated credit facilities are identified in such notice and are publicly available for review), and

- (2) the joint election by the Administrative Agent and the Borrower Representative to trigger a fallback from LIBOR and the provision by the Administrative Agent of written notice of such election to the Lenders.

"EEA Financial Institution" means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"EEA Member Country" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

“*EEA Resolution Authority*” means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegatee) having responsibility for the resolution of any EEA Financial Institution.

“*Eligibility Date*” means, with respect to each Loan Party and each Swap, the date on which this Agreement or any other Credit Document becomes effective with respect to such Swap. For the avoidance of doubt, the Eligibility Date shall be the date such Swap becomes effective if this Agreement or any other Credit Document is then in effect with respect to such Loan Party; otherwise, it shall be the Closing Date of this Agreement with respect to a Borrower or with respect to any other Loan Party the date of execution and delivery of the applicable Credit Documents by such Loan Party unless such Credit Documents specify a subsequent effective date.

“*Eligible Accounts*” means all Accounts owned by each Loan Party and properly reflected as “Eligible Accounts” in the most recent Borrowing Base Certificate delivered by Borrower Representative to the Administrative Agent, except any Account to which any of the exclusionary criteria set forth below applies. Eligible Accounts shall not include the following Accounts of any Loan Party:

(a) any Account that is not paid within the earlier of sixty (60) days following its due date or, except with respect to manufacturer rebates, ninety (90) days following its original invoice date;

(b) Accounts that are the obligations of an Account Debtor if fifty percent (50%) or more of the Dollar amount of all Accounts owing by that Account Debtor are ineligible under the other criteria set forth in clause (a) of this definition;

(c) Accounts that are the obligations of an Account Debtor located in a foreign country unless payment thereof is assured by a letter of credit assigned and delivered to the Administrative Agent, satisfactory to the Administrative Agent in its Permitted Discretion as to form, amount and issuer;

(d) Accounts that are the obligation of an Account Debtor that is the United States government or a political subdivision thereof, or any state, county or municipality or department, agency or instrumentality thereof unless the Administrative Agent, in its sole discretion, has agreed to the contrary in writing, or the applicable Loan Party has complied with respect to such obligation with the Federal Assignment of Claims Act of 1940, or any applicable state, county or municipal law restricting the assignment thereof with respect to such obligation to the Administrative Agent’s satisfaction at its Permitted Discretion;

(e) Accounts to the extent any Loan Party or any Subsidiary thereof is liable for goods sold or services rendered by the applicable Account Debtor to any Loan Party or any Subsidiary thereof but only to the extent of the potential offset;

(f) any Account to the extent that any defense, counterclaim, setoff or dispute is asserted as to such Account; provided that such Account shall be ineligible only to the extent of the amount of such defense, counterclaim, setoff or dispute;

(g) Accounts that arise from a sale to any Affiliate of any Loan Party;

(h) (i) Accounts owing by an Account Debtor (other than a Concentrated Customer) to the extent the aggregate amount of Accounts owing by such Account Debtor and its Affiliates as of any date of determination exceeds twenty percent (20%) of all Eligible Accounts of all Loan Parties, but only to the extent such Accounts exceed such limit; and (ii) with regard to Accounts owing by a Concentrated Customer, to the extent the aggregate amount of Accounts owing by such Concentrated Customer and its Affiliates as of any date of determination exceeds the percentage of all Eligible Accounts of all Loan Parties that is specified for such Concentrated Customer on the attached Schedule 1.01(b), but only to the extent such Accounts exceed such limit;

(i) Accounts with respect to which an invoice or electronic transmission constituting a request for payment (or, if acceptable to the Administrative Agent in its sole discretion, otherwise demonstrating an obligation to make payment) has not been sent to the applicable Account Debtor;

(j) Accounts where:

(i) the Account Debtor obligated upon such Account suspends business, makes a general assignment for the benefit of creditors or fails to pay its debts generally as they come due; or

(ii) a petition is filed by or against any Account Debtor obligated upon such Account under any bankruptcy law or any other federal, state or foreign (including any provincial) receivership, insolvency relief or other law or laws for the relief of debtors;

(k) Accounts that arise from a sale to any director, officer, other employee, or to any entity that has any common officer or director with any Loan Party;

(l) Accounts (i) as to which the applicable Loan Party is not able to bring suit or otherwise enforce its remedies against the Account Debtor through judicial process, or (ii) if the Account represents a progress billing consisting of an invoice for goods sold or used or services rendered pursuant to a contract under which the Account Debtor's obligation to pay that invoice is subject to the applicable Loan Party's completion of further performance under such contract or is subject to the equitable lien of a surety bond issuer;

(m) Accounts that arise with respect to goods that are delivered on a bill-and-hold basis;

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(n) Accounts that arise with respect to goods that are delivered on a cash-on-delivery basis;

(o) Accounts that are payable in any currency other than United States Dollars;

(p) Accounts that are subject to any right, claim, Lien or other interest of any other Person, other than Permitted Encumbrances that are junior to the security interest of the Administrative Agent, Liens granted under the Credit Documents;

(q) Accounts that arise with respect to goods that are placed on guaranteed sale or other terms by reason of which the payment by the Account Debtor is conditional;

(r) Accounts that are evidenced by a judgment, instrument or chattel paper;

(s) Accounts that are not true and correct statements of bona fide indebtedness incurred in the amount of such Account for merchandise sold to or services rendered and accepted by the applicable Account Debtor;

(t) Accounts that do not arise from the sale of goods or the performance of services by a Loan Party in the ordinary course of business, including, without limitation, sales of Equipment and bulk sales; or

(v) Accounts that are otherwise determined likely to be uncollectable by the Administrative Agent in its Permitted Discretion.

“Eligible Assignee” means (a) a Lender, (b) an Affiliate of a Lender, (c) an Approved Fund, and (d) any other Person (other than those Persons expressly excluded below) approved (each such approval not to be unreasonably withheld or delayed) by (i) in all cases, the Administrative Agent, (ii) in the case of any assignment of a Floor Plan Loan Commitment, M&T Bank as the provider of M&T Advances, (iii) in the case of any assignment of a Revolving Credit Commitment, the Issuing Bank, and the Swingline Lender, and (iv) unless either a Default or Event of Default has occurred and is continuing, the Borrowers; provided that notwithstanding the foregoing, the definition of “Eligible Assignee” shall not include (A) any Defaulting Lender or a Subsidiary thereof, (B) any natural Person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of a natural Person), or (C) any Loan Party or any Affiliate or Subsidiary of a Loan Party. The Borrowers shall be deemed to have approved any proposed assignee unless the Borrowers object to such proposed assignee by written notice to the Administrative Agent within five (5) Business Days after having received notice of the proposal of such assignee.

“Eligible Contract Participant” means an “eligible contract participant” as defined in the CEA and regulations thereunder.

“*Eligible Contracts In Transit*” means all Contracts In Transit owned by each Loan Party and properly reflected as “Contracts In Transit” in the most recent Borrowing Base Certificate delivered by Borrower Representative to the Administrative Agent, except any Contracts In Transit to which any of the exclusionary criteria set forth below applies. Eligible Contracts In Transit shall not include the following Contracts In Transit of any Loan Party:

(a) any Contract In Transit that is not paid within ten (10) days following the sale date of the Floor Plan Unit giving rise to such Contract In Transit;

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(b) Contracts In Transit that are the obligations of an issuer located in a foreign country unless payment thereof is assured by a letter of credit assigned and delivered to the Administrative Agent, satisfactory to the Administrative Agent in its Permitted Discretion as to form, amount and issuer;

(c) any Contract In Transit to the extent that any defense, counterclaim, setoff, chargeback or dispute is asserted as to such Contract in Transit; provided that such Contract In Transit shall be ineligible only to the extent of the amount of such defense, counterclaim, setoff, chargeback or dispute;

(d) Contracts In Transit where:

(i) the issuer obligated upon such Contracts In Transit suspends business, makes a general assignment for the benefit of creditors or fails to pay its debts generally as they come due; or

(ii) a petition is filed by or against any issuer obligated upon such Contracts In Transit under any bankruptcy law or any other federal, state or foreign (including any provincial) receivership, insolvency relief or other law or laws for the relief of debtors;

(e) Contracts In Transit as to which the applicable Loan Party is not able to bring suit or otherwise enforce its remedies against the issuer through judicial process;

(f) Contracts In Transit that are subject to any right, claim, Lien or other interest of any other Person, other than Permitted Encumbrances that are junior to the security interest of the Administrative Agent, Liens granted under the Credit Documents;

(g) Contracts In Transit that do not arise from the sale of goods or the performance of services by a Loan Party in the ordinary course of business, including, without limitation, sales of Equipment and bulk sales; or

(i) Contracts In Transit that are otherwise determined likely to be uncollectable by the Administrative Agent in its Permitted Discretion.

“*Eligible Equipment*” shall mean Specified Equipment owned by any Loan Party which is in good order, repair, running and marketable condition (ordinary wear and tear excepted) and in each case properly reflected as “Eligible Equipment” in the most recent Borrowing Base Certificate delivered by Borrower Representative to the Administrative Agent, except any Specified Equipment to which any of the exclusionary criteria set forth below applies. Eligible Equipment shall not include:

(a) Specified Equipment that is (i) in transit for longer than seven (7) days to the premises of such Loan Party or a customer of such Loan Party, (ii) subject to an open and incomplete work order of such Specified Equipment, for longer than fourteen (14) days or (iii) temporarily stored at a lay-down yard or similar premises other than those owned and controlled by any Loan Party for longer than fourteen (14) days, except, in the case of each of the foregoing, (x) any Equipment which would otherwise be deemed Eligible Equipment that is not located at premises owned and controlled by any Loan Party shall nevertheless be considered Eligible Equipment if the Administrative Agent shall have received a landlord waiver from the Person in possession and control of such premises and such Specified Equipment, duly authorized, executed and delivered by such Person, (y) any Equipment which would otherwise be deemed Eligible Equipment that is in transit to or from, or located at, a recreational vehicle show, camping show, or similar show or marketing and sales event shall nevertheless be considered Eligible Equipment, and (z) any Equipment the aggregate fair market value of which does not exceed \$1,600,000 and which would otherwise be deemed Eligible Equipment, that is at a short term overflow location, including in connection with the reflooring or cycling of seasonal and new model Floor Plan Units in the ordinary course of business, to the extent such location is substantially adjacent to or otherwise in the general regional proximity of a location that otherwise complies

with clause (b) of the definition of Eligible New Floor Plan Unit or Eligible Used Floor Plan Unit, shall nevertheless be considered Eligible Equipment;

(b) Specified Equipment that is not located in one of the states of the United States of America or the District of Columbia;

(c) Specified Equipment that is not subject to the first priority, valid and perfected Lien of the Administrative Agent;

(d) worn or obsolete Specified Equipment or Specified Equipment not used or usable in the ordinary course of such Loan Party's business;

(e) Specified Equipment consisting of Floor Plan Units;

(g) Specified Equipment which is purchased on consignment;

(h) Specified Equipment which is not covered by casualty or liability insurance (subject to customary deductibles) in accordance with the terms hereof;

(i) Specified Equipment which is not separately identifiable from goods of third parties stored on the same premises as such Specified Equipment;

(j) Specified Equipment which is not at premises owned or leased by the Loan Parties, unless the aggregate value of all Eligible Equipment at any such premises not so owned or leased is less than \$100,000, or unless such Specified Equipment is in transit or at another location and is not ineligible under clause (a) or (m) of this definition;

(k) Specified Equipment noted on the books of the relevant Loan Party as "missing," "sold," "junked" or other similar notation indicating unavailability for rental in the ordinary course of business;

(l) is acquired by a Loan Party after the Closing Date (other than from another Loan Party), unless and until such time as the Administrative Agent shall have received or conducted a customary due diligence investigation as to such Specified Equipment, the results of which are reasonably satisfactory to the Administrative Agent in its Permitted Discretion; provided that, notwithstanding the foregoing, Specified Equipment acquired pursuant to such transaction that has not yet been appraised in accordance with this clause (l) but that is otherwise not ineligible under any other clause of this definition shall be permitted to be included in the Borrowing Base in an aggregate amount of up to 10% of the Borrowing Base until the date that is 90 days after the date such asset is acquired.

(m) Specified Equipment being leased by a customer of a Loan Party and used by such customer or the lessee of such customer, unless the equipment is at a location in the United States pursuant to the terms of a rental agreement entered into between such customer and a Loan Party or such customer and its lessee, as applicable, and as reflected in the records of the applicable Loan Party, or in transit to or from such location in the ordinary course of business; or

(n) Specified Equipment that is subject to any right, claim, Lien or other interest of any other Person, other than Permitted Encumbrances that are junior to the security interest of the Administrative Agent and Liens granted under the Credit Documents.

"Eligible Floor Plan Vehicle or Unit" means any Eligible New Floor Plan Unit, Eligible Used Floor Plan Unit or Permitted Company Vehicle.

"Eligible Inventory" means Specified Inventory owned by each Loan Party and properly reflected as "Eligible Inventory", in the most recent Borrowing Base Certificate delivered by Borrower Representative to the Administrative Agent, except any Specified Inventory to which any of the exclusionary criteria set forth below or in the component definitions herein applies. Eligible Inventory shall not include the following Specified Inventory of a Loan Party:

- (a) Specified Inventory that is excess, obsolete, unsaleable, shopworn or seconds;
- (b) Specified Inventory that is damaged, returned, rejected or otherwise unfit for sale;
- (c) [reserved];
- (d) Specified Inventory that is placed on consignment;

(e) Specified Inventory that (i) is not either located on premises owned, leased or rented by a Loan Party or stored with a bailee or warehouseman (other than a processor), (ii) is stored at a leased or rented location, unless a landlord waiver in respect of such location has been delivered to the Administrative Agent in form reasonably satisfactory to the Administrative Agent, (iii) is stored with a bailee or warehouseman unless an acknowledged bailee letter has been received by the Administrative Agent with respect thereto in form reasonably satisfactory to the Administrative Agent, or (iv) is located at an owned location subject to a mortgage in favor of a Person other than the Administrative Agent, unless a mortgagee waiver in respect of such location has been delivered to the Administrative Agent in form reasonably satisfactory to the Administrative Agent;

(f) Specified Inventory that is not located in the United States;

(g) Specified Inventory that is not covered by casualty insurance in accordance with the terms hereof;

(h) Specified Inventory that is not owned by a Loan Party or is subject to Liens (other than Permitted Encumbrances that are junior to the security interest of the Administrative Agent, Liens granted under the Credit Documents) or other rights of any other Person (including the rights of a purchaser that has made progress payments and the rights of a surety that has issued a bond to assure a Loan Party's performance with respect to that Specified Inventory);

(i) Specified Inventory that is not subject to a perfected first priority Lien in favor of the Administrative Agent on behalf of itself and the Secured Parties;

(j) [reserved];

(k) Specified Inventory subject to any licensing, trademark, trade name or copyright agreements with any third parties which would require any consent of any third party for the sale or Disposition of that Specified Inventory (which consent has not been obtained) or the payment of any monies to any third party upon such sale or other Disposition (to the extent of such monies);

(l) Specified Inventory that consists of packing or shipping materials, or manufacturing supplies;

(m) Specified Inventory that consists of tooling;

(n) Specified Inventory that consists of display items;

(o) Specified Inventory that consists of Hazardous Materials or goods that can be transported or sold only with licenses that are not readily available;

(p) Specified Inventory that is custom made for a particular customer of a Loan Party for which such Loan Party's customer did not issue a purchase order to such Loan Party; and

(q) Specified Inventory that is otherwise determined to be unacceptable by the Administrative Agent in its Permitted Discretion.

"Eligible New Floor Plan Unit" means any Floor Plan Unit of any Borrower that is new and unused, including, without limitation, any Floor Plan Unit purchased by any Borrower from another dealer of Floor Plan Units, and in any case, that the Administrative Agent, in its sole discretion, deems to be an Eligible New Floor Plan Unit; *provided* that in no event shall any Floor Plan Unit be deemed an Eligible New Floor Plan Unit unless all representations and warranties set forth in the Security Documents with respect to such Floor Plan Unit are true and correct and such Floor Plan Unit:

(a) is an asset to which a Borrower has good and marketable title, is freely assignable, and is subject to a perfected, first priority Lien in favor of the Administrative Agent free and clear of any other Liens;

(b) is located at any of the Facilities listed on Schedule 1.04 or such other locations as are approved in writing by the Administrative Agent and, in the case of facilities not owned by a Borrower, that are at all times subject to landlord waiver agreements in form and substance satisfactory to the Administrative Agent;

(c) is a Class A, Class B, or Class C recreational vehicle and/or towable as classified by the Recreational Vehicle Industry Association and is of the then current model year;

(d) has not been owned or held by any Borrower or, if applicable, any dealer from whom any Borrower purchased such Floor Plan Unit for a combined period (including the sum of any periods of ownership by any Borrower or any such dealer) of more than 24 months; and

(e) is not obsolete or slow moving, and is of good and merchantable quality and complies in all respects with all governmental standards applicable thereto, free from any defects that might adversely affect the market value thereof.

For the avoidance of doubt, in no event shall a Permitted Company Vehicle be an Eligible New Floor Plan Unit.

“Eligible Used Floor Plan Unit” means any Floor Plan Unit of any Borrower that is used (i.e., a Floor Plan Unit that has been previously sold at retail, has been registered, documented or titled in any state or jurisdiction, or has been purchased or acquired by such Borrower from a source other than the original Manufacturer, including trade-in inventory), or any Floor Plan Unit that is new and unused but otherwise does not meet the conditions for being an Eligible New Floor Plan Unit, and, in any case, that the Administrative Agent, in its sole discretion, deems to be an Eligible Used Floor Plan Unit; provided that in no event shall any Floor Plan Unit be deemed an Eligible Used Floor Plan Unit unless all representations and warranties set forth in the Security Documents with respect to such Floor Plan Unit are true and correct and such Floor Plan Unit:

(a) is an asset to which a Borrower has good and marketable title, is freely assignable, and is subject to a perfected, first priority Lien in favor of the Administrative Agent free and clear of any other Liens;

(b) is located at any of the Facilities listed on Schedule 1.04, or such other locations as are approved in writing by the Administrative Agent and, in the case of facilities not owned by a Borrower, that are at all times subject to landlord waiver agreements in form and substance satisfactory to the Administrative Agent;

(c) is a Class A, Class B, or Class C recreational vehicle and/or towable as classified by the Recreational Vehicle Industry Association and is (at the time of any Floor Plan Loan with respect thereto) of the then current model year or the previous twelve model years; and

(d) is not obsolete or slow moving, and is of good and merchantable quality and complies in all respects with all governmental standards applicable thereto, free from any defects that might adversely affect the market value thereof.

“Environmental Laws” means any and all federal, state, local, and foreign statutes, Laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including those related to hazardous substances or wastes, air emissions and discharges to waste or public systems.

“Environmental Liability” means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of any Borrower, any other Loan Party or any of their respective Subsidiaries directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

“Equipment” means any “equipment” within the meaning of that term under the Uniform Commercial Code.

“Equity Balance” has the meaning given to such term in Section 2.01.17 of this Agreement.

“Equity Interests” means, with respect to any Person, the shares of Capital Stock of (or other ownership or profit interests in) such Person, warrants, options or other rights for the purchase or acquisition from such Person of shares of Capital Stock of (or other ownership or profit interests in) such Person, securities convertible into or exchangeable for shares of Capital Stock of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), and all other ownership or profit interests in such Person, whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination.

“Equity Issuance” means any issuance of any Equity Interests by any Loan Party or any Subsidiary of a Loan Party to any Person which is not a Loan Party or by any Foreign Subsidiary of a Loan Party which is not a Loan Party.

“Equity Offset” has the meaning given to such term in Section 2.01.17 of this Agreement.

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“Equity Transaction” has the meaning given to such term in Section 2.01.17 of this Agreement.

“ERISA” means the Employee Retirement Income Security Act of 1974, as the same may be amended or supplemented from time to time.

“ERISA Affiliate” means any trade or business (whether or not incorporated) under common Control with the Loan Parties within the meaning of Section 414(b) or (c) of the Code (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the Code).

“ERISA Event” means (a) a Reportable Event with respect to a Pension Plan, (b) a withdrawal by a Loan Party or any ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which it was a substantial employer (as defined in Section 4001(a)(2) of ERISA) or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (c) a complete or partial withdrawal by a Loan Party or any ERISA Affiliate from a Multiemployer Plan or notification that a Multiemployer Plan is in reorganization, (d) the filing of a notice of intent to terminate, the treatment of a Plan amendment as a termination under Section 4041 or 4041A of ERISA, or the commencement of proceedings by the PBGC to terminate a Pension Plan or Multiemployer Plan, (e) an event or condition which constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan or Multiemployer Plan, or (f) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon a Loan Party or any ERISA Affiliate.

“Erroneous Payment” has the meaning given to such term in Section 9.13(a) of this Agreement.

“Erroneous Payment Deficiency Assignment” has the meaning given to such term in Section 9.13(d) of this Agreement.

“Erroneous Payment Impacted Class” has the meaning given to such term in Section 9.13(d) of this Agreement.

“Erroneous Payment Return Deficiency” has the meaning given to such term in Section 9.13(d) of this Agreement.

“EU Bail-In Legislation Schedule” means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

“Event of Default” has the meaning given to such term in Article 7 hereof of this Agreement.

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“Excluded Property” means (a) any property of the Loan Parties to the extent that the grant of a security interest therein (i) is prohibited by any Requirement of Law of a Governmental Authority or (ii) constitutes a breach or default under or results in the termination of or requires any consent (it being agreed that the Borrowers shall use commercially reasonable efforts to obtain such consent) not obtained under, any contract, license, agreement, instrument or other document evidencing or giving rise to such property, except to the extent that such Requirement of Law or the term in such contract, license, agreement, instrument or other document providing for such prohibition, breach, default or termination or requiring such consent is ineffective under Section 9-406,

9-407, 9-408 or 9-409 of the UCC (or any successor provision or provisions) of any relevant jurisdiction or any other applicable Law (including the Bankruptcy Code) or principles of equity; provided, however, that such property shall cease to be Excluded Property and the Administrative Agent's security interest shall attach to such property immediately at such time as such Requirement of Law is not effective or applicable, or such prohibition, breach, default or termination is no longer applicable or is waived, and to the extent severable, shall attach immediately to any portion of the Collateral that does not result in such consequences, (b) any intent-to-use trademark or service mark application before the filing of a statement of use or amendment to allege use, or any other intellectual property, to the extent that applicable Law prohibits the creation of a Lien or would otherwise result in the loss of rights from the creation of such Lien or from the assignment of such rights upon an Event of Default; provided that, upon the filing of a "Statement of Use" or "Amendment to Allege Use", such trademark application will cease to be Excluded Property, (c) equipment and other assets (together with all proceeds thereof) that are acquired with purchase money Indebtedness (and refinancings thereof) or that are subject to Capital Leases, in each case as permitted by the terms of this Agreement, for so long as the grant of a Lien thereon would violate the terms of any applicable agreement evidencing such purchase money Indebtedness (and refinancings thereof) or Capital Leases, and (d) real property, buildings and improvements thereon (other than the Mortgage Obligations Collateral).

"Excluded Stock" means the Capital Stock of any Foreign Subsidiary to the extent such Capital Stock represents proportionate ownership interests in such Foreign Subsidiary which are in excess of sixty-five percent (65%) of the total ownership interests in such Foreign Subsidiary, or such greater percentage that as a result of any Change In Law after the Closing Date, would not result in material adverse tax consequences to a Borrower.

"Excluded Subsidiary" means any Subsidiary of any Borrower which is not (and is not required by the terms of this Agreement to be) a Guarantor.

"Excluded Swap Liabilities" means, with respect to any Loan Party, each of its Swap Obligations if, and only to the extent that, all or any portion of this Agreement or any other Credit Document that relates to such Swap Obligation is or becomes illegal under the CEA, or any rule, regulation or order of the CFTC, solely by virtue of such Loan Party's failure to qualify as an Eligible Contract Participant on the Eligibility Date for such Swap. Notwithstanding anything to the contrary contained in the foregoing or in any other provision of this Agreement or any other Credit Document, the foregoing is subject to the following provisos: (a) if a Swap Obligation arises under a master agreement governing more than one Swap, this definition shall apply only to the portion of such Swap Obligation that is attributable to Swaps for which a guarantee of payment or the granting of a security interest is or becomes illegal under the CEA, or any rule, regulations or order of the CFTC, solely as a result of the failure by such Loan Party for any reason to qualify as an Eligible Contract Participant on the Eligibility Date for such Swap, (b) if a co-borrower agreement or a guarantee of a Swap Obligation would cause such obligation to be an Excluded Swap Liability but the grant of a security interest would not cause such obligation to be an Excluded Swap Liability, such Swap Obligation shall constitute an Excluded Swap Liability for purposes of the co-borrower agreement or the guaranty (as applicable) but not for purposes of the grant of the security interest, and (c) if a Swap Obligation would be an Excluded Swap Liability with respect to one or more of the Loan Parties, but not all of them, the definition of Excluded Swap Liabilities with respect to each such Loan Party shall only be deemed applicable to (i) the particular Swap Obligations that constitute Excluded Swap Liabilities with respect to such Loan Party, and (ii) the particular Loan Party with respect to which such Swap Obligations constitute Excluded Swap Liabilities.

"Excluded Taxes" means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the Laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a Law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Borrowers under Section 2.12) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 2.11, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient's failure to comply with Section 2.10.7 and (d) any U.S. federal withholding Taxes imposed under FATCA.

"Existing Credit Agreement" has the meaning set forth in the preamble of this Agreement.

"Existing Lenders" has the meaning set forth in the preamble of this Agreement.

“*Existing Letters of Credit*” means, collectively, the letters of credit for the account of a Loan Party and further described on Schedule 1.02 attached hereto.

“*Facilities*” means all real property and the improvements thereon owned or occupied by any Loan Party and all other real property and improvements used or occupied or leased by any of the Loan Parties or otherwise used at any time by any of the Loan Parties in the operation of their respective businesses or for the storage or location of any of the Collateral. As of the Closing Date the Facilities of the Loan Parties are listed on Schedule 1.04 attached hereto.

“*FASB ASC*” means the Accounting Standards Codification of the Financial Accounting Standards Board.

“*FATCA*” means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with) and any current or future regulations or official interpretations thereof and any agreement entered into pursuant to Section 1471(b)(1) of the Code.

“*Federal Funds Rate*” means, for any day, the rate per annum, (rounded, if necessary, to the next greater 1/100 of 1%) determined (which determination shall be conclusive and binding, absent manifest error) by the Administrative Agent to be equal to the weighted average of the rates on overnight Federal funds transactions with member banks of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate charged to the Administrative Agent (in its individual capacity) on such day on such transactions as determined by the Administrative Agent (which determination shall be conclusive and binding, absent manifest error).

“*Fee Letter*” means the letter agreement dated as of January 20, 2021 between M&T Bank and LDRV.

“*Fiscal Quarter*” means each three (3) month fiscal period of the Borrowers beginning on the first (1st) day of each consecutive January, April, July, and October during the term of this Agreement.

“*Fiscal Year*” means each 12-month fiscal period of the Borrowers beginning each January 1 and ending on the immediately succeeding December 31.

“*Floor*” means the benchmark rate floor, if any, provided in the Credit Documents initially (as of the execution of such Credit Documents, the modification, amendment or renewal of the Credit Documents or otherwise) with respect to LIBOR.

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“*Floor Plan Borrowers*” means (a) the Borrowers listed on Schedule 1.01(a) as of the Closing Date and (b) any other Subsidiaries that from time to time become a Borrower under the Floor Plan Facility pursuant to a Joinder Agreement.

“*Floor Plan Borrowing*” means a borrowing consisting of simultaneous Floor Plan Loans of the same Type, or a borrowing advanced by M&T Advance Lender as a M&T Advance subject to *pro-rata* participations by the Floor Plan Lenders, all as set forth in Sections 2.01 and 2.02 of this Agreement.

“*Floor Plan Interest Reduction Arrangement*” has the meaning given to such term in Section 2.01.17 of this Agreement.

“*Floor Plan Facility*” means the floor plan facility described in Sections 2.01 and 2.02 providing for Floor Plan Loans to the Floor Plan Borrowers by the Floor Plan Lenders.

“*Floor Plan Lender*” means a Lender holding a Floor Plan Commitment, or if the Floor Plan Commitments have terminated, holding Floor Plan Loans.

“*Floor Plan Line of Credit*” means the Floor Plan Line of Credit described in Sections 2.01 and 2.02 of this Agreement providing for Floor Plan Loans to the Borrowers by the Lenders.

“*Floor Plan Line of Credit Dollar Cap*” means **Three Hundred Twenty-Seven Million Dollars (\$327,000,000.00)**, as such amount may be decreased in accordance with Section 2.01.16.

“*Floor Plan Line of Credit Termination Date*” means July 14, 2024.

“*Floor Plan Loan Adjustment Date*” means each of: (a) the last Business Days of the second and fourth calendar weeks of each consecutive calendar month; and (b) the first Business Day after three (3) Business Days prior written notice from either the Administrative Agent or M&T Bank to the other Lenders requesting thereon the scheduling of settlement on account of Floor Plan Loans among the Lenders and M&T Bank.

“*Floor Plan Loan Advance Limit*” means with respect to any (a) Eligible New Floor Plan Unit, 100% of the New Unit Invoiced Amount of such Eligible New Floor Plan Unit; (b) Permitted Company Vehicle, 100% of the New Unit Invoiced Amount of such Vehicle; and (c) Eligible Used Floor Plan Unit that is (i) of the then current model year or any of the previous seven (7) model years, 80% of the Used Unit Book Value of such Unit, (ii) from eight (8) to ten (10) model years old, 65% of Used Unit Book Value of such Unit, and (iii) eleven (11) to twelve (12) model years old, 40% of Used Unit Book Value of such Unit. For the avoidance of doubt, no advances will be permitted for Units in excess of twelve (12) model years old.

“*Floor Plan Loan Commitment*” means, as to any Lender, the amount initially set forth opposite its name on Schedule 1.01 attached hereto in the column labeled “Floor Plan Loan Commitment,” and thereafter on any relevant Lender Addendum Assignment And Assumption, or as otherwise thereafter modified in accordance with the terms set forth in this Agreement, and “*Floor Plan Loan Commitments*” means the aggregate Floor Plan Loan Commitments of all of the Lenders.

“*Floor Plan Loan Commitment Percentage*” means, as to any Lender, the percentage initially set forth opposite its name on Schedule 1.01 attached hereto in the column labeled “*Floor Plan Loan Commitment Percentage*” and thereafter on any relevant Lender Addendum Assignment And Assumption, or as otherwise modified in accordance with the terms set forth in this Agreement.

“*Floor Plan Loan Exposure*” means, as to any Lender at any time, the aggregate principal amount at such time of such Lender’s outstanding Floor Plan Loans and such Lender’s participation in, and obligation to participate in, M&T Advances at such time.

“*Floor Plan Loan Notes*” means, collectively, the promissory notes of the Borrowers evidencing the Floor Plan Loans in the form of Exhibit C attached hereto, together with all amendments and replacements thereof.

“*Floor Plan Loans*” means collectively the revolving credit loans extended from time to time by the Lenders to the Borrowers as joint and several obligors in accordance with the provisions of Section 2.01 of this Agreement, including the M&T Advances pursuant to Section 2.02 of this Agreement.

“*Floor Plan Unit Casualty Event*” means any loss of or damage to, or any condemnation or other taking of, any Floor Plan Vehicle or Unit financed with the proceeds of Floor Plan Loan Commitments for which any Loan Party receives casualty insurance proceeds or proceeds of a condemnation award.

“*Floor Plan Units*” means inventory of the Borrowers consisting of recreational vehicles and/or towables sold or leased by the Borrowers in the ordinary course of their businesses. Floor Plan Units do not include supplies or spare parts inventory.

“*Floor Plan Unused Commitment Fee*” has the meaning given to such term in Section 2.01.15 of this Agreement.

“*Floor Plan Vehicle or Unit*” means any Floor Plan Unit or Permitted Company Vehicle.

“*Foreign Lender*” means (a) if the Borrowers are U.S. Persons, a Lender that is not a U.S. Person, and (b) if the Borrowers are not U.S. Persons, a Lender that is resident or organized under the Laws of a jurisdiction other than that in which the Borrowers are resident for tax purposes.

“*Foreign Subsidiary*” means any Subsidiary that is not a Domestic Subsidiary.

“*Fronting Exposure*” means, at any time there is a Defaulting Lender, (a) with respect to the Issuing Bank, such Defaulting Lender’s Revolving Credit Commitment Percentage of the outstanding L/C Obligations with respect to Letters of Credit issued

by the Issuing Bank other than L/C Obligations as to which such Defaulting Lender's participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof, (b) with respect to the Swingline Lender, such Defaulting Lender's Revolving Credit Commitment Percentage of outstanding Swingline Loans made by such Swingline Lender other than Swingline Loans as to which such Defaulting Lender's participation obligation has been reallocated to other Lenders in accordance with the terms hereof, and (c) with respect to M&T Bank, such Defaulting Lender's Floor Plan Loan Commitment Percentage of outstanding M&T Advances other than M&T Advances as to which such Defaulting lender's participation obligation has been reallocated to other Lenders in accordance with the terms hereof.

“*Fund*” means any Person (other than a natural Person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans, bonds and similar extensions of credit in the ordinary course of its business.

“*GAAP*” means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as may be recognized by a significant segment of the accounting profession, which are applicable to the circumstances as of the date of determination, consistently applied.

“*Governing State*” means the State of New York.

“*Governmental Authority*” means the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

“*Guarantors*” means collectively: (a) Pubco Guarantor, (b) Parent Guarantor, (c) Lazydays Land Holdings, LLC, (d) Lazydays Land of Elkhart, LLC, (e) Lazydays Service of Elkhart, LLC, (f) Lazydays Land of Chicagoland, LLC and (g) all of the Domestic Subsidiaries from time to time of Pubco Guarantor.

“*Guaranty Agreements*” means, collectively, each of the guaranty agreements of the Guarantors guaranteeing the payment and performance of any or all of the Obligations.

“*Guaranty Obligation*” or “*Guarantee*” (or “*guaranty*” or “*guarantee*”) means any obligation, direct or indirect, by which a Person undertakes to guaranty, assume or remain liable for the payment of another Person's obligations, including but not limited to (a) endorsements of negotiable instruments, (b) discounts with recourse, (c) agreements to pay upon a second Person's failure to pay, (d) agreements to maintain the capital, working capital solvency or general financial condition of a second Person, and (e) agreements for the purchase or other acquisition of products, materials, supplies or services, if in any case payment therefor is to be made regardless of the nondelivery of such products, materials or supplies or the non-furnishing of such services.

“*Hazardous Materials*” means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos-containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

“*Historical Financial Statements*” means (i) audited consolidated balance sheets and related statements of income, stockholders' equity and cash flows of the Borrowers and their Subsidiaries for the twelve-month period ended December 31, 2020 and (ii) the unaudited consolidated balance sheets and related statements of income, stockholders' equity and cash flows of the Borrowers and their Subsidiaries for each fiscal month ended after December 31, 2020 and at least 30 days prior to the Closing Date.

“*IEEPA*” means the International Emergency Economic Power Act, 50 U.S.C. §1701 *et seq.*

“*Indebtedness*” means, as to any Person at a particular time, without duplication, all of the following, whether or not included as indebtedness or liabilities in accordance with GAAP (a) all obligations of such Person for borrowed money and all obligations of such Person evidenced by bonds, debentures, notes, loan agreements or other similar instruments, (b) all direct or

contingent obligations of such Person arising under letters of credit (including standby and commercial), bankers' acceptances, bank guaranties, surety bonds and similar instruments, (c) net obligations of such Person under any Swap Agreement, (d) all obligations of such Person to pay the deferred purchase price of property or services (other than trade accounts payable in the ordinary course of business and, in each case, not past due for more than one hundred eighty (180) days after the date on which such trade account payable was created), (e) indebtedness (excluding prepaid interest thereon) secured by a Lien on property owned or being purchased by such Person (including indebtedness arising under conditional sales or other title retention agreements), whether or not such indebtedness shall have been assumed by such Person or is limited in recourse, (f) obligations under any leases which, subject to the terms of Section 1.04, are "Capital Leases" under GAAP as in effect at the time such lease becomes effective (even if such lease is subsequently determined as a result of a Change In Law or a change in GAAP not to be a "Capital Lease"), but not including any operating lease which, subsequently to the time such lease becomes a "Capital Lease" as a result of a Change in Law or a change in GAAP, (g) all obligations of such Person to purchase, redeem, retire, defease or otherwise make any payment in respect of any Equity Interest in such Person or any other Person, valued, in the case of a redeemable preferred interest, at the greater of its voluntary or involuntary liquidation preference plus accrued and unpaid dividends, (h) all Guarantees of such Person in respect of any of the foregoing, (i) all obligations secured by any Lien on the assets of such Person, (j) all payments required of such Person under any "non-compete" or similar agreements, (k) all Synthetic Lease Obligations of such Person, (l) all other obligations of such Persons that are the functional equivalent of the Indebtedness referred to above in clauses (a) through (k). For purposes of this definition, the Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or a joint venturer, unless such Indebtedness is expressly made non-recourse to such Person. The amount of any net obligation under any Swap Agreement on any date shall be deemed to be the Swap Termination Value thereof as of such date. The amount of any Capital Lease as of any date shall be deemed to be the amount of Attributable Indebtedness in respect thereof as of such date. Indebtedness of any Person shall not include warrants classified as a liability of such Person solely by reason of the SEC staff statement issued on April 12, 2021 regarding the accounting treatment of warrants issued by Special Purpose Acquisition Companies.

"Indemnified Taxes" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under any Credit Document and (b) to the extent not otherwise described in clause (a), Other Taxes.

"Indemnitee" has the meaning provided to such term in Section 10.08.2 of this Agreement.

"Information" means all information received from any Loan Party relating to the Loan Parties or any of their respective businesses, other than any such information that is available to the Credit Parties on a nonconfidential basis prior to disclosure by the Loan Parties, provided that, in the case of information received from the Loan Parties after the date hereof, such information is clearly identified at the time of delivery as confidential.

"Insolvency Plan" means any plan of reorganization or plan of liquidation pursuant to any Debtor Relief Laws.

"Insolvency Proceeding" means, with respect to any referenced Person, any case or proceeding commenced by or against such Person, under any provision of the Bankruptcy Code or under any other Debtor Relief Laws.

"Intangible Assets" means assets that are considered to be intangible assets under GAAP, including customer lists, goodwill, computer software, copyrights, trade names, trademarks, patents, franchises, licenses, unamortized deferred charges, unamortized debt discount and capitalized research and development costs.

"Intercompany Indebtedness" means any and all claims, rights of payment, subrogation rights, rights of contribution, reimbursement or indemnity that any Loan Party may have from or against any other Loan Party.

"Interest Payment Date" means (a) with respect to any Adjusted Base Rate Borrowing, the first Business Day of each consecutive month, (b) with respect to any Adjusted Daily LIBOR Borrowing, the first Business Day of each consecutive month, and (c) with respect to any LIBOR Borrowing at the LIBOR Rate, the last day of the Interest Period applicable to such Loan and, in the case of such a LIBOR Borrowing with an Interest Period of more than three (3) months' duration, each day prior to the last day of such Interest Period that occurs at intervals of three (3) months' duration after the first day of such Interest Period. For the avoidance of doubt, in the event that consecutive Interest Periods are elected for a LIBOR Borrowing of Revolving Credit Loans (as permitted in Section 2.07.2 hereof), the last day of each such Interest Period shall be an Interest Payment Date.

“Interest Period” means, with respect to any LIBOR Borrowing at the LIBOR Rate, the period commencing on the date of such LIBOR Borrowing and ending (a) in the case of Revolving Credit Loans, on the numerically corresponding day in the calendar month that is one (1) month thereafter, and (b) in the case of Term Loans, on the numerically corresponding day in the calendar month that is one (1), three (3), or six (6) months thereafter, as the Borrowers may elect, provided, in each case, that (x) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day, unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day, (y) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period, and (z) the Borrowers may not select any Interest Period which would end after the applicable Maturity Date. For purposes hereof, the date of a LIBOR Borrowing at the LIBOR Rate initially shall be the date on which such LIBOR Borrowing is made and thereafter shall be the effective date of the most recent conversion or continuation of such LIBOR Borrowing. Notwithstanding the foregoing, with respect to the Mortgage Loans (without necessity for election by the Borrower), the applicable LIBOR Rate shall be set for each successive one-month Interest Period, commencing with the first draw under the Mortgage Loans, and the LIBOR Rate shall be adjusted at the end of each such Interest Period to reflect the then-current LIBOR for the following Interest Period.

“Inventory” means any “inventory” within the meaning of that term under the Uniform Commercial Code.

“Inventory Reserves” means, without duplication of any adjustments already accounted for in determining eligibility criteria under the definition of Eligible Inventory or other reserves, reserves as may be established from time to time by the Administrative Agent in its Permitted Discretion to reflect risks or contingencies arising after the Closing Date that negatively impact the market value of Eligible Inventory owned by any Loan Party, including any material change in salability of Eligible Inventory.

“Investment” means, as to any referenced Person, any direct or indirect acquisition or investment by such Person, whether by means of (a) the purchase or other acquisition of Capital Stock or other Equity Interests in or securities of another Person, (b) a loan, advance or capital contribution to, guarantee or assumption of debt of, or purchase or other acquisition of any other debt or equity participation or interest in, another Person, including any partnership or joint venture interest in such other Person, (c) the purchase or other acquisition (in one transaction or a series of transactions) of assets of another Person that constitute a business unit, or (d) any other investment in securities, deposits, or the obligations of other Persons. For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment.

“IRS” means the United States Internal Revenue Service.

“ISDA Definitions” means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time by the International Swaps and Derivatives Association, Inc. or such successor thereto.

“ISP” means, with respect to any Letter of Credit, the “International Standby Practices 1998” published by the Institute of International Banking Law & Practice (or such later version thereof as may be in effect at the time of issuance).

“Issuing Bank” means M&T Bank, in its capacity as the issuer of Letters of Credit hereunder, or its successors hereunder as the issuer of Letters of Credit.

“Joinder Agreement” means each Joinder Agreement and Counterpart, substantially in the form of Exhibit K (amended as required to apply to the capacities of the applicable Borrower and to the Collateral to be granted), executed and delivered by a Subsidiary or any other Person to the Administrative Agent in connection with this Agreement.

“L/C Commitment” means (a) the commitment of the Issuing Bank to issue Letters of Credit in an aggregate amount at any time outstanding not to exceed the Letter of Credit Sublimit, and (b) with respect to each Lender, the commitment of such Lender to purchase participation interests in the L/C Obligations up to such Lender’s Revolving Credit Commitment Percentage multiplied by the Letter of Credit Sublimit. The L/C Commitment of each Lender is included in and is part of each Lender’s Revolving Credit Commitment and is not in addition to the Lenders’ respective Revolving Credit Commitments.

“*L/C Credit Extension*” means, with respect to any Letter of Credit, the issuance thereof or extension of the expiry date thereof, or the increase of the amount thereof.

“*L/C Disbursement*” means a payment made by the Issuing Bank pursuant to a Letter of Credit, including but not limited to the amount of any draft paid by the Issuing Bank under any Letter of Credit, and any taxes, charges, or other costs or expenses incurred by the Issuing Bank in connection with any such payment.

“*L/C Documents*” means, with respect to any Letter of Credit, such Letter of Credit, any amendments thereto, any documents delivered in connection therewith, any Letter of Credit Application therefor, and any agreements, instruments, guarantees or other documents (whether general in application or applicable only to such Letter of Credit) governing or providing for (a) the rights and obligations of the parties concerned, or (b) any collateral security for such obligations.

“*L/C Expiration Date*” means the day that is thirty (30) days prior to the Revolving Credit Termination Date (or, if such day is not a Business Day, the next preceding Business Day).

“*L/C Obligations*” means, at any time, the sum of (a) the aggregate Stated Amount of all issued and outstanding Letters of Credit, plus (b) the aggregate unpaid principal amount of all Reimbursement Obligations of the Revolving Credit Borrower at such time due and payable in respect of all drawings made under such Letter of Credit. For purposes of this Agreement, a Lender (other than the Lender then acting as Issuing Bank with respect to the related Letter of Credit) shall be deemed to hold a L/C Obligation in an amount equal to its participation interest under Section 2.05 in the related Letter of Credit, and the Lender then acting as Issuing Bank with respect to such related Letter of Credit shall be deemed to hold a L/C Obligation in an amount equal to its retained interest in the related Letter of Credit after giving effect to the acquisition by the Revolving Credit Lenders (other than the Lender then acting as Issuing Bank with respect to such related Letter of Credit) of their participation interests under such Section. For all purposes of this Agreement, if on any date of determination a Letter of Credit has expired by its terms, but any amount may still be drawn thereunder by reason of the operation of Rule 3.14 of the ISP, such Letter of Credit shall be deemed to be “outstanding” in the amount so remaining available to be drawn.

“*Law*” means any law (including common Law), constitution, statute, treaty, regulation, rule, ordinance, opinion, release, ruling, order, injunction, writ, decree or award of any Governmental Authority.

“*Lender Addendum*” means a Lender Addendum substantially in the form of Exhibit D attached hereto pursuant to which a financial institution or Fund agrees to become a Lender holding the Commitments and Commitment Percentages set forth therein.

“*Lenders*” means collectively the Floor Plan Lenders, the Revolving Credit Lenders, the Term Loan Lenders, the Mortgage Loan Lenders and the Persons that are parties to this Agreement as of the Closing Date as a “Lender” or are parties to a Lender Addendum as a “Lender” after the Closing Date and any other Person that thereafter shall have become party hereto as a “Lender” pursuant to an Assignment and Assumption, other than any such Person that ceases to be a party hereto as a “Lender” pursuant to an Assignment and Assumption. Unless the context requires otherwise, the term “Lenders” includes the Swingline Lender and the Issuing Bank, and M&T in connection with its funding of the M&T Advances.

“*Letter of Credit*” means (a) each of the Existing Letters of Credit and (b) any letter of credit issued by the Issuing Bank for the account of one or more of the Borrowers or any Affiliate thereof in accordance with the terms of this Agreement.

“*Letter of Credit Application*” means the Issuing Bank’s then current form of application and agreement for the issuance or amendment of a Letter of Credit.

“*Letter of Credit Fees*” has the meaning provided to such term in Section 2.05.9 of this Agreement.

“*Letter of Credit Sublimit*” means an amount equal to One Million Dollars (\$1,000,000.00).

“*LIBOR*” means the rate per annum obtained by dividing (a) the rate per annum reported on Reuters Screen LIBOR 01 Page (or any successor thereto, or any other service selected by the Administrative Agent which has been nominated by ICE Benchmark Administration (or any successor administrator of LIBOR rates) as an authorized information vendor for the purpose of displaying such rates on the basis of the London interbank Eurodollar offered rates for deposits in Dollars (the “*Screen Rate*”), (x) for a period of time equal to the relevant Interest Period, at approximately 11:00 a.m. London, England time (or as soon thereafter as practicable) two (2) Business Days prior to the first day of such Interest Period or (y) in the case of daily adjusting LIBOR, for a one-month period determined

on a daily basis on each Business Day, by (b) a percentage equal to one hundred percent (100%) minus the stated maximum rate of all reserves required to be maintained against “Eurocurrency Liabilities” as specified in Regulation D (or against any other category of liabilities which includes deposits by reference to which the interest rate on LIBOR Rate Loans is determined or any category of extensions of credit or other assets which includes loans by a non-United States office of a bank to United States residents) on such date to any member bank of the Federal Reserve System. Notwithstanding any provision above: (i) in the event at any time or from time to time the applicable LIBOR utilized for determining the interest rate for any Credit Facility (or any replacement thereof pursuant to Section 2.07.10) shall, at any time, be less than zero percent (0.00%), such LIBOR shall be deemed to be zero percent (0.00%) for all purposes of this Agreement, and (ii) if the rate described above is not available on any applicable interest determination date, then, subject to Section 2.07.10, LIBOR shall be determined by the Administrative Agent in accordance with such other method as Administrative Agent may use to determine LIBOR for other credit facilities.

“*LIBOR Borrowing*” means each unpaid principal balance of a Loan which accrues interest calculated based upon LIBOR, whether an Adjusted Daily LIBOR Borrowing or an Adjusted LIBOR Rate Borrowing.

“*LIBOR Rate*” means (a) with respect to the Term Loans and Revolving Credit Loans, for any LIBOR Borrowing for any Interest Period selected by the Borrower Representative, LIBOR for a term comparable to such Interest Period determined two (2) Business Days prior to the first day of such Interest Period, and (b) with respect to the Mortgage Loans, for any LIBOR Borrowing for any one-month Interest Period, LIBOR for a term comparable to such one-month Interest Period, determined two (2) Business Days prior to the first day of such Interest Period.

“*LIBOR Rate Loan*” means a Loan that bears interest based on the LIBOR Rate.

“*Lien*” means any mortgage, deed of trust, pledge, lien, security interest, charge or other encumbrance or security arrangement of any nature whatsoever, whether voluntarily or involuntarily given, including but not limited to any conditional sale or title retention arrangement, and any assignment, deposit arrangement or lease intended as, or having the effect of, security and any filed financing statement or other notice of any of the foregoing (whether or not a lien or other encumbrance is created or exists at the time of the filing).

“*LIFO Reserve*” means, as of any date of determination, the amount by which the book value of the Inventory of the Borrowers and their Subsidiaries, as reported on the consolidated and consolidating financial statements of Pubco Guarantor and its Subsidiaries as of such date, would be lower if the first-in, first-out method, calculated in accordance with GAAP, were used to value such Inventory as of such date.

“*Line Cap*” means the lesser of (i) the Revolving Credit Commitments and (ii) (x) the Borrowing Base minus (y) the Outstanding Amount of the Floor Plan Loans minus (z) the Outstanding Amount of the Term Loans.

“*Loan Parties*” means, collectively, the Borrowers and the Guarantors (including Persons that become Borrowers or Guarantors after the Closing Date).

“*Loan Request*” means notice in the form of Exhibit H attached hereto from the Borrower Representative in accordance with the Loans as set forth in this Agreement. In connection with Floor Plan Loans and M&T Advances, for Floor Plan Vehicles or Units which are not new from the Manufacturer, the Loan Request shall be accompanied by a vendor invoice, certificate or statement of origin or certificate of title, as applicable and such other information as is required in this Agreement.

“*Loans*” means, collectively, the Floor Plan Loans including the M&T Advances, Revolving Credit Loans, the Swingline Loans, the Term Loans, and the Mortgage Loans.

“*M&T Advance*” has the meaning provided to such term in Section 2.02.

“*M&T Advance Lender*” means M&T Bank.

“*M&T Bank*” means Manufacturers and Traders Trust Company, a New York banking corporation, and its successors and assigns.

“*Mandatory Prepayments*” has the meaning provided to such term in Section 2.06.3 of this Agreement.

“*Manufacturer*” means the manufacturer, vendor, or supplier of a Floor Plan Vehicle or Unit, including original equipment manufacturers (commonly referred to as “OEM”) and other vendors and suppliers of a Floor Plan Vehicle or Unit.

“*Material Adverse Change*” means (a) any set of circumstances or events which has or could reasonably be expected to have a material adverse effect upon the operations, businesses, properties, liabilities (actual or contingent), conditions (financial or otherwise) or prospects of any Loan Party or any Subsidiary of a Loan Party; (b) a material impairment of the ability of any Loan Party to perform its obligations under any Credit Document to which it is a party; or (c) any circumstances or events having a material adverse effect upon the legality, validity, binding effect or enforceability against any Loan Party of any Credit Document to which it is a party.

“*Material Intellectual Property*” means any intellectual property that, individually or collectively, (a) is (i) necessary to the business of Pubco Guarantor and its Subsidiaries as currently constructed or (ii) is otherwise material to the business or operations of Pubco Guarantor and its Subsidiaries, taken as a whole or (b) has a fair market value (as reasonably determined by the Borrower Representative in good faith) in excess of \$1,000,000.

“*Maturity Dates*” means collectively (a) the Floor Plan Line of Credit Termination Date, (b) the Revolving Credit Termination Date, (c) the Swingline Termination Date, (d) the Term Loan Maturity Date, and (e) the Mortgage Loan Maturity Date.

“*Measurement Period*” means, as of any date of determination, the four (4) consecutive trailing Fiscal Quarters most recently ended.

“*Minimum Borrowing Amount*” means: (a) with respect to Floor Plan Loans, M&T Advances, and settlement among M&T Bank and the other Lenders on account of M&T Advances on a Floor Plan Loan Adjustment Date, no Minimum Borrowing Amount shall be applicable; (b) with respect to the Revolving Credit Loans (i) no Minimum Borrowing Amount shall be applicable for Adjusted Base Rate Borrowings and (ii) Five Hundred Thousand Dollars (\$500,000.00) (or such lesser amount as may be approved by the Administrative Agent) for LIBOR Borrowings with minimum increments of Fifty Thousand Dollars (\$50,000.00); (c) with respect to the Term Loans, (i) no Minimum Borrowing Amount shall be applicable for Adjusted Base Rate Borrowings and (ii) Five Hundred Thousand Dollars (\$500,000.00) (or such lesser amount as may be approved by the Administrative Agent) for LIBOR Borrowings with minimum increments of Fifty Thousand Dollars (\$50,000.00); (d) with respect to the Swingline Loans, any whole Dollar increment and (e) with respect to Mortgage Loan advances, \$50,000.00 (or, if less, the remaining amount available for drawing under the Mortgage Loan).

“*Mortgage*” means the Deed of Trust and Assignment of Rents and Leases from the Mortgage Loan Borrower to the trustees named therein for the benefit of the Administrative Agent for the Lenders, encumbering the real property and improvements located in Harris County, Texas, generally located at the southwest quadrant of Highway 290 and Stokes Road in Waller, Texas, and more particularly described therein.

“*Mortgage Loan Borrower*” means Lone Star Acquisition LLC, a Delaware corporation, authorized to do business in the State of Texas as Lone Star Land of Houston, LLC.

“*Mortgage Loan Borrowing*” means a borrowing consisting of simultaneous Mortgage Loans of the same Class and Type.

“*Mortgage Loan Commitment*” means, as to any Lender, the amount initially set forth opposite its name in the grid set forth below (which grid shall be added to and incorporated by reference into Schedule 1.01 of the Credit Agreement), and thereafter on any relevant Assignment And Assumption, as such amount may be adjusted from time to time in accordance with this Agreement, and “Mortgage Loan Commitments” means the aggregate Mortgage Loan Commitments of all of the Lenders.

Lender	Mortgage Loan Commitment	Mortgage Loan Commitment Percentage

Manufacturers and Traders Trust Company	\$ 3,150,918.90	54.05%
NYCB Specialty Finance Company, LLC	\$ 1,181,594.59	20.27%
Huntington National Bank	\$ 787,729.72	13.51%
Bank of the West	\$ 708,956.75	12.16%
TOTAL	\$ 5,829,199.96	100%

“*Mortgage Loan Commitment Percentage*” means, as to any Lender, the percentage initially set forth opposite its name on the grid provided in the definition of “Mortgage Loan Commitment” in the column labeled “Mortgage Loan Commitment Percentage” and thereafter on any relevant Assignment And Assumption, as the same may be adjusted from time to time pursuant to this Agreement.

“*Mortgage Loan Facility*” means the senior secured mortgage term loan facility described in Section 2.06A providing for Mortgage Loans to the Mortgage Loan Borrower by the Mortgage Loan Lenders.

“*Mortgage Loan Lenders*” means a Lender having a Mortgage Loan Commitment or any Lender holding a Mortgage Loan.

“*Mortgage Loan Maturity Date*” means July 14, 2024.

“*Mortgage Loan Notes*” means, collectively, the promissory notes of the Mortgage Loan Borrower evidencing the Mortgage Loans in the form of Exhibit M attached hereto, together with all amendments and replacements thereof.

“*Mortgage Loans*” means the mortgage loans extended by the Lenders to the Mortgage Loan Borrower in accordance with the provisions of Section 2.06A of this Agreement and the other Credit Documents.

“*Mortgage Obligations Collateral*” means the real property and improvements located in Harris County, Texas, generally located at the southwest quadrant of Highway 290 and Stokes Road in Waller, Texas in which the Administrative Agent on behalf of the Credit Parties is from time to time granted a Lien under any Security Document as security for all or any portion of the Obligations; provided, however, that Mortgage Obligations Collateral shall not include any Excluded Property.

“*Mortgage Property Support Documentation*” means the deliveries, documents, and due diligence described on Schedule 1.05 attached hereto.

“*Multiemployer Plan*” means any employee benefit plan which is a “multiemployer plan” within the meaning of Section 4001(a)(3) of ERISA and to which any Loan Party or any member of the ERISA Group is then making or accruing an obligation to make contributions or, within the preceding five (5) plan years, has made or had an obligation to make such contributions.

“*Net Available Proceeds*” means any cash payments, and the fair market cash value of any non-cash consideration, received by any Loan Party or its Subsidiaries directly or indirectly in connection with or from any transaction, event, condition or occurrence described in Section 2.06.3 hereof, including but not limited to Dispositions of assets (other than sales of Floor Plan Vehicles or Units subject to Section 2.01), insurance proceeds, condemnation recoveries, issuances of Indebtedness, or issuances or sales of equity, in each case net of (a) net of reasonable costs and expenses associated therewith, including reasonable legal fees and expenses (but excluding any such fees and expenses paid to an Affiliate), and (b) any repayments (including reasonable expenses in connection therewith) of Indebtedness to the extent that (x) such Indebtedness is secured by a Lien on an asset that is the subject of the transaction, and (y) the transferee of (or holder of a Lien on) such asset requires that such Indebtedness be repaid as a condition to the subject transaction.

“*Net Extraordinary Receipt Proceeds*” shall mean any cash received by or paid to or for the account of any Person not in the ordinary course of business, including as a result of litigation, settlements, judgments, tax refunds, pension plan reversions, indemnity payments, escrow releases and any purchase price adjustments, in each case, net of reasonable costs and expenses associated therewith, including reasonable legal fees and expenses (but excluding any such fees and expenses paid to an Affiliate); *provided, however*, Net Extraordinary Receipt Proceeds shall not include cash receipts from proceeds of insurance or indemnity payments to the extent that such proceeds, awards or payments are received by any Person in respect of any third party claim against such Person and applied to pay (or to reimburse such Person for its prior payment of) such claim and the costs and expenses of such Person with respect thereto.

“*New Unit Invoiced Amount*” means, with respect to any Eligible New Floor Plan Unit or any Permitted Company Vehicle, the amount of the Manufacturer or vendor invoice (including freight charges) as specified to the Administrative Agent from time to time by the applicable Manufacturer or vendor of such Eligible New Floor Plan Unit or Permitted Company Vehicle.

“*Non-Consenting Lender*” means any Lender that does not approve any consent, waiver or amendment that (a) requires the approval of all Lenders or all affected Lenders in accordance with the terms of Section 10.01 and (b) has been approved by the Required Lenders.

“*Non-Defaulting Lender*” means, at any time, each Lender that is not a Defaulting Lender at such time.

“*Non-Financed Capital Expenditures*” means, with respect to any Person for any applicable period, the Capital Expenditures of such Person made in cash during such period, excluding any Capital Expenditures paid from proceeds of Indebtedness (other than proceeds of Indebtedness arising from borrowings under the Revolving Credit Loans, the Swingline Loan, or the Floor Plan Loans).

“*Notes*” means, collectively, the Floor Plan Loan Notes, the Revolving Credit Notes, the Swingline Note, the Term Loan Notes, and the Mortgage Loan Notes.

“*Obligations*” means, collectively, the obligations of the Borrowers or of any other Loan Party to pay to the Credit Parties or to perform for the benefit of the Credit Parties, M&T Bank or any of their Affiliates (a) sums due arising out of or in connection with the Loans or otherwise pursuant to the terms of the Notes, and the other Credit Documents, including without limitation all unpaid principal, accrued interest (including interest that accrues during any Insolvency Proceedings), fees and expenses, (b) indemnification and reimbursement duties and obligations owed in accordance with the terms of any of the Credit Documents, (c) Credit Party Expenses, (d) reimbursement, repayment or indemnity obligations owed by the Borrowers or any of the other Loan Parties to any Credit Party or to an Affiliate of a Credit Party arising out of or related to Bank Products, (e) all payment and indemnification obligations owed by the Borrowers to the Issuing Bank or to any other Credit Party which arise out of or relate to any Letters of Credit, including all of the L/C Obligations, (f) all obligations or sums due to any Swap Provider under or in connection with any Swap Obligations, (g) payments owed to the Arranger, the Administrative Agent or M&T Bank in accordance with the Fee Letter, (h) any indebtedness or liability which may exist or arise as a result of any payment made by or for the benefit of any of the Credit Parties being avoided or set aside for any reason including any payment being avoided as a preference under Sections 547 and 550 of the Bankruptcy Code, as amended, or under any other Debtor Relief Law, and (i) any interest on any portion of the Loans that accrues after the commencement of any Insolvency Proceeding.

“*OFAC*” mean the U.S. Department of Treasury’s Office of Foreign Asset Control.

“*Organization Documents*” means (a) with respect to any corporation, the certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction), (b) with respect to any limited liability company, the certificate or articles of formation or organization and operating agreement, and (c) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity. For the avoidance of doubt, with respect to Pubco Guarantor, the Organization Documents include the Amended Charter and the Securities Purchase Agreement.

“*Other Connection Taxes*” means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Credit Document, or sold or assigned an interest in any Loan or Credit Document).

“*Other Taxes*” means all present or future stamp, court, documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Credit Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.12).

“*Out Of Balance*” means with respect to any Floor Plan Vehicle or Unit, that the outstanding principal amount of the Floor Plan Loans allocable to such Floor Plan Vehicle or Unit exceeds the Floor Plan Loan Advance Limit applicable to such Floor Plan Vehicle or Unit or that the payments required pursuant to Sections 2.01.6, 2.01.7, 2.01.8 or 2.01.9 have not been paid as agreed.

“*Outstanding Amount*” means (a) with respect to Floor Plan Loans (including M&T Advances) on any date, the aggregate outstanding principal amount thereof after giving effect to any borrowings and prepayments or repayments of Floor Plan Loans, as the case may be, occurring on such date, (b) with respect to Revolving Credit Loans and Swingline Loans on any date, the aggregate outstanding principal amount thereof after giving effect to any borrowings and prepayments or repayments of Revolving Credit Loans and Swingline Loans, as the case may be, occurring on such date; (c) with respect to any L/C Obligations on any date, the amount of such L/C Obligations on such date after giving effect to any L/C Credit Extensions occurring on such date and any other changes in the aggregate amount of the L/C Obligations as of such date, including as a result of any reimbursements made by the Borrowers; and (d) with respect to the Term Loans on any date, the aggregate outstanding principal amount thereof after giving effect to any borrowings and prepayment or repayments of the Term Loans, as the case may be, occurring on such date.

“*Parent Guarantor*” means Lazy Days’ R.V. Center, Inc., a Delaware corporation.

“*Participant*” has the meaning provided to such term in Section 10.03 of this Agreement.

“*Participant Register*” has the meaning provided to such term in Section 10.03 of this Agreement.

“*Participation*” means an undivided participation interest sold by a Lender, in accordance with the provisions of Section 10.03, in such Lender’s Commitments, Loans and rights and obligations under this Agreement and the other Credit Documents.

“*Payment Notice*” has the meaning provided to such term in Section 9.13(b) of this Agreement.

“*Payment Recipient*” has the meaning provided to such term in Section 9.13(a) of this Agreement.

“*PBGC*” means the Pension Benefit Guaranty Corporation.

“*Pension Plan*” means any “employee pension benefit plan” (as such term is defined in Section 3(2) of ERISA), other than a Multiemployer Plan, that is subject to Title IV of ERISA and is sponsored or maintained by a Borrower or any ERISA Affiliate or to which a Borrower or any ERISA Affiliate contributes or has an obligation to contribute, or in the case of a multiple employer or other plan described in Section 4064(a) of ERISA, has made contributions at any time during the immediately preceding five plan years.

“*Permitted Acquisition*” means any Investment after the Closing Date by one (1) or more Borrowers in any Person located within the United States, whose business operations are within the same scope of business operations as the applicable Borrowers, or a similar or related line of business to the business of the applicable Borrowers or a complementary or ancillary business that allows for vertical integration by the Loan Parties, provided that (a) there are no then continuing Defaults or Events of Default and no Material Adverse Change has occurred, and immediately after giving effect to such Investment there will not be any Defaults, Events of Default or Material Adverse Change, (b) with respect to such Investment, the applicable Borrowers shall have submitted to each of the Credit Parties, not less than thirty (30) days before the Borrowers become bound under any agreement to make such Investment or, in the case of clause (iii) immediately below, upon the request of the Administrative Agent, (i) a description of the transaction pursuant to which such Investment is to be made, accompanied by substantially final drafts of all material definitive documents for such transaction, (ii) pro forma financial statements for the Borrowers and their Subsidiaries giving effect to such Investment, (iii) updated and revised financial projections which incorporate the target’s projected results of operations into the financial projections of the applicable Borrowers and their Subsidiaries then most recently submitted to the Credit Parties, projecting the compliance by the Borrowers and their Subsidiaries with all covenants of this Agreement (including financial covenants) after giving effect to the Investment, (iv) a certification given by an Authorized Officer of the Borrowers to the effect that no Default or Event of Default then exists, no Material Adverse Change has occurred, and that no Default, Event of Default or Material Adverse Change is reasonably expected to occur upon or as a result of the proposed acquisition, (c) the target shall be organized and domiciled in the United States, and (d) such acquisition shall have been approved or consented to by the board of directors or similar governing body of the target, and (ii) each new Subsidiary shall, at the time it becomes a Subsidiary, execute and/or deliver all such certifications, opinions, resolutions and Credit Documents as are required

pursuant to Section 5.15 hereof. “*Permitted Acquisition*” also includes the acquisition of real estate related to the development of an RV dealership or service center and (w) any such acquisition shall be subject to the foregoing conditions and requirements set forth in clauses (a) – (d) in this definition (regardless of whether it is within the definition of “Investment”), (x) each new Subsidiary formed or acquired in connection with such Permitted Acquisition shall, at the time it becomes a Subsidiary, execute and/or deliver all such certifications, opinions, resolutions and Credit Documents as are required pursuant to Section 5.15 hereof, (y) if financed by the Lenders, shall be subject to satisfaction of all of the requirements of the Administrative Agent with respect to real estate collateral, including but not limited to execution and/or delivery of real estate mortgages, a lender’s policy of title insurance, ALTA survey, environment reports, and appraisals, in each case as are reasonably required by, and satisfactory to, the Administrative Agent and Required Lenders; and (z) in any case, shall be subject to receipt of such Real Estate Support Documents as are reasonably required by, and satisfactory to Administrative Agent and Required Lenders.

“*Permitted Company Vehicles*” means Vehicles purchased by a Borrower for use in its business in the ordinary course (including use by officers and employees), which Vehicles are of the then current model year or the previous model year when so purchased, and in any case, that the Administrative Agent, in its sole discretion, deems to be a Permitted Company Vehicle; provided that in no event shall any such Vehicle be deemed a Permitted Company Vehicle unless all representations and warranties set forth in the Security Documents with respect to such Vehicle are true and correct and such Vehicle:

(a) is an asset to which a Borrower has good and marketable title, is freely assignable, and is subject to a perfected, first priority Lien in favor of the Administrative Agent free and clear of any other Liens;

(b) is located at any of the Facilities listed on Schedule 1.04 or such other locations as are approved in writing by the Administrative Agent and, in the case of facilities not owned by a Borrower, that are at all times subject to landlord waiver agreements in form and substance satisfactory to the Administrative Agent;

(c) has not been owned or held by any Borrowers for more than 23 months;

(d) has an odometer reading of no greater than 45,000 miles;

(e) is not obsolete or slow moving, and is of good and merchantable quality and complies in all respects with all governmental standards applicable thereto, free from any defects that might adversely affect the market value thereof; and

(f) is not a recreational vehicle or towable.

“*Permitted Discretion*” means a determination made in good faith and in the exercise of reasonable credit or business judgement, from the perspective of a secured asset based lender in accordance with customary business practices of the Administrative Agent for comparable asset-based transactions for similarly situated borrowers, which in the context of establishing or modifying any eligibility criteria or Reserve provided for in this Agreement, the Administrative Agent from time to time determines following consultation with the Borrower Representative as being appropriate, in each case of clauses (a), (b), (c) and (d) below, to the extent such items have not otherwise been included in the calculation of the Borrowing Base, (a) to reflect items that could reasonably be expected to adversely affect the Administrative Agent’s ability to realize upon the Collateral relevant to that Loan Party, including, without limitation, items that could reasonably be expected to adversely affect the value of any Collateral relevant to the Loan Party, the enforceability or priority of the Administrative Agent’s Liens on Collateral relevant to that Loan Party, the timing of any enforcement action, or the amount that any secured party would be likely to receive in the liquidation of Collateral relevant to that Loan Party, (b) to reflect claims and liabilities that have priority as a matter of law that the Administrative Agent determines will need to be satisfied in connection with the realization upon that Collateral, (c) to reflect criteria, events, conditions, contingencies or risks that differ materially from facts or events occurring or known to the Administrative Agent on the Closing Date and which directly and adversely affect any component of the Borrowing Base, or (d) to address any collateral report or other financial information received by the Administrative Agent from any Loan Party to the extent such report is incomplete, inaccurate or misleading in any material respect.

“*Permitted Encumbrances*” means collectively:

(a) Liens for taxes, assessments, governmental levies or similar charges incurred in the ordinary course of business and which are not yet due and payable, or if due and payable, (i) are being contested in good faith and by appropriate and lawful proceedings diligently conducted, but only so long as such proceedings could not subject any Credit Party to any civil or criminal penalties or liabilities and (ii) for which such reserves or other appropriate provisions, if any, as shall be required by GAAP shall have

been made and (iii) which shall be paid in accordance with the terms of any final non-appealable judgments or orders relating thereto within thirty (30) days after the entry of such judgments or orders;

(b) Pledges or deposits made in the ordinary course of business to secure payment of worker's compensation, or to participate in any fund in connection with worker's compensation, unemployment insurance, old-age pensions, other social security programs or similar program or to secure liability to insurance carriers under insurance or self insurance agreements or arrangement;

(c) Liens of mechanics, materialmen, warehousemen, carriers, or other like Liens, securing obligations incurred in the ordinary course of business that are not yet due and payable and Liens of landlords securing obligations to pay lease payments that are not yet due and payable or in default, or if such Liens are due and payable, (i) are being contested in good faith and by appropriate and lawful proceedings diligently conducted and (ii) for which such reserves or other appropriate provisions, if any, as required by GAAP shall have been made and (iii) which shall be paid in accordance with the terms of any final non-appealable judgments or orders relating thereto within thirty (30) days after the entry of such judgments or orders;

(d) Pledges or deposits made in the ordinary course of business to secure performance of bids, tenders, contracts (other than for the repayment of borrowed money) or leases, not in excess of the aggregate amounts due thereunder, or to secure statutory obligations, or surety, appeal, indemnity, performance or other similar bonds required in the ordinary course of business;

(e) (i) Encumbrances consisting of zoning restrictions, easements, rights-of-way, or other restrictions on the use of real property, (ii) defects in title to real property, and (iii) Liens, encumbrances, and title defects affecting real property not known by the Borrowers or their Subsidiaries, as applicable, and not discoverable by a search of the public records, none of which materially impairs the use of such property;

(f) Liens securing the Obligations;

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(g) Liens securing judgments for the payment of money (or appeal or other surety bonds relating to such judgments) not constituting an Event of Default under Section 7.05 or Section 7.06; provided such Lien is subject and subordinate to the Lien of the Security Documents;

(h) Liens existing on the Closing Date and listed on Schedule 1.05 hereof, and any renewals, modifications, replacements or extensions thereof; *provided that* (i) the property covered thereby is not changed, (ii) the amount secured or benefited thereby is not increased except as contemplated by Section 6.03(b), and (iii) the direct or any contingent obligor with respect thereto is not changed;

(i) Liens upon fixed assets or equipment securing Indebtedness permitted under Section 6.03(f) (for the avoidance of doubt, subject to the monetary limitation set forth therein with respect thereto in Section 6.03 and to the limitation set forth in Section 6.17 of this Agreement); *provided that:* (i) such Liens do not at any time encumber any property other than the property financed by such Indebtedness, (ii) the Indebtedness secured thereby does not exceed the cost (negotiated on an arm's length basis) of the property being acquired on the date of acquisition, and (iii) such Liens attach to such property concurrently with or within ninety (90) days after the acquisition thereof;

(j) any interest or title of a lessor, licensor or sublessor under any lease, license or sublease entered into by Pubco Guarantor or any of its Subsidiaries in the ordinary course of business and covering only the assets so leased, licensed or subleased;

(k) Liens of a collection bank arising under Section 4-210 of the UCC on items in the course of collection;

(l) Liens of sellers of goods to Borrowers or any Subsidiary arising under Article 2 of the Uniform Commercial Code or similar provisions of applicable Law in the ordinary course of business, covering only the goods sold and securing only the unpaid purchase price for such goods and related expenses;

(m) Liens, if any, in favor of the Administrative Agent on Cash Collateral delivered pursuant to Section 2.05.8;

(n) [reserved]; and

(o) Liens that are normal and customary contractual rights of setoff, relating to (i) the establishment of depository relationships with banks or other financial institutions not given in connection with the incurrence of any Indebtedness, and (ii) purchase orders and other agreements entered into with customers of the Borrowers or any Subsidiary in the ordinary course of business.

“*Permitted Holder*” means those direct and indirect beneficial owners of the Capital Stock of Pubco Guarantor that, as of the Closing Date, are entitled to vote in the election of the Board of Directors of Pubco Guarantor.

“*Person*” means any individual, corporation, partnership, limited liability company, association, joint-stock company, trust, unincorporated organization, joint venture, government or political subdivision or agency thereof, or any other entity.

“*Plan*” means any “employee benefit plan” (as such term is defined in Section 3(3) of ERISA) established by any Loan Party or, with respect to any such plan that is subject to Section 412 of the Code or Title IV of ERISA, any ERISA Affiliate.

“*Platform*” means Debt Domain, Intralinks, SyndTrak or a substantially similar electronic transmission system.

“*Preferred Stockholders*” means the holders of Series A Preferred Stock of Pubco Guarantor which are, as of the Closing Date, the Persons listed on Schedule 1.03 attached hereto and their successors and assigns.

“*Prime Rate*” means the rate of interest per annum publicly announced from time to time by the Administrative Agent, in its sole discretion, as its prime lending rate of interest. Such announced rate bears no inference, implication, representation or warranty that such announced rate is charged to any particular customer or customers of Administrative Agent. The Administrative Agent’s prime lending rate of interest is but one of several interest rate bases used by the Administrative Agent. Changes in the applicable interest rate shall be made as of, and immediately upon the occurrence of, changes in the Administrative Agent’s prime rate.

“*Principal Payment Date*” means (a) the fifteenth (15th) day of each consecutive month (provided, however, if any such day is not a Business Day, the Business Day prior to such day), (b) with respect to the Term Loans, the earlier of the Term Loan Maturity Date or such date upon which the repayment of the Term Loans has been accelerated for payment and (c) with respect to the Mortgage Loans, the earlier of the Mortgage Loan Maturity Date or such date upon which the repayment of the Mortgage Loans has been accelerated for payment. The first Principal Payment Date is July 15, 2021. Notwithstanding the foregoing, with respect to the Mortgage Loans, the “Principal Payment Date” shall be the same date as the Interest Payment Date.

“*Pro Rata Share*” means, as to each Lender, the ratio, expressed as a percentage of (a) (i) the aggregate amount of such Lender’s Floor Plan Commitment, Term Loan Commitment, Mortgage Loan Commitment and Revolving Credit Commitment plus (ii) the aggregate amount of such Lender’s outstanding Term Loans and Mortgage Loans to (b) (i) the aggregate amount of the Floor Plan Commitments, Term Loan Commitments, Mortgage Loan Commitments and Revolving Credit Commitment of all Lenders plus (ii) the aggregate amount of all outstanding Term Loans and Mortgage Loans; provided, however, that if at the time of determination the Floor Plan Commitments and Revolving Credit Commitments have terminated or been reduced to zero, the “Pro Rata Share” of each Lender shall be the ratio, expressed as a percentage of (A) the sum of the unpaid principal amount of all outstanding Floor Plan Loans, Revolving Credit Loans, Term Loans and Mortgage Loans, owing to such Lender as of such date to (B) the sum of the aggregate unpaid principal amount of all outstanding Floor Plan Loans, Revolving Credit Loans, Term Loans and Mortgage Loans of all Lenders as of such date. If at the time of determination any Commitments have been terminated or reduced to zero and there are no outstanding Loans, then the Pro Rata Shares of the Lenders shall be determined as of the most recent date on which such Commitments were in effect or Loans were outstanding. For purposes of this definition, a Floor Plan Lender shall be deemed to hold a M&T Advance to the extent such Floor Plan Lender has acquired a participation therein under the terms of this Agreement and has not failed to perform its obligations in respect of such participation.

“*Prohibited Transaction*” shall mean any prohibited transaction as defined in Section 4975 of the Code or Section 406 of ERISA that is not exempt under Section 408 of ERISA and for which neither an individual nor a class exemption has been issued by the United States Department of Labor.

“*Property*” means, any parcel of real property, whether owned in fee or leased, of any of the Loan Parties.

“*Pubco Guarantor*” means Lazydays Holdings, Inc., a Delaware corporation, formerly known as Andina II Holdco Corp, a Delaware corporation.

“*Real Estate Support Documents*” means such third party consents, landlord and mortgagee waivers and agreements, flood hazard certifications, evidence of flood insurance (if required), and subordination and nondisturbance agreements, in each case as the Administrative Agent may request.

“*Receivables Reserves*” means, without duplication of any adjustments already accounted for in determining eligibility criteria under the definition of Eligible Accounts or Eligible Contracts in Transit or other reserves, reserves as may be established from time to time by the Administrative Agent in its Permitted Discretion to reflect risks or contingencies arising after the Closing Date that negatively impact the market value of Eligible Accounts or Eligible Contracts in Transit owned by any Loan Party, including any material change in collectability of Eligible Accounts or Eligible Contracts in Transit.

“*Recipient*” means (a) the Administrative Agent, (b) any Lender or (c) any Issuing Bank, as applicable.

“*Reference Time*” with respect to any setting of the then-current Benchmark means (1) if such Benchmark is LIBOR, 11:00 a.m. (London time) on the day that is two London banking days preceding the date of such setting (except as may otherwise be provided in the Credit Documents for overnight LIBOR pricing), and (2) if such Benchmark is not LIBOR, the time determined by the Administrative Agent in its reasonable discretion.

“*Reflooring Loan*” has the meaning provided to such term in Section 2.01(b) of this Agreement.

“*Register*” has the meaning provided to such term in Section 10.02.4 of this Agreement.

“*Regulated Substance*” means any substance which, pursuant to any Environmental Law, is identified as a Hazardous Material, hazardous substance (or other term having similar import) or is otherwise subject to special requirements in connection with the use, storage, transportation, disposition or other handling thereof.

“*Regulation D*” means certain regulations issued by the Federal Reserve Board generally known as Regulation D and entitled “Reserve Requirements of Depository Institutions,” codified at 12 CFR § 204, et seq., as amended and in effect from time to time.

“*Reimbursement Obligation*” means the absolute, unconditional and irrevocable obligation of a Revolving Borrower to reimburse an Issuing Bank for any drawing honored by such Issuing Bank under a Letter of Credit.

“*Related Parties*” means, with respect to any Person, such Person’s Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person’s Affiliates.

“*Release*” means a “release” as defined in Section 101(22) of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as now or hereafter amended.

“*Relevant Governmental Body*” means the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or any successor thereto.

“*Reportable Event*” means any of the events set forth in Section 4043(c) of ERISA, other than events for which the thirty (30) day notice period has been waived.

“*Repurchase Agreement*” means an agreement between the Administrative Agent and a Manufacturer providing Floor Plan Units to any Borrower (or a manufacturer or supplier of Floor Plan Units to another dealer that subsequently sold such Floor Plan Units to any Borrower) providing for such manufacturer’s or supplier’s agreement to repurchase from such Borrower the Floor Plan Units sold to such Borrower by such manufacturer, supplier or other dealer.

“*Required Floor Plan Lenders*” means (a) if there are one or two Floor Plan Lenders, all Floor Plan Lenders; (b) if there are three Floor Plan Lenders, at least two unaffiliated Floor Plan Lenders who hold in the aggregate at least sixty-six and two-thirds

percent (66.67%) of either (i) the total Floor Plan Commitments of all Floor Plan Lenders, or (ii) in the event the Floor Plan Commitments have been terminated, the aggregate Floor Plan Loan Exposure of all Floor Plan Lenders, and (c) if there are four or more Floor Plan Lenders, at least two unaffiliated Floor Plan Lenders who hold in the aggregate more than fifty percent (50%) of either (i) the total Floor Plan Commitments of all Floor Plan Lenders, or (ii) in the event the Floor Plan Commitments have been terminated, the aggregate Floor Plan Loan Exposure of all Floor Plan Lenders; provided that for purposes of calculating the “Required Floor Plan Lenders,” the Floor Plan Commitments and Floor Plan Loan Exposure of any Defaulting Lenders shall be deemed zero. For purposes of this definition a Floor Plan Lender shall be deemed to hold an M&T Advance to the extent such Floor Plan Lender has acquired a participation therein under the terms of this Agreement and has not failed to perform its obligations in respect to such participation.

“*Required Lenders*” means (a) if there are one or two Lenders, all Lenders; (b) if there are three Lenders, at least two unaffiliated Lenders who hold in the aggregate at least sixty-six and two-thirds percent (66.67%) of either (i) the total Commitments of all Lenders, or (ii) in the event the Commitments have been terminated, the aggregate outstanding Loans of all Lenders, and (c) if there are four or more Lenders, at least two unaffiliated Lenders who hold in the aggregate more than fifty percent (50%) of either (i) the total Commitments of all Lenders, or (ii) in the event the Commitments have been terminated, the aggregate outstanding Loans of all Lenders, including the Administrative Agent; provided that for purposes of calculating the “Required Lenders,” the Commitments and Loans of any Defaulting Lenders shall be deemed zero.

“*Required Class Lenders*” means, with respect to the Term Loan Facility or the Mortgage Loan Facility (a) if there are one or two Lenders in such Class, all Lenders of such Class; (b) if there are three Lenders in such Class, at least two unaffiliated Lenders of such Class who hold in the aggregate at least sixty-six and two-thirds percent (66.67%) of the total Loans and Commitments in such Class, and (c) if there are four or more Lenders in such Class, at least two unaffiliated Lenders of such Class who hold in the aggregate more than fifty percent (50%) of the total Loans and Commitments of in such Class; provided that for purposes of calculating the “Required Mortgage Loan Lenders,” the Mortgage Loan Commitments and Mortgage Loan Loans of any Defaulting Lenders shall be deemed zero.

“*Required Revolving Credit Lenders*” means (a) if there are one or two Revolving Credit Lenders, all Revolving Credit Lenders; (b) if there are three Revolving Credit Lenders, at least two unaffiliated Revolving Credit Lenders who hold in the aggregate at least sixty-six and two-thirds percent (66.67%) of either (i) the total Revolving Credit Commitments of all Revolving Credit Lenders, or (ii) in the event the Revolving Credit Commitments have been terminated, the aggregate Revolving Credit Exposure of all Revolving Credit Lenders, and (c) if there are four or more Revolving Credit Lenders, at least two unaffiliated Revolving Credit Lenders who hold in the aggregate more than fifty percent (50%) of either (i) the total Revolving Credit Commitments of all Revolving Credit Lenders, or (ii) in the event the Revolving Credit Commitments have been terminated, the aggregate Revolving Credit Exposure of all Revolving Credit Lenders; provided that for purposes of calculating the “Required Revolving Credit Lenders,” the Revolving Credit Commitments and Revolving Credit Exposure of any Defaulting Lenders shall be deemed zero and a Revolving Credit Lender (other than the Swingline Lender with respect to such Swingline Loan) shall be deemed to hold a Swingline Loan and a Revolving Credit Lender (other than the Issuing Bank with respect to such L/C Obligation) shall be deemed to hold a L/C Obligation, in each case, to the extent such Revolving Credit Lender has acquired a participation therein under the terms of this Agreement and has not failed to perform its obligations in respect of such participation.

“*Requirement of Law*” means, with respect to any Person, any Law and the interpretation, implementation, application, or administration thereof by, and other rulings, determinations, directives, guidelines, requirements or requests of, any Governmental Authority, in each case whether or not having the force of law and that are applicable to or binding upon such Person or any of its assets or property or to which such Person or any of its assets or property is subject.

“*Reserves*” means, in each case as may be established by the Administrative Agent in accordance with customary business practices and in its Permitted Discretion, the sum (calculated without duplication and without including any items otherwise addressed or excluded through eligibility criteria or any other reserve) of (a) the Inventory Reserves, (b) the Receivables Reserves, (c) the aggregate amount of liabilities secured by Liens upon Collateral in the Borrowing Base that are senior to the Administrative Agent’s Liens, and (d) such additional reserves established by the Administrative Agent that it deems necessary in its Permitted Discretion.

“*Resolution Authority*” means the EEA Resolution Authority or, with respect to any UK Financial Institution, the UK Resolution Authority.

“*Restricted Payment*” means collectively (a) any dividend or other distribution (whether in cash, securities or other property) with respect to any Capital Stock or other Equity Interests of any of the Borrowers or their Subsidiaries, or any payment

(whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such Capital Stock or other Equity Interests, or on account of any return of capital to a Borrower's stockholders, partners or members (or the equivalent Person thereof), (b) any redemption, repurchase, conversion, exchange, retirement, sinking fund or similar payment, purchase or other acquisition for value, direct or indirect, by such Person of any Equity Interest in such Person now or hereafter outstanding, including without limitation, any redemption of the Series A Preferred Stock issued by the Borrower in accordance with the provisions of the Amended Charter, the Securities Purchase Agreement and/or the Certificate of Designations, (c) any payment of any accrued dividends, any payments in connection with any permitted repurchases, payments of all or any portion of a redemption price, any payments of redemption interest, or any payments of any default or increased interest, or premiums upon any payments that are not paid when due, or any risk-adjusted payment or premium, due to the Preferred Stockholders under the terms of the Amended Charter, the Securities Purchase Agreement, and/or the Certificate of Designations, (d) any sinking fund or other prepayment or installment payment on account of any Capital Stock or other Equity Interests of a Borrower, (e) any payment made by such Person to retire, or to obtain the surrender of, any outstanding warrants, options or other rights to acquire Equity Interests in such Person now or hereafter outstanding, (f) any loan or advance to a shareholder or other equity holder of a Borrower on account of such Person being a shareholder or other equity holder, (g) any forgiveness or release without adequate consideration by a Borrower of any Indebtedness or other obligation owing to a Borrower by a shareholder or other equity holder of a Borrower, or (h) any payment by such Person of any management, consulting or similar fees.

“*Revolving Borrowing*” means a borrowing consisting of simultaneous Revolving Credit Loans of the same Class and Type.

“*Revolving Credit Borrowers*” means (a) the Borrowers listed on Schedule 1.01(a) as of the Closing Date and (b) any other Subsidiaries that from time to time become a Borrower under the Revolving Credit Facility pursuant to a Joinder Agreement.

“*Revolving Credit Commitment*” means, as to any Lender, the amount initially set forth opposite its name on Schedule 1.01 attached hereto in the column labeled “Revolving Credit Commitment,” and thereafter as set forth on any relevant Lender Addendum or Assignment And Assumption, as such amount may be adjusted from time to time in accordance with this Agreement, and “*Revolving Credit Commitments*” means the aggregate Revolving Credit Commitments of all of the Lenders.

“*Revolving Credit Commitment Percentage*” means, as to any Lender, the percentage initially set forth opposite its name on Schedule 1.01 attached hereto in the column labeled “Revolving Credit Commitment” and thereafter on any relevant Lender Addendum or Assignment And Assumption, if applicable, as the same may be adjusted from time to time pursuant to this Agreement.

“*Revolving Credit Dollar Cap*” means Twenty-Five Million Dollars (\$25,000,000.00), as such sum may be decreased from time to time by the operation of Section 2.03.6 of this Agreement.

“*Revolving Credit Exposure*” means, as to any Lender at any time, the aggregate principal amount at such time of such Lender's outstanding Revolving Credit Loans and such Lender's participation in, and obligation to participate in, L/C Obligations and Swingline Loans at such time.

“*Revolving Credit Facility*” means the revolving credit facility described in Sections 2.03, 2.04 and 2.05 providing for Revolving Credit Loans, Swingline Loans and the issuance of Letters of Credit to the Revolving Credit Borrowers by the Revolving Credit Lenders.

“*Revolving Credit Lenders*” means a Lender having a Revolving Credit Commitment and any Lender holding a Revolving Credit Loan or participation in Swingline Loans or Letters of Credit.

“*Revolving Credit Loans*” means collectively, the Revolving Credit Loans made by the Lenders to the Borrowers as joint and several obligors in accordance with Section 2.03 of this Agreement.

“*Revolving Credit Notes*” means, collectively, the promissory notes of the Borrowers evidencing the Revolving Credit Loans, together with all amendments or replacements thereto. The Revolving Credit Notes shall be in the form of Exhibit E attached hereto.

“*Revolving Credit Obligations*” means, collectively, all of the obligations of the Loan Parties to (i) the Revolving Lenders, Swingline Lender, Issuing Bank or the Administrative Agent, whenever arising, under this Agreement or any other Credit

Documents, including without limitation all unpaid principal, accrued interest, fees and Lender Party Expenses of the Revolving Lenders, Swingline Lender, Issuing Bank or the Administrative Agent, due and payable hereunder and thereunder in respect of the Revolving Credit Facility and (ii) the Revolving Lenders, Swingline Lender, Issuing Bank or the Administrative Agent or any of their Related Parties on account of indemnification and reimbursement duties and obligations due and payable under this Agreement or any other Credit Document in respect of the Revolving Credit Facility.

“*Revolving Credit Termination Date*” means July 14, 2024.

“*Revolving Credit Unused Commitment Fee*” has the meaning given to such term in Section 2.03.5 of this Agreement.

“*Sale and Leaseback Transaction*” means any arrangement, directly or indirectly, whereby a Loan Party or any of its Subsidiaries sells or transfers any real property (other than Mortgage Obligations Collateral), whether now owned or hereinafter acquired, and thereafter, any Affiliate thereof, rents or leases such property.

“*Sale Dated*” means, in connection with the sale of a Floor Plan Vehicle or Unit, that closing of the sale of such Floor Plan Vehicle or Unit is pending financing or other contingencies.

“*Sanction(s)*” means applicable economic sanctions administered or enforced by the United States government (including without limitation, OFAC).

“*Sanctioned Country*” means a country or region the target of a comprehensive Sanctions program, which includes as of the date of this Agreement, Cuba, Iran, North Korea, Syria, and the Crimea region of Ukraine.

“*Sanctioned Person*” means (a) a Person named on the list of Specially Designated Nationals or Blocked Persons maintained by OFAC and, as of the date hereof, available at <http://www.treas.gov/offices/enforcement/ofac/sdn/t11sdn.pdf>, or as otherwise published from time to time or otherwise recognized as a specially designated, prohibited, or sanctioned Person under any Sanctions, or (b) (i) an agency of the government of a Sanctioned Country, (ii) an organization controlled by a Sanctioned Country, or (iii) a Person resident in a Sanctioned Country, to the extent the same would violate Sanctions.

“*Screen Rate*” has the meaning provided to such term in clause (a) of the definition of LIBOR.

“*SEC*” has the meaning provided to such term in Section 5.09.11 of this Agreement.

“*Secured Parties*” means, collectively, the Administrative Agent, the Lenders (including but not limited to the Swingline Lender and M&T Bank as provider of the M&T Advances), the Issuing Bank, the Swap Provider, and any other Persons the Obligations owing to which are or are purposed to be secured by the Collateral under the terms of the Security Documents.

“*Securities Purchase Agreement*” means collectively each Securities Purchase Agreement dated October 27, 2017 by and between a Preferred Stockholder and Pubco Guarantor.

“*Security Documents*” means, collectively, all security agreements, pledges, mortgages, deeds of trust, control agreements, or other agreements, instruments, documents or filings pursuant to which any of the Loan Parties, from time to time, pledges or grants Liens for the benefit of the Credit Parties in or to any of the Collateral.

“*SOFR*” means, with respect to any Business Day, a rate per annum equal to the secured overnight financing rate for such Business Day published by the SOFR Administrator on the SOFR Administrator’s Website on the immediately succeeding Business Day.

“*SOFR Administrator*” means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

“*SOFR Administrator’s Website*” means the website of the Federal Reserve Bank of New York, currently at <http://www.newyorkfed.org>, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.

“*Solvent*” means, with respect to any Person on a particular date, that on such date (a) the fair value of the property of such Person is greater than the total amount of liabilities, including, without limitation, contingent liabilities, of such Person, (b) the present fair salable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured, (c) such Person is able to pay its debts and other liabilities as they mature in the normal course of business, (d) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person’s ability to pay as such debts and liabilities mature, and (e) such Person is not engaged in business or a transaction, and is not about to engage in business or a transaction, for which such Person’s property would constitute unreasonably small capital after giving due consideration to the prevailing practice in the industry in which such Person is engaged or about to be engaged, as the case may be. In computing the amount of contingent liabilities at any time, it is intended that such liabilities will be computed at the amount which, in light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

“*Specified Equipment*” means fixtures, furniture and Equipment.

“*Specified Inventory*” means Inventory consisting of parts and accessories.

“*Stated Amount*” means as to any Letter of Credit, the lesser of (a) the face amount thereof, or (b) the remaining available undrawn amount thereof (regardless of whether any conditions for drawing could then be met).

“*Subsidiary*” means, with respect to any Person (the “parent”) at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the parent in the parent’s consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other entity of which securities or other ownership interests representing more than fifty percent (50%) of the equity or more than fifty percent (50%) of the ordinary voting power or, in the case of a partnership, more than fifty percent (50%) of the general partnership interests are, as of such date, owned, controlled or held by the parent or one or more subsidiaries of the parent.

“*Supermajority Lenders*” means two or more unaffiliated Lenders who hold in the aggregate at least sixty-six and two-thirds percent (66.67%) of either (i) the total Commitments of all Lenders, or (ii) in the event the Commitments have been terminated, the aggregate outstanding Loans of all Lenders; provided that (i) at any time when there is only one Lender holding either (i) the total Commitments, or (ii) in the event the Commitments have been terminated, the aggregate outstanding Loans, Supermajority Lenders means such Lender and (ii) for purposes of calculating the “Supermajority Lenders,” the Commitments and Loans of any Defaulting Lenders shall be deemed zero.

“*Swap*” means any “swap” as defined in Section 1a(47) of the CEA and regulations thereunder, other than (a) a swap entered into, or subject to the rules of, a board of trade designated as a contract market under Section 5 of the CEA, or (b) a commodity option entered into pursuant to CFTC Regulation 32.3(a).

“*Swap Agreement*” means (a) any “Swap Agreement” as defined in §101(53B) of the Bankruptcy Code, (b) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, interest rate options, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (c) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a “Master Agreement”), including any such obligations or liabilities under any Master Agreement.

“*Swap Obligations*” means (a) all obligations or sums due to any Swap Provider under or in connection with any Swap or Swap Agreement.

“*Swap Provider*” means any Credit Party or Affiliate of a Credit Party (regardless of whether such Swap Provider ceases to be a Credit Party or Affiliate of a Credit Party after such Swap Agreement is entered into) that has entered into, or subsequently enters into a Swap Agreement from time to time with a Loan Party for Swaps with respect to the Loans, the Letters of Credit, or any of the other Obligations, but excluding, for the avoidance of doubt, any Swap Agreement entered into by a Credit Party or its Affiliates after its Commitments have been fully cancelled in accordance with the terms of this Agreement or after it has assigned all of its rights under the credit facilities established by this Agreement.

“*Swap Termination Value*” means, in respect of any one or more Swap Agreements, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Agreements: (a) for any date on or after the date such Swap Agreements have been closed out and termination value(s) determined in accordance therewith, such termination value(s); and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Swap Agreements, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Agreements (which may include a Lender or any Affiliate of a Lender).

“*Swingline Commitment*” means (a) the commitment of the Swingline Lender to make Swingline Loans in an aggregate principal amount at any time not to exceed the Swingline Committed Amount, and (b) with respect to each Lender, the commitment of such Lender to purchase participation interests in the Swingline Loans up to such Lender’s Revolving Credit Commitment Percentage multiplied by the Swingline Committed Amount. The Swingline Commitment is included in and is part of the Revolving Credit Commitment held by each Lender and is not in addition thereto.

“*Swingline Committed Amount*” means Five Million Dollars (\$5,000,000.00).

“*Swingline Conversion Event*” means (a) an event, change, circumstance or other occurrence resulting or which could reasonably be expected to result in a Material Adverse Change, or (b) a Default or Event of Default.

“*Swingline Lender*” means M&T Bank, and its successors and assigns.

“*Swingline Loans*” has the meaning provided to such term in Section 2.04 of this Agreement.

“*Swingline Note*” means the promissory note of the Borrowers in favor of the Swingline Lender evidencing the Swingline Loan in the form of Exhibit F as such promissory note may be amended, modified, restated, supplemented, extended, renewed or replaced from time to time.

“*Swingline Termination Date*” means that date which occurs five (5) Business Days prior to the Revolving Credit Termination Date.

“*Synthetic Lease Obligation*” means the monetary obligation of a Person under (a) a so-called synthetic, off-balance sheet or tax retention lease, or (b) an agreement for the use or possession of property creating obligations that do not appear on the balance sheet of such Person but which, upon the insolvency or bankruptcy of such Person, would be characterized as the indebtedness of such Person (without regard to accounting treatment).

“*Taxes*” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“*Term Loan Borrowers*” means (a) the Borrowers listed on Schedule 1.01(a) as of the Closing Date and (b) any other Subsidiaries that from time to time become a Borrower under the Term Loan Facility pursuant to a Joinder Agreement.

“*Term Loan Borrowing*” means a borrowing consisting of simultaneous Term Loans of the same Class and Type.

“*Term Loan Commitment*” means, as to any Lender, the amount initially set forth opposite its name on Schedule 1.01 attached hereto in the column labeled “Term Loan Commitment,” and thereafter as set forth on any relevant Lender Addendum or Assignment And Assumption, as such amount may be adjusted from time to time in accordance with this Agreement, and “Term Loan Commitments” means the aggregate Term Loan Commitments of all of the Lenders.

“*Term Loan Commitment Percentage*” means, as to any Lender, the percentage initially set forth opposite its name on Schedule 1.01 attached hereto in the column labeled “Term Loan Commitment” and thereafter on any relevant Lender Addendum or Assignment And Assumption, if applicable, as the same may be adjusted from time to time pursuant to this Agreement.

“*Term Loan Facility*” means the senior secured term loan facility described in Section 2.06 providing for Term Loans by the Term Loan Lenders.

“*Term Loan Maturity Date*” means July 14, 2024.

“*Term Loan Notes*” means, collectively, the promissory notes of the Borrowers evidencing the Term Loans in the form of Exhibit G attached hereto, together with all amendments and replacements thereof.

“*Term Loan Lender*” shall mean each Lender having a Term Loan Commitment and any Lender holding a Term Loan.

“*Term Loans*” means collectively the term loans extended by the Lenders to the Term Loan Borrowers as joint and several obligors in accordance with the provisions of Section 2.06 of this Agreement.

“*Term SOFR*” means, for the applicable Corresponding Tenor as of the applicable Reference Time, the forward-looking term rate based on SOFR that (i) has been selected or recommended by the Relevant Governmental Body and (ii) is displayed on a screen or other information service that publishes such rate from time to time, as determined by the Bank in its reasonable discretion.

“*Threshold Amount*” means Two Million Five Hundred Thousand Dollars (\$2,500,000.00).

“*Total Credit Exposure*” means, as to any Lender at any time, the unused Commitments, the Floor Plan Loan Exposure, the Revolving Credit Exposure, outstanding Term Loans and Mortgage Loans of such Lender at such time.

“*Total Floor Plan Loan Outstandings*” means the aggregate Outstanding Amount of all Floor Plan Loans including M&T Advances.

“*Total Net Leverage Ratio*” means, as of any date of determination for any Measurement Period, the ratio of (a) (i) Consolidated Funded Indebtedness (excluding Indebtedness on account of the Floor Plan Loans) as of such date of determination, minus the aggregate amount, as of the date of determination, of cash (from operations and not cash proceeds of any Indebtedness being incurred on such date or other borrowed funds) held (A) in accounts on the consolidated balance sheet of Pubco Guarantor and its consolidated Subsidiaries as of such date characterized as “unrestricted accounts” to the extent that (x) the same are not subject to any Lien except a Lien in favor of the Administrative Agent for the benefit of the Secured Parties and (y) the use thereof for application to payment of Indebtedness is not prohibited by Law or any contract to which any such Person is a party, and (B) without duplication, as the Equity Balance held under the Floor Plan Interest Reduction Arrangement reported on the consolidated balance sheet of Pubco Guarantor and its consolidated subsidiaries, plus (ii) Capitalized Rents to (b) Consolidated EBITDAR for such period.

“*Total Revolving Credit Outstandings*” means the aggregate Outstanding Amount of all Revolving Credit Loans, all Swingline Loans and all L/C Obligations.

“*Trade Date*” means that date an assigning Lender enters into a binding agreement to sell and assign all or a portion of its rights and obligations under this Agreement.

“*Type*” means, with respect to any Loan, its character as a Base Rate Loan or a LIBOR Rate Loan.

“*UK Financial Institution*” means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any Person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain Affiliates of such credit institutions or investment firms.

“*UK Resolution Authority*” means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

“*Unadjusted Benchmark Replacement*” means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

“*Unfunded Pension Liability*” means the excess of a Pension Plan’s benefit liabilities under Section 4001(a)(16) of ERISA, over the current value of that Pension Plan’s assets, determined in accordance with the assumptions used for funding the Pension Plan pursuant to Section 412 of the Code for the applicable plan year.

“*Uniform Commercial Code*” or “*UCC*” means the Uniform Commercial Code as adopted and in effect from time to time in the Governing State.

“*Unrestricted Cash and Equivalents*” means, at any date, the unrestricted cash and equivalents on the balance sheet of the Loan Parties that is subject to the security interest granted in favor of the Administrative Agent under the applicable Security Document, and excluding (x) any cash held by any Loan Party in escrow, trust or other fiduciary capacity for or on behalf of any other Person and (y) the Equity Balance.

“*USA Patriot Act*” means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56.

“*U.S. Borrower*” means any Borrower that is a U.S. Person.

“*U.S. Person*” means any Person that is a “United States Person” as defined in Section 7701(a)(30) of the Code.

“*U.S. Tax Compliance Certificate*” has the meaning specified in Section 2.10.7(b)(ii)(C).

“*Used Unit Book Value*” means, with respect to any Eligible Used Floor Plan Unit, the trade-in (wholesale) value of such Eligible Used Floor Plan Unit, as determined by reference to the most recently published National Automobile Dealers Association RV Industry Appraisal Guide or such comparable report or source of information reasonably designated by the Administrative Agent.

“*Value*” means, with respect to Eligible Inventory, the value of such Eligible Inventory based on the lower of cost or market, as applicable, in accordance with GAAP.

“*Vehicle*” means any automobile or truck (other than a recreational vehicle or towable), approved for highway use by any state of the United States.

“*Withholding Agent*” means the Borrowers and the Administrative Agent.

“*Write-Down and Conversion Powers*” means, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of such Person or any other Person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

Section 1.02. *Terms Generally.* The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation.” The word “will” shall be construed to have the same meaning and effect as the word “shall.” Unless the context requires otherwise, (a) any definition of or reference to any agreement, instrument or document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (c) the words “herein,” “hereof” and “hereunder,” and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, (e) the words “asset” and “property”

shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights, (f) each reference to a time shall be a reference to the prevailing Eastern U.S. time, and (g) Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

Section 1.03. *Joint and Several Liability of Borrowers.* References herein and in the other Credit Documents to “Borrower” or “Borrowers” are to each Borrower signing this Agreement and each Person that may, from time to time join into this Agreement as a Borrower, and except as may be expressly stated to the contrary, each such Borrower’s liability with respect to the Obligations is joint and several. Each Borrower shall be a direct, primary and independent obligor, and no Borrower shall be deemed to be secondarily liable for the Obligations. Each Borrower represents and warrants to and covenants with the Lenders that (a) the Borrowers are engaged in operations that require financing on a joint basis and, accordingly, each Borrower will materially benefit, directly or indirectly, from the extension of the Loans by the Lenders; (b) the Loans have been offered to the Borrowers on a joint basis and would not be available to the Borrowers on an individual basis on the terms and conditions stated herein; (c) the benefits received by each Borrower are reasonably equivalent to the obligations undertaken by each Borrower, and (d) the delivery of funds to any Borrower under this Agreement shall constitute valuable consideration and reasonably equivalent value to all Borrowers for the purpose of binding them and their respective assets for the payment, performance and satisfaction of the Obligations.

Section 1.04. *Accounting Principles.* (a) Except as otherwise provided in this Agreement, all computations and determinations as to accounting or financial matters and all financial statements to be delivered pursuant to this Agreement shall be made and prepared in accordance with GAAP (including principles of consolidation where appropriate), and all accounting or financial terms shall have the meanings ascribed to such terms by GAAP. In the event GAAP changes after the date hereof in a manner that causes noncompliance with the covenants hereof, the parties hereto shall agree in good faith to modify the covenants and the related defined terms to compensate for such change in GAAP. Notwithstanding the foregoing, all leases and obligations of Pubco Guarantor and its Subsidiaries that are or would be characterized as operating leases or operating lease obligations in accordance with GAAP as in effect prior to the date of implementation of FASB ASU No. 2016-02, Leases (Topic 842) (whether or not such operating lease or operating lease obligations were in effect on such date) shall continue to be (or shall be, in the case of any such leases or obligations not in effect on such date) accounted for as operating leases and operating lease obligations (and not as capital leases, finance leases or Capitalized Lease Obligations) for all purposes under this Agreement and the other Credit Documents, regardless of any change in GAAP that would otherwise require such leases to be treated or recharacterized as capital leases or finance leases or such obligations to be treated or recharacterized (on a prospective or retroactive basis or otherwise) as finance lease obligations or Capitalized Lease Obligations and without giving effect to the implementation of FASB ASU No. 2016-02, Leases (Topic 842).

Section 1.05. *Proforma Calculations.* (a) All pro forma calculations required to be made hereunder giving effect to any Permitted Acquisition, Disposition, or issuance, incurrence or assumption of Indebtedness, or other transaction made during the Fiscal Quarter or Fiscal Year to which the required calculation relates shall, in each case, be calculated (i) as if such transaction was consummated on the first day of the relevant period and (ii) giving pro forma effect thereto and to the historical earnings and cash flows associated with the assets acquired or disposed of and any Indebtedness incurred and repaid in connection therewith, and any synergies or cost savings, in each case, in a method consistent with Regulation S-X of the Securities Act of 1933.

(b) As at any date that any financial covenants are required to be calculated under this Agreement (each, a “date of determination”), if the Borrowers or any of their Subsidiaries has consummated a Permitted Acquisition or a Disposition on or after the first day of the period as to which the calculation is required to be made (and on or before the last day of such period), then the calculation of the applicable financial covenants on the date of determination shall be made as if such Permitted Acquisition or Disposition had occurred on the first day of the applicable period (including, the inclusion of the Consolidated EBITDA of the target, excluding the Consolidated EBITDA of the division or assets disposed of, the inclusion of the Indebtedness incurred for the Permitted Acquisition and the exclusion of the Indebtedness repaid with the disposition).

Section 1.06. *Divisions.* For all purposes under the Credit Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction’s laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized on the first date of its existence by the holders of its Equity Interests at such time.

Section 1.07. *Reallocation; Effect of Amendment and Restatement.* (a) Prior to the Closing Date, certain loans were previously made by the Existing Lenders under the Existing Credit Agreement to the Borrowers under the Existing Credit Agreement which remain

outstanding as of the date of this Agreement (such outstanding loans being hereinafter referred to as the “Existing Loans”). Subject to the terms and conditions set forth in this Agreement, the Borrowers and each of the Lenders agree that on the Closing Date, but subject to the satisfaction or waiver of the conditions precedent set forth in Section 4.01 and 4.02 hereof and the reallocation and other transactions described in this Section 1.07: (i)(A) all outstanding “Revolving Credit Loans” (as such term is defined in the Existing Credit Agreement) shall be deemed to be Revolving Credit Loans outstanding hereunder, (B) all outstanding “Term Loans” (as such term is defined in the Existing Credit Agreement) shall be deemed to be Term Loans outstanding hereunder, (C) all outstanding “Floor Plan Loans” (as such term is defined in the Existing Credit Agreement) shall be deemed to be Floor Plan Loans outstanding hereunder, and (D) all outstanding “Mortgage Loans” (as such term is defined in the Existing Credit Agreement) shall be deemed to be Mortgage Loans outstanding hereunder, and (ii)(A) the commitments under the “Revolving Credit Commitment” (as defined in the Existing Credit Agreement) of each of the applicable Existing Lenders shall be reallocated among the Lenders in accordance with their respective Revolving Credit Commitment Percentages (determined in accordance with the aggregate amount of their respective Revolving Credit Commitments as set forth opposite such Lender’s name on Schedule 1.01 attached hereto), (B) the Existing Loans that are “Term Loans” (as such term is defined in the Existing Credit Agreement) of each of the applicable Existing Lenders shall be reallocated among the Lenders in accordance with their respective Term Loan Commitment Percentages (determined in accordance with the aggregate amount of their respective Term Loan Commitments as set forth opposite such Lender’s name on Schedule 1.01 attached hereto) (C) the Existing Loans that are “Floor Plan Loans” (as such term is defined in the Existing Credit Agreement) of each of the applicable Existing Lenders shall be reallocated among the Lenders in accordance with their respective Floor Plan Loan Commitment Percentages (determined in accordance with the aggregate amount of their respective Floor Plan Loan Commitments as set forth opposite such Lender’s name on Schedule 1.01 attached hereto), and (D) the Existing Loans that are “Mortgage Loans” (as such term is defined in the Existing Credit Agreement) of each of the applicable Existing Lenders shall be reallocated among the Lenders in accordance with their respective Mortgage Loan Commitment Percentages (determined in accordance with the aggregate amount of their respective Mortgage Plan Loan Commitments as set forth opposite such Lender’s name in such definition), and in order to effect such reallocations, all requisite assignments shall be deemed to be made in amounts from each Existing Lender to each Lender, as appropriate, with the same force and effect as if such assignments were evidenced by the applicable Assignment And Assumption (as defined in the Existing Credit Agreement) under the Existing Credit Agreement but without the payment of any related assignment fee, and no other documents or instruments shall be, or shall be required to be, executed in connection with such assignments (all of which such requirements are hereby waived).

(b) Upon this Agreement becoming effective pursuant to Section 4.01 and 4.02 hereof and the reallocation and other transactions described in this Section 1.07, from and after the Closing Date (i) all terms and conditions of the Existing Credit Agreement and any other “Credit Document” as defined therein, as amended by this Agreement and the other Credit Documents being executed and delivered on the Closing Date, shall be and remain in full force and effect, as so amended, and shall constitute the legal, valid, binding and enforceable obligations of the Loan Parties party thereto; (ii) the terms and conditions of the Existing Credit Agreement shall be amended as set forth herein and, as so amended, shall be restated in their entirety, but shall be amended only with respect to the rights, duties and obligations among the Borrowers, Lenders and Administrative Agent accruing from and after the Closing Date; (iii) this Agreement shall not in any way release or impair the rights, duties, Obligations or Liens created pursuant to the Existing Credit Agreement or any other loan document related thereto or affect the relative priorities thereof, in each case to the extent in force and effect thereunder as of the Closing Date, except as modified hereby or as modified hereafter in accordance with the terms hereof or by documents, instruments and agreements executed and delivered in connection herewith, and all of such rights, duties, Obligations and Liens are assumed, ratified and affirmed by the Borrowers; (iv) all indemnification obligations of each Borrower and each Guarantor under the Existing Credit Agreement and any other loan document related thereto shall survive the execution and delivery of this Agreement and shall continue in full force and effect for the benefit of Lenders, Administrative Agent, and any other Person indemnified under the Existing Credit Agreement or any other Credit Document at any time prior to the Closing Date; (v) the Obligations incurred under the Existing Credit Agreement shall, to the extent outstanding on the Closing Date, continue outstanding under this Agreement and shall not be deemed to be paid, released, discharged or otherwise satisfied by the execution of this Agreement, and this Agreement shall not constitute a refinancing, substitution or novation of such Obligations or any of the other rights, duties and obligations of the parties hereunder; (vi) the execution, delivery and effectiveness of this Agreement shall not operate as a waiver of any right, power or remedy of and lender or the administrative agent under the Existing Credit Agreement, nor constitute a waiver of any covenant, agreement or obligation under the Existing Credit Agreement, except to the extent that any such covenant, agreement or obligation is no longer set forth herein or is modified hereby; and (vii) any and all references in the loan documents to the Existing Credit Agreement shall, without further action of the parties, be deemed a reference to the Existing Credit Agreement, as amended and restated by this Agreement, and as this Agreement shall be further amended or amended and restated from time to time hereafter.

ARTICLE 2 CREDIT FACILITIES

Section 2.01. *Floor Plan Loans.* (a) Subject to the terms and conditions of this Agreement and the other Credit Documents, each of the Floor Plan Lenders severally agrees to make revolving credit loans (the “Floor Plan Loans”) to the Floor Plan Borrowers as joint and several obligors from time to time on any Borrowing Date during the Availability Period for the Floor Plan Facility ; provided, however, that (i) with regard to each Floor Plan Lender, the Floor Plan Loan Exposure of such Floor Plan Lender shall not at any time exceed the amount of such Floor Plan Lender’s Floor Plan Loan Commitment, (ii) the Total Floor Plan Loan Outstandings shall not at any time exceed the Floor Plan Line of Credit Dollar Cap, (iii) the aggregate outstanding principal amount of advances of proceeds of the Floor Plan Loans (including M&T Advances) used to finance (A) Used Floor Plan Units shall not exceed Ninety Million Dollars (\$90,000,000.00), and (B) Permitted Company Vehicles shall not exceed One Million Dollars (\$1,000,000.00); (iv) each Floor Plan Loan (including M&T Advances) shall be advanced against an individual Floor Plan Vehicle or Unit, subject, in each case, to the applicable Floor Plan Loan Advance Limit applicable to such Floor Plan Vehicle or Unit; (v) the aggregate principal amount of each advance of proceeds of the Floor Plan Loans (including M&T Advances) requested in each Loan Request shall not exceed the sum of the Floor Plan Loan Advance Limit amounts for each Floor Plan Vehicle or Unit to be financed on such Loan Request, and (vi) the Total Floor Plan Loan Outstandings shall not, at any time, exceed any of the limitations set forth in the Certificate of Designations. The Administrative Agent may at any time in its sole and absolute discretion establish limits on the aggregate outstanding amount of any Floor Plan Loans available to be used by the Floor Plan Borrowers to finance purchases of Eligible New Floor Plan Units from a particular Manufacturer, supplier or dealer. The Floor Plan Borrowers shall not request any advances of proceeds of the Floor Plan Loans which would cause the aggregate unpaid principal balances of the Floor Plan Loans (including M&T Advances) to exceed the above-stated limitations. In the event that the aggregate unpaid principal balances of the Floor Plan Loans (including M&T Advances) exceed the above-stated limitations in any respect, the Floor Plan Borrowers shall immediately make such payments to the Administrative Agent as will be sufficient to reduce the aggregate unpaid principal balances of the Floor Plan Loans to an aggregate amount which will not be in excess of such limitations. Subject to the application and satisfaction of the terms and conditions of this Agreement and of the other Credit Documents, during the Availability Period in respect of the Floor Plan Facility, the Floor Plan Borrowers may borrow, prepay, and reborrow the Floor Plan Loans in whole or in part.

(b) The Floor Plan Borrowers may request to reborrow any Floor Plan Loan against an individual Eligible Floor Plan Vehicle or Unit originally financed as an Eligible New Floor Plan Unit or Permitted Company Vehicle that is repaid in full before its scheduled maturity (based on mandatory curtailment payments due under Sections 2.01.7, 2.01.8, and 2.01.9) (any such reborrowed Floor Plan Loan hereinafter called a “Reflooring Loan”). Reflooring Loans shall be at the sole discretion of the Administrative Agent, and in such amounts, at such advance rates, and subject to such conditions precedent (including without limitation, the absence of any Default, Event of Default or Material Adverse Change, and each of the other Conditions Precedent to funding of Floor Plan Loans under this Agreement and under the other Credit Documents) as the Administrative Agent may determine.

(c) Each Floor Plan Loan extended by a Floor Plan Lender shall be in a principal amount equal to such Floor Plan Lender’s Floor Plan Loan Commitment Percentage of the aggregate principal amount of the Floor Plan Loans requested on such occasion.

2.01.1 *Floor Plan Loan Promissory Notes.* The joint and several obligations of the Floor Plan Borrowers to repay the Floor Plan Loans to each Floor Plan Lender shall be evidenced by a Floor Plan Loan Note. On the Closing Date, the Floor Plan Borrowers shall deliver a Floor Plan Loan Note executed by an Authorized Officer of each Floor Plan Borrower to each of the Floor Plan Lenders, with the face amount of such Floor Plan Loan Notes to be in the amount of the Floor Plan Loan Commitment of the respective Floor Plan Lender.

2.01.2 *Procedure For Floor Plan Loan Borrowings.* (a) The Floor Plan Borrowers may borrow Floor Plan Loans during the Availability Period in respect of the Floor Plan Facility, provided, that the Borrower Representative on behalf of the Floor Plan Borrowers delivers to the Administrative Agent or causes to be delivered to the Administrative Agent an irrevocable, written, fully completed Loan Request (or through such other online system as the Administrative Agent may allow in its sole discretion). Loan Requests must be received by the Administrative Agent prior to 10:00 a.m. Eastern Time one (1) Business Day prior to the requested Borrowing Date for any Floor Plan Vehicles or Units. Any Loan Request delivered to the Administrative Agent by the Borrower Representative on behalf of the Floor Plan Borrowers shall be in the form approved by the Administrative Agent executed by an Authorized Officer of the Borrower Representative. Each Loan Request shall specify: (a) the aggregate amount to be borrowed, (b) the requested Borrowing Date, (c) whether the borrowing is to be a LIBOR Borrowing at the Adjusted Daily LIBOR Rate or an Adjusted Base Rate Borrowing, and (d) the required information and calculations evidencing compliance with the limitations set forth in Section 2.01 above, and shall be accompanied by the Floor Plan Borrowers’ inventory worksheet and a copy of the title to any Eligible Used Floor Plan Unit. Loan Requests may be delivered to the Administrative Agent via facsimile or by other electronic transmission, it being agreed that the Administrative Agent may rely on the authority of the Person making any such request without receipt of any other confirmation. Unless M&T Bank elects to fund a submitted Loan Request as an M&T Advance in accordance with Section 2.02 of this Agreement, the

Administrative Agent shall promptly notify each Floor Plan Lender of the Administrative Agent's receipt of each notice and the contents thereof. Each Floor Plan Lender shall make the amount of its *pro rata* share (calculated in accordance with its respective Floor Plan Loan Commitment Percentage) of each requested borrowing available to the Administrative Agent for the accounts of the Floor Plan Borrowers at the offices of the Administrative Agent specified in this Agreement prior to 2:00 pm (Eastern Time) on the Borrowing Date requested by the Borrower Representative in U.S. Dollars and in funds immediately available to the Administrative Agent.

(b) With respect to financing any Floor Plan Borrower's purchase of an Eligible New Floor Plan Unit or a Permitted Company Vehicle, each of the Floor Plan Borrowers hereby authorizes the Administrative Agent and M&T Bank (with respect to M&T Advances) to receive and receive and process funding requests directly from Manufacturers, compile such requests into a spreadsheet on the Administrative Agent's standard form and forward same to the Borrower Representative for approval. Upon such approval, the Floor Plan Borrower authorizes the Administrative Agent (and M&T Bank with respect to M&T Advances) to pay the New Unit Invoiced Amount on account of the relevant Eligible New Floor Plan Unit or Permitted Company Vehicle directly to the applicable Manufacturer or vendor. In the case of any other borrowing of Floor Plan Loans, including a Reflooring Loan, such borrowing will be made available thereafter by the Administrative Agent crediting the Commercial Account with the aggregate of the amounts made available to the Administrative Agent by the Floor Plan Lenders and in like funds as received by the Administrative Agent.

2.01.3 *Overadvances.* If any Loan Request otherwise in compliance with the conditions set forth in this Agreement is presented as the basis for an advance of proceeds on account of the Floor Plan Loans which advance would cause (a) the aggregate principal amount of all Floor Plan Loans (including any M&T Advances) then outstanding, plus (b) the aggregate principal amount of such Loan Request together with all other pending unfunded Loan Requests as of such day to exceed the Floor Plan Line of Credit Dollar Cap or any sublimits thereunder as applicable to each respective Floor Plan Borrower as set forth in Section 2.01 hereof, then, in such event, the Floor Plan Borrowers shall either immediately reduce the amount of any pending Loan Requests (which are not invoices for Eligible New Floor Plan Units or Permitted Company Vehicles) or make a payment of principal on the unpaid principal balances of the Floor Plan Loans in an amount which would prevent the aggregate amounts described in (a) and (b) above from exceeding the aggregate Floor Plan Line of Credit Dollar Cap or such sublimits. If such Loan Request is pursuant to an invoice for an Eligible New Floor Plan Unit or Permitted Company Vehicle, such invoice shall be funded at such time as sufficient availability exists under the Floor Plan Loan Commitments.

2.01.4 *Settlement Of Floor Plan Loans Among Floor Plan Lenders.* It is agreed that each Floor Plan Lender's funded portion of the aggregate outstanding principal balances of Floor Plan Loans is intended by the Floor Plan Lenders to be equal at all times to such Floor Plan Lender's respective Floor Plan Loan Commitment Percentage of the aggregate outstanding principal balances of the Floor Plan Loans. Notwithstanding such agreement, the several and not joint obligation of each Floor Plan Lender to extend Floor Plan Loans in accordance with the terms of this Agreement ratably in accordance with such Floor Plan Lender's Floor Plan Loan Commitment Percentage and each Floor Plan Lender's right to receive its ratable share of principal payments upon the Floor Plan Loans in accordance with its Floor Plan Loan Commitment Percentage, the Floor Plan Lenders agree that in order to facilitate the administration of this Agreement and the Credit Documents, settlement among the Floor Plan Lenders may take place periodically on Floor Plan Loan Adjustment Dates. On each Floor Plan Loan Adjustment Date payments shall be made by or to M&T Bank on account of the M&T Advances and by or to the other Floor Plan Lenders so that as of each Floor Plan Loan Adjustment Date, and after giving effect to the transactions to take place on such Floor Plan Loan Adjustment Date, each Floor Plan Lender's funded portion of the aggregate outstanding principal balance of the Floor Plan Loans shall equal such Floor Plan Lender's Floor Plan Loan Commitment Percentage of such aggregate balance.

2.01.5 *Repayment Of Floor Plan Loans.* The Floor Plan Borrowers unconditionally, jointly and severally, promise to pay to the Administrative Agent for the accounts of the Floor Plan Lenders the then aggregate unpaid principal balances of each Floor Plan Loan of the Floor Plan Lenders on or before the Floor Plan Line of Credit Termination Date (or on any earlier date on which the Floor Plan Loans become due and payable as required by the stated provisions of this Agreement). The Borrowers unconditionally, jointly and severally, promise to pay to the Administrative Agent for the ratable accounts of the Floor Plan Lenders all interest which has accrued upon the unpaid principal balances of the Floor Plan Loans from time to time outstanding from the date of Closing until the date of payment in full of the Floor Plan Loans at the rates per annum and on the dates set forth in Section 2.07 of this Agreement. All sums due to the Floor Plan Lenders in connection with the Floor Plan Loans shall be paid in full on or before the Floor Plan Line of Credit Termination Date.

2.01.6 Payments Due Upon Sale or Ineligibility Of Floor Plan Vehicles or Units. Upon the sale or other disposition of any Floor Plan Vehicle or Unit by any of the Floor Plan Borrowers, the Floor Plan Borrowers shall pay in full the Floor Plan Loans made with respect to such sold Floor Plan Vehicle or Unit immediately upon the earliest to occur of: (a) with respect to any Floor Plan Vehicle or Unit for which cash has been received upon the sale or disposition thereof, within three (3) Business Days from receipt of payment, and (b) with respect to each Sale Dated Floor Plan Vehicle or Unit, within ten (10) days of the date such Floor Plan Vehicle or Unit was sold or otherwise disposed of. The Floor Plan Borrowers shall pay in full the Floor Plan Loans made with respect to any Floor Plan Vehicle or Unit within one (1) Business Day after such Floor Plan Vehicle or Unit ceases to qualify as an Eligible New Floor Plan Unit, Eligible Used Floor Plan Unit or Permitted Company Vehicle, as the case may be, as initially identified and financed under the Floor Plan Loans. Floor Plan Vehicles or Units shall also be subject to curtailment as set forth below.

2.01.7 Eligible New Floor Plan Unit Curtailment. If not previously sold or otherwise disposed of, each Eligible New Floor Plan Unit shall be paid in full on or before Applicable Curtailment Date 730, and the Floor Plan Borrowers promise to pay to the Administrative Agent for the accounts of the Floor Plan Lenders (a) 10% of the original principal amount of the Floor Plan Loans made as to such Floor Plan Unit on the Principal Payment Date in the 12th month following the Applicable Starting Date for such Floor Plan Unit, (b) 3% of the original principal amount of the Floor Plan Loans made as to such Floor Plan Unit on the Principal Payment Date in each of the 13th through 23rd months following the Applicable Starting Date, and (c) the full remaining balance of the original principal amount of the Floor Plan Loans made as to such Floor Plan Unit on the Principal Payment Due in the 24th month following the Applicable Starting Date.

2.01.8 Eligible Used Floor Plan Unit Curtailment. If not previously sold or otherwise disposed of, each Eligible Used Floor Plan Unit shall be paid in full on or before Applicable Curtailment Date 365, and the Floor Plan Borrowers promise to pay to the Administrative Agent for the accounts of the Floor Plan Lenders (a) 5% of the original principal amount of the Floor Plan Loans made as to such Floor Plan Unit on the Principal Payment Date in the 6th month following the Applicable Starting Date for such Floor Plan Unit, (b) 5% of the original principal amount of the Floor Plan Loans made as to such Floor Plan Unit on the Principal Payment Date in each of the 7th through 11th months following the Applicable Starting Date, and (c) the full remaining balance of the original principal amount of the Floor Plan Loans made as to such Floor Plan Unit on the Principal Payment Due in the 12th month following the Applicable Starting Date.

2.01.9 Permitted Company Vehicle Curtailment. If not previously sold or otherwise disposed of, each Permitted Company Vehicle shall be paid in full on or before Applicable Curtailment Date 730, and the Floor Plan Borrowers promise to pay to the Administrative Agent for the accounts of the Floor Plan Lenders (a) 2% of the original principal amount of the Floor Plan Loans made as to such Floor Plan Vehicle or Unit on the Principal Payment Date in each month beginning with the tenth (10th) day in the first month following the Applicable Starting Date and continuing thereafter on each tenth (10th) day of the month through and including the 23rd month following the Applicable Starting Date for such Floor Plan Unit, and (b) the full remaining balance of the original principal amount of the Floor Plan Loans made as to such Floor Plan Unit on the Principal Payment Due in the 24th month following the Applicable Starting Date.

2.01.10 Out Of Balance Floor Plan Vehicles or Units. To the extent that any Floor Plan Vehicle or Unit is Out Of Balance, the Floor Plan Borrowers shall immediately pay to the Administrative Agent for the accounts of the Floor Plan Lenders such sums as are necessary so that the outstanding balance of the Floor Plan Loans allocable to each such Floor Plan Vehicle or Unit is paid in accordance with Sections 2.01.6, 2.01.7, 2.01.8, and 2.01.9.

2.01.11 Deposit And Application Of Payment. All payments required to be made by the Floor Plan Borrowers as required in Sections 2.01.6, 2.01.7, 2.01.8, 2.01.9, and 2.01.10 shall be promptly delivered to the Administrative Agent in payment of the Floor Plan Loans, and shall be applied to the then outstanding principal balances of the Floor Plan Loans then allocated to the subject Floor Plan Vehicles or Units.

2.01.12 Permitted Purposes Of Floor Plan Loans. The proceeds of the Floor Plan Loans shall be used by the Borrowers solely to finance the purchase and holding by the Floor Plan Borrowers of Floor Plan Vehicles or Units as set forth above in this Section 2.01 and subsections thereof.

2.01.13 Title Documents. All original Manufacturer's or vendor's invoices and title documents evidencing the ownership of each Floor Plan Borrower of Floor Plan Vehicles or Units financed by the Floor Plan Loans, including, without limitation,

the applicable Manufacturer's Certificates, shall be maintained in safekeeping by the respective Floor Plan Borrowers in a manner and location acceptable to the Administrative Agent, unless and until an Event Of Default has occurred and is continuing. After the occurrence and during the continuance of an Event Of Default, the Administrative Agent may request and the Floor Plan Borrowers shall deliver or cause to be delivered within two (2) Business Days of such request, all such original Manufacturer's Certificates and Manufacturer's and vendor's invoices and title documents being maintained by the Borrowers at the time of such request and, immediately, all such original Manufacturer's Certificates and Manufacturer's and vendor's invoices and title documents that later come into the possession of any of the Floor Plan Borrowers, to the Administrative Agent, and the Administrative Agent shall retain or hold all such original Manufacturer's Certificates and Manufacturer's and vendor's invoices and title documents so received. Thereafter, for so long as such Event Of Default shall be continuing, all such original Manufacturer's Certificates, Manufacturer's and vendor's invoices and title documents shall remain in the Administrative Agent's possession until the Floor Plan Loan advances in connection therewith or such ratable portion thereof in respect of a Floor Plan Vehicle or Unit sold by the Floor Plan Borrowers have been paid in full; provided that, upon the occurrence of an Event Of Default and during the continuance thereof, the Administrative Agent may transfer, as applicable, Manufacturer's Certificates and title documents delivered to facilitate the sale of Floor Plan Vehicles or Units.

2.01.14 *Power of Attorney.* For the purpose of expediting the financing of Floor Plan Units and Permitted Company Vehicles in accordance with the terms of this Agreement and for other purposes relating to such financing transactions, each Floor Plan Borrower irrevocably constitutes and appoints the Administrative Agent and any of its officers, and each of them, severally, as its true and lawful attorneys-in-fact or attorney-in-fact with full authority to act on behalf of it, and in the name of, place, and stead of it, upon the occurrence and during the continuance of an Event Of Default, to prepare, execute, and deliver any and all instruments, documents, and agreements required to be executed and delivered by such Floor Plan Borrowers necessary to evidence borrowings of proceeds of the Floor Plan Loans hereunder and/or to evidence, perfect, or realize upon the Liens granted by this Agreement and/or any of the Credit Documents. The foregoing power of attorney shall be deemed to be coupled with an interest, and shall be irrevocable so long as this Agreement remains in effect or any Obligations remain outstanding. Each of said attorneys-in-fact shall have the power to act hereunder with or without the other. The Administrative Agent may, but shall not be obligated to, notify the Floor Plan Borrowers of any such instruments or documents the Administrative Agent has executed on behalf of any of the Floor Plan Borrowers prior to such execution

2.01.15 *Floor Plan Unused Commitment Fees.* For each Fiscal Quarter until the termination of the Floor Plan Loan Commitments, the Floor Plan Borrowers jointly and severally promise to pay to the Administrative Agent for the ratable accounts of the Floor Plan Lenders (in proportion to such Floor Plan Lender's Floor Plan Loan Commitment) a per annum fee (the "*Floor Plan Unused Commitment Fee*") equal to (a) an amount equal to the average daily unused portion of the Floor Plan Loan Commitments (calculated as (i) the amount of the Aggregate Floor Plan Loan Commitments *less* (ii) the sum of the average daily aggregate principal amount drawn under the Floor Plan Loans), *multiplied by* (b) the Applicable Margin then in effect, calculated on the basis of the actual number of days elapsed in a year of 360 days. Loan balances outstanding as M&T Advances shall be deemed usage with respect to the Floor Plan Commitments of M&T Bank. The Floor Plan Unused Commitment Fee shall be payable in arrears on the first Business Day of each succeeding Fiscal Quarter with the first of such payments to be scheduled for payment on July 1, 2021.

2.01.16 *Permanent Reduction Of Floor Plan Line of Credit Dollar Cap.* The Floor Plan Borrowers shall have the right at any time, upon not less than ten (10) Business Days prior written notice to the Administrative Agent, to permanently reduce, in whole or in part, without premium or penalty, the Floor Plan Line of Credit Dollar Cap, provided that (a) each reduction shall be in an amount of not less than Ten Million Dollars (\$10,000,000.00), and (b) no reduction shall be permitted if, after giving effect thereto, and to any repayments of the Floor Plan Loans made on the effective date thereof, the sum of the aggregate principal balances of the Floor Plan Loans then unpaid and outstanding plus the aggregate unpaid balances of M&T Advances would exceed the Floor Plan Line of Credit Dollar Cap then in effect.

2.01.17 *Floor Plan Interest Reduction Arrangement.* (a) In connection with the Floor Plan Line of Credit and at the Floor Plan Borrowers' request, the Administrative Agent and the Floor Plan Borrowers hereby enter into a floor plan aggregate interest reduction payment arrangement set forth in this Section (the "Floor Plan Interest Reduction Arrangement"), on the terms and subject to the conditions set forth in this Section, as a basis for potential reductions in interest payable on account of the Floor Plan Loans. The Floor Plan Interest Reduction Arrangement does not constitute a deposit account. Under the Floor Plan Interest Reduction Arrangement, the Floor Plan Borrowers may, at their election, deliver cash, checks or other good funds instruments to the Administrative Agent ("Equity Transaction") to be held as Collateral and security for the Obligations for the pro-rata benefit of the Floor Plan Lenders, and the Administrative Agent agrees to account to the Floor Plan Borrowers for the total of such deliveries (such deliveries, the "Equity Balance"). The Equity Balance shall not exceed 25% of the aggregate balances outstanding under the Floor Plan Loans.

(b) Absent any Default, Event of Default, or Material Adverse Change, the Floor Plan Borrowers may complete an Equity Transaction on any Business Day. Equity Transactions received by the Administrative Agent in immediately available funds at or prior to 3:00 p.m. shall be added to the Equity Balance on the same Business Day. Equity Transactions received by the Administrative Agent in immediately available funds after 3:00 p.m. will be added to the Equity Balance on the following Business Day. In the event that the Administrative Agent is notified of an insufficient funds transaction, the Administrative Agent shall reverse the respective Equity Transaction.

(c) Each monthly billing period for which an interest payment is due under the Floor Plan Line of Credit on account of the Floor Plan Loans, the Administrative Agent shall afford the Floor Plan Borrowers the benefit of a setoff against such interest due to the Floor Plan Lenders on account of the Floor Plan Loans (calculated on a pro-rata basis). Interest upon the Equity Balance shall be accrued on a daily basis based upon end of day cash balances and a rate equal to the interest rate then applicable to the Floor Plan Loans (“Equity Offset”). At the end of each month (or, at the election of the Administrative Agent, on the Floor Plan Loan Adjustment Date occurring in the fourth calendar week of any calendar month), the Equity Offset interest accrued shall be applied to accrued and unpaid interest on account of the Floor Plan Loans as billed by the Administrative Agent, reducing, pro-rata, the interest receivable of each Floor Plan Lender. Interest accrued in the Equity Offset shall not exceed the aggregate Loan interest receivable of the Floor Plan Lenders at any given time, and Equity Offset excess balances shall automatically transfer to a secondary non-interest bearing Equity Offset.

(d) The Administrative Agent on behalf of the Floor Plan Lenders shall have the use of any Equity Balance in its possession and may commingle any Equity Balance with other funds of the Administrative Agent.

(e) Each of the Floor Plan Borrowers hereby grants to the Administrative Agent for the benefit of the Floor Plan Lenders a continuing security interest in the Equity Balance and all accrued interest thereon and proceeds thereof, and acknowledges and agrees that the Equity Balance shall constitute Collateral under this Agreement and the Security Documents. The Administrative Agent shall have such rights to the Equity Balance as may be afforded by the Security Agreement and by applicable Law. The security interest in the Equity Balance and accrued interest and proceeds hereby granted by each of the Floor Plan Borrowers is in addition to any other rights of the M&T Bank, as Administrative Agent and otherwise, against any or all of the Floor Plan Borrowers, and shall be and remain under the exclusive possession, use, and control, and subject to rights of setoff, of M&T Bank in its various capacities hereunder and under the Security Documents.

(f) This Floor Plan Interest Reduction Arrangement may be terminated (i) by the Administrative Agent, (A) upon ten (10) days prior written notice to the Borrower Representative, and (B) in its sole discretion, without prior notice upon the occurrence of any Default, Event of Default, or Material Adverse Change, or a determination by the Administrative Agent that this Floor Plan Interest Reduction Arrangement would have an adverse effect on the Administrative Agent or any Floor Plan Lender, and (ii) by the Floor Plan Borrowers upon ten (10) days prior written notice from the Borrower Representative to the Administrative Agent. Upon any termination of the Floor Plan Interest Reduction Arrangement in the absence of any Default, Event of Default, or Material Adverse Change, the amounts held therein shall be applied to the payment of accrued and unpaid interest on account of the Floor Plan Loans, or, at the option of the Borrower Representative remitted to the Borrowers by deposit to the Commercial Account, and upon any termination of the Floor Plan Interest Reduction Arrangement upon the occurrence and/or during the continuance of any Default, Event of Default, or Material Adverse Change, the amounts held therein shall be applied to any balances of principal and/or interest due on account of the Floor Plan Loans or to any other Obligations, as the Administrative Agent shall determine, and in accordance with Section 8.05 of this Agreement. This Floor Plan Interest Reduction Arrangement, the Equity Balances and Equity Offset, and funds therein shall not, in any event, affect curtailments or other principal payments due on account of the Floor Plan Loans or reduce the outstanding amount of the Floor Plan Loans for purposes of determining availability under the Floor Plan Line of Credit.

(g) In order to induce the Administrative Agent to enter into the Floor Plan Interest Reduction Arrangement on the terms set forth above, each of the Floor Plan Borrowers hereby represents and warrants to the Administrative Agent and the Floor Plan Lenders that each of them is directly obligated for repayment of all amounts due under the Floor Plan Credit Facility and all of the other Obligations, and has a substantial interest in the satisfactory performance of the Floor Plan Credit Facility, the other Loans, and the Credit Documents.

2.01.18 *Payments Due Upon Casualty Event.* Within three (3) Business Days after the receipt by a Floor Plan Borrower of any Net Available Proceeds in respect of a Floor Plan Unit Casualty Event, such Floor Plan Borrower shall deliver to the Administrative Agent, or authorize the Administrative Agent to debit from a deposit account of such Floor Plan Borrower with the Administrative Agent, the amount of such Net Available Proceeds received by such Floor Plan Borrower (for the avoidance of doubt, any remaining principal amount of the Floor Plan Loan with respect to such Floor Plan Vehicle or Unit shall be paid in accordance with Section 2.01.9); provided that, in the case of less than total destruction or damage to the applicable Floor Plan Vehicle or Unit, in lieu of

making such payment, the applicable Floor Plan Borrowers may elect to use such Net Available Proceeds received to promptly repair the physical destruction or damage to such Floor Plan Vehicle or Unit to the extent that the physical destruction or damage and/or any repairs made to remedy such destruction or damage does not void any applicable warranty with respect to such applicable Floor Plan Vehicle or Unit.

Section 2.02. *M&T Advances.*

2.02.1. *Advances.* Between Floor Plan Loan Adjustment Dates, M&T Bank may (but shall not be obligated to) fund to the Floor Plan Borrowers solely out of M&T Bank's own funds the entire principal amount of any Loan Request (any such funding being referred to as an "M&T Advance"). Each Floor Plan Lender shall purchase an irrevocable and unconditional participation in each M&T Advance, in an amount equal to such Floor Plan Lender's respective Floor Plan Loan Commitment Percentage of the principal amount of such M&T Advance, effective immediately upon the funding of each M&T Advance. Each Floor Plan Lender shall have the unconditional and irrevocable obligation to pay, and does hereby agree to pay, to M&T Bank, on each Floor Plan Loan Adjustment Date, an amount equal to such Floor Plan Lender's Floor Plan Loan Commitment Percentage of each M&T Advance, and settlement shall occur between M&T Bank and all other Floor Plan Lenders on each Floor Plan Loan Adjustment Date such that after each such settlement, the Floor Plan Lenders shall each hold that percentage of the then aggregate outstanding principal balances of the Floor Plan Loans equal to such Floor Plan Lender's respective Floor Plan Loan Commitment Percentage. Each Floor Plan Lender acknowledges and agrees that its obligation to acquire participations in M&T Advances and make payments to M&T Bank on account of such participations pursuant to this Section is absolute and unconditional and shall not be affected by any circumstance whatsoever, including the occurrence and continuance of a Default or Event of Default (including, without limitation, the commencement of a proceeding under the Bankruptcy Code or other Debtor Relief Laws with respect to any of Floor Plan Borrowers) or the reduction or termination of the Floor Plan Loan Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever. All payments of principal, interest and any other amount with respect to each outstanding M&T Advance shall be payable to and received by the Administrative Agent for the account of M&T Bank. Any payments received by the Administrative Agent between Floor Plan Loan Adjustment Dates that in accordance with the terms of this Agreement are to be applied to the reduction of the outstanding aggregate principal balances of the Floor Plan Loans, shall be paid over to and retained by M&T Bank for such application to the outstanding M&T Advances and credited against the Floor Plan Lenders' respective purchases of participation interests in the respective M&T Advances, subject to the provisions of Section 2.14.

2.02.2. *Automated Sweep Program.* M&T Bank may elect to process M&T Advances under any automated sweep program in effect at M&T Bank from time to time to facilitate automatic M&T Advances to cover submitted Loan Requests.

2.02.3. *Repayment Obligations of Borrowers.* For the avoidance of doubt, the Floor Plan Borrowers hereby jointly and severally and unconditionally promise to pay to the Administrative Agent for the account of M&T Bank all amounts outstanding on account of the M&T Advances, together with accrued interest thereon, on the terms and subject to the conditions applicable to the Floor Plan Loans and the Floor Plan Loan Notes. Nothing in this Section 2.02, including but not limited to the purchase of participations in an M&T Advance pursuant to this Section 2.02, shall relieve the Floor Plan Borrowers of any obligation for payments under the Floor Plan Loans and Floor Plan Loan Notes, or under the M&T Advances, or for any default by the Floor Plan Borrowers in the payment thereof. The Floor Plan Borrowers hereby authorize the Administrative Agent, in its discretion, to apply the Equity Offset to payments due to M&T under the M&T Advances.

Section 2.03. *Revolving Credit Loans.* Subject to the terms and conditions of this Agreement and the other Credit Documents, each of the Revolving Credit Lenders severally agrees to make revolving credit loans (the "Revolving Credit Loans") to the Revolving Credit Borrowers as joint and several obligors from time to time during the Availability Period for the Revolving Credit Facility, in an aggregate amount outstanding not to exceed such Revolving Credit Lender's Revolving Credit Commitment Percentage multiplied by the Line Cap; provided, however, that after giving effect to any Revolving Borrowing, (a) the Total Revolving Credit Outstandings shall not at any time exceed the Revolving Credit Dollar Cap, (b) the aggregate Revolving Credit Exposure of any Revolving Credit Lender shall not exceed such Lender's Revolving Credit Commitment and (c) the Total Revolving Credit Outstandings shall not exceed the Line Cap. Each Revolving Credit Loan extended by a Revolving Credit Lender shall be in a principal amount equal to such Revolving Lender's Revolving Credit Commitment Percentage of the aggregate principal amount of the Revolving Credit Loans requested on such occasion. Subject to the application and satisfaction of the terms and conditions of this Agreement and of the other Credit Documents, the Borrowers may borrow, prepay, and reborrow the Revolving Credit Loans in whole or in part until the Revolving Credit Termination Date. Revolving Credit Loans may consist of Adjusted Base Rate Borrowings or a LIBOR Borrowing at the Adjusted LIBOR Rate, or a combination thereof, as the Borrowers may request in accordance with the terms hereof.

2.03.1 *Revolving Credit Loan Promissory Notes.* The joint and several obligations of the Revolving Credit Borrowers to repay the Revolving Credit Loans to each Revolving Credit Lender shall be evidenced by a Revolving Credit Note. The Revolving Credit Borrowers shall deliver a Revolving Credit Note on the date of Closing to each of the Revolving Credit Lenders

executed by an Authorized Officer of each Revolving Credit Borrower, with the face amount of each of such Revolving Credit Notes to be in the amount of the Revolving Credit Commitment of the respective Revolving Credit Lender.

2.03.2 Procedure For Revolving Credit Loan Borrowings. The Revolving Credit Borrowers may borrow proceeds of the Revolving Credit Loans during the Availability Period in respect of the Revolving Credit Facility, provided, that the Borrower Representative on behalf of the Revolving Credit Borrowers delivers to the Administrative Agent an irrevocable, written, fully completed Loan Request executed by an Authorized Officer of the Borrower Representative (which Loan Request must be received by the Administrative Agent prior to 11:00 a.m. Eastern Time) (a) three (3) Business Days prior to the requested Borrowing Date, if all or any part of the requested advances of proceeds of the Revolving Credit Loans are to be initially LIBOR Borrowings at the Adjusted LIBOR Rate, or (b) one (1) Business Day prior to the requested Borrowing Date if all of the requested advances of proceeds of the Revolving Credit Loans are to be initially Adjusted Base Rate Borrowings. Each Loan Request shall (A) specify: (i) the aggregate amount to be borrowed, (ii) the requested Borrowing Date, and (iii) whether the borrowing is to be a LIBOR Borrowing, an Adjusted Base Rate Borrowing, or a combination thereof and (B) be accompanied by a Borrowing Base Certificate as required by Section 5.09.14. The Loan Requests may be delivered to the Administrative Agent via facsimile or by other electronic transmission it being agreed that the Administrative Agent may rely on the authority of the Person making any such request without receipt of any other confirmation. The Administrative Agent shall promptly notify each Revolving Credit Lender of the Administrative Agent's receipt of each notice and the contents thereof. Each Revolving Credit Lender shall make the amount of its *pro rata* share (calculated in accordance with its respective Revolving Credit Commitment Percentage) of each requested borrowing available to the Administrative Agent for the accounts of the Revolving Credit Borrowers at the offices of the Administrative Agent specified in this Agreement prior to 1:00 pm (Eastern Time) on the Borrowing Date requested by the Borrowers in U.S. Dollars and in funds immediately available to the Administrative Agent. Such borrowing will be made available thereafter by the Administrative Agent crediting the Commercial Account with the aggregate of the amounts made available to the Administrative Agent by the Revolving Credit Lenders and in like funds as received by the Administrative Agent.

2.03.3 Repayment Of Revolving Credit Loans. The Revolving Credit Borrowers unconditionally, jointly and severally, promise to pay to the Administrative Agent for the accounts of the Revolving Credit Lenders the then unpaid principal amount of each Revolving Credit Loan of the Revolving Credit Lenders on or before the Revolving Credit Termination Date (or on any earlier date on which the Revolving Credit Loans become due and payable as required by the stated provisions of this Agreement). The Revolving Credit Borrowers unconditionally, jointly and severally, promise to pay to the Administrative Agent for the ratable accounts of the Revolving Credit Lenders all interest which has accrued upon the unpaid principal amounts of the Revolving Credit Loans from time to time outstanding from the date of Closing until the date of payment in full of the Revolving Credit Loans at the rates per annum and on the dates set forth in Section 2.07 of this Agreement. All sums due to the Revolving Credit Lenders in connection with the Revolving Credit Loans shall be paid in full on or before the Revolving Credit Termination Date.

2.03.4 Permitted Purposes Of Revolving Credit Loans. The proceeds of the Revolving Credit Loans shall be used by the Borrowers solely for the general working capital needs and for the general corporate purposes of the Borrowers and their Subsidiaries, including for Permitted Acquisitions and issuances of Letters of Credit.

2.03.5 Revolving Credit Unused Commitment Fees. For each Fiscal Quarter until the termination of the Revolving Credit Commitments, the Revolving Credit Borrowers jointly and severally promise to pay to the Administrative Agent for the ratable accounts of the Revolving Credit Lenders a per annum fee (the "Revolving Credit Unused Commitment Fee") (calculated on the basis of the actual number of days elapsed in a year of 360 days) equal to (a) the Applicable Margin then in effect times (b) the average daily unused portion of the Revolving Credit Commitments. In calculating the Revolving Credit Unused Commitment Fees, (x) the aggregate Stated Amount of L/C Obligations shall be deemed usage of Revolving Credit Commitments, but (y) Swingline Loans shall not be deemed usage of Revolving Credit Commitments. The Revolving Credit Unused Commitment Fee shall be payable in arrears on the first Business Day of each succeeding Fiscal Quarter with the first of such payments to be scheduled for payment on July 1, 2021.

2.03.6 Permanent Reduction Of Revolving Credit Dollar Cap. The Revolving Credit Borrowers shall have the right at any time, upon not less than ten (10) Business Days prior written notice to the Administrative Agent, to permanently reduce, in whole or in part, without premium or penalty, the Revolving Credit Dollar Cap, provided that (a) each reduction shall be in an amount of not less than Two Hundred Fifty Thousand Dollars (\$250,000.00) or, if greater, a multiple of Fifty Thousand Dollars (\$50,000.00), and (b) no reduction shall be permitted if, after giving effect thereto, and to any repayments of the Revolving Credit Loans made on the effective date thereof, the sum of the aggregate principal balances of the Revolving Credit Loans then unpaid and outstanding plus the aggregate unpaid balances of Swingline Loans plus the aggregate amount of L/C Obligations outstanding would exceed the Line Cap then in effect.

2.03.7 *Borrowing Base Overadvance.* If, on any Borrowing Base Test Date, the aggregate Revolving Credit Exposure of all Lenders exceeds the Line Cap (such amount in excess of the Line Cap, the “Overexposure Amount”), then no later than the date that is one (1) Business Day following the date which a Borrowing Base Certificate has been delivered in respect of such Borrowing Base Test Date, the Revolving Credit Borrowers shall repay such outstanding Revolving Credit Loans, Swingline Loans and Reimbursement Obligations (and thereafter Cash Collateralize such outstanding L/C Obligations, to the extent remaining) in an amount equal to 100% of such Overexposure Amount to the Administrative Agent, which such amount shall be applied to the Revolving Credit Loans ratably in accordance with Section 2.08.3; provided, however, that the Revolving Credit Borrowers shall have an additional five (5) days to make any such repayment to the extent that the Overexposure Amount results from the establishment or modification of any Reserves or the modification of any eligibility standards pursuant to Section 2.21. All such repayments shall be applied (i) first, to prepay the outstanding Swingline Loans to the full extent thereof, (ii) second, to prepay the Revolving Credit Loans to the full extent thereof, (iii) third, to prepay outstanding Reimbursement Obligations, and (v) fourth, to Cash Collateralize Letters of Credit in an amount equal to the Minimum Collateral Amount.

Section 2.04. *Swingline Loan Subfacility.* During the Availability Period for the Revolving Credit Facility, subject to the terms and conditions set forth herein, the Swingline Lender agrees to make certain revolving credit loans (each, a “Swingline Loan” and collectively, the “Swingline Loans”) to the Revolving Credit Borrowers in Dollars from time to time on any Business Day provided that, (a) the aggregate amount of Swingline Loans outstanding at any time shall not exceed the Swingline Committed Amount, (b) the Revolving Credit Exposure of any Revolving Credit Lender shall not exceed such Revolving Credit Lender’s Revolving Credit Commitment, (c) the Total Revolving Credit Outstandings shall not exceed the Line Cap, and (d) the Total Revolving Credit Outstandings shall not exceed the Revolving Credit Dollar Cap. Swingline Loans may be repaid and reborrowed in accordance with the provisions of this Agreement. Notwithstanding the foregoing, the Swingline Lender shall not be required to make a Swingline Loan if any Credit Party shall have notified the Swingline Lender and the Revolving Credit Borrowers in writing at least one (1) Business Day prior to the Borrowing Date with respect to such Swingline Loan, that the conditions set forth in Section 4.02 have not been satisfied and such conditions remain unsatisfied as of the requested time of the making such Swingline Loan. Each Swingline Loan shall be due and payable in full on the earlier of (a) the Swingline Termination Date, or (b) such earlier maturity date as may be agreed to by the Swingline Lender and the Revolving Credit Borrowers. Swingline Loans may only be Adjusted Base Rate Borrowings and may not be LIBOR Borrowings.

2.04.1. *Advances.* The Revolving Credit Borrowers shall request each Swingline Loan by a notification from an Authorized Officer of the Borrower Representative to the Administrative Agent and to the Swingline Lender by telephone (confirmed electronically) or electronically not later than 11:00 a.m. Eastern Time on the proposed Borrowing Date. Each such notice shall be irrevocable and shall specify (a) the aggregate principal amount to be borrowed, (b) the requested Borrowing Date, and (c) the requested maturity date of the requested Swingline Loan. The Swingline Lender will make the requested amount available promptly on the Borrowing Date, to the Administrative Agent (for the accounts of the Revolving Credit Borrowers) who, thereupon, will promptly make such amount available to the Revolving Credit Borrowers on such Borrowing Date in like funds as provided therein. Each Swingline Loan shall be in an amount not less than the applicable Minimum Borrowing Amount.

2.04.2. *Repayment of Swingline Loans Upon Swingline Conversion Event.* Each Revolving Credit Borrower agrees to repay each Swingline Loan made to it within one Business Day of demand therefor by the Swingline Lender and, in any event, within five (5) Business Days after the date such Swingline Loan was made; provided, that the proceeds of a Swingline Loan may not be used to pay a Swingline Loan. Notwithstanding the foregoing, the Revolving Credit Borrowers shall repay the entire outstanding principal amount of, and all accrued but unpaid interest on, the Swingline Loans on the Swingline Termination Date (or such earlier date as the Swingline Lender and the Revolving Credit Borrowers may agree in writing). In lieu of demanding repayment of any outstanding Swingline Loan from the Revolving Credit Borrowers, the Swingline Lender may, on behalf of the Revolving Credit Borrowers (which hereby irrevocably directs the Swingline Lender to act on its behalf for such purpose), request a borrowing of Revolving Credit Loans that are Base Rate Loans from the Revolving Credit Lenders (with notice to the Borrower Representative) in an amount equal to the principal balance of such Swingline Loan. The minimum borrowing amount limitations contained in Section 2.04.1 shall not apply to any borrowing of such Revolving Credit Loans made pursuant to this subsection. The Swingline Lender shall give notice to the Administrative Agent of any such borrowing of Revolving Credit Loans not later than 11:00 a.m. at least one Business Day prior to the proposed date of such borrowing. Promptly after receipt of such Loan Notice from the Swingline Lender under the immediately preceding sentence, the Administrative Agent shall notify each Revolving Credit Lender and the Borrower Representative of the proposed borrowing. Not later than 10:00 a.m. on the proposed date of such borrowing, each Revolving Credit Lender will make available to the Administrative Agent at the offices of the Administrative Agent specified in this Agreement for the account of the Swingline Lender, in immediately available funds, the proceeds of the Revolving Credit Loan to be made by such Revolving Credit Lender. The Administrative Agent shall pay the proceeds of such Revolving Credit Loans to the Swingline Lender, which shall apply such proceeds to repay such Swingline Loan. Each

Revolving Credit Lender irrevocably agrees to extend its *pro rata* share of the requested Revolving Credit Loans notwithstanding (a) that the amount of the borrowing may not satisfy the Minimum Borrowing Amount for Revolving Credit Loans, (b) that a Default or Event of Default may exist, (c) the failure of any request or deemed request for the Revolving Credit Loans to be timely made, (d) that the date of such borrowing is not a date on which Revolving Credit Loans are otherwise permitted to be made, or (e) any reduction or termination of the Revolving Credit Commitments.

2.04.3. *Participations.* Immediately upon the making of a Swingline Loan, each Revolving Credit Lender shall be deemed to have purchased, and hereby irrevocably and unconditionally agrees to purchase, from the Swingline Lender, without recourse or warranty, an undivided interest and participation to the extent of such Revolving Credit Lender's Revolving Credit Commitment Percentage of such Swingline Loan. In the event that outstanding Swingline Loans cannot be repaid with the proceeds of Revolving Credit Loans pursuant to Section 2.04.2 for any reason (including, without limitation, as a result of the commencement of a proceeding under the Bankruptcy Code or other Debtor Relief Laws with respect to the Borrowers), the Revolving Credit Lenders will, as of the date such proposed borrowing otherwise would have occurred but adjusted for any payments received in respect of such Swingline Loan(s) by or for the account of the Revolving Credit Borrowers on or after such date and prior to such purchase, immediately fund their respective participations in the outstanding Swingline Loans as necessary to cause such Revolving Credit Lenders to share in such Swingline Loan(s) proportionately in accordance with their respective Revolving Credit Commitment Percentages in respect of the Revolving Credit Commitments. Any amounts received by the Swingline Lender from the Revolving Credit Borrowers (or from any other Person on behalf of the Revolving Credit Borrowers) in respect of a Swingline Loan after receipt by the Swingline Lender of the proceeds of a sale of participations therein shall be promptly remitted to the Administrative Agent; any such amounts received by the Administrative Agent shall be promptly remitted by the Administrative Agent to the applicable Revolving Credit Lenders that shall have made their payments pursuant to this Section and to the Swingline Lender, as their interests may appear. The purchase of participations in a Swingline Loan pursuant to this Section shall not relieve the Revolving Credit Borrowers of any default by the Revolving Credit Borrowers in the payment thereof; provided, however, that in the event any such payment received by the Administrative Agent is subsequently set aside or is required to be refunded, returned or repaid, such Revolving Credit Lender will repay to the Administrative Agent its proportionate share thereof.

2.04.4. *Obligations Absolute.* A Revolving Credit Lender's obligation to purchase such a participation in a Swingline Loan shall be absolute and unconditional and shall not be affected by any circumstance whatsoever, including without limitation, (i) any claim of setoff, counterclaim, recoupment, defense or other right which such Revolving Credit Lender or any other Person may have or claim against the Administrative Agent, any Swingline Lender or any other Person whatsoever, (ii) the occurrence or continuation of a Default or Event of Default (including without limitation, any of the Defaults or Events of Default described in Sections 7.01.7 or 7.01.8), or the termination of any Revolving Credit Lender's Revolving Credit Commitment, (iii) the existence (or alleged existence) of an event or condition which has had or could have a Material Adverse Effect, (iv) any breach of any Credit Document by the Administrative Agent, any Lender, any Borrower or any other Loan Party, or (v) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing. If such amount is not in fact made available to the Swingline Lender by any Revolving Credit Lender, the Swingline Lender shall be entitled to recover such amount on demand from such Revolving Credit Lender, together with accrued interest thereon for each day from the date of demand thereof, at the Federal Funds Rate. If such Revolving Credit Lender does not pay such amount forthwith upon the Swingline Lender's demand therefor, and until such time as such Revolving Credit Lender makes the required payment, the Swingline Lender shall be deemed to continue to have outstanding Swingline Loans in the amount of such unpaid participation obligation for all purposes of the Credit Documents (other than those provisions requiring the other Revolving Credit Lenders to purchase a participation therein). Further, such Revolving Credit Lender shall be deemed to have assigned any and all payments made of principal and interest on its Revolving Credit Loans, and any other amounts due it hereunder, to the Swingline Lender to fund Swingline Loans in the amount of the participation in Swingline Loans that such Revolving Credit Lender failed to purchase pursuant to this Section until such amount has been purchased (as a result of such assignment or otherwise).

Section 2.05. *Letter of Credit Subfacility.* During the Availability Period for the Revolving Credit Commitments, subject to the terms and conditions set forth in this Agreement, an Authorized Officer of the Borrower Representative may request on behalf of the Revolving Credit Borrowers the issuance of, and the Issuing Bank in reliance upon the agreements of the Revolving Credit Lenders set forth in Section 2.05.3 agrees to issue, Letters of Credit for the accounts of the Revolving Credit Borrowers or any of its Subsidiaries, in a form acceptable to the Issuing Bank, at any time and from time to time on any Business Day from the Closing Date through, but not including the L/C Expiration Date, *provided, however*, that the Issuing Bank shall not be obligated to issue any Letter of Credit if, after giving effect to such issuance, (a) the aggregate amount of L/C Obligations (after giving effect to any requested issuance) exceeds the

Letter of Credit Sublimit, (b) the Revolving Credit Exposure of any Lender exceeds such Lender's Revolving Credit Commitment or (c) the aggregate Revolving Credit Exposure of all Lenders exceeds the Line Cap. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of Letter of Credit Application or other L/C Document submitted by the Borrowers to, or entered into by the Borrowers with, the Issuing Bank relating to any Letter of Credit, the terms and conditions of this Agreement shall control.

2.05.1. *Request for Issuance; Amendment; Renewal; Extension; Certain Conditions.* To request the issuance of a Letter of Credit (or the amendment, renewal or extension of an outstanding Letter of Credit), an Authorized Officer of the Borrower Representative on behalf of the applicable Revolving Credit Borrower or Revolving Credit Borrowers shall deliver to the Issuing Bank and the Administrative Agent (reasonably in advance of the requested date of issuance, amendment, renewal or extension) a written notice requesting the issuance of a Letter of Credit, or identifying the Letter of Credit to be amended, renewed or extended together with a Letter of Credit Application, and specifying the proposed date of issuance, amendment, renewal or extension (which shall be a Business Day), the date on which such Letter of Credit is to expire (which shall comply with Section 2.05.2), the amount of such Letter of Credit, the name and address of the beneficiary thereof and such other information as shall be necessary to prepare, amend, renew or extend such Letter of Credit. Such written notice may be transmitted electronically or by facsimile, if arrangements for doing so have been approved by the Issuing Bank. Upon receipt of the Letter of Credit Application executed by an Authorized Officer of the Borrower Representative, the Issuing Bank shall process such Letter of Credit Application and issue the Letter of Credit requested thereby, provided all fees and expenses in connection with such Letter of Credit have been paid and all other conditions precedent to the issuance of Letters of Credit have been satisfied and, provided further, the Issuing Bank shall not be required to issue any Letter of Credit earlier than three (3) Business Days after receipt by the Issuing Bank of the Letter of Credit Application and of all of the certificates, documents and other papers and information required by the Issuing Bank which relate thereto. The Issuing Bank shall promptly furnish a copy of each Letter of Credit to the Administrative Agent and to the Borrower Representative. A Letter of Credit shall be issued, amended, renewed or extended only if (and, upon issuance, amendment, renewal or extension of each Letter of Credit, the Revolving Credit Borrowers shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, renewal or extension, the provisos set forth in Section 2.05(a) through (g) are satisfied. The Issuing Bank shall not be obligated to amend any Letter of Credit if the Issuing Bank would not be required at such time to issue such Letter of Credit in its amended form under the terms of this Agreement. Upon the issuance by the Issuing Bank of a Letter of Credit and until such Letter of Credit shall have expired or been cancelled, the Revolving Credit Commitment of each Revolving Credit Lender shall be deemed to be utilized for all purposes of this Agreement in an amount equal to the product of (i) such Revolving Credit Lender's Revolving Credit Commitment Percentage and (ii) the sum of (A) the Stated Amount of such Letter of Credit plus (B) without duplication of any amounts included under clause (A), any related Reimbursement Obligations then outstanding.

2.05.2. *Expiration Date.* Each Letter of Credit shall expire at or prior to the close of business on the earlier of (a) the date that is 365 days after the date of the issuance of such Letter of Credit (or, in the case of any renewal or extension thereof, 365 days after such renewal or extension) and (b) the L/C Expiration Date, *provided* that any Letter of Credit may provide for the automatic renewal thereof for additional 365-day periods (which shall in no event extend beyond the L/C Expiration Date).

2.05.3. *Agreement of Lenders To Purchase Proportionate Share of Letters of Credit.* Upon receipt by the Issuing Bank from the beneficiary of a Letter of Credit issued by the Issuing Bank of any demand for payment under such Letter of Credit and the Issuing Bank's determination that such demand for payment complies with the requirements of such Letter of Credit, the Issuing Bank shall promptly notify the applicable Revolving Credit Borrower or the Borrower Representative and the Administrative Agent of the amount to be paid by the Issuing Bank as a result of such demand and the date on which payment is to be made by the Issuing Bank to such beneficiary in respect of such demand; provided, however, that the Issuing Bank's failure to give, or delay in giving, such notice shall not discharge the applicable Revolving Credit Borrower in any respect from the applicable Reimbursement Obligation. In order to induce the Issuing Bank to issue Letters of Credit for the accounts of the Borrowers in accordance with the terms of this Agreement, each Revolving Credit Lender unconditionally and irrevocably agrees to accept and purchase and hereby accepts and purchases from the Issuing Bank, on the terms and conditions hereinafter stated, for such Lender's own account and risk an undivided interest and participation equal to such Lender's Revolving Credit Commitment Percentage in the Issuing Bank's obligations and rights under each Letter of Credit issued hereunder and the amount of each L/C Disbursement of the Issuing Bank.

2.05.4. *Reimbursement Obligations of the Borrowers.* Each Revolving Credit Lender unconditionally and irrevocably covenants to the Issuing Bank that, if an L/C Disbursement is made by the Issuing Bank with respect to any Letter of Credit for which the Issuing Bank is not immediately reimbursed in full by the Revolving Credit Borrowers, such Lender shall pay to the Administrative Agent, for the account of the Issuing Bank, upon the demand by the Administrative Agent, an amount equal to such Lender's Revolving Credit Commitment Percentage of the unreimbursed amount of such L/C Disbursement not later than 1:00 p.m. Eastern Time on the Business Day specified by the Administrative Agent in its demand for payment. Any payment made by a Lender

pursuant to this Section 2.05.3 to reimburse the Issuing Bank for any L/C Disbursement shall not constitute a Loan and shall not relieve the Borrowers of their joint and several obligations to reimburse such L/C Disbursement; provided, however, that in respect of any drawing under any Letter of Credit, the maximum amount that any Revolving Credit Lender shall be required to fund, whether as a Revolving Credit Loan or as a participation, shall not exceed such Revolving Credit Lender's Revolving Credit Commitment Percentage of such drawing except as otherwise provided in Section 2.14. Each Revolving Credit Lender's obligation to make such payments to the Administrative Agent under this subsection, and the Administrative Agent's right to receive the same for the account of the Issuing Bank, shall be absolute, irrevocable and unconditional and shall not be affected in any way by any circumstance whatsoever, including without limitation, (i) the failure of any other Revolving Credit Lender to make its payment under this subsection, (ii) the financial condition of the Revolving Credit Borrowers or any other Loan Party, (iii) the existence of any Default or Event of Default, including any Event of Default described in Section 7.01.7 or 7.01.8, (iv) the termination of the Revolving Credit Commitments or (v) the delivery of Cash Collateral. Each such payment to the Administrative Agent for the account of the Issuing Bank shall be made without any offset, abatement, withholding or deduction whatsoever.

2.05.5. Borrowers' Reimbursement Obligations Are Absolute. The Revolving Credit Borrowers' joint and several reimbursement obligations hereunder shall be absolute and unconditional under all circumstances and irrespective of any set-off, counterclaim or defense to payment which the Revolving Credit Borrowers may have or have had against the Administrative Agent, the Issuing Bank, any of the Lenders, any beneficiary of a Letter of Credit or any other Person. The Revolving Credit Borrowers agree and acknowledge that none of the Administrative Agent, the Issuing Bank, or the Lenders shall be responsible for, nor shall the Revolving Credit Borrowers' duties and obligations hereunder under the Credit Documents be affected by, among other things (a) the form, validity, sufficiency, accuracy, genuineness or legal effect of any documents or of any endorsements thereon presented in connection with any draft upon a Letter of Credit, even though such documents shall in fact prove to be invalid, fraudulent or forged, (b) any dispute between or among any Revolving Credit Borrower and any beneficiary of any Letter of Credit or any other party to which such Letter of Credit may be transferred, or (c) any claims whatsoever of the Revolving Credit Borrowers against any beneficiary of such Letter of Credit or any such transferee. None of the Administrative Agent, the Issuing Bank, or any of the Lenders shall be liable for any error, omission, interruption or delay in transmission, dispatch or delivery of any message or advice, however transmitted, in connection with the issuance, administration, or payment of any drafts presented against any Letter of Credit. The Revolving Credit Borrowers agree and acknowledge that any action taken or omitted by the Administrative Agent, the Issuing Bank, or the Revolving Credit Lenders under or in connection with any Letter of Credit or the related drafts or documents shall be binding on the Revolving Credit Borrowers and shall not result in any liability of any of the Administrative Agent, the Issuing Bank, or the Revolving Credit Lenders to the Borrowers, absent gross negligence or willful misconduct. In furtherance and not in limitation of the foregoing, the Issuing Bank may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary, and the Issuing Bank shall not be responsible for the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign a Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason.

2.05.6. Applicability of ISP98. Unless otherwise expressly agreed by the Issuing Bank and the Revolving Credit Borrowers, when a Letter of Credit is issued the rules of the ISP shall apply to each standby Letter of Credit.

2.05.7. Interim Interest. If the Issuing Bank shall make any L/C Disbursement, then, unless the Revolving Credit Borrowers shall reimburse such L/C Disbursement in full on the date such L/C Disbursement is made, the unpaid amount thereof shall bear interest, for each day from and including the date such L/C Disbursement is made to but excluding the date that the Revolving Credit Borrowers reimburse such L/C Disbursement at the Adjusted Base Rate then applicable to Revolving Credit Loans; provided that the Default Rate shall apply during any continuing Event of Default. Interest accrued pursuant to this Section shall be for the account of the Issuing Bank, except that interest accrued on and after the date of payment by any Lender pursuant to Section 2.05.3 to purchase a participation from the Issuing Bank shall be for the account of such purchasing Lender to the extent of such payment.

2.05.8. Cash Collateralization. Upon the request of the Administrative Agent (a) if the Issuing Bank has honored any full or partial drawing request under any Letter of Credit and such drawing has resulted in Reimbursement Obligation (unless such Reimbursement Obligation has been reimbursed by the proceeds of a Revolving Credit Loan in accordance with Section 2.05.4), or (b) if, as of the L/C Expiration Date, any Letter of Credit for any reason remains outstanding and partially or wholly undrawn, or (c) a continuing Event of Default exists and the Loans have been accelerated and have become due and payable in accordance with Section 8.01 of this Agreement, the Borrowers shall immediately Cash Collateralize all then outstanding L/C Obligations (in an amount determined as of the date of such Reimbursement Obligation or the L/C Expiration Date or the date of acceleration of the Loans, as the case may be), but an amount not less than 110% of the outstanding L/C Obligations, unless otherwise agreed by the Issuing Bank and the Required Revolving Credit Lenders.

2.05.9. *Letter of Credit Fees.* The Borrowers shall pay to the Administrative Agent, for the ratable accounts of the Lenders, letter of credit fees (the “Letter of Credit Fees”) on the aggregate daily Stated Amount of each outstanding Letters of Credit at the rate equal to the Applicable Margin applicable to Revolving Credit Loans then in effect, provided, that upon the implementation of the Default Rate and for so long as the same shall continue, the Letter of Credit Fees shall be increased to the Default Rate. Letter of Credit Fees shall be payable (a) quarterly in arrears on the last Business Day of each Fiscal Quarter occurring during the term of this Agreement, and (b) on the last day of the Availability Period for the Revolving Credit Commitments. The Borrowers shall pay to the Administrative Agent, for the sole account of the Issuing Bank, those fees specified in the Fee Letter, plus such fronting fees and customary issuance, presentation, amendment and processing fees and all standard costs or charges of the Issuing Bank relating to letters of credit, as are from time to time in effect. Such fees and costs and charges shall be due and payable on demand and shall be nonrefundable.

2.05.10. *Letters of Credit Issued for Other Loan Parties or Subsidiaries.* Notwithstanding that a Letter of Credit issued or outstanding hereunder is in support of any obligations of, or is for the account of another Loan Party or a Subsidiary of a Borrower or of another Loan Party, each Revolving Credit Borrower shall be jointly and severally obligated with all other Borrowers to reimburse the Issuing Bank hereunder for any and all drawings under such Letter of Credit. Each Revolving Credit Borrower hereby acknowledges that the issuance of Letters of Credit for the accounts of other Loan Parties and Subsidiaries of such Borrower and any other Loan Party inures to the benefit of such Borrower, and that its business derives substantial benefits from the businesses of such other Loan Parties and Subsidiaries.

Section 2.06. *Term Loans.* Pursuant to the Existing Credit Agreement, certain of the Term Loan Lenders made term loans denominated in Dollars to the Term Loan Borrower. The Term Loan Borrower hereby agrees and acknowledges that as of the Closing Date, the outstanding principal balance of the Term Loan is Eleven Million Two Hundred Ninety-Nine Thousand Nine Hundred Ninety-Nine Dollars and Eighty Eight Cents (\$11,299,999.88) and shall for all purposes hereunder constitute and be referred to as the Term Loan hereunder, without constituting a novation, but in all cases subject to the terms and conditions applicable to the Term Loans hereunder. Term Loans may be either Adjusted Base Rate Borrowings, or LIBOR Borrowings at the Adjusted LIBOR Rate, or a combination thereof.

2.06.1. *Term Loan Notes.* The joint and several obligations of the Term Loan Borrowers to repay the Term Loans to each of the Term Loan Lenders shall be evidenced by a Term Loan Note to be issued to each Term Loan Lender in the stated principal amount of each Term Loan Lender’s respective Term Loan.

2.06.2. *Payment.* The aggregate unpaid principal balances of the Term Loans shall be paid by the Term Loan Borrowers to the Administrative Agent for the ratable accounts of the Term Loan Lenders in consecutive monthly installments in the principal amount of Two Hundred Forty-One Thousand Six Hundred Sixty-Six Dollars and Sixty-Seven Cents (\$241,666.67) payable on the Principal Payment Dates of each consecutive month beginning on August 15, 2021 and continuing until the Term Loan Maturity Date. All remaining unpaid balances of the Term Loans, including all unpaid principal, unpaid and accrued interest and fees, shall be paid in full on the Term Loan Maturity Date.

The Term Loan Borrowers, jointly and severally, unconditionally promise to pay interest to the Administrative Agent for the accounts of the Term Loan Lenders on the unpaid principal balances of the Term Loans from time to time outstanding from the date of Closing until the date of the payment in full of the Term Loans at the rates per annum, and on the dates set forth in Section 2.07 of this Agreement.

2.06.3. *Mandatory Prepayments.*

(i) The Borrowers, jointly and severally, promise to pay, or cause to be paid, to the Administrative Agent for the accounts of the Lenders the following payments (collectively, “Mandatory Prepayments”):

a. 100% of Net Available Proceeds of a Disposition of assets (other than (i) a Disposition pursuant to a Sale and Leaseback Transaction permitted by Section 6.05(f) hereof, (ii) sales of Floor Plan Vehicles or Units which shall be applied to payment of the Floor Plan Line of Credit pursuant to Section 2.01 hereof and (iii) in respect of Mortgage Obligations Collateral which shall be applied to payment of the Mortgage Loans pursuant to Section 2.06A3) in excess of Two Hundred Thousand Dollars (\$200,000.00) per Fiscal Year arising on account of any Disposition or Series of Disposition by the Loan Parties, unless, in the absence of any continuing Default or Event of Default, the proceeds are utilized by the Loan Parties for acquisition of similar or replacement

property and equipment within 270 days from the date of receipt, and pending such reinvestment held on the balance sheet of the relevant Loan Party, and provided same shall not be invested in any business outside of the ordinary course of business of the Borrowers as presently conducted, or distributed, directly or indirectly, to any holders (other than the Borrowers) of Equity Interests in any Loan Party, or otherwise disbursed as a Restricted Payment;

b. 100% of insurance proceeds and condemnation recoveries (other than in respect of Floor Plan Vehicles or Units and in respect of Mortgage Obligations Collateral) in excess of One Million Dollars (\$1,000,000.00) per Fiscal Year;

c. 100% of Net Available Proceeds with respect to issuances of Indebtedness (excluding Indebtedness permitted to be issued pursuant to Section 6.03 hereof);

d. [reserved]; and

e. 100% of Net Extraordinary Receipt Proceeds received by any of the Loan Parties or any of their Subsidiaries, directly or indirectly.

Mandatory Prepayments shall be due and payable within one (1) Business Day of the receipt thereof by any Loan Party or any Subsidiary of any Loan Party. The provisions of this Section 2.06.3 shall not be deemed a waiver of or constitute the implied consent of the Credit Parties to any transactions which are either prohibited by the terms of the Credit Documents or which by the terms of any of the Credit Documents require the prior consent of any or all of the Credit Parties. Mandatory Prepayments shall be applied first, to outstanding amounts under the Mortgage Loans and Term Loans, on a pro rata basis, to reduce the applicable remaining amortization payments in inverse order of maturity until such outstandings have been reduced to zero; second, to outstanding Revolving Credit Loans, Swingline Loans and Reimbursement Obligations, ratably among the Lenders, Swingline Lender and Issuing Bank without a concurrent reduction in Revolving Credit Commitments, and third, to cash collateralize outstanding Letters of Credit.

2.06.4. Voluntary Prepayments. The Borrowers may, upon notice to the Administrative Agent, at any time or from time to time voluntarily prepay the Term Loans in whole or in part without premium or penalty; provided that (a) such notice must be received by the Administrative Agent not later than 11:00 a.m. (i) three (3) Business Days prior to any date of prepayment of LIBOR Borrowings, and (ii) on the date of prepayment of Adjusted Base Rate Borrowings; and (b) any voluntary prepayment of the Term Loan shall be in a principal amount of not less than One Million Dollars (\$1,000,000). Each such notice shall specify the date and amount of such prepayment and, if LIBOR Borrowings at the Adjusted LIBOR Rate are to be prepaid, the Interest Period(s) of such LIBOR Borrowings. The Administrative Agent will promptly notify each Lender of its receipt of each such notice, and of the amount of such Term Loan Commitment Percentage of such prepayment. If such notice is given by the Borrowers, the Borrowers shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein. Any prepayment of a LIBOR Borrowing at the Adjusted LIBOR Rate shall be accompanied by all accrued interest on the amount prepaid, together with any additional amounts required pursuant to Section 2.07.3. Each such prepayment shall be applied to the Term Loan in accordance with the Term Loan Commitment Percentages of the Lenders.

2.06.5. Permitted Purposes Of Term Loan. The proceeds of the Term Loans shall be used by the Borrowers solely to refinance existing Indebtedness of the Loan Parties and their Subsidiaries, to pay closing costs and fees in connection with this Agreement and the Closing Date Transactions, and to provide cash to the balance sheet for general corporate purposes.

Section 2.06A. Mortgage Loans. Pursuant to the Existing Credit Agreement, certain of the Mortgage Loan Lenders made mortgage term loans denominated in Dollars to the Mortgage Loan Borrower. The Mortgage Loan Borrower hereby agrees and acknowledges that as of the Closing Date, the outstanding principal balance of the Mortgage Loans is Five Million Eight Hundred Twenty Nine Thousand One Hundred Ninety Nine Dollars and Ninety Six Cents (\$5,829,199.96) and shall for all purposes hereunder constitute and be referred to as the Mortgage Loan hereunder, without constituting a novation, but in all cases subject to the terms and conditions applicable to the Mortgage Loans hereunder. Mortgage Loans may be either Adjusted Base Rate Borrowings, or LIBOR Borrowings at the Adjusted LIBOR Rate, or a combination thereof.

2.06A.1. Mortgage Loan Notes. The obligations of the Mortgage Loan Borrower to repay the Mortgage Loans to each of the Mortgage Loan Lenders shall be evidenced by a Mortgage Loan Note to be issued to each Mortgage Loan Lender in the stated principal amount of such Lender's respective Mortgage Loan Commitment.

2.06A.2. *Payment.* The aggregate unpaid principal balances of the Mortgage Loans shall be paid to the Administrative Agent for the ratable accounts of the Mortgage Loan Lenders in consecutive monthly installments in the principal amount of Twenty-Five Thousand Five Hundred Sixty-Six Dollars and Sixty-Seven Cents (\$25,566.67) payable on the Principal Payment Dates of each consecutive month beginning on July 15, 2021 and continuing until the Mortgage Loan Maturity Date. All remaining unpaid balances of the Mortgage Loans, including all unpaid principal, unpaid and accrued interest and fees, shall be paid in full on the Mortgage Loan Maturity Date. The Mortgage Loan Borrower unconditionally promises to pay interest to the Administrative Agent for the accounts of the Mortgage Loan Lenders on the unpaid principal balances of the Mortgage Loans from time to time outstanding from the date of Closing until the date of the payment in full of the Mortgage Loans at the rates per annum, and on the dates set forth in Section 2.07 of this Agreement.

2.06A.3. *Mandatory Prepayments.* The Mortgage Loan Borrower promises to pay, or cause to be paid, to the Administrative Agent for the accounts of the Mortgage Loan Lenders 100% of Net Available Proceeds of a Disposition of, and 100% of insurance proceeds and condemnation recoveries in respect of, the Mortgage Obligations Collateral, which shall be due and payable within one (1) Business Day of the receipt thereof by any Loan Party or any Subsidiary of any Loan Party and shall be applied to the outstanding amounts under the Mortgage Loans to reduce the applicable remaining amortization payments in inverse order of maturity until such outstandings have been reduced to zero.

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2.06A.4. *Voluntary Prepayments.* The Mortgage Loan Borrower may, upon notice to the Administrative Agent, at any time or from time to time voluntarily prepay the Mortgage Loans in whole or in part without premium or penalty except for the charges set forth in Section 2.07; provided that (a) such notice must be received by the Administrative Agent not later than 11:00 a.m. (i) three (3) Business Days prior to any date of any prepayment; and (b) any voluntary prepayment of the Mortgage Loans shall be in a principal amount of not less than One Million Dollars (\$1,000,000). The Administrative Agent will promptly notify each Mortgage Loan Lender of its receipt of each such notice, and of the amount of such Mortgage Loan Commitment Percentage of such prepayment. If such notice is given by the Mortgage Loan Borrower, the Mortgage Loan Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein. Any prepayment of a LIBOR Borrowing at the Adjusted LIBOR Rate shall be accompanied by all accrued interest on the amount prepaid, together with any additional amounts required pursuant to Section 2.07.3. Each such prepayment shall be applied to the Mortgage Loans in accordance with the Mortgage Loan Commitment Percentages of the Lenders.

Section 2.06A.5. *Permitted Purposes Of Mortgage Loan.* The proceeds of the Mortgage Loans shall be used by the Mortgage Loan Borrower to finance the service facility outside of Houston, Texas (generally known as the southwest quadrant of Highway 290 and Stokes Road in Waller, TX and more particularly described on the Mortgage).

Section 2.07. *Interest Terms Applicable To The Loans.* Interest shall accrue upon the unpaid principal balances of the Loans until the Loans have been repaid in full at the rate or rates described below in this Section 2.07. The Borrowers promise to pay to the Administrative Agent for the ratable benefit of the Lenders in each Class all accrued interest owing in respect of such Class of Loans in arrears on the applicable Interest Payment Dates.

2.07.1. *Adjusted Base Rate.* Swingline Loans advanced and outstanding shall bear interest at the Adjusted Base Rate. Absent a timely election by the Borrower Representative of a LIBOR Borrowing in accordance with Section 2.07.2 of this Agreement, the unpaid balances of the Floor Plan Loans (including M&T Advances), Revolving Credit Loans, Mortgage Loans and Term Loans, including any balances of any Adjusted LIBOR Rate Borrowings for which the applicable Interest Period has expired without an effective continuation, shall be deemed automatically to bear interest at the Adjusted Base Rate. Changes in the Adjusted Base Rate shall be made when and as changes in the Base Rate occur. Each election by the Borrower Representative of an Adjusted Base Rate Borrowing shall be in the Minimum Borrowing Amount, or any multiple thereof. Payments on account of Adjusted Base Rate Borrowings shall be due and payable in arrears monthly on the Interest Payment Date in each consecutive month.

2.07.2. *LIBOR Borrowing Option.* Subject to the terms of this Section, interest may accrue at the election of the Borrower Representative (a) with respect to Term Loans, at the Adjusted LIBOR Rate for Interest Periods and on portions of the unpaid principal balances of the Term Loans, as selected by the Borrower Representative, (b) with respect to Revolving Credit Loans, at the Adjusted LIBOR Rate for Interest Periods and on portions of the unpaid principal balances of the Revolving Credit Loans, as selected by the Borrower Representative; (c) with respect to Floor Plan Loans, at the Adjusted Daily LIBOR Rate on the principal balances outstanding of the Floor Plan Loans and (d) with respect to Mortgage Loans, at the Adjusted LIBOR Rate for Interest Periods and on portions of the unpaid principal balances of the Mortgage Loans, as selected by the Borrower Representative. With respect to the Revolving Credit Loans, the Borrower shall have the option to elect a series of consecutive Interest Periods applicable to portions of the unpaid principal balances of Revolving Credit Loans to be designated at the time of an initial election for LIBOR Borrowings; provided

that LIBOR shall be redetermined on the terms set forth in this Agreement for each Interest Period and interest payments shall be made at the end of each Interest Period. For the avoidance of doubt, the LIBOR Borrowing option shall not be available for Swingline Loans.

(a) *Election of Adjusted LIBOR Rate Borrowing.* Any election for an Adjusted LIBOR Rate Borrowing shall be subject to the following additional terms and conditions:

i. *Notice Of Election.* With respect to the Term Loans, an Authorized Officer of the Borrower Representative shall deliver by 11:00 a.m. Eastern Time on that Business Day which occurs three (3) Business Days prior to the Business Day on which the Borrowers desire that an Interest Period commence, a written fully completed and executed Notice of Election in the form attached hereto as Exhibit IA (which Notice of Election may be transmitted electronically or by facsimile) specifying: (A) the commencement date of and length of the relevant Interest Period, (B) the Dollar amount of that portion of the total aggregate principal amount of the Term Loans identified by the Borrower Representative, which are to bear interest at the Adjusted LIBOR Rate, which amount (1) shall not be less than the Minimum Borrowing Amount, and (2) in a principal amount greater than that sum obtained by deducting the aggregate amount of principal payments upon the Term Loans which are scheduled for payment on Principal Payment Dates occurring prior to the end of the subject Interest Period from the aggregate unpaid principal balances of the Term Loans. With respect to the Revolving Credit Loans, an Authorized Officer of the Borrower Representative shall deliver by 11:00 a.m. Eastern Time on that Business Day which occurs three (3) Business Days prior to the Business Day on which the Borrowers desire that an Interest Period commence, a written fully completed and executed Notice of Election in the form attached hereto as Exhibit IB (which Notice of Election may be transmitted electronically or by facsimile) specifying: (A) the commencement date of the relevant Interest Period, (B) the number of consecutive Interest Periods, (B) the Dollar amount of that portion of the total aggregate principal amount of the Revolving Credit Loans identified by the Borrower Representative, which are to bear interest at the Adjusted LIBOR Rate, which amount shall not be less than the Minimum Borrowing Amount.

ii. *Effect Of Election.* Subject to clause “B” below and to the operation and effect of Sections 2.07.4 and 2.07.5, interest shall accrue from and including the first day of each Interest Period selected by the Borrower Representative to (but not including) the last day of such Interest Period at the Adjusted LIBOR Rate determined as applicable to such Interest Period upon the amount of the unpaid principal balances of the Term Loans or Revolving Credit Loans, as the case may be, identified by the Borrower Representative in the Borrower Representative’s written election. Adjusted LIBOR Rate Borrowings shall be due and payable in arrears on each applicable Interest Payment Date.

A. *Interest Periods.* There shall be no more than ten (10) Interest Periods outstanding at any one time. No Interest Period may expire after the Maturity Date.

B. *Availability.* If prior to the commencement of any Interest Period for a LIBOR Borrowing: (1) the Administrative Agent is advised that the Required Lenders have determined that a Change In Law or a change in market conditions has made it impractical for the Lenders to offer pricing based on the Adjusted LIBOR Rate; or (2) the Administrative Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the LIBOR Rate for such Interest Period; or (3) the Administrative Agent is advised by the Required Lenders that the LIBOR Rate applicable to such Interest Period will not adequately and fairly reflect the cost to the Lenders of making or maintaining the proposed LIBOR Borrowing for such Interest Period; then the Administrative Agent shall give notice thereof to the Borrower Representative and the Lenders as promptly as practicable thereafter and, until the Administrative Agent notifies the Borrower Representative and the Lenders that the circumstances giving rise to such notice no longer exist, (x) any request to convert any borrowing to, or continue any borrowing as, a LIBOR Borrowing shall be ineffective and (y) any requested LIBOR Borrowing shall bear interest at the Adjusted Base Rate.

(b) *Election of Adjusted Daily LIBOR Borrowing.* Any election for an Adjusted Daily LIBOR Borrowing shall be subject to the following additional terms and conditions:

i. *Notice Of Election.* An Authorized Officer of the Borrower Representative shall deliver by 11:00 a.m. Eastern Time on that Business Day which occurs three (3) Business Days prior to the Business Day on which the Borrowers desire the principal balances outstanding under the Floor Plan Loans begin to accrue interest at the Adjusted Daily LIBOR Rate, a written fully completed and executed Notice of Election in the form attached hereto as Exhibit IC (which Notice of Election may be transmitted

electronically or by facsimile) specifying the commencement date of the election of LIBOR. Such election shall continue in effect until a subsequent election to change the applicable rate has been made by the Borrower Representative, and each election to change the applicable rate of interest shall be made not later than three (3) Business Days prior to Business Day the Borrowers desire the election to take effect. With respect to the Floor Plan Loans, there shall only be one (1) applicable interest rate in effect for all of the Floor Plan Loans at any time and each interest rate election shall apply to the entire aggregate unpaid principal balances of the Floor Plan Loans. Payments on account of interest applicable to Floor Plan Loans shall be applied by the Administrative Agent to outstanding balances of such Loans accruing or having accrued interest at the Adjusted Daily LIBOR Rate and balances of such Loans accruing or having accrued interest at the Adjusted Base Rate, in such order or proportion as the Administrative Agent, in its sole discretion, shall determine.

ii. *Effect Of Election.* Subject to clause “B” below and to the operation and effect of Sections 2.07.4 and 2.07.5 hereof, upon such election:

A. *Floor Plan Loans.* All principal balances advanced and outstanding under the Floor Plan Loans shall thereafter bear interest at the Adjusted Daily LIBOR Rate until the Borrower Representative provides to the Administrative Agent a Notice of Election three (3) Business Days prior to the Business Day on which the Borrowers desire that the principal balances outstanding under the Floor Plan Loans accrue interest at the Adjusted Base Rate. A single rate of interest, whether the Adjusted Daily LIBOR Rate or the Adjusted Base Rate, shall be applicable at any given time to the Floor Plan Loans. Adjusted Daily LIBOR Borrowings on account of Floor Plan Loans shall be due and payable monthly in arrears on the Interest Payment Date in each consecutive month.

B. *Availability.* If at any time: (1) the Administrative Agent is advised that the Required Lenders have determined that a Change In Law or a change in market conditions has made it impractical for the Lenders to offer pricing based on the Adjusted Daily LIBOR Rate; or (2) the Administrative Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining LIBOR at such time; or (3) the Administrative Agent is advised by the Required Lenders that the Adjusted Daily LIBOR Rate applicable to the Floor Plan Loans will not adequately and fairly reflect the cost to the Lenders of making or maintaining the LIBOR Borrowings under the Floor Plan Loans at the Adjusted Daily LIBOR Rate; then the Administrative Agent shall give notice thereof to the Borrower Representative and the Lenders as promptly as practicable thereafter and, until the Administrative Agent notifies the Borrower Representative and the Lenders that the circumstances giving rise to such notice no longer exist, (x) any request to convert any borrowing to, or continue any borrowing as, a LIBOR Borrowing shall be ineffective and (y) any requested Adjusted Daily LIBOR Borrowing with respect to the Floor Plan Loans shall bear interest at the Adjusted Base Rate.

(c) *Interest Rate Applicable to Mortgage Loans.*

i. *Adjusted LIBOR Rate.* Subject to the terms of this Section (including subsection “(ii)” (captioned “Availability”), interest shall accrue on principal balances advanced and outstanding on account of the Mortgage Loans at the Adjusted LIBOR Rate for successive one-month Interest Periods determined for the first draw under the Mortgage Loans and continuing thereafter as redetermined and reset for each consecutive Interest Period. Interest payments shall be due and payable in arrears on the Interest Payment Date at the end of each such Interest Period.

ii. *Availability.* If prior to the commencement of any Interest Period for a LIBOR Borrowing: (1) the Administrative Agent is advised that the Required Lenders have determined that a Change In Law or a change in market conditions has made it impractical for the Lenders to offer pricing based on the Adjusted LIBOR Rate; or (2) the Administrative Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the LIBOR Rate for such Interest Period; or (3) the Administrative Agent is advised by the Required Lenders that the LIBOR Rate applicable to such Interest Period will not adequately and fairly reflect the cost to the Lenders of making or maintaining the proposed LIBOR Borrowing for such Interest Period; then the Administrative Agent shall give notice thereof to the Mortgage Loan Borrower and the Lenders as promptly as practicable thereafter and, until the Administrative Agent notifies the Mortgage Loan Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, (x) any request to convert any borrowing to, or continue any borrowing as, a LIBOR Borrowing shall be ineffective and (y) any requested LIBOR Borrowing shall bear interest at the Adjusted Base Rate.

2.07.3. *Breakage Costs.* The Borrowers jointly and severally promise to compensate the Lenders from time to time, upon demand from any Lender through the Administrative Agent, for all losses, expenses, lost earnings, costs and liabilities (including all interest paid to lenders of funds borrowed by the Lenders to carry LIBOR Borrowings) which any of the Lenders sustains if: (1) any repayment or prepayment of any LIBOR Borrowings (including any payment resulting from the acceleration of the Loans in

accordance with the terms of this Agreement or from an assignment required by Section 2.11 of this Agreement) or any conversion of LIBOR Borrowings for any reason occurs on a date which is not a Business Day and, with respect to any LIBOR Borrowing on account of a Revolving Credit Loan, Term Loan, or Mortgage Loan is not the last day of an Interest Period; or (2) any failure by the Borrowers to borrow a LIBOR Borrowing or convert an Adjusted Base Rate Borrowing to a LIBOR Borrowing on the date for such borrowing or conversion specified in the relevant notice of election given by the Borrower Representative to the Administrative Agent in accordance with the terms of this Agreement.

2.07.4. Illegality. If the Administrative Agent or the Required Lenders shall determine that the introduction of any law (statutory or common), treaty, rule, regulation, guideline or determination of an arbitrator or of a governmental authority or in the interpretation or administration thereof, has made it unlawful, or that any central bank or other governmental authority has asserted that it is unlawful for any of the Lenders to make Loans at the LIBOR Rate and/or the Daily LIBOR Rate, then, on notice thereof by the Administrative Agent to the Borrower Representative, the Administrative Agent may suspend the making of Loans at the LIBOR Rate and the Daily LIBOR Rate until the Administrative Agent shall have notified the Borrower Representative that the circumstances giving rise to such determination shall no longer exist. If the Administrative Agent or the Required Lenders shall determine that it is unlawful to maintain any Loans at the LIBOR Rate and/or the Daily LIBOR Rate, the Borrower shall immediately convert all outstanding Adjusted LIBOR Rate Borrowings and/or Adjusted Daily LIBOR Borrowings, as applicable, to Adjusted Base Rate Borrowings or pay to the Administrative Agent for the benefit of the Lenders the aggregate principal amount of all affected Loans then outstanding at the LIBOR Rate or Daily LIBOR Rate, together with accrued interest and related Credit Party Expenses.

2.07.5. Termination Of Right To Elect LIBOR Borrowings. Notwithstanding anything to the contrary set forth in this Agreement, and without limiting any other rights and remedies of the Lenders, the Required Lenders during any continuing Default or Event of Default may suspend the right of the Borrowers to elect any new LIBOR Borrowing or to convert any Adjusted Base Rate Borrowing into a LIBOR Borrowing, to permit any LIBOR Borrowing at the Adjusted LIBOR Rate to be renewed as a LIBOR Borrowing, or to permit any LIBOR Borrowing at the Adjusted Daily LIBOR Rate to continue as a LIBOR Borrowing, in which case, all LIBOR Borrowings, other than LIBOR Borrowings at the Adjusted Daily LIBOR Rate, shall be converted on the last days of the respective Interest Periods therefor or continued, as the case may be, as Adjusted Base Rate Borrowings, and all LIBOR Borrowings at the Adjusted Daily LIBOR Rate shall be converted to Adjusted Base Rate Borrowings on the date selected by the Required Lenders.

2.07.6. Calculation Of Interest. Interest shall be calculated upon Adjusted Base Borrowings on the basis of a 365 or 366 days per year factor applied to the actual days on which there exists an unpaid balance of the Adjusted Base Rate Borrowings. Interest shall be calculated upon LIBOR Borrowing on the basis of a 360 day per year factor applied to the actual days on which there exists an unpaid balance of the LIBOR Borrowing.

2.07.7. Default Interest.

(a) During the existence an Event of Default under Sections 7.01.1, 7.01.7 or 7.01.8, automatically and without the requirement of any notice, and at the request of the Administrative Agent or the Required Lenders during the existence of any other Event of Default, the principal amount of all Loans outstanding, Reimbursement Obligations and all fees and other Obligations owed hereunder, including, to the extent permitted by applicable law, any interest payments on the Loans, shall thereafter bear interest (including post-petition interest in any proceeding under the Debtor Relief Laws or other applicable bankruptcy laws) payable on demand at the applicable Default Rate; provided, in the case of Loans accruing interest at the LIBOR Rate, upon the expiration of the Interest Period in effect at the time any such increase in interest rate is effective such Loans shall thereupon accrue interest at the Base Rate and shall thereafter bear interest payable upon demand at the Default Rate. Payment or acceptance of the increased rates of interest provided for in this Section 2.07.7 is not a permitted alternative to timely payment and shall not constitute a waiver of any Event of Default or otherwise prejudice or limit any rights or remedies of Administrative Agent or any Lender. Imposition of the Default Rate may, at the election of the Required Lenders, be applied retroactively to the date of the occurrence of the Event of Default.

(b) Without limiting any other rights and remedies available to the Lender Parties by this Agreement or applicable Laws, accrued and unpaid interest on past due amounts (including interest on past due interest) shall be due and payable upon demand.

2.07.8. Maximum Rate Of Interest. Any provision contained in the Credit Documents to the contrary notwithstanding, the Lenders shall not be entitled to receive or collect, nor shall the Borrowers be obligated to pay, interest, fees, or charges thereunder in excess of the maximum rate of interest permitted by any applicable Law, and if any provision of this Agreement, the Notes or any of the other Credit Documents is construed or held by any court of law or Governmental Authority having jurisdiction to

permit or require the charging, collection or payment of any amount of interest in excess of that permitted by such Laws, the provisions of this Section shall control and shall override any contrary or inconsistent provision. The intention of the parties is to at all times conform strictly with all applicable usury requirements and other Laws limiting the maximum rates of interest which may be lawfully charged upon the Loans. The interest to be paid pursuant to the Notes shall be held subject to reduction to the amount allowed under said usury or other Laws as now or hereafter construed by the courts having jurisdiction, and any sums of money paid in excess of the interest rate allowed by applicable Law shall be applied in reduction of the principal amount owing pursuant to the Notes.

2.07.9. Late Payment Charges. Any payment of principal, interest or fees due upon any of the Loans (including any final payment) which is received by the Administrative Agent more than fifteen (15) calendar days after its due date shall incur a late payment charge equal to five percent (5%) of the amount of the payment due, which charge shall be immediately due and payable. The existence of the right by the Lenders to receive a late payment charge shall not be deemed to constitute a grace period or provide any right to the Borrowers to make a payment other than on such payment's scheduled due date.

2.07.10. Effect of Benchmark Transition Event.

(a) *Benchmark Replacement.* Notwithstanding anything to the contrary herein or in any other Credit Document, if a Benchmark Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting of the then-current Benchmark, then (x) if a Benchmark Replacement is determined in accordance with clause (1) or (2) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Credit Document in respect of such Benchmark setting and subsequent Benchmark settings, without any amendment or further action or consent of any other party hereto or to any other Credit Document, and (y) if a Benchmark Replacement is determined in accordance with clause (3) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Credit Document in respect of any Benchmark setting that occurs more than five (5) Business Days after the date notice of such Benchmark Replacement is provided to the Lenders, without any amendment or further action or consent of any other party hereto or to any other Credit Document, so long as the Administrative Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising the Required Class Lenders. The Borrowers shall pay all out-of-pocket costs (including reasonable attorneys' fees) incurred by the Administrative Agent in connection with the negotiation or enforcement of the terms hereof or any related matters contemplated in this Section 2.07.10 (this "Section"). For purposes of this Section, any interest rate hedging agreement related to the loan evidenced hereby shall be excluded from the definition of a "Credit Document".

The parties hereto acknowledge that a Benchmark Transition Event has occurred with respect to LIBOR with the public announcements on March 5, 2021, by the ICE Benchmark Administration (IBA) and the U.K. Financial Conduct Authority (FCA), that the IBA will permanently cease to publish all remaining tenors of LIBOR on June 30, 2023, for which the related Benchmark Replacement Date is anticipated to be June 30, 2023.

(b) *Benchmark Replacement Conforming Changes.* In connection with the implementation and administration of a Benchmark Replacement, the Administrative Agent will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Credit Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of the Borrowers or any other party hereto or to any other Credit Documents. The Administrative Agent shall not be liable to any party hereto for any Benchmark Replacement Conforming Changes it makes in good faith.

(c) *Notices; Standards for Decisions and Determinations.* The Administrative Agent will provide notification to the Borrower Representative (which may at the Administrative Agent's discretion be electronic, part of a billing statement, a general notice to customers or other communication) and the Lenders of the implementation of any Benchmark Replacement and the effectiveness of any Benchmark Replacement Conforming Changes within a reasonable time prior to such implementation and effectiveness, as applicable. Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section, including, without limitation, any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding on all parties hereto absent manifest error, and may be made in its or their sole discretion and without consent from any other party hereto or to any other Credit Document, except, in each case, as expressly required pursuant to this Section and shall not be a basis of any claim of liability of any kind or nature by any party hereto, all such claims being hereby waived individually by each party hereto.

(d) *Unavailability of Tenor or Benchmark.* At any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate (including Term SOFR or LIBOR), then the Administrative Agent may remove any tenor that is unavailable or non-representative for Benchmark (including Benchmark Replacement) settings and (ii) the Administrative Agent may reinstate any such previously removed tenor for Benchmark (including Benchmark Replacement) settings.

(e) *Benchmark Unavailability Period.* Upon the Borrower Representative's receipt of notice of the commencement of a Benchmark Unavailability Period, the Borrower Representative may revoke (as applicable) any request for a LIBOR Borrowing or, conversion to or continuation of LIBOR Rate Loans to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the Borrowers will be deemed to have converted any such request into a request for a borrowing of or conversion to a loan that shall accrue interest at the Base Rate. During any Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of the Base Rate based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of the Base Rate.

2.07.11. *Disclosure Regarding the Availability of LIBOR.* Each of the Borrowers acknowledges and understands that (i) (USD) LIBOR is established, issued and regulated by third parties, and that its continuing existence and ongoing viability as a source and basis for establishing contractual interest rates is entirely outside the control of M&T Bank, (ii) regulatory agencies in the United States and worldwide have advised that LIBOR may be discontinued after 2021, or possibly sooner, (iii) in order to address the possibility of LIBOR discontinuance, the terms of any Loans or proposed loan(s) referenced herein may include provisions (modeled after recommendations issued by the Federal Reserve's Alternative Reference Rates Committee, or otherwise) that contemplate the replacement of LIBOR as a basis for establishing the applicable interest rate for such loans, and (iv) should the actual discontinuance of LIBOR occur, any replacement index may be materially different than LIBOR, and necessitate substantive changes (arising from such differences) to the manner in which the applicable interest rate for the proposed loan(s) is calculated and applied. Notwithstanding the above, each of the Borrowers have knowingly and voluntarily requested and/or accepted a LIBOR pricing proposal from M&T Bank, accepting any inherent risks associated with the utilization and any subsequent discontinuance of LIBOR, and hereby waives any claims or defenses against the Bank in connection therewith.

Section 2.08. *Pro Rata Treatment And Payments.*

2.08.1. *Distribution Of Payments To Lenders.* Except as otherwise expressly provided to the contrary by the terms of this Agreement, all payments (including prepayments) to be made by the Borrowers in respect of a Class hereunder, whether on account of principal, interest, fees or otherwise shall be made without set-off or counterclaim and shall be made prior to 12:00 Noon on the due date thereof to the Administrative Agent for the accounts of the Lenders in such Class at the Administrative Agent's offices in Buffalo, New York in Dollars and in immediately available funds. The Administrative Agent shall promptly distribute to each Lender in such Class by wire transfer such Lender's *pro rata* share of each of such payments in like funds as received for such Class. The Administrative Agent may assume that the Borrowers have made such payments on the applicable date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or to the Issuing Bank, as the case may be, the amount due. In such event, if the Borrowers have not in fact made such payments, then each of the Lenders or the Issuing Bank, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or the Issuing Bank, in immediately available funds with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Rate or a rate determined by the Administrative Agent in accordance with banking industry customs and rules on interbank compensation.

2.08.2. *Funding Of Loans.* The Lenders agree that the Administrative Agent may assume that each Lender will fund timely its *pro rata* portion of each borrowing requested by the Borrowers in accordance with the terms of this Agreement and that the Administrative Agent may, in reliance upon such assumption, make available to the Borrowers a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable borrowing available to the Administrative Agent, then the applicable Lender and the Borrowers severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount in immediately available funds with interest thereon, for each day from and including the date such amount is made available to the Borrowers to but excluding the date of payment to the Administrative Agent, at (a) in the case of a payment to be made by such Lender, the greater of the Federal Funds Rate or a rate determined by the Administrative Agent in accordance with banking industry customs and rules on interbank compensation, plus any administrative, processing or similar fees customarily charged by the Administrative Agent in

connection with the foregoing, and (b) in the case of a payment to be made by the Borrowers, the interest rate applicable to Adjusted Base Rate Borrowings. If the Borrowers and such Lender shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to the Borrowers the amount of such interest paid by the Borrowers for such period. If such Lender pays its share of the applicable borrowing to the Administrative Agent, then the amount so paid shall constitute such share included in the subject borrowing. Any payment by the Borrowers shall be without prejudice to any claim the Borrowers may have against a Lender that shall have failed to make such payment to the Administrative Agent.

2.08.3. *Ratable Sharing.* Except to the extent otherwise provided herein: (a) each Borrowing from the Revolving Credit Lenders under Section 2.03 shall be made from the Revolving Credit Lenders, each payment of the fees under Section 2.03.5 shall be made for the account of the Revolving Credit Lenders, and each termination or reduction of the amount of the Revolving Credit Commitments under Section 2.03.6 shall be applied to the respective Revolving Credit Commitments of the Revolving Credit Lenders, pro rata according to the amounts of their respective Revolving Credit Commitments; (b) each payment or prepayment of principal of Revolving Credit Loans shall be made for the account of the Revolving Credit Lenders pro rata in accordance with the respective unpaid principal amounts of the Revolving Credit Loans held by them, provided that, subject to Section 2.14, if immediately prior to giving effect to any such payment in respect of any Revolving Credit Loans the outstanding principal amount of the Revolving Credit Loans shall not be held by the Revolving Credit Lenders pro rata in accordance with their respective Revolving Credit Commitments in effect at the time such Revolving Credit Loans were made, then such payment shall be applied to the Revolving Credit Loans in such manner as shall result, as nearly as is practicable, in the outstanding principal amount of the Revolving Credit Loans being held by the Revolving Credit Lenders pro rata in accordance with such respective Revolving Credit Commitments; (c) each Borrowing from the Floor Plan Lenders under Sections 2.01 shall be made from the Floor Plan Lenders and each termination or reduction of the amount of the Floor Plan Commitments shall be applied to the respective Floor Plan Commitments of the Floor Plan Lenders, pro rata according to the amounts of their respective Floor Plan Commitments; (d) each payment or prepayment of principal of any Floor Plan Loans shall be made for the account of the Floor Plan Lenders, pro rata in accordance with the respective unpaid principal amounts of Floor Plan Loans held by them; (e) each payment of interest on any Floor Plan Loans shall be made for the account of the Floor Plan Lenders, pro rata in accordance with the amounts of interest on Floor Plan Loans, then due and payable to the respective Floor Plan Lenders; (f) the conversion and continuation of Revolving Credit Loans (other than conversions provided for by Sections 2.07.4) shall be made pro rata among the Revolving Credit Lenders, according to the amounts of their respective Revolving Credit Loans, and the then current Interest Period for each Lender's portion of each such Loan of such Type and Class shall be coterminous and (g) the Revolving Credit Lenders' participation in, and payment obligations in respect of, Swingline Loans under Section 2.04, shall be in accordance with their respective Applicable Percentages for Revolving Credit Commitments; (i) the Revolving Credit Lenders' participation in, and payment obligations in respect of, Letters of Credit under Section 2.05, shall be in accordance with their respective Applicable Percentages for Revolving Credit Commitments; (j) each payment or prepayment of principal of any Class of Term Loans or any Class of Mortgage Loans shall be made for the account of the Term Loan Lenders or Mortgage Loan Lenders of such Class, pro rata in accordance with the respective unpaid principal amounts of such Class of Term Loans or Mortgage Loans held by them; (k) each payment of interest on any Class of Term Loans or Mortgage Loans shall be made for the account of the Lenders of such Class, pro rata in accordance with the amounts of interest on such Class of Loans, then due and payable to the respective Lenders of such Class; and (l) the conversion and continuation of Term Loans or Mortgage Loans of a particular Type and Class (other than conversions provided for by Sections 2.07.4) shall be made pro rata among the Term Loan Lenders or Mortgage Lenders of such Class, according to the amounts of their respective Term Loans or Mortgage Loans of such Class, and the then current Interest Period for each Lender's portion of each such Loan of such Type and Class shall be coterminous. All payments of principal, interest, fees and other amounts in respect of the Swingline Loans shall be for the account of the Swingline Lender only (except to the extent any Lender shall have acquired a participating interest in any such Swingline Loan pursuant to Section 2.04.1(d), in which case such payments shall be pro rata in accordance with such participating interests).

2.08.4. *Setoffs, Counterclaims, Other Payments.* If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of the Loans made by it, or the participations in L/C Obligations or in Swingline Loans held by it resulting in such Lender receiving payment greater than its *pro rata* share thereof as provided herein, then the Lender receiving such greater proportion shall (a) notify the Administrative Agent of such fact, and (b) purchase (for cash at face value in Dollars) participations in the Loans and participations in the L/C Obligations and Swingline Loans of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and other amounts owing them, provided that:

(i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(ii) the provisions of this Section shall not be construed to apply to (A) any payment made by the Borrowers pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender) or (B) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or participations in L/C Obligations or Swingline Loans to any assignee or participant, other than to the Borrowers or any Subsidiaries thereof (as to which the provisions of this Section shall apply).

Each Loan Party consents to the foregoing and agrees, to the extent it may effectively do so under applicable Law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against such Loan Party rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of such Loan Party in the amount of such participation.

Section 2.09. *Application Of Payments.* Except as expressly required to the contrary by the terms of this Agreement, all payments received upon the Loans may be applied first to Credit Party Expenses, next to late payment charges, then to accrued interest and the unpaid principal balances of the Loans, or in such other order as elected by the Required Lenders.

Section 2.10. *Increased Costs.*

2.10.1. *Increased Costs Generally.* If any Change In Law shall:

(a) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender (except any reserve requirement reflected in the Adjusted LIBOR Rate) or the Issuing Bank;

(b) subject any Recipient to any Taxes (other than (i) Indemnified Taxes, (ii) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (iii) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(c) impose on any Lender or the Issuing Bank or the London Interbank Market any other condition, cost or expense affecting this Agreement or any LIBOR Borrowing made by such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender, the Issuing Bank, or such other Recipient of making, converting to or continuing or maintaining any Loan (or of maintaining its obligation to make any such Loan), or to increase the cost to such Lender, the Issuing Bank, or such other Recipient of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or to issue any Letter of Credit), or to reduce the amount of any sum received or receivable by such Lender, the Issuing Bank, or such other Recipient hereunder (whether of principal, interest or any other amount) then, upon the request of such Lender, the Issuing Bank, or such other Recipient, the Borrowers agree to pay to such Lender, the Issuing Bank, or such other Recipient, as the case may be, such additional amount or amounts as will compensate such Lender, the Issuing Bank, or such other Recipient, as the case may be, for such additional costs incurred or reduction suffered.

2.10.2. *Capital Requirements.* If any Lender or the Issuing Bank determines that any Change in Law affecting such Lender or the Issuing Bank or any lending office of such Lender or such Lender's or the Issuing Bank's holding company, if any, regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's or the Issuing Bank's capital or on the capital of such Lender's or the Issuing Bank's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by, or participations in Letters of Credit or Swingline Loans held by, such Lender, or the Letters of Credit issued by the Issuing Bank, to a level below that which such Lender or the Issuing Bank or such Lender's or the Issuing Bank's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or the Issuing Bank's policies and the policies of such Lender's or the Issuing Bank's holding company with respect to capital adequacy), then from time to time the Borrowers agree to pay to such Lender or the Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or the Issuing Bank or such Lender's or the Issuing Bank's holding company for any such reduction suffered.

2.10.3. *Certificate for Reimbursement.* A certificate of a Lender or the Issuing Bank setting forth the amount or amounts necessary to compensate such Lender or the Issuing Bank or its holding company, as the case may be, as specified in this Section 2.10 and delivered to the Borrowers shall be conclusive absent manifest error. The Borrowers promise to pay such Lender or the Issuing Bank, as the case may be, the amount shown as due on any such certificate within ten (10) days after receipt thereof.

2.10.4. *Delay in Requests.* Failure or delay on the part of any Lender or the Issuing Bank to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's or the Issuing Bank's right to demand such compensation, provided that the Borrowers shall not be required to compensate a Lender or the Issuing Bank pursuant to this Section for any increased costs incurred or reductions suffered more than twelve (12) months prior to the date that such Lender or the Issuing Bank, as the case may be, notifies the Borrowers of the Change in Law giving rise to such increased costs or reductions and of such Lender's or the Issuing Bank's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the twelve (12) month period referred to above shall be extended to include the period of retroactive effect thereof).

Section 2.11. *Taxes.*

2.11.1. *Defined Terms.* For purposes of this Section, the term "Lender" includes any Issuing Bank and the term "applicable Law" includes FATCA.

2.11.2. *Payments Free of Taxes.* Any and all payments by or on account of any obligation of any Loan Party under any Credit Document shall be made without deduction or withholding for any Taxes, except as required by applicable Law. If any applicable Law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable Law and, if such Tax is an Indemnified Tax, then the sum payable by the applicable Loan Party shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

2.11.3. *Payment of Other Taxes by the Loan Parties.* The Loan Parties shall timely pay to the relevant Governmental Authority in accordance with applicable Laws, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

2.11.4. *Indemnification.* The Loan Parties shall indemnify each Recipient, within 10 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrowers by a Recipient (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Recipient, shall be conclusive absent manifest error.

2.11.5. *Indemnification by the Lenders.* Each Lender shall severally indemnify the Administrative Agent, within ten (10) days after demand therefor, for (a) any Indemnified Taxes attributable to such Lender (but only to the extent that any Loan Party has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Loan Parties to do so), (b) any Taxes attributable to such Lender's failure to comply with the provisions of Section 10.03 relating to the maintenance of a Participant Register and (c) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Credit Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Credit Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this Section 2.11.5.

2.11.6. *Evidence of Payments.* As soon as practicable after any payment of Taxes by any Loan Party to a Governmental Authority pursuant to this Section, such Loan Party shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

2.11.7. *Status of Lenders.*

(a) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Credit Document shall deliver to the Borrowers and the Administrative Agent, at the time or times reasonably requested by the Borrowers or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrowers or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrowers or the Administrative Agent, shall deliver such other documentation prescribed by applicable Law or reasonably requested by the Borrowers or the Administrative Agent as will enable the Borrowers or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(b) Without limiting the generality of the foregoing, in the event that the Borrowers are U.S. Borrowers,

(i) any Lender that is a U.S. Person shall deliver to the Borrowers and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrowers or the Administrative Agent), executed copies of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(ii) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrowers and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrowers or the Administrative Agent), whichever of the following is applicable:

(A) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Credit Document, executed copies of IRS Form W-8BEN or W-8BEN-E, as applicable, establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Credit Document, IRS Form W-8BEN or W-8BEN-E, as applicable, establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(B) executed copies of IRS Form W-8ECI;

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(C) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit J-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of the Borrowers within the meaning of Section 881(c)(3)(B) of the Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code (a "U.S. Tax Compliance Certificate") and (y) executed copies of IRS Form W-8BEN or W-8BEN-E, as applicable; or

(D) to the extent a Foreign Lender is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN or W-8BEN-E, as applicable, a U.S. Tax Compliance Certificate substantially in the form of Exhibit J-2 or Exhibit J-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit J-4 on behalf of each such direct and indirect partner;

(iii) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrowers and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on

which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrowers or the Administrative Agent), executed copies of any other form prescribed by applicable Law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable Law to permit the Borrowers or the Administrative Agent to determine the withholding or deduction required to be made; and

(iv) if a payment made to a Lender under any Credit Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrowers and the Administrative Agent at the time or times prescribed by Law and at such time or times reasonably requested by the Borrowers or the Administrative Agent such documentation prescribed by applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrowers or the Administrative Agent as may be necessary for the Borrowers and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (iv), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrowers and the Administrative Agent in writing of its legal inability to do so.

2.11.8. *Treatment of Certain Refunds.* If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to Section 2.11 of this Agreement (including by the payment of additional amounts pursuant to Section 2.11), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this Section 2.11.8 (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this Section 2.11.8, in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this Section 2.11.8 the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amount with respect to such Tax had never been paid. This Section shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

2.11.9. *Survival.* Each party's obligations under this Section 2.11 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Credit Document.

Section 2.12. *Mitigation Obligations; Replacement of Lenders.*

2.12.1. *Designation of a Different Lending Office.* If any Lender requests compensation under Section 2.10, or requires the Borrowers to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.11, then such Lender shall (at the request of the Borrowers) use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.10 or 2.11, as the case may be, in the future, and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrowers hereby agree to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

2.12.2. *Replacement of Lenders.* If any Lender requests compensation under Section 2.10, or if the Borrowers are required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.11 and, in each case, such Lender has declined or is unable to designate a different lending office in accordance with Section 2.12.1, or if any Lender is a Defaulting Lender or a Non-Consenting Lender, then the Borrowers may, at their sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without

recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 10.02), all of its interests, rights (other than its existing rights to payments pursuant to Section 2.10 or Section 2.11) and obligations under this Agreement and the related Credit Documents to an Eligible Assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that:

(a) the Borrowers shall have paid to the Administrative Agent the administrative fee (if any) specified in Section 10.02;

(b) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and participations in L/C Disbursements, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Credit Documents (including any amounts under Section 2.07.3) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrowers (in the case of all other amounts);

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(c) in the case of any such assignment resulting from a claim for compensation under Section 2.10 or payments required to be made pursuant to Section 2.11, such assignment will result in a reduction in such compensation or payments thereafter;

(d) such assignment does not conflict with applicable Laws; and

(e) in the case of any assignment resulting from a Lender becoming a Non-Consenting Lender, the applicable assignee shall have consented to the applicable amendment, waiver or consent.

Section 2.13. Certain Credit Support Events. Upon the request of the Administrative Agent or the Issuing Bank (a) if the Issuing Bank has honored any full or partial drawing request under any Letter of Credit and such drawing has resulted in a Reimbursement Obligation, or (b) if, as of the L/C Expiration Date, any L/C Obligation for any reason remains outstanding, the Borrowers shall, in each case, immediately Cash Collateralize the then Outstanding Amount of all L/C Obligations.

Section 2.14. *Defaulting Lenders.*

2.14.1. *Defaulting Lender Adjustments.* Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by applicable Laws:

(a) *Waivers and Amendments.* Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of Required Lenders, Required Revolving Credit Lenders and Required Floor Plan Lenders.

(b) *Defaulting Lender Waterfall.* Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article 8 or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section 10.07 shall be applied at such time or times as may be determined by the Administrative Agent as follows: *first*, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; *second*, to the payment on a *pro rata* basis of any amounts owing by such Defaulting Lender to any Issuing Bank to M&T Bank as the provider of the M&T Advances hereunder or Swingline Lender hereunder; *third*, to Cash Collateralize the Issuing Bank's Fronting Exposure or M&T Bank's Fronting Exposure with respect to such Defaulting Lender in accordance with Section 2.14; *fourth*, as the Borrowers may request (so long as no Default or Event of Default exists), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; *fifth*, if so determined by the Administrative Agent and the Borrowers, to be held in a deposit account and released *pro rata* in order to (i) satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement and (ii) Cash Collateralize the Issuing Bank's future Fronting Exposure with respect to such Defaulting Lender with respect to future Letters of Credit issued under this Agreement and future M&T Advances, in accordance with Section 2.13; *sixth*, to the payment of any amounts owing to M&T Bank as the provider of the M&T Advances hereunder, the Lenders, the Issuing Banks or Swingline Lenders as a result of any judgment of a court of competent jurisdiction obtained by M&T Bank as the provider of the M&T Advances hereunder, any Lender, the Issuing Banks or Swingline Lenders against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; *seventh*, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Borrowers as a result of any judgment of a court of competent jurisdiction obtained by the Borrowers against such Defaulting

Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and *eighth*, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Loans or L/C Disbursements in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Loans were made or the related Letters of Credit were issued at a time when the conditions set forth in Section 4.02 were satisfied or waived, such payment shall be applied solely to pay the Loans of, and L/C Disbursements owed to, all Non-Defaulting Lenders on a *pro rata* basis prior to being applied to the payment of any Loans of, or L/C Disbursements owed to, such Defaulting Lender until such time as all Loans and funded and unfunded participations in M&T Advances, L/C Obligations and Swingline Loans are held by the Lenders *pro rata* in accordance with the Commitments under the Applicable Credit Facility without giving effect to Section 2.14.1(d). Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post Cash Collateral pursuant to Section 2.14.1(e) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(c) *Certain Fees.*

(i) No Defaulting Lender shall be entitled to receive a Floor Plan Unused Commitment Fee or a Revolving Credit Unused Commitment Fee for any period during which that Lender is a Defaulting Lender.

(ii) Each Defaulting Lender shall be entitled to receive Letter of Credit Fees for any period during which that Lender is a Defaulting Lender only to the limited extent allocable to its Revolving Credit Commitment Percentage of the stated amount of Letters of Credit for which it has provided Cash Collateral pursuant to Section 2.14.1(e).

(iii) With respect to any Floor Plan Unused Commitment Fee, Revolving Credit Unused Commitment Fee, or Letter of Credit Fee not required to be paid to any Defaulting Lender pursuant to clauses (i) or (ii) above, the Borrowers shall (x) pay to each Non-Defaulting Lender that portion of any such fee otherwise payable to such Defaulting Lender that has been reallocated to such Non-Defaulting Lender pursuant to clause (d) below, (y) pay to the Issuing Bank and the Swingline Lender, as applicable, the amount of any such fee otherwise payable to such Defaulting Lender to the extent allocable to such Issuing Bank's or Swingline Lender's Fronting Exposure to such Defaulting Lender, and (z) not be required to pay the remaining amount of any such fees.

(d) *Reallocation of Participations to Reduce Fronting Exposure.* All or any part of such Defaulting Lender's participation in (a) M&T Advances shall be reallocated among the Non-Defaulting Lenders in accordance with their respective Floor Plan Loan Commitment Percentages (calculated without regard to such Defaulting Lender's Floor Plan Loan Commitments) but only to the extent that such reallocation does not cause the aggregate Outstanding Amount of the Floor Plan Loan of any Non-Defaulting Lender to exceed such Non-Defaulting Lender's Floor Plan Loan Commitment and (b) in the case of a Defaulting Lender that is a Revolving Credit Lender, all or any part of such Defaulting Lender's participation in L/C Obligations and Swingline Loans shall be reallocated among the Non-Defaulting Lenders that are Revolving Credit Lenders in accordance with their respective Revolving Credit Commitment Percentages, determined without regard to such Defaulting Lender's Revolving Credit Commitment) but only to the extent that such reallocation does not cause the aggregate Revolving Credit Exposure of any such Non-Defaulting Lender to exceed such Non-Defaulting Lender's Revolving Credit Commitment. No reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having become a Defaulting Lender, including any claim of a Non-Defaulting Lender as a result of such Non-Defaulting Lender's increased exposure following such reallocation. Operation of the allocations provided in Section 2.14 above shall not be deemed to result in a default of any Borrower's obligations to a Defaulting Lender under this Agreement or any other Credit Document.

(e) *Cash Collateral, Repayment of Swingline Loans and M&T Advances.*

(i) If the reallocation described in the immediately preceding subsection (d) above cannot, or can only partially, be effected, the Borrowers of the applicable Class shall, without prejudice to any right or remedy available to them hereunder or under law, (I) in respect of the Revolving Credit Facility, (x) first, prepay Swingline Loans in an amount equal to the Swingline Lender's Fronting Exposure and (y) second, Cash Collateralize the Issuing Bank's Fronting Exposure in accordance with the procedures set forth in this subsection and (II) in respect of the Floor Plan Facility, prepay the M&T Advances in an amount equal to M&T Bank's Fronting Exposure as the lender of M&T Advances.

(ii) At any time that there shall exist a Revolving Credit Lender that is a Defaulting Lender, within one (1) Business Day following the written request of the Administrative Agent or the Issuing Bank (with a copy to the Administrative Agent), the Revolving Credit Borrowers shall Cash Collateralize the Issuing Bank's Fronting Exposure with respect to such Defaulting Lender (determined after giving effect to the immediately preceding subsection (d) and any Cash Collateral provided by such Defaulting Lender) in an amount not less than the aggregate Fronting Exposure of the Issuing Bank with respect to Letters of Credit issued and outstanding at such time.

(iii) All Cash Collateral (other than credit support not constituting funds subject to deposit) provided under Section 2.14 shall be maintained in blocked, non-interest bearing deposit accounts maintained at M&T Bank. The Revolving Credit Borrowers, and to the extent provided by any Defaulting Lender, such Defaulting Lender, hereby grant to the Administrative Agent, for the benefit of the Issuing Bank, and agree to maintain, a first priority security interest in all such Cash Collateral as security for the Defaulting Lenders' obligation to fund participations in respect of Letter of Credit Liabilities, to be applied pursuant to the immediately following clause (iv). The Floor Plan Borrowers, and to the extent provided by any Defaulting Lender, such Defaulting Lender, hereby grant to the Administrative Agent, for the benefit of the Administrative Agent and M&T Bank as the lender of M&T Advances, and agree to maintain, a first priority security interest in all such Cash Collateral as security for the Defaulting Lenders' obligation to fund participations in respect of M&T Advances, to be applied pursuant to the immediately following clause (iv). If at any time the Administrative Agent determines that Cash Collateral in the Cash Collateral Account is subject to any right or claim of any Person other than the Administrative Agent, M&T Bank as lender of M&T Advances and the Issuing Bank as herein provided, or that the total amount of such Cash Collateral is less than the aggregate Fronting Exposure of the Issuing Bank with respect to Letters of Credit issued and outstanding at such time and of M&T Bank as lender of M&T Advances, the Revolving Credit Borrowers and/or Floor Plan Borrowers, as applicable, will, promptly upon demand by the Administrative Agent, pay or provide to the Administrative Agent additional Cash Collateral in an amount sufficient to eliminate such deficiency (after giving effect to any Cash Collateral provided by the Defaulting Lender).

(iv) Notwithstanding anything to the contrary contained in this Agreement, Cash Collateral provided under this Section 2.14 in respect of Letters of Credit shall be applied to the satisfaction of the Defaulting Lender's obligation to fund participations in respect of Letter of Credit Liabilities (including, as to Cash Collateral provided by a Defaulting Lender, any interest accrued on such obligation) for which the Cash Collateral was so provided, prior to any other application of such property as may otherwise be provided for herein. Notwithstanding anything to the contrary contained in this Agreement, Cash Collateral provided under this Section 2.14 in respect of M&T Advances shall be applied to the satisfaction of the Defaulting Lender's obligation to fund participations in respect of M&T Advances (including, as to Cash Collateral provided by a Defaulting Lender, any interest accrued on such obligation) for which the Cash Collateral was so provided, prior to any other application of such property as may otherwise be provided for herein.

(v) Cash Collateral (or the appropriate portion thereof) provided to reduce the Issuing Bank's Fronting Exposure shall no longer be required to be held as Cash Collateral pursuant to this subsection following (x) the elimination of the applicable Fronting Exposure (including by the termination of Defaulting Lender status of the applicable Revolving Credit Lender), or (y) the determination by the Administrative Agent and the Issuing Bank that there exists excess Cash Collateral; provided that, subject to the immediately preceding subsection (b), the Person providing Cash Collateral and the Issuing Bank may (but shall not be obligated to) agree that Cash Collateral shall be held to support future anticipated Fronting Exposure or other obligations and provided further that to the extent that such Cash Collateral was provided by a Revolving Credit Borrower, such Cash Collateral shall remain subject to the security interest granted pursuant to the Credit Documents. Cash Collateral (or the appropriate portion thereof) provided to reduce M&T Bank's Fronting Exposure in respect of M&T Advances shall no longer be required to be held as Cash Collateral pursuant to this subsection following (x) the elimination of the applicable Fronting Exposure (including by the termination of Defaulting Lender status of the applicable Floor Plan Lender), or (y) the determination by the Administrative Agent and M&T Bank as the lender of M&T Advances, that there exists excess Cash Collateral; provided that, subject to the immediately preceding subsection (b), the Person providing Cash Collateral and M&T Bank as the lender of M&T Advances, may (but shall not be obligated to) agree that Cash Collateral shall be held to support future anticipated Fronting Exposure or other obligations and provided further that to the extent that such Cash Collateral was provided by a Floor Plan Borrower, such Cash Collateral shall remain subject to the security interest granted pursuant to the Credit Documents.

2.14.2. *Defaulting Lender Cure.* If the Borrower Representative, the Administrative Agent, Issuing Bank, Swingline Lender and M&T Advance Lender as the provider of the M&T Advances each agree in writing that a Lender is no longer a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any Cash Collateral), that Lender

will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause, as applicable, (i) the M&T Advances and funded and unfunded participations in M&T Advances to be held pro rata by the Floor Plan Lenders in accordance with their respective Floor Plan Commitment Percentages (determined without giving effect to Section 2.14.1(d)), (ii) the funded and unfunded participations in Letters of Credit and Swingline Loans to be held pro rata by the Revolving Credit Lenders in accordance with their Revolving Credit Commitment Percentages (determined without giving effect to the immediately preceding subsection Section 2.14.1(d)) and (iii) the Loans of each Class to be held by the Lenders of such Class pro rata as if there had been no Defaulting Lenders of such Class, whereupon such Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrowers while that Lender was a Defaulting Lender; and provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender having been a Defaulting Lender.

2.14.3. *New Swingline Loans/Letters of Credit/M&T Advances.* Without limiting the discretion of the M&T Advance Lender whether or not to make a M&T Advance (as set forth in Section 2.02.1), so long as any Lender (other than M&T Advance Lender or any of its Affiliates) under the Floor Plan Facility is a Defaulting Lender, M&T Advance Lender shall not be required to fund any M&T Advance. So long as any Lender is a Defaulting Lender, (a) the Swingline Lender shall not be required to fund any Swingline Loans unless it is satisfied that it will have no Fronting Exposure after giving effect to such Swingline Loan and (b) the Issuing Bank shall not be required to issue, extend, renew or increase any Letter of Credit unless it is satisfied that it will have no Fronting Exposure after giving effect thereto.

Section 2.15. *Fees.* The Borrowers promise to pay to M&T Bank for M&T Bank's own account such fees as are required by the terms of the Fee Letter.

Section 2.16. *Payments.* All payments received by the Credit Parties which are to be applied to reduce the Obligations shall be provisional and shall not be considered final unless and until such payment is not subject to avoidance under any provision of the Bankruptcy Code, as amended, including Sections 547 and 550, or any other Debtor Relief Law. If any payment is avoided or set aside under any provision of the Bankruptcy Code, including Sections 547 and 550 thereof, or any other Debtor Relief Law, the payment shall be considered not to have been made for all purposes of this Agreement and the Credit Parties shall adjust their respective records to reflect the fact that the avoided payment was not made and has not been credited against the Obligations.

Section 2.17. *Advancements.* If the Borrowers or any other Loan Party fail to perform any of their respective agreements or covenants contained in the Credit Documents or if the Borrowers or any other Loan Party fails to protect or preserve the Collateral or any other security for the Obligations or the status and priority of the Liens of the Credit Parties in the Collateral or in any other security for the Obligations, the Administrative Agent for the account of the Lenders may make advances to perform the same on behalf of the Borrowers or other Loan Party to protect or preserve the Collateral or any other security for the Obligations or the status and priority of the Liens of the Credit Parties in the Collateral or in any other security for the Obligations, and all sums so advanced shall immediately upon such advance become secured by the Liens granted in the Credit Documents and any other security for the Obligations, and shall become part of the principal amount owed to the Lenders with interest to be assessed at the Default Rate. The Borrowers promise to repay on demand all sums so advanced on the Borrowers' behalf, plus all expenses or costs incurred by the Administrative Agent, on account of the Lenders, including reasonable legal fees, with interest thereon. The provisions of this Section shall not be construed to prevent the institution of the rights and remedies of the Administrative Agent upon the occurrence of an Event of Default. The authorization contained in this Section is not intended to impose any duty or obligation on the Administrative Agent or any other Credit Party to perform any action or make any advancement on behalf of the Borrowers and is intended to be for the sole benefit and protection of the Credit Parties.

Section 2.18. *Co-Borrower Provisions.*

2.18.1. *Borrower Representative.* To facilitate administration of the Loans, the Borrower Representative (a) is designated and appointed by each of the other Borrowers as its representative and agent on its behalf (the "Borrower Representative") and (ii) accepts such appointment as the Borrower Representative, in each case and with full power and authority to issue, execute, deliver and acknowledge as appropriate, Loan Requests, notices of election and make the interest rate elections set forth therein, and certificates including Compliance Certificates, and to give instructions with respect to the disbursement of the proceeds of the Loans, give and receive all other notices and consents hereunder or under any of the other Credit Documents and take all other actions (including in respect of compliance with covenants) on behalf of any Borrower or Borrowers under the Credit Documents. The Administrative Agent and each Lender may regard any notice or other communication pursuant to any Credit Document from the Borrower Representative as a notice or communication from all Borrowers. Each warranty, covenant, agreement and undertaking made on behalf of any Borrower

by the Borrower Representative shall be deemed for all purposes to have been made by such Borrower and shall be binding upon and enforceable against such Borrower to the same extent as if the same had been made directly by such Borrower. This power-of-attorney is coupled with an interest and cannot be revoked, modified or amended without the prior written consent of the Required Lenders. The Administrative Agent and each Lender may regard any notice or other communication pursuant to any Credit Document from the Borrower Representative as a notice or communication from all Borrowers. Each warranty, covenant, agreement and undertaking made on behalf of a Borrower by the Borrower Representative shall be deemed for all purposes to have been made by such Borrower and shall be binding upon and enforceable against such Borrower to the same extent as if the same had been made directly by such Borrower.

2.18.2. *Subordination.* Each Borrower hereby subordinates all Intercompany Indebtedness that it may have from or against any other Borrower or other Loan Party, and any successor or assign of any other Borrower or other Loan Party, including, without limitation, any trustee, receiver or debtor-in-possession, howsoever arising, due or owing and whether heretofore, now or hereafter existing, to all of the Obligations of the other Borrower or the other Loan Parties owed to the Credit Parties.

2.18.3. *Postponement of Subrogation.* Until all of the Obligations are paid in full, no Borrower shall have any right of subrogation, reimbursement or indemnity whatsoever, nor any right of recourse to security for any of the Obligations, and nothing shall discharge or satisfy the liability of a Borrower hereunder, until the full, final and absolute payment and performance of all of the Obligations at any time after all Commitments of the Lenders under this Agreement are terminated. All present and future debts and obligations of each Borrower to any other Loan Party are hereby waived and postponed in favor of and subordinated to the full payment and performance of all present and future Obligations.

2.18.4. *No Discharge.* No Obligation of any Borrower or other Loan Party shall be affected, discharged or impaired by any of the following: (a) bankruptcy, disability, dissolution, incompetence, death, insolvency, liquidation, or reorganization of any other Borrower or any Loan Party; (b) any defense of any other Borrower or Loan Party to payment or performance of any or all of the Obligations or enforcement of any or all rights of the Administrative Agent and the Lenders in the Collateral; (c) discharge, modification of the terms of, reduction in the amount of, or stay of enforcement of any or all liens and encumbrances in the Collateral or any or all Obligations in any bankruptcy, insolvency, reorganization, or other legal proceeding or by application of any applicable Laws; (d) any claim or dispute by any other Borrower or other Loan Party concerning the occurrence of an Event of Default, performance of any Obligations, or any other matter; (e) any waiver or modification of any provision of the Credit Documents that affects any other Borrower or other Loan Party, whether or not such waiver or modification affects all Borrowers and/or all Loan Parties; (f) the cessation of liability, release or discharge of any other Borrower or any other Loan Party or other obligor for any reason; (g) the perfection or failure to perfect, release or discharge of any Collateral or other security; (h) the exercise or failure to exercise any rights or remedies pursuant to the Credit Documents by the Administrative Agent or the Required Lenders or any election of remedies by the Administrative Agent or the Required Lenders; (i) any invalidity, irregularity or unenforceability in whole or in part of any of the Credit Documents or any limitation of the liability of any Borrower or any other Loan Party under the Credit Documents, including any claim that the Credit Documents were not duly authorized, executed, or delivered on behalf of any Borrower or any other Loan Party; (j) any other acts or omissions by the Administrative Agent or any Lender that result in or could result in the release or discharge of any other Borrower or any other Loan Party; or (k) the occurrence of any other event or the existence of any other condition that by operation of law or otherwise could result in the release or discharge of a surety, guarantor, or other persons secondarily liable on an obligation.

2.18.5. *Waivers.* Each Borrower unconditionally waives: (a) any requirement that the Administrative Agent or the Required Lenders first make demand upon, or seek to enforce or exhaust remedies against any (i) other Borrower or any other Loan Party; (ii) the Collateral or other property of any Borrower or any other Loan Party; or (iii) other Person, before demanding payment from or seeking to enforce the Obligations against such Borrower; (b) any requirement of applicable Law that might operate to limit any Borrower's liability under, or the enforcement of, the Obligations; (c) diligence, presentment, protest, demand for performance, notice of acceptance, notice of nonperformance, notice of intent to accelerate, notice of acceleration, notice of protest, notice of dishonor, notice of extension, renewal, alteration or amendment, notice of acceptance of the Credit Documents, notice of default under any of the Credit Documents (except as provided in the Credit Documents), and all other notices whatsoever, except for notices specifically required pursuant to other provisions of the Credit Documents; (d) any obligation of the Administrative Agent or any Lender to provide any Borrower any information, including any information concerning any other Borrower or any other Loan Party or any Collateral; and (e) any other claim or defense that otherwise would be available based on principles of suretyship or guarantee or otherwise governing secondary obligations.

2.18.6. *Cross-Guaranty; Joint and Several Liability of Co-Borrowers.*

(a) *Floor Plan Borrowers.* Each Floor Plan Borrower shall be jointly and severally liable as a primary obligor, and not merely as surety, for any and all Floor Plan Loans and Obligations under and in connection with the Floor Plan Facility and now or hereafter owed to the Administrative Agent, M&T Advance Lender, in its capacity as a lender of the M&T Advances, and the Floor Plan Lenders, in each case, whether voluntary or involuntary and however arising, whether direct or acquired by any Floor Plan Lender by assignment or succession, whether due or not due, absolute or contingent, liquidated or unliquidated, determined or undetermined.

(b) *Revolving Credit Borrowers.* Each Revolving Credit Borrower shall be jointly and severally liable as a primary obligor, and not merely as surety, for any and all Revolving Credit Loans and Obligations under and in connection with the Revolving Credit Facility and now or hereafter owed to the Administrative Agent, the Swingline Lender, the Issuing Bank, and the Revolving Credit Lenders, in each case, whether voluntary or involuntary and however arising, whether direct or acquired by any Revolving Credit Lender by assignment or succession, whether due or not due, absolute or contingent, liquidated or unliquidated, determined or undetermined.

(c) *Benefit to Each Borrower.* Each Borrower represents and warrants to and covenants with the Lenders that (i) the Borrowers are engaged in operations that require financing on a joint basis and, accordingly, each Borrower will materially benefit, directly or indirectly, from the extension of the Loans by the Lenders; (ii) the Loans have been offered to the applicable Borrowers on the basis set forth in this Agreement and would not be available to the Borrowers on an individual basis without the credit support of the other Loan Parties on the terms and conditions stated herein; (iii) the benefits received by each Borrower are reasonably equivalent to the obligations undertaken by such Borrower and (iv) the delivery of funds to any Borrower in connection with the Loans under this Agreement shall constitute valuable consideration and reasonably equivalent value to all Borrowers.

(d) *Cross-Guaranty.* Each Borrower guarantees to the Credit Parties the payment in full of all of the Obligations owned by each of the other Borrowers and further guarantees the due performance by each of the other Borrowers of its respective duties and covenants made in favor of the Credit Parties in this Agreement and in the other Credit Documents. Each Borrower agrees that neither this cross guaranty nor the joint and several liability of the Borrowers provided in this Agreement nor the Credit Parties' liens and rights in any of the Collateral shall be impaired or affected by any modification, supplement, extension or amendment of any contract or agreement to which the parties hereto may hereafter agree, nor by any modification, release or other alteration of any of the rights of the Credit Parties with respect to any of the Collateral, nor by any delay, extension of time, renewal, compromise or other indulgence granted by the Administrative Agent or the Lenders with respect to any of the Obligations, nor by any other agreements or arrangements whatever with the other Borrowers or with any other Person, each Borrower hereby waiving all notice of any such delay, extension, release, substitution, renewal, compromise or other indulgence, and hereby consenting to be bound thereby as fully and effectively as if it had expressly agreed thereto in advance. Except as may be expressly stated in this Agreement to the contrary, the liability of each Borrower hereunder is direct and unconditional as to all of the Obligations (except as may be expressly stated in this Agreement to the contrary), and may be enforced without requiring the Credit Parties first to resort to any other right, remedy or security.

2.18.7. *Obligations Among Loan Parties. Obligations Among Loan Parties.* WITHOUT LIMITATION OF THE FOREGOING, EACH BORROWER SHALL BE JOINTLY AND SEVERALLY LIABLE TO THE ADMINISTRATIVE AGENT, ISSUING BANK, SWINGLINE LENDER, M&T ADVANCE LENDER AND THE OTHER LENDER PARTIES, IN EACH CASE, SOLELY TO THE EXTENT EXPRESSLY SET FORTH IN SECTION 2.18.6 AND, IN EACH SUCH CASE, WITHOUT REGARD TO ANY ALLOCATION OF LOSSES AND LIABILITIES PURSUANT TO THIS SUBSECTION OR OTHERWISE AND, IN CONNECTION THEREWITH, EACH BORROWER HAS EXPRESSLY ASSUMED THE RISK THAT SUCH BORROWER'S ACTUAL LIABILITY MAY EXCEED SUCH BORROWER'S *PRO RATA* SHARE AND THAT OVERPAYMENTS MAY NOT ACTUALLY BE REIMBURSED OR INDEMNIFIED. Subject to the foregoing, the Borrowers agree that the provisions of this subsection are intended to provide for an allocation of the Obligations among Borrowers of each Class. Accordingly, as among the Borrowers of each Class, if any Borrower under such Class (the "*Overpaying Borrower*") pays (whether directly or by application of Collateral), or is otherwise held liable for, Loans and related Obligations in connection with Loans under the Applicable Credit Facility, in each case, in excess of its pro rata share for the Overpaying Borrower, the other Borrowers under such Applicable Credit Facility will pay the amount of such excess to the Overpaying Borrower and will indemnify the Overpaying Borrower for, from and against any claims, damages, loss or liability arising from or related to such overpayment. The value to each Borrower of the rights and claims against the other applicable Borrowers provided above under this Section 2.18.7 is intended, to the extent permitted under applicable Law, to prevent any Borrower from being rendered "insolvent" solely by virtue of the joint and several liability it may be subject to under Section 2.18.7. The rights and obligations among Borrowers pursuant to this subsection shall survive the payment and performance of the Obligations.

Section 2.19. *Swap Obligations; Keepwell.* Notwithstanding anything to the contrary contained in this Agreement or any of the other Credit Documents, Swap Obligations of any Loan Party that is not an Eligible Contract Participant shall not include any Excluded Swap Liabilities; *provided however*, to the extent that a Loan Party is an Eligible Contract Participant, such Loan Party (in addition to its other Obligations and agreements hereunder), hereby jointly and severally absolutely, unconditionally and irrevocably undertakes to provide such funds or other support as may be needed from time to time by each other Loan Party in respect of the Swap Obligations. The obligations of each Loan Party, to the extent that it is an Eligible Contract Participant, under this Section 2.19 shall remain in full force and effect until infeasible payment in full in cash of all of the Obligations and termination of this Agreement and the other Credit Documents. Each Loan Party, to the extent that such Loan Party is an Eligible Contract Participant, intends that this Section 2.19 constitute, and this Section 2.19 shall be deemed to constitute, a “keepwell, support, or other agreement” for the benefit of each other Loan Party for all purposes of Section 1a(18)(A)(v)(II) of the CEA.

Section 2.20. *Acknowledgment and Consent to Bail-In of Affected Financial Institutions.* Notwithstanding anything to the contrary in any Credit Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Credit Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

- (a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and
- (b) the effects of any Bail-in Action on any such liability, including, if applicable:
 - (i) a reduction in full or in part or cancellation of any such liability;
 - (ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Credit Document; or
 - (iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of the applicable Resolution Authority.

Section 2.21. *Reserves.* The Administrative Agent may modify eligibility standards and establish and modify Reserves against the Borrowing Base, acting in its Permitted Discretion and upon at least five (5) Business Days’ (or three (3) Business Days, if such modification or Reserve is imposed to address information reflected in a Borrowing Base Certificate delivered in accordance with Section 4.02 in connection with a funding of Revolving Credit Loans, prior to the applicable Borrowing Date applicable to such Loan) prior written notice to the Borrower Representative. In no event shall Reserves or adjustments to eligibility criteria duplicate Reserves or adjustments already accounted for in determining eligibility criteria under the definitions of Eligible Accounts, Eligible Contracts In Transit, Eligible Equipment, and Eligible Inventory. Notwithstanding anything herein to the contrary, any Reserve or eligibility criteria established or modified by the Administrative Agent shall have a reasonable relationship to circumstances, conditions, events or contingencies which are the basis for such Reserve, as reasonably determined by the Administrative Agent in good faith and in its Permitted Discretion; provided that circumstances, conditions, events or contingencies known to the Administrative Agent as of the Closing Date shall not be the basis for any such establishment or modification after the Closing Date unless such Reserves or eligibility criteria are in categories or of the type set forth as a line item on the Borrowing Base Certificate delivered on the Closing Date or relate to changes in law coming into force after the Closing Date.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

The Borrowers make the following representations and warranties to the Credit Parties as of the Closing Date and, as of each date on which any Floor Plan Loans, M&T Advance, Revolving Credit Loans, Swingline Loan or other Loan is requested or made or any Letter of Credit is requested or issued (for purposes hereof, each extension or other amendment of a Letter of Credit shall constitute an issuance thereof), and as of each date on which any Loan or portion of a Loan is converted to or continued as a LIBOR Borrowing:

Section 3.01. *Organization and Qualification.* Each Loan Party and each Subsidiary of each Loan Party (a) is a corporation or limited liability company duly organized or formed, validly existing and, as applicable, in good standing under the Laws of the state of incorporation or organization of such Loan Party or Subsidiary, (b) has the lawful power to own or lease its properties and to engage in the business it presently conducts or proposes to conduct, and (c) is duly licensed or qualified and in good standing in all jurisdictions where the property owned or leased by it or the nature of the business transacted by it makes such licensing or qualification necessary (except to the extent that the failure to be licensed, qualified or in good standing is not likely to cause a Material Adverse Change). No Subsidiary of any Loan Party is a Foreign Subsidiary.

Section 3.02. *Capitalization and Ownership.* As of the Closing Date, the authorized Capital Stock and the issued and outstanding Capital Stock of the respective Loan Parties consists of those shares of common stock or other interests described in the Collateral Information Certificate given as of the Closing Date, having such par value as may be indicated therein, of which that number of shares or other interests indicated therein as issued and outstanding are in fact issued and outstanding. All of the Capital Stock of the Loan Parties indicated as issued and outstanding has been validly issued and is fully paid and nonassessable. As of the Closing Date, there are no options, warrants or other rights outstanding to purchase any Capital Stock of any Loan Party, except as disclosed by the Collateral Information Certificate.

Section 3.03. *Subsidiaries.* No Loan Party nor any Subsidiary of a Loan Party has any Subsidiaries as of the Closing Date, except as otherwise set forth in the Collateral Information Certificate given as of the Closing Date. Each Loan Party has good and marketable title to all the Capital Stock of any Subsidiary which such Loan Party owns, free and clear of any Lien other than Permitted Encumbrances. All of the issued and outstanding shares of Capital Stock of each Subsidiary of the respective Loan Parties are fully paid and non-assessable. There are no options, warrants or other rights outstanding to purchase any shares of Capital Stock of any Subsidiary of any Loan Party nor are any securities or Equity Interests of any Subsidiary convertible into or exchangeable for their Capital Stock. Except for any investments in such assets permitted under the provisions of this Agreement, no Loan Party owns directly or indirectly any Capital Stock of any other Person, no Subsidiary, is a partner (general or limited) of any partnership, and no Subsidiary is a party to any joint venture and or otherwise owns (beneficially or of record) any Equity Interest or similar interest in any other Person.

Section 3.04. *Power and Authority.* Each of the Loan Parties has the full power to enter into, execute, deliver, carry out and perform this Agreement and the Credit Documents to which it is a party, to incur the Indebtedness contemplated by the Credit Documents and to perform its respective obligations under the Credit Documents to which it is a party and all of such actions have been duly authorized in each instance by all necessary corporate or other organizational proceedings.

Section 3.05. *Validity and Binding Effect.* This Agreement has been, and each Credit Document, when executed and delivered by the respective Loan Parties, will have been, duly and validly executed and delivered by the Loan Parties which are signatories thereto. This Agreement and each of the other Credit Documents executed and delivered by the respective Loan Parties will, upon such execution and delivery, constitute the legal, valid and binding obligations of such Loan Parties, enforceable against the respective Loan Parties in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization moratorium or similar Laws affecting the rights of creditors generally and to the effect of general principles of equity whether applied by a court of Law or equity.

Section 3.06. *No Conflict.* Neither the execution and delivery by any Loan Party of any Credit Documents to which it is a party, nor the consummation of the transactions herein or therein contemplated, nor compliance with the terms and provisions hereof or thereof by the Borrowers or the other Loan Parties will (a) conflict with, constitute a default under or result in any breach of (i) the terms and conditions of the Organization Documents of any Loan Party, including but not limited to the Amended Charter and the Certificate of Designations or (ii) any Law or any agreement or instrument or order, writ, judgment, injunction or decree to which any Loan Party is a party or by which it is bound or to which it is subject, which conflict, default or breach would cause a Material Adverse Change, or (b) result in the creation or enforcement of any Lien upon any property (now or hereafter acquired) of any of the Loan Parties (other than Liens securing the Obligations and the Permitted Encumbrances). For the avoidance of doubt, the Loan Parties have given all notices and obtained all consents required under the Organization Documents of Pubco Guarantor in connection with this Agreement and the transactions contemplated hereby.

Section 3.07. *Litigation.* There are no actions, suits, proceedings or investigations pending or, to the knowledge of the Borrowers, threatened against any Loan Party or any Subsidiary, at law or in equity, before any Governmental Authority which individually or in the aggregate, could be reasonably expected to result in any Material Adverse Change; and (b) no Loan Party or Subsidiary is in violation of any order, writ, injunction or decree of any Governmental Authority, the violation of which could reasonably be expected to result in any Material Adverse Change.

Section 3.08. *Financial Statements; Financial Projections.*

3.08.1. *Financial Statements.* The Historical Financial Statements and the financial statements delivered pursuant to Section 5.09.2, (a) were prepared in accordance with GAAP (except as disclosed therein); and (b) fairly present in all material respects the results of operations and the changes in financial positions of the Persons covered thereby for the periods covered thereby in accordance with GAAP, subject, in the case of clause (ii) of the definition of Historical Financial Statements, to the exceptions set forth therein and the absence of footnotes and normal year-end adjustments.

3.08.2. *Books and Records.* (a) The books of account and other financial records of the Borrowers and their Subsidiaries as in effect on the Closing Date are correct and complete in all material respects, represent actual, bona fide transactions and have been maintained in accordance with sound business and accounting practices; and (b) as of the Closing Date, the Borrowers and their Subsidiaries maintain an adequate system of internal accounting controls and does not engage in or maintain any off-the-books accounts or transactions.

3.08.3. *Absence of Material Liability.* As of the Closing Date, the Borrowers and their Subsidiaries do not have any Indebtedness or material liabilities of any kind, whether direct or indirect, fixed or contingent or otherwise which is not disclosed upon the most recent consolidated and consolidating financial statements of the Parent Guarantor and its Subsidiaries which have been provided to the Credit Parties; other than executory obligations under contracts, leases, or other agreements which GAAP would not require to be set forth in the consolidated and consolidating financial statements of the Parent Guarantor and its Subsidiaries.

3.08.4. *Financial Projections.* The Borrowers have delivered to the Credit Parties financial projections of the Borrowers and their Subsidiaries for the period commencing January 1, 2021 and ending December 31, 2023 (the “Projections”). Such projections set forth in the judgment of the Borrowers a reasonable range of possible results in light of the history of the businesses of the Borrowers and their Subsidiaries, and present reasonably foreseeable conditions and the intentions of the management of the Borrowers and their Subsidiaries. In the reasonable judgment of the Borrower, such projections accurately reflect the liabilities of the Borrowers and their Subsidiaries on the Closing Date, after giving effect to the transactions contemplated by that Agreement. No events have occurred since the preparation of the projections which would cause the projections, taken as a whole, not to be reasonably attainable.

Section 3.09. *Margin Stock.* No Borrower and no Subsidiary of a Borrower engages or intends to engage principally, or as one of its important activities, in the business of incurring Indebtedness or extending credit to others for the purpose, immediately, incidentally or ultimately, of purchasing or carrying “margin stock” (within the meaning of Regulation U issued by the Federal Reserve Board). No part of the proceeds of any Loan or other extension of credit hereunder has been or will be used, to purchase or carry any margin stock or to extend credit to others for the purpose of purchasing or carrying any margin stock or to refund or retire Indebtedness originally incurred for such purpose. As of the Closing Date no Borrower and no Subsidiary of a Borrower intends to hold any margin stock.

Section 3.10. *Full Disclosure.* Neither this Agreement nor any Credit Document, nor any certificate, statement, agreement or other document furnished to the Credit Parties by the Loan Parties, contains any misstatement of a material fact or omits to state a material fact necessary in order to make the statements contained herein and therein, in light of the circumstances under which they were made, not misleading. There is no fact known to the Borrowers which materially adversely affects the business, property, assets, financial condition, results of operations or prospects of the Borrowers and their Subsidiaries, taken as a whole, which has not been set forth in this Agreement or the Credit Documents or in the certificates, statements, agreements or other documents furnished in writing to the Credit Parties before or at the date hereof in connection with the transactions contemplated hereby and thereby. As of the Closing Date, the information included in the Beneficial Ownership Certification is true and correct in all respects.

Section 3.11. *Tax Returns and Payments.* All federal and state tax returns that are required by applicable Law to be filed by the Borrowers and their Subsidiaries have been filed or properly extended. All taxes, assessments and other governmental charges levied upon the Borrowers and their Subsidiaries, or any of their respective properties, assets, income or franchises which are due and payable have been paid in full other than (a) those presently payable without penalty or interest, (b) those which are being contested in good faith by appropriate proceedings, and (c) those which, if not paid, would not, in the aggregate, constitute a Material Adverse Change; and as to each of items (a), (b) and (c) the Borrowers and their Subsidiaries have established reserves for such claims as have been determined to be adequate by application of GAAP consistently applied. There are no agreements or waivers extending the statutory period of limitations applicable to any consolidated federal income tax returns of the Borrowers and their Subsidiaries for any period.

Section 3.12. *Consents and Approvals.* No consent, approval, exemption, order or authorization of, or a registration or filing with any Governmental Authority or any other Person (including but not limited to Coliseum or any other Preferred Stockholder) is required by any Law or any agreement (other than the Credit Documents) in connection with the execution, delivery and carrying out of this Agreement and the Credit Documents to which any Loan Party is a party.

Section 3.13. *No Event of Default; Compliance with Instruments.* No event has occurred and is continuing and no condition exists or will exist after giving effect to the Loans which constitutes an Event of Default or a Default. No Loan Party or Subsidiary of a Loan Party is in violation of any term of its Organization Documents.

Section 3.14. *Compliance with Laws.* Each of the Loan Parties and their respective Subsidiaries are in compliance in all material respects with all applicable Laws in all jurisdictions in which any of the Loan Parties or their Subsidiaries are presently or will be doing business, the non-compliance with which would be likely to cause a Material Adverse Change.

Section 3.15. *ERISA Compliance.*

3.15.1. *Plans and Contributions.* Each Plan is in compliance in all material respects with the applicable provisions of ERISA, the Code and other federal or state Laws. Each Plan that is intended to qualify under Section 401(a) of the Code has received a favorable determination letter from the IRS or an application for such a letter is currently being processed by the IRS with respect thereto and, to the best knowledge of the Borrowers, nothing has occurred which would prevent, or cause the loss of, such qualification. The Loan Parties and each ERISA Affiliate have made all required contributions to each Plan subject to Section 412 of the Code, and no application for a funding waiver or an extension of any amortization period pursuant to Section 412 of the Code has been made with respect to any Plan.

3.15.2. *Pending Claims.* There are no pending or, to the best knowledge of the Borrowers, threatened claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Plan that could reasonably be expected to result in a Material Adverse Change. There has been no prohibited transaction or violation of the fiduciary responsibility rules with respect to any Plan that has resulted or could reasonably be expected to result in a Material Adverse Change.

3.15.3. *ERISA Events.* (a) No ERISA Event has occurred or is reasonably expected to occur, (b) no Pension Plan has any Unfunded Pension Liability, (c) no Loan Party and no ERISA Affiliate has incurred, or reasonably expects to incur, any liability under Title IV of ERISA with respect to any Pension Plan (other than premiums due and not delinquent under Section 4007 of ERISA), (d) no Borrower and no ERISA Affiliate has incurred, or reasonably expects to incur, any liability (and no event has occurred which, with the giving of notice under Section 4219 of ERISA, would result in such liability) under Section 4201 or 4243 of ERISA with respect to a Multiemployer Plan, and (e) no Borrower and no ERISA Affiliate has engaged in a transaction that could be subject to Section 4069 or 4212(c) of ERISA.

Section 3.16. *Title to Properties.* The Loan Parties and their Subsidiaries have good title to, or a valid leasehold interest in, all their respective real and personal property, except for Permitted Encumbrances.

Section 3.17. *Insurance.* There are in full force and effect for the benefit of the Loan Parties and their Subsidiaries insurance policies and bonds providing adequate coverage from reputable and financially sound insurers in amounts sufficient to insure the assets and risks of the Loan Parties and their Subsidiaries in accordance with prudent business practices in the respective industries of the Loan Parties and their Subsidiaries. As of the Closing Date, and, as of each subsequent reaffirmation of this representation and warranty, except as otherwise previously disclosed in writing to the Administrative Agent, no notice has been given or claim made and to the knowledge of the Loan Parties, no grounds exist, to cancel or void any of such policies or bonds or to reduce the coverage provided thereby.

Section 3.18. *Employment Matters.* Each Loan Party and each Subsidiary of a Loan Party is in material compliance with all employee benefit plans, employment agreements, collective bargaining agreements and labor contracts and all Laws applicable thereto. There are no outstanding grievances, arbitration awards or appeals relating to any of the foregoing plans, agreements or contracts, or, to the knowledge of the Borrowers, threatened strikes, picketing, handbilling or other work stoppages or slowdowns at facilities of any Loan Party or any Subsidiary of a Loan Party which could reasonably be expected to result in any Material Adverse Change. All payments due or to become due from any Loan Party or the Subsidiary of the Loan Party on account of obligations in respect of employee health and welfare insurance which could reasonably be expected to result in any Material Adverse Change if not paid have been paid or, in the case of such amounts not yet due, have been recorded as liabilities on the books of the Borrowers and their Subsidiaries.

Section 3.19. *Solvency*. As of the Closing Date, and as of the date of each advance of the proceeds of any Loan and each issuance or renewal of any Letter of Credit, as the case may be, and after giving effect to such advances or issuances or renewals, each of the Loan Parties and each Subsidiary of a Loan Party, taken as a whole is, and will remain, Solvent.

Section 3.20. *Material Contracts; Burdensome Restrictions*. Except as otherwise disclosed on Schedule 3.20 and, in each instance in which the representations and warranties of this Section are given or deemed given on a date subsequent to the Closing Date, as theretofore otherwise disclosed to the Credit Parties in writing, all material contracts relating to the business operations of the Loan Parties and their Subsidiaries, are valid, binding and enforceable upon the Loan Parties and their Subsidiaries, and to the knowledge of the Borrowers, the other parties thereto, without any material defaults thereunder.

Section 3.21. *Patents, Trademarks, Copyrights, Licenses, Etc.* Each Loan Party and each Subsidiary of a Loan Party owns or possesses all the patents, trademarks, service marks, trade names, copyrights, licenses, registrations, franchises, permits and rights, including but not limited to agreements with Manufacturers and other suppliers of Floor Plan Units, and other vendors which are materially necessary to own and operate its assets and to carry on its business as presently conducted and as planned to be conducted by such Loan Party, without known possible, alleged or actual conflict with the rights of others.

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Section 3.22. *Liens*. The Liens in the Collateral granted to the Credit Parties pursuant to the Credit Documents constitute and will continue to constitute valid and enforceable Liens under all applicable Laws, having the priorities required herein and in the other Credit Documents, and are entitled to all the rights, benefits and priorities provided by applicable Law. All filing fees and other expenses in connection with each such action have been or will be paid by the Borrowers.

Section 3.23. *Environmental Compliance*. Each Borrower has conducted a review of the effect of existing Environmental Laws on the businesses, operations and properties of itself and of each of the other Loan Parties, and of the potential for it or the other Loan Parties to incur any Environmental Liabilities, and as a result thereof each Borrower in conjunction with the other Loan Parties has reasonably concluded that the application of any such Environmental Laws and potential Environmental Liabilities could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Change.

Section 3.24. *Anti-Corruption; Anti-Terrorism*. No Loan Party nor any Subsidiary is a Sanctioned Person. No Loan Party nor any Subsidiary (a) has any of its assets in a Sanctioned Country or in the possession, custody or control of a Sanctioned Person, in either case, in violation of any Sanctions; (b) does business in or with, or derives any of its income from investments in or transactions with, any Sanctioned Country or Sanctioned Person, in either case, in violation of any Anti-Terrorism Law or Sanctions; or (c) engages in any dealings or transactions prohibited by any Anti-Terrorism Law or Sanctions. No Loan Party nor any Subsidiary, nor, to the knowledge of Borrowers, any Director, officer or employee thereof, is in violation in any material respect of (A) Sanctions or (B) the USA Patriot Act. Each Loan Party and each Subsidiary has conducted its businesses in material compliance with the United States Foreign Corrupt Practices Act of 1977. No proceeds of any Loan made or Letter of Credit issued hereunder will be used to fund any operations in, finance any investments or activities in, or make any payments to, a Sanctioned Person, in each case, in violation of applicable Sanctions.

ARTICLE 4 CONDITIONS PRECEDENT

Section 4.01. *Conditions to Closing*. The obligations of each Lender to make any advances of proceeds of the Loans, the obligations of M&T to make M&T Advances, and the obligations of the Issuing Bank to issue any Letters of Credit hereunder are subject to the satisfaction on or before the Closing Date of the following conditions precedent:

4.01.1. *Closing Submissions*. The Administrative Agent's receipt of the following, each properly executed by an Authorized Officer of the signing Loan Party, each dated either the Closing Date (or, in the case of certificates of governmental officials, a recent date before the Closing Date) and each in form and substance reasonably satisfactory to the Administrative Agent and its counsel:

- (a) executed counterparts of this Agreement and the other Credit Documents;
- (b) Notes executed by the Borrowers in favor of each Lender;
- (c) one or more Guaranty Agreements executed by each of the Guarantors;

(d) such certificates of resolutions or other action, incumbency certificates and/or other certificates of Authorized Officers of each Loan Party as the Administrative Agent may require evidencing the identity, authority and capacity of each Authorized Officer thereof authorized to act as a Authorized Officer in connection with this Agreement and the other Credit Documents to which such Loan Party is a party;

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(e) such documents and certifications (including certified copies of the Organization Documents of the Loan Parties) as the Administrative Agent may reasonably require to evidence that each Loan Party is duly organized or formed, and that each Loan Party is validly existing, in good standing and qualified to engage in business in each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification;

(f) a favorable opinion of counsel to the Loan Parties, including, but not limited to, matters as to New York, Delaware, and Florida law, addressed to the Administrative Agent and the Lenders in form and substance customary for similar credit transactions, subject only to customary qualifications and conditions;

(g) a certificate of an Authorized Officer of each Loan Party stating that all notices, consents, licenses, approvals, and agreements required in connection with the execution, delivery and performance by such Loan Party and the validity against such Loan Party of the Credit Documents to which it is a party, including notices to, and consents, and approvals required from Manufacturers, OEM and other vendors and suppliers of Floor Plan Vehicles and Units and a statement identifying all of such Manufacturers, OEM, vendors and suppliers of Floor Plan Vehicles, and shall have been duly given or received, and that any such consents, licenses, approvals, and agreements shall be in full force and effect upon giving effect to the Credit Documents and the transactions contemplated by this Agreement;

(h) a certificate signed by an Authorized Officer of the Loan Parties or the Borrower Representative certifying (i) the absence of any continuing Defaults or Events of Default, (ii) satisfaction of all conditions precedent to Closing hereunder, (iii) solvency, (iv) all shareholder and corporate consents and approvals (including any consents required under the Amended Charter and compliance with all requirements with respect to the Loans and other credit accommodations set forth in the Certificate of Designations), and all material governmental and third party consents and approvals required in connection with the Closing Date Transactions (all of which shall be final with no waiting period to expire or ongoing governmental inquiry or investigation) shall have been received and there does not exist any action, suit, investigation, litigation or proceeding pending or threatened in any court or before any arbitrator or governmental authority that challenges the credit facilities or any other transaction involving any of the Loan Parties, (v) such other matters as are reasonably required by the Administrative Agent or the Lenders;

(i) a duly completed Compliance Certificate, including calculations of the financial covenants set forth therein in a manner reasonably satisfactory to the Administrative Agent, signed by an Authorized Officer of the Loan Parties in form and substance satisfactory to the Administrative Agent evidencing, as of the as of the last day of the most recently completed month ending at least 30 days prior to the Closing Date, (i) a Total Net Leverage Ratio not be greater than 3.00:1.00, and (ii) a Consolidated Fixed Charge Coverage Ratio not to be less than 1.25:1.00, in each case after giving *pro forma* effect to the Closing Date Transactions;

(j) the Historical Financial Statements and the Projections;

(k) all sale-leaseback documents, operating leases, real estate mortgages, all title, survey, appraisals and other customary real estate documentation in respect of the Mortgage Obligations Collateral and delivery to the Administrative Agent of such Real Estate Support Documents as are reasonably required by the Administrative Agent; *provided, however*, nothing herein shall require delivery to the Administrative Agent of any Real Estate Support Document for premises occupied temporarily by a Borrower in connection with participation at a trade show or similar temporary sales location;

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(l) such deposit account control agreements as are required pursuant to the Security Documents;

(m) all documentation and other information required by any Lenders or the Issuing Bank to evidence or facilitate both the Borrowers' and each Lender's compliance with all applicable Laws and regulations, including, all "know your

customer” rules in effect from time to time pursuant to the Bank Secrecy Act, the USA Patriot Act and other applicable Laws on or prior to the date which is five (5) Business Days prior to the Closing Date;

(n) at least five days prior to the Closing Date, any Borrower that qualifies as a “legal entity customer” under the Beneficial Ownership Regulation shall deliver a Beneficial Ownership Certification in relation to such Borrower;

(o) certificates in form and substance satisfactory to the Administrative Agent evidencing insurance (including flood insurance to the extent applicable) which insurance shall name the Administrative Agent as additional insured and include lender loss payee endorsements for property and casualty policies, as applicable;

(p) [reserved], and

(q) such other assurances, certificates, documents, consents or opinions as the Administrative Agent, the Issuing Bank, or the Required Lenders reasonably may require.

4.01.2. *Fees.* Any fees required to be paid on or before the Closing Date shall have been paid.

4.01.3. *Credit Party Expenses.* The Borrowers shall have paid in full all Credit Party Expenses to the extent invoiced prior to or on the Closing Date.

4.01.4. *No Material Adverse Change.* No material adverse change shall have occurred in the business, condition (financial or otherwise), prospects, assets, operations, liabilities (contingent or otherwise) or properties of Pubco Guarantor, Parent Guarantor, or the Borrowers and their respective Subsidiaries, taken as a whole since December 31, 2020.

Without limiting the generality of the provisions of Section 9.02.4 of this Agreement, for purposes of determining compliance with the conditions specified in this Section 4.01, each Lender that has signed this Agreement shall be deemed to have consented to, approved, accepted and to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the proposed Closing Date specifying its objections thereto.

Section 4.02. *Conditions To Advances Of Proceeds Of Loans And Issuances Of Letters Of Credit After Closing Date.* The obligations of each Lender and of the Issuing Bank to honor any request for the advance of any proceeds of the Loans or the issuance or reissuance of any Letters of Credit after the Closing Date or request to renew or amend any Letter of Credit after the Closing Date, shall be subject to the satisfaction of the following conditions precedent:

4.02.1. *Representations And Warranties.* The representations and warranties of the Loan Parties contained in Article 3 of this Agreement or in any other Credit Document, or which are contained in any document furnished at any time under or in connection herewith or therewith, shall be true and correct in all material respects (and, in the case of any representation or warranty that is qualified by materiality or Material Adverse Effect, shall be true and correct in all respects) on and as of the date of any such advance of proceeds of the Loans or issuance of Letters of Credit, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects (and, in the case of any representation or warranty that is qualified by materiality or Material Adverse Effect, shall be true and correct in all respects) as of such earlier date.

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4.02.2. *Absence Of Defaults And Events Of Default.* No continuing Default or Event of Default shall exist, or would result from such requested advance or issuance.

4.02.3. *No Material Adverse Changes.* No Material Adverse Changes shall have occurred since the Closing Date and be continuing.

4.02.4. *Loan Request.* With respect to any borrowing of Loans (other than any borrowing of Floor Plan Loans or issuance of any Letter of Credit), the Administrative Agent shall have received (x) a Loan Request as required by the terms of this Agreement and (y) a Borrowing Base Certificate calculated as of the last day of the calendar month ended at least thirty (30) days (or such lesser number of days as the Borrower Representative may elect in its discretion) prior to the Borrowing Date demonstrating Availability on the proposed date of such Borrowing and/or issuance, amendment, extension or renewal of a Letter of Credit sufficient to cover the amount of such Borrowing and/or issuance, amendment, extension or renewal of such Letter of Credit.

Each request for the advance of proceeds of the Loans or for the issuance or reissuance of any Letters of Credit shall be deemed automatically to be a representation and warranty of the Borrowers that the conditions specified in this Section 4.02 have been satisfied on and as of the date of the request.

ARTICLE 5 AFFIRMATIVE COVENANTS

Each Borrower agrees that until the payment and satisfaction in full of all of the Obligations, it will comply with and cause the other Loan Parties and each other Subsidiary to comply with the covenants set forth in this Article 5.

Section 5.01. *Payment and Performance.* Each Borrower promises that all Obligations shall be paid and performed in full when and as due.

Section 5.02. *Insurance.* The Borrowers and each Loan Party shall obtain and maintain and shall cause their respective Subsidiaries to obtain and maintain such insurance coverages as are reasonable, customary and prudent for businesses engaged in activities similar to the business activities in which it is engaged. Without limitation to the foregoing, the Borrowers and the other Loan Parties shall each maintain fire and extended coverage casualty insurance covering the Collateral and their respective assets in amounts satisfactory to the Administrative Agent consistent with prudent practices and sufficient to prevent any co-insurance liability (which amount shall be the full insurable value of the assets and properties insured unless the Administrative Agent in writing agrees to a lesser amount), naming the Administrative Agent for the benefit of the Credit Parties as sole lender loss payee and/or additional insured with respect to the Collateral and such assets, with insurance companies and upon policy forms which are acceptable to and approved by the Administrative Agent. The Loan Parties shall submit to the Administrative Agent originals or certified copies of the casualty insurance policies and paid receipts evidencing payment of the premiums due on the same. The casualty insurance policies shall be endorsed so as to make them non-cancellable unless thirty (30) days prior notice of cancellation is provided to the Administrative Agent. The proceeds of any insured loss shall be applied as a Mandatory Prepayment to the extent required pursuant to Section 2.06.3, unless the Required Lenders approve the use thereof to repair or replace damaged or destroyed Collateral.

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Section 5.03. *Collection Of Accounts; Sale Of Inventory.* The Loan Parties shall collect their respective Accounts and sell their respective Inventory only in the ordinary course of their respective businesses, subject to customary credit and collection policies.

Section 5.04. *Notice Of Litigation And Proceedings.* The Borrowers and each other Loan Party shall give prompt notice to the Administrative Agent of any action, suit, citation, violation, direction, notice or proceeding before any court or governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, affecting such Loan Party, or the assets or properties thereof, which, if determined adversely to such Loan Party (a) could require it to pay over more than the Threshold Amount or deliver assets the value of which exceeds that sum, or (b) could reasonably be expected to cause a Material Adverse Change.

Section 5.05. *Payment Of Liabilities To Third Persons.* Each Borrower and each other Loan Party shall pay when and as due, or within applicable grace periods, all liabilities due to third persons, except when the amount thereof is being contested in good faith by appropriate proceedings and with adequate reserves therefor being set aside by it.

Section 5.06. *Notice Of Change Of Business Location Or Of Jurisdiction of Organization; Notice of Name Change.* Each Borrower and each of the other Loan Parties shall notify the Administrative Agent thirty (30) days in advance of, (a) any change in the location of its existing offices or places of business or of the jurisdiction in which it is organized, (b) the establishment of any new, or the discontinuation of any existing, places of business, and (c) any change in or addition to the locations at which any material portion of the Collateral (or other property securing the Obligations) is kept. Prior to moving any Collateral (or other property securing the Obligations) to any location not owned by a Loan Party (other than deliveries to Account Debtors of sold or leased goods and premises occupied temporarily by a Borrower in connection with participation at a trade show or similar temporary sales location), each Loan Party shall obtain and deliver to the Administrative Agent an agreement, in form and substance acceptable to the Administrative Agent, pursuant to which the owner of such location shall: (i) subordinate any rights which it may have, or thereafter may obtain, in any of the Collateral or other property to the rights and security interests of the Credit Parties; and (ii) allow the Administrative Agent access to the Collateral or other property in order to remove the Collateral or other property from such location. Each Borrower and each other Loan Party shall notify the Administrative Agent thirty (30) days in advance of any changes to its name.

Section 5.07. *Payment of Taxes.* Each of the Borrowers and each of the other Loan Parties shall pay or cause to be paid when and as due all Taxes imposed upon it or on any of its property or which it is required to withhold and pay over to the taxing authority or which it must pay on its income, except where contested in good faith, by appropriate proceedings and at its own cost and expense; provided, however, that no Loan Party shall be deemed to be contesting in good faith by appropriate proceedings unless, (a) such proceedings operate to prevent the taxing authority from attempting to collect the Taxes, (b) the Collateral is not subject to sale, forfeiture or loss during such proceedings, (c) the applicable Loan Party's contest does not subject the Credit Parties to any liabilities owed to or claims from the taxing authority or any other person, (d) the applicable Loan Party establishes appropriate reserves for the payment of all Taxes, court costs and other expenses for which such Loan Party would be liable if unsuccessful in the contest, (e) the applicable Loan Party prosecutes the contest continuously to its final conclusion, and (f) at the conclusion of the proceedings, the applicable Loan Party promptly pays all amounts determined to be payable, including but not limited to all taxes, legal fees and court costs.

Section 5.08. *Notice Of Events Affecting Collateral; Compromise Of Receivables; Returned Or Repossessed Goods.* Each Borrower and each of the other Loan Parties shall promptly report to the Administrative Agent (a) any reclamation, return or repossession of Goods, (b) all claims or disputes and (c) all other matters materially affecting the value, enforceability or collectability of any of the Collateral.

Section 5.09. *Reporting Requirements.* The Borrowers shall submit the following items to each of the Credit Parties:

5.09.1. *[Reserved]*.

5.09.2. *Monthly Financial Statements.* As soon as available and in any event within thirty (30) calendar days after the end of each fiscal month, the Borrowers shall submit to the Credit Parties a consolidated and consolidating balance sheet of Pubco Guarantor and its Subsidiaries as of the end of such month and a consolidated and consolidating statement of income and retained earnings of Pubco Guarantor and its Subsidiaries for such month, and a consolidated and consolidating statement of cash flow of Pubco Guarantor and its Subsidiaries for such month, all in reasonable detail and stating in comparative form the respective consolidated and consolidating figures for the corresponding date and period in the previous Fiscal Year and all prepared in accordance with GAAP and certified by an Authorized Officer of the Borrower Representative (subject to year-end adjustments), together with a monthly Borrowing Base Certificate required to be delivered pursuant to Section 5.09.14.

5.09.3. *Annual Financial Statements.* As soon as available and in any event within one hundred twenty (120) calendar days after the end of each Fiscal Year, the Borrowers shall submit to the Credit Parties a consolidated and consolidating balance sheet of Pubco Guarantor and its Subsidiaries as of the end of such Fiscal Year and a consolidated and consolidating statement of income and retained earnings of Pubco Guarantor and its Subsidiaries for such Fiscal Year, and a consolidated and consolidating statement of cash flow of Pubco Guarantor and its Subsidiaries for such Fiscal Year, all in reasonable detail and stating in comparative form the respective consolidated and consolidating figures for the corresponding date and period in the prior Fiscal Year and all prepared in accordance with GAAP and accompanied by an audited opinion thereon issued by independent certified public accountants selected by Pubco Guarantor and reasonably acceptable to the Required Lenders.

5.09.4. *Management Letters.* Promptly upon receipt thereof, each Borrower shall submit to the Credit Parties copies of any reports submitted to it or to any Loan Party by independent certified public accountants in connection with the examination of the financial statements of Pubco and its Subsidiaries made by such accountants.

5.09.5. *Compliance Certificate.* The Borrowers shall submit a Compliance Certificate to the Credit Parties, within thirty (30) calendar days after the end of each Fiscal Quarter (in conjunction with the monthly financial statement for the last month in each such Fiscal Quarter) for the first three (3) Fiscal Quarters of each year and with the submission of each annual audited financial statements pursuant to Section 5.09.3 hereof. The Compliance Certificates shall include calculations of the financial covenants set forth in Sections 6.12 and 6.13 hereof for the relevant period.

5.09.6. *Reports To Other Creditors.* Promptly after the furnishing thereof, the Borrowers shall submit to the Credit Parties copies of any statement or report furnished to any other Person pursuant to the terms of any indenture, loan, or credit or similar agreement and not otherwise required to be furnished to the Administrative Agent pursuant to any other provisions of this Agreement.

5.09.7. *Management Changes.* The Borrowers shall notify the Credit Parties immediately of any changes in the personnel holding the positions of Chairperson, President, Chief Executive Officer or Chief Financial Officer of any of the Borrowers.

5.09.8. *Projections.* The Borrowers shall deliver to the Credit Parties within sixty (60) days prior to the end of each Fiscal Year, an annual operating budget for the Borrowers and their Subsidiaries for the next Fiscal Year. The operating budget shall include a balance sheet, income statement, statement of cash flows, and assumptions relating to the budget.

5.09.9. *Notice of Defaults and Events of Default.* The Borrowers shall promptly give written notice to the Credit Parties of the occurrence of any event, occurrence or condition (which is known to an executive officer of any Loan Party) which constitutes or is reasonably foreseeable to constitute either an Event of Default or a Default or which could be reasonably expected to result in a Material Adverse Change.

5.09.10. *ERISA Event.* The Borrowers shall promptly give written notice to the Credit Parties of the occurrence of any ERISA Event.

5.09.11. *SEC Filings.* Promptly upon receipt or transmission thereof, (a) all letters of comment or material correspondence sent to Pubco Guarantor or any of its Subsidiaries by any securities exchange or the Securities and Exchange Commission (“SEC”) in relation to the affairs of Pubco Guarantor or any of its Subsidiaries, (b) all regular and periodic reports and all registration statements and prospectuses, if any, filed by Pubco Guarantor or any of its Subsidiaries with any securities exchange or with the SEC or any governmental authority succeeding to any of its functions, (c) all financial statements, reports, notices and proxy statements sent or made available generally by Pubco Guarantor or any of its Subsidiaries to other lenders to such Persons (if any) and their other respective bondholders or security holders (or any trustee or other representative of any of the foregoing) and any non-routine notices or other non-routine correspondence from such lenders, bondholders or security holders (or trustee or other representative of such Persons); and (d) all press releases and other statements made available by Pubco Guarantor or any of its Subsidiaries to the public concerning material developments in their respective businesses. Any information or document described in clauses (a) through (d) of this Subsection 5.09.11 that is filed with the SEC via the EDGAR filing system shall be deemed to be delivered upon the receipt by the Credit Parties of notice (including any notice received via e-mail) from Borrower Representative that such information or document has been filed and is available on EDGAR provided, further, however, that no such notice need be delivered in connection with the regularly filed Annual Reports of Pubco Guarantor on Form 10-K or Quarterly Reports of Pubco Guarantor on Form 10-Q.

5.09.12. *Beneficial Ownership.* The Borrower Representative shall promptly notify the Administrative Agent of any change in the information provided in the Beneficial Ownership Certification that would result in a change to the list of beneficial owners identified in parts (c) or (d) of such certification.

5.09.13. *General Information.* In addition to the items set forth in subsections 5.09.1 through 5.09.12 above, the Borrowers agree to submit, and cause the other Loan Parties to submit, to the Credit Parties such other information respecting the condition or operations, financial or otherwise, of the Loan Parties as the Credit Parties may reasonably request from time to time.

5.09.14. *Borrowing Base Certificates.* Within thirty (30) days after the end of each calendar month (in conjunction with the delivery of the financial statements pursuant to Section 5.09.2) (or on any other date if the Borrower Representative voluntarily elects to deliver a Borrowing Base Certificate (including in connection with a Permitted Acquisition)), a certificate in the form of Exhibit N (or such other form as may be agreed to by the Administrative Agent and the Borrower Representative in their reasonable discretion) (a “Borrowing Base Certificate”) calculating and/or demonstrating, in detail reasonably acceptable to the Administrative Agent, the Line Cap, the Borrowing Base, and Availability, in each case as of the close of business as of the last day of the immediately preceding calendar month (or in respect of any Borrower Base Certificate voluntarily delivered by the Borrower Representative, as of the close of business on a more recent Borrowing Base Test Date as indicated in such Borrowing Base Certificate), each Borrowing Base Certificate to be certified as complete and correct in all material respects by an Authorized Officer of the Borrower Representative. In connection with each Borrowing Base Certificate, the Borrowers’ reporting of Eligible Accounts shall set forth in reasonable detail the aging and dilution thereof.

Section 5.10. *Preservation of Existence, Etc.* Each Borrower and each of the other Loan Parties shall each (a) preserve, renew and maintain in full force and effect its legal existence and good standing under the Laws of the jurisdiction of its organization, (b) take all reasonable action to maintain all rights, privileges, permits, licenses and franchises necessary or desirable in the normal conduct of its business, except to the extent that failure to do so could not reasonably be expected to cause a Material Adverse Change, (c) preserve

or renew all of its registered patents, trademarks, trade names and service marks, the non-preservation of which could reasonably be expected to cause a Material Adverse Change, and (d) preserve and maintain material approvals with Manufacturers, OEMs and other suppliers of Floor Plan Units, material franchise or framework agreements, all Manufacturer statements of origin, certificates of origin, certificates of title or ownership and other customary vehicle title documentation (which, for the avoidance of doubt, may be in electronic form), or in any case, a power of attorney with respect thereto.

Section 5.11. *Maintenance of Assets and Properties.* Each of the Borrowers and each of the other Loan Parties shall maintain, preserve and protect all of its material assets and properties necessary in the operation of its business in good working order and condition, ordinary wear and tear excepted.

Section 5.12. *Compliance with Laws.* Each of the Borrowers and each of the other Loan Parties shall comply in all material respects with all Laws applicable to it, and obtain or maintain all permits, franchises and other governmental authorizations and approvals necessary for the ownership, acquisition and disposition of its properties and the conduct of its business. Without limiting the generality of the foregoing, the Loan Parties and each Subsidiary shall be in compliance in all material respects with applicable legal requirements of the Anti-Corruption Laws, Anti-Terrorism Laws, the USA Patriot Act, and the Bank Secrecy Act. Each Loan Party and each Subsidiary shall conduct its businesses in material compliance with the United States Foreign Corrupt Practices Act of 1977.

Section 5.13. *Inspection Rights.* Each of the Borrowers and each of the other Loan Parties shall permit representatives and independent contractors of the Credit Parties to visit and inspect any of its properties, to examine its corporate, financial and operating records, and make copies thereof or abstracts therefrom, and to discuss its affairs, finances and accounts with its directors, officers, and independent public accountants, all at such reasonable times during normal business hours and as often as may be reasonably desired (which inventory and Collateral inspections are expected to be conducted not less than six (6) times per Fiscal Year), upon reasonable advance notice to the Loan Parties; provided, however, that when a continuing Default or Event of Default exists any Credit Party (or any of their respective representatives or independent contractors) may do any of the foregoing at the expense of the Loan Parties at any time during normal business hours and without advance notice. Without limitation to the foregoing the Mortgage Loan Borrower, Diversified, and the other Loan Parties hereby agree to permit the Credit Parties and their designees to visit and inspect the property that is encumbered by the Mortgage in accordance with the terms of the Mortgage.

Section 5.14. *Environmental Matters and Indemnification.* Each of the Borrowers and each of the other Loan Parties shall comply, and shall cause its respective Subsidiaries to comply with all Environmental Laws, the non-compliance with which could reasonably be expected to result in a Material Adverse Change. The Loan Parties shall investigate any circumstances which give the Loan Parties reason to believe or suspect the Contamination of any of the Properties. The Loan Parties shall promptly perform any remediation of such Contamination required under applicable Laws.

Section 5.15. *Additional Subsidiaries*

5.15.1. *Domestic Subsidiaries.* If any Domestic Subsidiary is formed or acquired after the Closing Date, the Borrowers shall notify the Administrative Agent and the Lenders in writing thereof within ten (10) Business Days after the date on which such Domestic Subsidiary is formed or acquired and, within thirty (30) Business Days after such notification, (i) the Borrowers shall cause such Domestic Subsidiary to (A) duly execute and deliver, or join and become a party to, a Guaranty Agreement, and the other applicable Credit Documents in the manner provided therein, and (B) promptly take such actions to create and perfect first priority Liens on such Domestic Subsidiary's assets as security for the Obligations, (ii) the Borrowers shall cause 100% of the Capital Stock issued by any such Domestic Subsidiary to be pledged as security for the Obligations pursuant to such Credit Documents in form and substance satisfactory to the Administrative Agent, as may be required under the applicable Laws to effectuate a fully enforceable first priority pledge of such Capital Stock; and (iii) if any loans, advances or other debt is owed or owing by any such Domestic Subsidiary to the Borrowers or any Guarantor, the Borrowers or Guarantor shall cause all promissory notes and other instruments evidencing such loans, advances and other debt to be pledged as security for the Obligations pursuant to the Credit Documents.

5.15.2. *Requirements For All Additional Subsidiaries.* With respect to each such additional Subsidiary, the Borrowers shall deliver or cause to be delivered to the Administrative Agent (i) a complete copy of the Organization Documents of such Subsidiary, together with a certificate of status or good standing if such certificates are issued by the jurisdiction of formation, (ii) the original certificates for the Capital Stock of such Subsidiary, together with undated stock powers for such certificates, executed in blank, or if any shares of Capital Stock are uncertificated, confirmation and evidence reasonably satisfactory to the Administrative Agent that the security interest in such uncertificated securities has been granted to and perfected by the Administrative Agent for the benefit of the Credit Parties, in accordance with the applicable sections under Articles 8 and 9 of the UCC or other similar or local or foreign Law that

may be applicable, and (iii) an opinion of counsel satisfactory to the Administrative Agent opining as to matters in connection with such Subsidiary, the pledge of Capital Stock described in this section, the enforceability of the Credit Documents executed or joined by such Subsidiary, and such other matters as may be reasonably requested by the Administrative Agent or the Required Lenders.

5.15.3. *Joinder of Additional Borrowers.* With respect to any Domestic Subsidiary of any Loan Party which is formed or acquired after the Closing Date, in addition to the execution and delivery of all documents (including but not limited to Security Documents), granting of security interests and other Liens, and satisfaction of all conditions set forth in Sections 5.15.1 and 5.15.2 above, (a) if such entity engages in the sale or leasing of Floor Plan Vehicles or Units, the Borrower Representative may (or at the election of the Required Lenders, shall) designate such entity as an additional or (b) if such entity owns or acquires Property which is used in the conduct of the business of the Borrowers, the Borrower Representative may designate such entity as an additional Borrower (in each case, an “Additional Borrower”), and in each case such Additional Borrower shall execute and deliver to the Administrative Agent a Joinder Agreement hereto. Thereafter, such Additional Borrower shall be a Borrower, as applicable, for all purposes of this Agreement, shall have all of the rights, benefits, duties, and obligations of a Borrower, as applicable, party to this Agreement, enter into, execute, and deliver all Credit Documents (or counterparts or allonges thereto) as are required of a Borrower, as the case may be, be subject to all of the terms and conditions set forth herein and therein, and from time to time provide all information and documents as are required by a Borrower in such capacity pursuant to this Agreement and the other Credit Documents to which it has become a party. For the avoidance of doubt, any such Additional Borrower described in clauses “(a)” or “(b)” above (and any Subsidiary that becomes a Guarantor in accordance with Section 5.15) shall provide all documentation and other information required by bank regulatory authorities under applicable “know your customer” and anti-money laundering rules and regulations, including the USA Patriot Act, as reasonably requested by Administrative Agent or any Lender. The Lenders hereby authorize the Administrative Agent to accept such Credit Documents from Additional Borrowers and any Borrowers or Guarantors in connection there with, and to execute and deliver such Credit Documents as may be reasonably necessary from time to time to effectuate the joinder transactions contemplated under this Section

Section 5.16. *Deposit and Operating Accounts.* The Borrowers shall establish and maintain their primary deposit and operating accounts at M&T Bank; provided, however, that LDRV may maintain the deposit account held at Bank of America ending in 6758 so long as (i) such account is closed on or before December 31, 2021 and (ii) the amount on deposit in such account does not exceed \$200,000.

Section 5.17. *Landlord Waivers.* Each Loan Party will (a) except as required by clause (b) below, obtain and deliver to the Administrative Agent a customary landlord or bailee access agreement with respect to each location in the United States not owned by a Loan Party where Collateral is located and (b) obtain and deliver to the Administrative Agent a customary landlord or bailee access agreement with respect to each location in the United States leased to a Loan Party by (x) a Loan Party or (y) any other Affiliate of a Loan Party under the Control of such Loan Party, in the case of clauses (a) and (b), within thirty (30) days (or such later date agreed to by the Administrative Agent) of Collateral becoming located at such location, in form and substance reasonably acceptable to the Administrative Agent.

Section 5.18. *Post-Closing Deliverables.* Notwithstanding the conditions precedent set forth in Section 4.01, the Loan Parties have informed the Administrative Agent and the Lenders that certain items required to be delivered as conditions precedent to the effectiveness of this Agreement will not be delivered as of the Closing Date. As an accommodation to the Loan Parties, the Administrative Agent and the Lenders have agreed to make the Loans available under this Agreement notwithstanding that such conditions have not been satisfied. In consideration of such accommodation, each applicable Loan Party hereby agrees to take each of the actions described on Schedule 5.18 attached hereto, in each case, in the manner and by the dates set forth thereon, or such later dates as may be agreed to by Administrative Agent.

ARTICLE 6 NEGATIVE COVENANTS

Each Borrower agrees that until the payment and performance in full of all of the Obligations, it will not do, and it will not permit any of the other Loan Parties and any Subsidiary to do, any of the following:

Section 6.01. *Liens.* No Loan Party and no other Subsidiary shall create, incur, assume or suffer to exist any Lien upon any of its properties (real or personal), assets or revenues, whether now owned or hereafter acquired, other than Liens securing the Obligations and Permitted Encumbrances.

Section 6.02. *Investments And Loans*. No Loan Party and no other Subsidiary shall make any Investments or extend any loans or credit facilities to any Persons, except (a) Investments in Cash Equivalents, (b) advances to its employees in the ordinary course of business for travel, entertainment, relocation and general ordinary course of business purposes, (c) extensions of credit in the nature of accounts receivable or notes receivable arising from the grant of trade credit in the ordinary course of business, (d) acquisitions of fixed assets, equipment and Inventory in the ordinary course of business to the extent not otherwise prohibited by the terms of this Agreement, (e) credit accommodations provided by any Loan Party to another Loan Party, (f) Permitted Acquisitions, and (g) loans and advances provided by the Borrowers to any of their Subsidiaries which are subordinated to the repayment of the Obligations and which have been assigned as collateral security to the Administrative Agent for the ratable benefit of the Lenders; provided that with respect to clauses (f) and (g) the credit accommodations, loans and advances permitted therein shall not include the assumption of debt. The entry of a Borrower or other Loan Party into a Swap Agreement shall not be deemed to be an Investment for purposes of this Section provided that such Borrower or other Loan Party is (or was) an Eligible Contract Participant as of the Eligibility Date and such Swap Agreement is (or was) entered into in connection with the Obligations or in the ordinary course of business for the purpose of directly mitigating risks associated with liabilities, commitments, investments, assets, or property held or reasonably anticipated by such Loan Party, or changes in the value of securities issued by such Borrower or other Loan Party, and not for purposes of speculation or taking a “market view.”

Section 6.03. *Indebtedness*. No Loan Party and no other Subsidiary shall create, incur, assume or suffer to exist any Indebtedness, except (a) the Obligations, (b) existing Indebtedness incurred prior to the Closing Date, outstanding on the Closing Date, and listed on Schedule 6.03 attached hereto, and any refinancings, renewals or extensions thereof; provided, that: (i) the amount of such Indebtedness is not increased at the time of such refinancing, renewal or extension except by an amount equal to fees and expenses reasonably incurred, in connection with such refinancing, (ii) the direct or any contingent obligor with respect thereto is not changed, as a result of or in connection with such refinancing, renewal or extension, (iii) the terms relating to principal amount, amortization, maturity, collateral (if any) and subordination, standstill and related terms (if any, it being understood that such Indebtedness shall be subordinated as to rights of payment and Liens on terms and conditions satisfactory to the Administrative Agent), and other material terms taken as a whole, of any such refinancing, renewing or extending Indebtedness, and of any agreement entered into and of any instrument issued in connection therewith, are no less favorable in any material respect to the Loan Parties or the Lenders than the terms of any agreement or instrument governing the Indebtedness being refinanced, refunded, renewed or extended, and (iv) the interest rate applicable to any such refinancing, renewing or extending Indebtedness does not exceed the then applicable market interest rate, (c) obligations (contingent or otherwise) of any Loan Party existing or arising under any Swap Agreements, provided that such Borrower or other Loan Party is (or was) an Eligible Contract Participant as of the Eligibility Date and such obligations are (or were) entered into in connection with the Obligations or in the ordinary course of business for the purpose of directly mitigating risks associated with liabilities, commitments, investments, assets, or property held or reasonably anticipated by such Loan Party, or changes in the value of securities issued by such Loan Party, and not for purposes of speculation or taking a “market view,” (d) foreign exchange hedging transactions entered into in the ordinary course of business to manage the foreign currency risks of the Loan Parties and their Subsidiaries, (e) the dividend, interest, and redemption obligations incurred by Pubco Guarantor to the Preferred Stockholders as provided by the terms of the Amended Charter, the Securities Purchase Agreement, and the Certificate of Designations (regardless of whether the same constitutes debt in accordance with GAAP), provided, however, that no payments thereof shall be made by any Loan Party in violation of the restrictions upon any such payment set forth in this Agreement or in any other Credit Document; (f) Indebtedness in respect of Capital Leases, Synthetic Lease Obligations and purchase money obligations for capital assets (within the limitations of Section 6.17 of this Agreement), and refinancings, renewals and extensions thereof; provided, that: (i) the total of all such Indebtedness taken together shall not exceed an aggregate principal amount of \$15,000,000 at any one time outstanding, (ii) such Indebtedness when incurred shall not exceed the purchase price of the asset(s) financed, and (iii) no such Indebtedness shall be refinanced for a principal amount in excess of the principal balance outstanding thereon at the time of such refinancing, (g) loans and investments in the ordinary course of business between the Loan Parties to the extent permitted under Section 6.02, (h) earnout obligations incurred in connection with any Permitted Acquisition to the extent constituting Indebtedness ; (i) Indebtedness which may be deemed to exist in connection with agreements providing for indemnification, purchase price adjustments or similar obligations in connection with a Dispositions permitted under Section 6.05, (j) Guarantees by any Loan Party or any Subsidiary with respect to (i) recourse obligations resulting from endorsement of negotiable instruments for collection in the ordinary course of business and (ii) workers’ compensation and similar obligations of the Loan Parties and their Subsidiaries incurred in the ordinary course of business, (k) unsecured Indebtedness in an aggregate amount not to exceed Fifteen Million Dollars (\$15,000,000.00) at any time outstanding, and (l) unsecured COVID-19 Loan; provided that no Loan Party that is not a borrower of a COVID-19 Loan shall be a guarantor or obligor of such COVID-19 Loan, and provided further that the aggregate principal amount of all COVID-19 Loans shall not exceed Eight Million Two Hundred Twenty Six Thousand Two Hundred Forty Two Dollars (\$8,226,242.00).

Section 6.04. *Fundamental Changes*. No Borrower and no other Loan Party or Subsidiary of a Borrower or other Loan Party shall (a) merge, dissolve, liquidate, consolidate with or into another Person (whether in one transaction or in a series of transactions), except that, so long as no continuing Default or Event of Default exists and no Material Adverse Change has occurred and no Default, Event of Default or Material Adverse Change would be likely to result therefrom after giving effect thereto (i) any Subsidiary of a Borrower may merge with a Borrower provided that such Borrower is the continuing or surviving Person of such merger, or (ii) any Subsidiary of any Borrower may merge with or liquidate into any other Subsidiary of such Borrower, provided that the continuing surviving Person from such merger shall be a Guarantor, or (b) directly or indirectly form or acquire any Foreign Subsidiary without the prior written consent of the Required Lenders and on such terms and conditions as the Required Lenders may require.

Section 6.05. *Dispositions*. No Borrower and no other Loan Party and no Subsidiary of a Borrower or of another Loan Party shall make any Disposition or enter into any agreement to make any Disposition without the consent of the Required Lenders, except (a) Dispositions of obsolete or worn out property, whether now owned or hereafter acquired, in the ordinary course of business, (b) Dispositions of equipment to the extent that (i) such property is exchanged for credit against the purchase price of similar replacement property or (ii) the proceeds of such Disposition are applied to the purchase price of similar replacement property, (c) the sale of residual ownership rights in vehicles and equipment upon the termination of operating leases, (d) Disposition of Inventory in the ordinary course of business, (e) Dispositions not otherwise prohibited under this Section 6.05; provided that (i) no Default or Event of Default has occurred and is continuing at the time of such Disposition, (ii) no Default, Event of Default or Material Adverse Change would result from such Disposition, and (iii) the aggregate book value of all property disposed of in reliance of this subsection in any Fiscal Year shall not exceed Five Hundred Thousand Dollars (\$500,000) or (f) Sale and Leaseback Transactions; provided that (i) no Default or Event of Default has occurred and is continuing at the time of such Sale and Leaseback Transaction and (ii) no Default, Event of Default or Material Adverse Change would result from such Sale and Leaseback Transaction.

Section 6.06. *Restricted Payments*. No Borrower and no other Subsidiary may declare or make, directly or indirectly, any Restricted Payments, or incur any obligation (contingent or otherwise) to do so, except that (a) each Subsidiary of a Borrower may make Restricted Payments to such Borrower, (b) LDRV may make Restricted Payments to Parent Guarantor, (c) Parent Guarantor may make Restricted Payments to Pubco Guarantor, (d) the Loan Parties may declare and make non-cash dividend payments or other non-cash distributions payable solely in their Capital Stock, (e) Pubco Guarantor may incur the redemption and payment obligations to the Preferred Stockholders set forth in the Amended Charter, the Securities Purchase Agreement, and the Certificate of Designations respect to the Pubco Guarantor's Series A Preferred Stock described therein, provided that no redemption of such Series A Preferred Stock, in whole or in part, or payments of the redemption price, in whole or in part, for any Capital Stock held by the Preferred Stockholders shall occur, directly or indirectly, prior to the dates for redemption set forth in Sections 7(a)(i) and 7(b) of the Certificate of Designations as in effect on the date hereof and on a non-accelerated basis, and no payment of any dividends and distributions shall be paid to the Preferred Stockholders, directly or indirectly, (i) at any time during which there is a continuing Default or Event of Default, or (ii) if after giving effect to such payment, a Default or Event of Default would exist, and (f) in the absence of any continuing Defaults or Events of Default and provided that after giving immediate effect thereto, no Defaults or Events of Default would result therefrom, each Borrower and each other Loan Party may (i) repurchase Capital Stock owned by former employees of the Loan Parties or employees which are leaving the employment of such Borrower or other Loan Parties; and (ii) make other Restricted Payments; provided however, the payments set forth in clauses "(e)" and "(f)" shall not be paid more frequently than quarterly after the end of each Fiscal Quarter and upon delivery of the financial statements due to the Administrative Agent and the Lenders hereunder evidencing the ability of the Loan Parties to make such Restricted Payments in full compliance with all of the terms and conditions set forth in this Agreement, including demonstrated compliance with the financial covenants set forth in Sections 6.12 and 6.13 hereof. Notwithstanding anything to the contrary in this Agreement, in no event shall any Loan Party make any Restricted Payment consisting of any Material Intellectual Property.

Section 6.07. *Change in Nature Of Business*. No Loan Party and no other Subsidiary shall engage in any material line of business substantially different from (a) those lines of business conducted by it on the Closing Date or (b) any business substantially related or incidental to the lines of business conducted by it on the Closing Date.

Section 6.08. *Transactions With Affiliates*. No Loan Party and no other Subsidiary shall enter into any transaction of any kind with any Affiliate (other than with its wholly-owned Subsidiaries), whether or not in the ordinary course of business, other than on fair and reasonable terms substantially as favorable as would be obtainable at the time in a comparable arm's length transaction with a Person other than an Affiliate.

Section 6.09. *Burdensome Agreements; Negative Pledges*. No Loan Party and no other Subsidiary shall enter into or grant any negative pledges or agreements restricting its ability to pledge its assets or to grant Liens against its assets, except as otherwise expressly provided for in the Credit Documents and except to the extent that any Capital Lease of any of the Loan Parties prohibits the granting of

Liens against the equipment that is being leased or financed, as applicable, pursuant to such Capital Lease. No Loan Party and no other Subsidiary shall enter into any contractual obligation that limits the ability of such Subsidiary: (a) to make Restricted Payments to such Borrower or any other Loan Party or to otherwise transfer property to such Borrower or Loan Party, or (b) to guarantee the Obligations.

Section 6.10. *Use Of Proceeds*. No Loan Party and no other Subsidiary shall use the proceeds of any Loan, whether directly or indirectly, and whether immediately, incidentally or ultimately, to purchase or carry “margin stock” (within the meaning of Regulation U of the Federal Reserve Board) or to extend credit to others for the purpose of purchasing or carrying margin stock or to refund Indebtedness originally incurred for such purpose, in each case, in violation of the regulations of the Board of Governors of the Federal Reserve System of the United States including Regulation T, U or X.

Section 6.11. *Tax Consolidation*. No Borrower shall file or consent to or permit the filing of any consolidated income tax return on behalf of it with any Person (other than a consolidated return of Pubco Guarantor and its Subsidiaries). No Borrower shall enter into any agreements with any Person which would cause such Borrower to bear more than the amount of taxes to which it would have been subject had it separately filed (or filed as part of a consolidated return among Pubco Guarantor and its Subsidiaries).

Section 6.12. *Maximum Total Net Leverage Ratio*. The Borrowers shall not permit the Total Net Leverage Ratio to exceed a ratio of 3.00 to 1.00, as measured on the last day of each Fiscal Quarter, beginning with the Fiscal Quarter ending September 30, 2021.

Section 6.13. *Minimum Consolidated Fixed Charge Coverage Ratio*. The Borrowers shall not permit the Consolidated Fixed Charge Coverage Ratio to be less than a ratio of 1.25 to 1.00 as measured on the last day of each Fiscal Quarter, beginning with the Fiscal Quarter ending September 30, 2021.

Section 6.14. *[reserved]*.

Section 6.15. *Anti-Money Laundering/International Trade Law Compliance*. No Borrower will request any Loan, and no Borrower shall use, and shall ensure that none of its Subsidiaries or its or their respective directors, officers, employees and agents shall use, the proceeds of any Loan, directly or knowingly indirectly, (i) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (ii) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, in each case, in violation of applicable Sanctions, or (iii) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

Section 6.16. *Amendments to Amended Charter, Securities Purchase Agreement, or Certificate of Designations*. There shall be no amendments to Section 7 (*Redemption*) of the Certificate of Designations, nor shall there be any other amendments to the Amended Charter, the Securities Purchase Agreement or the Certificate of Designations, the effect of which would (a) accelerate the period during which the redemption options in respect of Series A Preferred Stock may be exercised (which period shall commence no earlier than the respective dates for redemption set forth in Sections 7(a)(i) and 7(b) of the Certificate of Designations as in effect on the date hereof and on a non-accelerated basis, or permit the cash payment of any portion of a redemption prior to such dates, (b) change the amount or method of calculation of the redemption price or any other payment on account of any redemption of the Series A Preferred Stock, (c) change the terms and amounts of payments of dividends and distributions to Preferred Stockholders thereunder, or (d) expand the consent rights of any or all of the Preferred Stockholders to amendments or refinancing of the Credit Documents or Obligations.

Section 6.17. *Capital Expenditures*. No Loan Party and no other Subsidiary shall make or become legally obligated to make any expenditure in respect of the purchase or other acquisition of any fixed or capital asset (excluding normal replacements and maintenance which are properly charged to current operations), except for Capital Expenditures in the ordinary course of business not exceeding, in the aggregate for the Loan Parties and their Subsidiaries during a given Fiscal Year, an amount equal to twenty-five percent (25%) of Consolidated EBITDA for such Fiscal Year.

ARTICLE 7 EVENTS OF DEFAULT

The occurrence of any of the following events or conditions shall constitute an Event of Default.

Section 7.01. *Failure To Pay*. The failure or refusal of any Loan Party to pay (a) all or any amount or installment of principal due upon the Loans or upon any L/C Obligation (whether scheduled, by acceleration, or as otherwise required by the terms of the Credit

Documents), or (b) any interest or fees upon any Loan or L/C Obligation within three (3) Business Days after the due date thereof, or (c) any other amount payable hereunder or under any Credit Document within five (5) Business Days after the due date thereof.

Section 7.02. *Violation Of Covenants.* The failure or refusal of any Loan Party to (a) perform, observe, and comply with any covenant, agreement, or condition contained in Sections 5.04, 5.06, 5.08, 5.09.9, 5.09.11, 5.09.12, 5.09.13 (or any other Sections requiring the giving of notice by any Loan Party to any Credit Party), 5.10, 5.13 and 5.14 or in Article 6 (Negative Covenants) of this Agreement, (b) perform, observe, and comply with any covenant, agreement, or condition contained in Sections 5.09.2, 5.09.3, 5.09.5 or 5.09.14, and such failure or refusal continues for a period of five (5) consecutive calendar days, (c) timely perform, observe and comply with any other covenant, agreement, or condition contained in this Agreement (not specified above in Section 7.01, 7.02(a) or 7.02(b)), and such failure or refusal continues for a period of thirty (30) consecutive calendar days, or (d) timely perform, observe, or comply with any covenant, agreement or condition contained in any other Credit Document, after expiration of any cure period set forth therein.

Section 7.03. *Representation Or Warranty.* Any representation or warranty made by the Borrowers or by any other Loan Party herein or in any Credit Document, any Collateral Information Certificate, or in any Compliance Certificate or other document or instrument delivered from time to time to any of the Credit Parties shall be false, incorrect, or misleading in any material respect when made or deemed made.

Section 7.04. *Cross-Default.* (a) Any Borrower or any other Loan Party (i) fails to make any payment when due (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise) in respect of any Indebtedness or guarantee (other than Indebtedness hereunder) having an aggregate principal amount (including undrawn committed or available amounts and including amounts owing to all creditors under any combined or syndicated credit arrangement) of more than the Threshold Amount, (ii) fails to observe or perform any other agreement or condition relating to any such Indebtedness or guarantee or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event occurs, the effect of which default or other event is to cause, or to permit the holder or holders of such Indebtedness or the beneficiary or beneficiaries of such guarantee (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause (without regard to any existing intercreditor arrangements), with the giving of notice if required, such Indebtedness to be demanded or to become due or to be repurchased, prepaid, defeased or redeemed (automatically or otherwise), or an offer to repurchase, prepay, defease or redeem such Indebtedness to be made, prior to its stated maturity, or such guarantee to become payable or cash collateral in respect thereof to be demanded, (iii) fails to observe or perform any covenant or agreement set forth in the Securities Purchase Agreement (including under Section 4.15 of the Securities Purchase Agreement) or the Certificate of Designations (including under Sections 5.b(vii), 5.b(viii), or 5.b(xi) thereof), or (c) there occurs a default or event of default under any Swap Agreement.

Section 7.05. *Judgments.* The Loan Parties shall suffer final judgments for the payment of money aggregating for all Loan Parties in excess of the Threshold Amount in excess of available insurance proceeds and shall not discharge the same within a period of thirty (30) days unless, pending further proceedings, execution has not been commenced or if commenced has been effectively stayed.

Section 7.06. *Levy By Judgment Creditor.* Any judgment creditor of any of the Loan Parties shall obtain possession of any of the Collateral with a value in excess of the Threshold Amount by any means, including but not limited to levy, distraint, replevin or self-help, and the Loan Parties shall not remedy same within thirty (30) days thereof; or a writ of garnishment is served on the Administrative Agent or any other Credit Party relating to any of the accounts of the Borrowers or of any of the other Loan Parties maintained with the Administrative Agent or with any other Credit Party.

Section 7.07. *Involuntary Insolvency Proceedings.* The institution of involuntary Insolvency Proceedings against any Borrower or any other Loan Party and the failure of any such Insolvency Proceedings to be dismissed before the earliest to occur of (a) the date which is sixty (60) days after the institution of such Insolvency Proceedings, (b) the entry of any order for relief in the Insolvency Proceeding or any order adjudicating any Borrower or any other Loan Party insolvent, or (c) the impairment (as to validity, priority or otherwise) of any Lien of the Credit Parties in any of the Collateral.

Section 7.08. *Voluntary Insolvency Proceedings.* The commencement by any Borrower or by any other Loan Party of Insolvency Proceedings.

Section 7.09. *Attempt To Terminate Or Limit Guaranties.* The receipt by a Credit Party of notice from a Guarantor that such Guarantor is attempting to terminate or limit any portion of its obligations under a Guaranty Agreement.

Section 7.10. *ERISA*. An ERISA Event occurs with respect to a Pension Plan or Multiemployer Plan which has resulted or could reasonably be expected to result in liability of any Loan Party under Title IV of ERISA to the Pension Plan, Multiemployer Plan or the PBGC in an aggregate amount in excess of the Threshold Amount, or any Loan Party or any ERISA Affiliate fails to pay when due, after the expiration of any applicable grace period, any installment payment with respect to its withdrawal liability under Section 4201 of ERISA under a Multiemployer Plan in an aggregate amount in excess of the Threshold Amount.

Section 7.11. *Injunction*. The issuance of any injunction against any Borrower or against any other Loan Party which enjoins or restrains any Borrower or any other Loan Party from continuing to conduct any material part of its business affairs which continues for more than ten (10) days.

Section 7.12. *Invalidity of Credit Documents*. Any provision of any Credit Document, or any document containing a subordination or intercreditor undertaking pertaining to any Obligation, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder or satisfaction in full of all the Obligations, ceases to be in full force and effect; or any Loan Party contests in any manner the validity or enforceability of any provision of any Credit Document or such other document; or any Loan Party denies that it has any or further liability or obligation under any provision of any Credit Document or such other document, or purports to revoke, terminate or rescind any provision of any Credit Document.

Section 7.13. *Invalidity of Security Documents*. Any Security Document after delivery thereof pursuant to Sections 4.01 or 5.15 shall for any reason (other than pursuant to the terms thereof) cease to create a valid and perfected first priority Lien (subject to Permitted Encumbrances) on the Collateral purported to be covered thereby.

Section 7.14. *Licenses and Agreements*. Any agreement with any Manufacturer is revoked, terminated or suspended and, a replacement for same is not entered into within 30 days of such termination, revocation or suspension, or any license, consent, or approval which is material to the conduct of the business of any Loan Party is revoked, terminated or suspended.

Section 7.15. *Change In Control*. The occurrence of any Change in Control.

ARTICLE 8 RIGHTS AND REMEDIES OF CREDIT PARTIES ON THE OCCURRENCE OF AN EVENT OF DEFAULT

Upon the occurrence of an Event of Default and during the continuance thereof:

Section 8.01. *Credit Parties' Specific Rights And Remedies*. In addition to all other rights and remedies provided by applicable Laws and the terms of the Credit Documents, upon the occurrence and during the continuance of any Event of Default, the Administrative Agent may, on behalf of the Lenders and shall, at the direction of the Required Lenders (a) declare the Commitments of each Lender to advance proceeds of the Loans and any obligation of the Issuing Bank to issue any Letters of Credit to be terminated, (b) accelerate and call immediately due and payable all or any part of the Obligations, (c) require the Loan Parties to Cash Collateralize the L/C Obligations and the M&T Advances, (d) seek specific performance or injunctive relief to enforce performance of the undertakings, duties, and agreements provided in the Credit Documents, whether or not a remedy at Law exists or is adequate, (e) exercise any rights of a secured creditor under applicable Laws against the Collateral, including (i) the right to take possession of the Collateral without the use of judicial process or hearing of any kind, (ii) the right to require the Loan Parties to assemble the Collateral at such place as the Administrative Agent may specify, and (iii) the right to sell the Collateral, in whole or in part, at either private or public sale, and (f) seek the appointment of a receiver for any or all of the Loan Parties and/or the assets of any or all of the Loan Parties. For the avoidance of doubt, the availability and exercise of default remedies and rights under any Swap Agreements shall be governed by the default provisions of such Swap Agreement.

Section 8.02. *Automatic Acceleration*. Upon the occurrence and during the continuance of an Event of Default as described in Sections 7.07 or 7.08 of this Agreement, the Commitments shall automatically terminate, the Obligations shall be automatically accelerated and due and payable without any notice, demand or action of any type on the part of the Credit Parties, the obligations of the Issuing Bank to issue Letters of Credit shall be automatically terminated, and the Loan Parties shall be automatically required to Cash Collateralize the L/C Obligations and M&T Advances.

Section 8.03. *Consent To Appointment Of Receiver.* Each Borrower irrevocably consents to the appointment of a receiver upon the request of the Administrative Agent during any continuing Event of Default for it and for any or all of its business affairs, business operations, and assets, which receiver shall be authorized and deemed empowered to have and exercise the broadest powers permitted or available under applicable Laws to operate, manage, conserve, liquidate and sell any or all of its assets; provided, however, that such receiver shall have no authority without the prior written consent of the Required Lenders to release, discharge or otherwise negate any Liens securing the Obligations or to sell any assets of the Borrowers free and clear of any Liens securing the Obligations.

Section 8.04. *Remedies Cumulative.* The rights and remedies provided in this Agreement and in the other Credit Documents or otherwise under applicable Laws shall be cumulative and the exercise of any particular right or remedy shall not preclude the exercise of any other rights or remedies in addition to, or as an alternative of, such right or remedy.

Section 8.05. *Application Of Funds.* After the exercise of remedies (or after the Loans have automatically become immediately due and payable and the L/C Obligations have automatically been required to be Cash Collateralized), any amounts received on account of the Obligations shall be applied by the Administrative Agent in the following order:

8.05.1. First, to the payment of that portion of the Obligations constituting fees, indemnities, expenses, reimbursements, and other amounts (including Credit Party Expenses) payable to the Administrative Agent and to that part of the Obligations owed to any of the Credit Parties or to Affiliates of any of the Credit Parties for Bank Products, as described in item (d) in the definition of Obligations.

8.05.2. Second, to the payment of that portion of the Obligations constituting fees, indemnities and other amounts (other than principal, interest and Letter of Credit Fees) payable to the Lenders and the Issuing Bank (including Credit Party Expenses), ratably among the Lenders and the Issuing Bank.

8.05.3. Third, to the payment of that portion of the Obligations constituting Letter of Credit Fees, accrued and unpaid interest on the Loans and Reimbursement Obligations and on other Obligations, ratably among the Lenders and the Issuing Bank in proportion to the respective amounts described in this clause Third payable to them.

8.05.4. Fourth, to the payment of that portion of the Obligations constituting unpaid principal of the Loans and Reimbursement Obligations and payment or Cash Collateralization of any obligations under any Swap Agreements, ratably among the Lenders and the Issuing Bank and the respective Swap Providers in proportion to the respective amounts described in this clause Fourth held by them.

8.05.5. Fifth, to the Administrative Agent for the account of the Issuing Bank, to Cash Collateralize that portion of the L/C Obligations comprised of the aggregate undrawn amount of Letters of Credit.

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8.05.6. Last, the balance, if any, after all of the Obligations have been indefeasibly paid in full, to the Borrowers or as otherwise required by applicable Laws.

Amounts used to Cash Collateralize either the Swap Agreements pursuant to clause Fourth above, or the aggregate undrawn amount of Letters of Credit pursuant to clause Fifth above shall be applied to satisfy drawings under such Letters of Credit and payment obligations under the Swap Agreements as they occur. If any amounts remain on deposit as Cash Collateral after all Letters of Credit have been fully drawn or have expired and all Swap Agreements have been terminated, such remaining amount shall be applied to other Obligations, if any, in the order set forth above.

Section 8.06. *Cash Collateral Account.*

8.06.1. As collateral security for the prompt payment in full when due of all M&T Advances and the other Obligations, the Borrowers hereby pledge and grant to the Administrative Agent, for the ratable benefit of the Administrative Agent, the Issuing Bank and the Lenders as provided herein, a security interest in all of its right, title and interest in and to the Cash Collateral Account and the balances from time to time in the Cash Collateral Account (including the investments and reinvestments therein provided for below). The balances from time to time in the Cash Collateral Account shall not constitute payment of any M&T Advances until applied by the Administrative Agent as provided herein or the L/C Obligations until applied by the Issuing Bank as provided herein. Anything in this Agreement to the contrary notwithstanding, funds held in the Cash Collateral Account shall be subject to withdrawal only as provided in this Section.

8.06.2. Amounts on deposit in the Cash Collateral Account shall be invested and reinvested by the Administrative Agent in such Cash Equivalents as the Administrative Agent shall determine in its sole discretion. All such investments and reinvestments shall be held in the name of and be under the sole dominion and control of the Administrative Agent for the ratable benefit of the Administrative Agent, the Issuing Bank and the Lenders; provided, that all earnings on such investments will be credited to and retained in the Cash Collateral Account. The Administrative Agent shall exercise reasonable care in the custody and preservation of any funds held in the Cash Collateral Account and shall be deemed to have exercised such care if such funds are accorded treatment substantially equivalent to that which the Administrative Agent accords other funds deposited with the Administrative Agent, it being understood that the Administrative Agent shall not have any responsibility for taking any necessary steps to preserve rights against any parties with respect to any funds held in the Cash Collateral Account.

8.06.3. If an Event of Default exists at the time that a drawing pursuant to any Letter of Credit occurs on or prior to the expiration date of such Letter of Credit, the Borrowers and the Lenders authorize the Administrative Agent to use the monies deposited in the Cash Collateral Account for the purposes of Cash Collateralizing Letters of Credit to reimburse the Issuing Bank for the payment made by the Issuing Bank to the beneficiary with respect to such drawing.

8.06.4. If an Event of Default exists, the Administrative Agent may (and, if instructed by the Required Lenders, shall) in its (or their) discretion at any time and from time to time elect to liquidate any such investments and reinvestments and apply the proceeds thereof to the Obligations in accordance with Section 8.05. Notwithstanding the foregoing, the Administrative Agent shall not be required to liquidate and release any such amounts if such liquidation or release would result in the amount available in the Cash Collateral Account to be less than the Stated Amount of all Letters of Credit and M&T Advances that remain outstanding.

8.06.5. The Borrowers shall pay to the Administrative Agent from time to time such fees as the Administrative Agent normally charges for similar services in connection with the Administrative Agent's administration of the Cash Collateral Account and investments and reinvestments of funds therein.

8.06.6. The rights and remedies provided in this Agreement and in the other Credit Documents or otherwise under applicable Laws shall be cumulative and the exercise of any particular right or remedy shall not preclude the exercise of any other rights or remedies in addition to, or as an alternative of, such right or remedy.

ARTICLE 9 THE ADMINISTRATIVE AGENT

Section 9.01. *Appointment.* Each of the Lenders and the Issuing Bank hereby irrevocably designates and appoints M&T Bank as Administrative Agent under this Agreement and the other Credit Documents and each Lender and the Issuing Bank authorizes M&T Bank as its respective Administrative Agent to take such action on its behalf under the provisions of this Agreement and the other Credit Documents and to exercise such powers and perform such duties as are expressly delegated to the Administrative Agent by the terms of this Agreement and such other Credit Documents, together with such other powers as are reasonably incidental thereto. The provisions of this Article 9 are solely for the benefit of the Credit Parties and no Loan Party shall have any rights as a third party beneficiary of any of such provisions. It is understood and agreed that the use of the term "agent" herein or in any other Credit Document (or any other similar term) with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable Laws. Instead, such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

Section 9.02. *Exculpatory Provisions.*

9.02.1. *No Fiduciary, Discretionary or Implied Duties.* The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Credit Documents and its duties hereunder shall be administrative in nature. Without limiting the generality of the foregoing, the Administrative Agent:

(a) Shall not be subject to any fiduciary or other implied duties, regardless of whether a Default or Event of Default has occurred and is continuing;

(b) Shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Credit Documents that the Administrative Agent

is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Credit Documents), provided that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Credit Document or applicable Law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law, or that may cause a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law; and

(c) Shall not, except as expressly set forth herein and in the other Credit Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to any Loan Party or any of their Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity.

9.02.2. *No Liability for Certain Actions.* The Administrative Agent shall not be liable for any action taken or not taken by it (a) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 8.01 and 10.01 or (b) in the absence of its own gross negligence or willful misconduct, as determined by a court of competent jurisdiction by final and non-appealable judgment.

9.02.3. *Knowledge.* The Administrative Agent shall be deemed not to have knowledge of any Default or Event of Default or Material Adverse Change unless and until written notice describing such Default, Event of Default or Material Adverse Change is given to the Administrative Agent in writing by a Credit Party or by a Loan Party.

9.02.4. *No Duty to Inquire.* The Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (a) any statement, warranty or representation made in or in connection with this Agreement or any other Credit Document, (b) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (c) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default or Event of Default, (d) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Credit Document or any other agreement, instrument or document or (e) the satisfaction of any condition set forth in Article 4 or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

Section 9.03. *Reliance by Administrative Agent.* The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, or the issuance, extension, renewal or increase of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender or the Issuing Bank, the Administrative Agent may presume that such condition is satisfactory to such Lender or the Issuing Bank unless the Administrative Agent shall have received notice to the contrary from such Lender or the Issuing Bank prior to the making of such Loan or the issuance of such Letter of Credit. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

Section 9.04. *Delegation of Duties.* The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Credit Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent. The Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and non-appealable judgment that the Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub-agents.

Section 9.05. *Resignation of Administrative Agent.* The Administrative Agent may at any time give notice of its resignation to the Credit Parties and to the Borrowers. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in

consultation with the Borrowers, to appoint a successor, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty (30) days after the retiring Administrative Agent gives notice of its resignation (or such earlier day as shall be agreed by the Required Lenders (the “Resignation Effective Date”)), then the retiring Administrative Agent may (but shall not be obligated to) on behalf of the Lenders and the Issuing Bank, appoint a successor Administrative Agent meeting the qualifications set forth above; provided that in no event shall any successor Administrative Agent be a Defaulting Lender. Whether or not a successor has been appointed, such resignation shall become effective in accordance with such notice on the Resignation Effective Date. With effect from the Resignation Effective Date, (a) the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Credit Documents (except that in the case of any collateral security held by the Administrative Agent on behalf of the Lenders or the Issuing Bank under any of the Credit Documents, the retiring Administrative Agent shall continue to hold such collateral security until such time as a successor Administrative Agent is appointed) and (b) except for any indemnity payments owed to the retiring Administrative Agent, all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender and the Issuing Bank directly, until such time, if any, as the Required Lenders appoint a successor Administrative Agent as provided for above. Upon the acceptance of a successor’s appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring Administrative Agent (other than any rights to indemnity payments owed to the retiring Administrative Agent), and the retiring Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Credit Documents. The fees payable by the Borrowers to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrowers and such successor. After the retiring Administrative Agent’s resignation or removal hereunder and under the other Credit Documents, the provisions of this Article and the provisions of Section 10.08 of this Agreement shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring Administrative Agent was acting as Administrative Agent.

Section 9.06. *Non-Reliance on Administrative Agent and Other Lenders.* Each Lender and the Issuing Bank acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender and the Issuing Bank acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Credit Document or any related agreement or any document furnished hereunder or thereunder.

Section 9.07. *Administrative Agent May Hold Collateral For Lenders and Others.* The Lenders and the Loan Parties acknowledge that any Security Documents relating to the Loans, the Obligations, or the Collateral, including all of such documents filed in the public records in order to evidence or perfect the Liens granted in the Credit Documents, may name only the Administrative Agent, as agent for the Lenders as the secured party, mortgagee, beneficiary, or as lienholder. The Lenders and the Loan Parties authorize the Administrative Agent to hold any or all of the Liens in and to the Collateral as the agent for the benefit of the Credit Parties, M&T Bank, the Swap Providers, or any of their respective Affiliates, as applicable under this Agreement. Such Swap Providers and Affiliates which are party hereto, by their acceptance of the benefits of this Agreement and/or any other Security Documents or Credit Documents, also hereby authorize the Administrative Agent to hold the Liens in and to the Collateral as their administrative agent.

Section 9.08. *The Administrative Agent In Its Individual Capacity.* The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent and the term “Lender” or “Lenders” shall, unless otherwise expressly indicated or unless the context otherwise requires, including the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with any Loan Party or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders.

Section 9.09. *Administrative Agent May File Proofs of Claim.* In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to any Loan Party, the Administrative Agent (irrespective of whether the principal of any Loan or L/C Obligation shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered, by intervention in such proceeding or otherwise (a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, L/C Obligations and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders, the Issuing Bank and the Administrative Agent (including any claim for the reasonable compensation,

expenses, disbursements and advances of the Lenders, the Issuing Bank and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders, the Issuing Bank and the Administrative Agent under Sections 2.01.15, 2.03.5, 2.05.9, 2.15 and 10.08) allowed in such judicial proceeding; and (b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same; and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender and the Issuing Bank to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders and the Issuing Bank, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Sections 2.01.15, 2.03.5, 2.05.9, 2.15 and 10.08. Nothing contained herein shall be deemed to (a) permit the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender or the Issuing Bank any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or the Issuing Bank, (b) authorize the Administrative Agent to vote in respect of the claim of any Lender or the Issuing Bank in any such proceeding, or (c) credit bid any Obligation held by any Lender or the Issuing Bank in any such proceeding, without the prior consent of such Lender or the Issuing Bank, as applicable.

Section 9.10. *Collateral and Guaranty Matters.* The Lenders and the Issuing Bank irrevocably authorize the Administrative Agent, at its option and in its discretion, (a) to release any Lien on any property granted to or held by the Administrative Agent under any Credit Document (i) upon the final termination of all of the Commitments and payment in full of all Obligations (other than contingent indemnification obligations) and the expiration or termination of all Letters of Credit (other than Letters of Credit as to which other arrangements satisfactory to the Administrative Agent and the Issuing Bank shall have been made), (ii) that is sold or to be sold as part of or in connection with any sale permitted hereunder or under any other Credit Document, or (iii) subject to Section 10.01, if approved, authorized or ratified in writing by the Required Lenders; (b) to subordinate any Lien on any property granted to or held by the Administrative Agent under any Credit Document to the holder of any Lien on such property that is permitted under clause (h) of the definition of Permitted Encumbrance; and (c) to release any Guarantor from its obligations under its respective Guaranty if such Person ceases to be a Subsidiary as a result of a transaction permitted hereunder. Upon request by the Administrative Agent at any time, the Required Lenders will confirm in writing the Administrative Agent's authority to release or subordinate its interest in particular types or items of property, or to release any Guarantor from its obligations under the Guaranty pursuant to this Section 9.10. The Administrative Agent shall not be responsible for or have a duty to ascertain or inquire into any representation or warranty regarding the existence, value or collectability of the Collateral, the existence, priority or perfection of the Administrative Agent's Lien thereon, or any certificate prepared by any Loan Party in connection therewith, nor shall the Administrative Agent be responsible or liable to the Lenders for any failure to monitor or maintain any portion of the Collateral.

Section 9.11. *No Reliance on Administrative Agent's Customer Identification Program.* Each Lender acknowledges and agrees that neither such Lender, nor any of its Affiliates, participants or assignees, may rely on the Administrative Agent to carry out such Lender's, Affiliate's, participant's or assignee's customer identification program, or other obligations required or imposed under or pursuant to the USA Patriot Act or the regulations thereunder, including the regulations contained in 31 CFR 103.121 (as hereafter amended or replaced, the "CIP Regulations"), or any other Anti-Terrorism Law, including any programs involving any of the following items relating to or in connection with any Loan Party, its Affiliates or its agents, this Agreement, any other Credit Documents or the transactions hereunder or contemplated hereby: (a) any identity verification procedures, (b) any record-keeping, (c) comparisons with government lists, (d) customer notices or (e) other procedures required under the CIP Regulations or such other laws.

Section 9.12. *No Other Duties, Etc.* Notwithstanding anything to the contrary herein, none of the Bookrunners, Arrangers listed on the cover page of this Agreement shall have any powers, duties or responsibilities under this Agreement or any of the other Credit Documents, except in the capacity, as applicable, as the Administrative Agent, a Lender, the Issuing Bank or the Swingline Lender.

Section 9.13. *Erroneous Payments.*

(a) If the Administrative Agent notifies a Lender, Issuing Bank or Credit Party, or any Person who has received funds on behalf of a Lender, Issuing Bank or Credit Party such Lender or Issuing Bank (any such Lender, Issuing Bank, Credit Party or other recipient, a "Payment Recipient") that the Administrative Agent has determined in its sole discretion (whether or not after receipt of any notice under immediately succeeding clause (b)) that any funds received by such Payment Recipient from the Administrative Agent or any of its Affiliates were erroneously transmitted to, or otherwise erroneously or mistakenly received by, such Payment Recipient (whether or not known to such Lender, Issuing Bank, Credit Party or other Payment Recipient on its behalf) (any such funds, whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise, individually and collectively, an "Erroneous Payment") and demands the return of such Erroneous Payment (or a portion thereof), such Erroneous Payment shall at all times remain the property of the Administrative Agent, and such Lender, Issuing Bank or Credit Party shall (or, with respect to any

Payment Recipient who received such funds on its behalf, shall cause such Payment Recipient to) promptly, but in no event later than one (1) Business Day thereafter, return to the Administrative Agent the amount of any such Erroneous Payment (or portion thereof) as to which such a demand was made, in same day funds (in the currency so received), together with interest thereon in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Payment Recipient to the date such amount is repaid to the Administrative Agent in same day funds at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect. A notice of the Administrative Agent to any Payment Recipient under this clause (a) shall be conclusive, absent manifest error.

(b) Without limiting immediately preceding clause (a), each Payment Recipient hereby further agrees that if it receives a payment, prepayment or repayment (whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise) from the Administrative Agent (or any of its Affiliates) (x) that is in a different amount than, or on a different date from, that specified in a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates) with respect to such payment, prepayment or repayment (a “Payment Notice”), (y) that was not preceded or accompanied by a Payment Notice, or (z) that such Payment Recipient otherwise becomes aware was transmitted, or received, in error or by mistake (in whole or in part) in each case:

(i) an error may have been made (in the case of immediately preceding clauses (x) or (y)) or an error has been made (in the case of immediately preceding clause (z)) with respect to such payment, prepayment or repayment; and

(ii) such Payment Recipient shall promptly (and, in all events, within one (1) Business Day of its knowledge of such error) notify the Administrative Agent of its receipt of such payment, prepayment or repayment, the details thereof and that it is so notifying the Administrative pursuant to this Section 9.13(b).

(c) Each Lender, Issuing Bank or Credit Party hereby authorizes the Administrative Agent to set off, net and apply any and all amounts at any time owing to such Lender, Issuing Bank or Credit Party under any Credit Document, or otherwise payable or distributable by the Administrative Agent to such Lender, Issuing Bank or Credit Party from any source, against any amount due to the Administrative Agent under immediately preceding clause (a) or under the indemnification provisions of this Agreement.

(d) In the event an Erroneous Payment (or portion thereof) is not recovered by the Administrative Agent for any reason, after demand therefor by the Administrative Agent in accordance with the immediately preceding clause (a), from any Lender or Issuing Bank that has received such Erroneous Payment (or portion thereof) (or from any Payment Recipient who received such Erroneous Payment (or portion thereof) on its respective behalf) (such unrecovered amount, an “Erroneous Payment Return Deficiency”), upon the Administrative Agent’s request to such Lender or Issuing Bank at any time, (i) such Lender or Issuing Bank shall be deemed to have assigned its Loans (but not its Commitments) of the relevant Class with respect to which such Erroneous Payment was made (the “Erroneous Payment Impacted Class”) in an amount equal to the Erroneous Payment Return Deficiency (such assignment of the Loans (but not Commitments) of the Erroneous Payment Impacted Class, the “Erroneous Payment Deficiency Assignment”) at par plus any accrued and unpaid interest (with the assignment fee to be waived by the Administrative Agent in such instance), and is hereby (together with the Borrowers) deemed to execute and deliver an Assignment and Assumption (or, to the extent applicable, an agreement incorporating an Assignment and Assumption by reference pursuant to the Platform as to which the Administrative Agent and such parties are participants) with respect to such Erroneous Payment Deficiency Assignment, and such Lender or Issuing Bank shall deliver any Notes evidencing such Loans to the Borrowers or the Administrative Agent, (ii) the Administrative Agent as the assignee Lender shall be deemed to acquire the Erroneous Payment Deficiency Assignment and (iii) upon such deemed acquisition, the Administrative Agent as the assignee Lender shall become a Lender or Issuing Bank, as applicable, hereunder with respect to such Erroneous Payment Deficiency Assignment and the assigning Lender or assigning Issuing Bank shall cease to be a Lender or Issuing Bank, as applicable, hereunder with respect to such Erroneous Payment Deficiency Assignment, excluding, for the avoidance of doubt, its obligations under the indemnification provisions of this Agreement and its applicable Commitments which shall survive as to such assigning Lender or assigning Issuing Bank. For the avoidance of doubt, no Erroneous Payment Deficiency Assignment will reduce the Commitments of any Lender or Issuing Bank and such Commitments shall remain available in accordance with the terms of this Agreement.

(e) The parties hereto agree that an Erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Obligations owed by the Borrowers or any other Loan Party, except, in each case, to the extent such Erroneous Payment is, and solely with respect to the amount of such Erroneous Payment that is, comprised of funds received (or debited from the Cash Collateral Account) by the Administrative Agent from the Borrowers or any other Loan Party for the purpose of making such Erroneous Payment.

(f) To the extent permitted by applicable Law, no Payment Recipient shall assert any right or claim to an Erroneous Payment, and hereby waives, and is deemed to waive, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Administrative Agent for the return of any Erroneous Payment received, including without limitation waiver of any defense based on “discharge for value” or any similar doctrine.

(g) Each party’s obligations, agreements and waivers under this Section 9.13 shall survive the resignation or replacement of the Administrative Agent, any transfer of rights or obligations by, or the replacement of, a Lender or Issuing Bank, the termination of the Commitments and/or the repayment, satisfaction or discharge of all Obligations (or any portion thereof) under any Credit Document.

Section 9.14. *Indemnification of Administrative Agent.* Each Lender agrees to indemnify each of the Administrative Agent (to the extent not reimbursed by the Borrowers and without limiting the obligation of the Borrowers to do so) pro rata in accordance with such Lender’s respective Pro Rata Share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits and reasonable out-of-pocket costs and expenses of any kind or nature whatsoever which may at any time be imposed on, incurred by, or asserted against the Administrative Agent in any way relating to or arising out of the Credit Documents, any transaction contemplated hereby or thereby or any action taken or omitted by the Administrative Agent under the Credit Documents (collectively, “Indemnifiable Amounts”); provided, however, that no Lender shall be liable for any portion of such Indemnifiable Amounts to the extent resulting from the Administrative Agent’s gross negligence or willful misconduct as determined by a court of competent jurisdiction in a final, non-appealable judgment; provided, further, that no action taken in accordance with the directions of the Required Lenders (or all of the Lenders, if expressly required hereunder) shall be deemed to constitute gross negligence or willful misconduct for purposes of this Section. Without limiting the generality of the foregoing, each Lender agrees to reimburse the Administrative Agent (to the extent not reimbursed by the Borrower and without limiting the obligation of the Borrower to do so) promptly upon demand for its Pro Rata Share (determined as of the time that the applicable reimbursement is sought) of any out-of-pocket expenses (including the reasonable fees and expenses of the counsel to the Administrative Agent) incurred by the Administrative Agent in connection with the preparation, negotiation, execution, administration, or enforcement (whether through negotiations, legal proceedings, or otherwise) of, or legal advice with respect to the rights or responsibilities of the parties under, the Credit Documents, any suit or action brought by the Administrative Agent to enforce the terms of the Credit Documents and/or collect any Obligations, any “lender liability” suit or claim brought against either Agent and/or the Lenders, and any claim or suit brought against either Agent and/or the Lenders arising under any Environmental Laws. Such out-of-pocket expenses (including counsel fees) shall be advanced by the Lenders on the request of the Administrative Agent notwithstanding any claim or assertion that the Administrative Agent is not entitled to indemnification hereunder upon receipt of an undertaking by the Administrative Agent that the Administrative Agent will reimburse the Lenders if it is actually and finally determined by a court of competent jurisdiction that such Agent is not so entitled to indemnification. The agreements in this Section shall survive the payment of the Loans and all other Obligations and the termination of this Agreement. If the Borrower shall reimburse the Administrative Agent for any Indemnifiable Amount following payment by any Lender to the Administrative Agent in respect of such Indemnifiable Amount pursuant to this Section, the Administrative Agent shall share such reimbursement on a ratable basis with each Lender making any such payment.

ARTICLE 10 MISCELLANEOUS

Section 10.01. *Waivers and Amendments.* No amendment or waiver of any provision of this Agreement or any other Credit Document, and no consent to any departure by the Borrowers or by any other Loan Party therefrom, shall be effective unless in writing signed by the Required Lenders and the Borrowers or the applicable Loan Party, as the case may be, and acknowledged by the Administrative Agent, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no such amendment, waiver or consent shall:

(a) waive any condition set forth in Section 4.01.1 without the written consent of each Lender;

(b) extend or increase any Commitment of any Lender (or reinstate any Commitment terminated pursuant to Section 8.01(a)) without the written consent of such Lender;

(c) postpone any date fixed by this Agreement or any other Credit Document for any scheduled payment of principal, interest, fees or other amounts due to the Lenders (or any of them) hereunder or under any other Credit Document, extend the final Maturity Date of any Loans, or extend the date of payment for reimbursement obligations in respect of Letters of Credit, without the written consent of each Lender directly affected thereby;

(d) reduce the principal of, or the rate of interest specified herein on, any Loan or Reimbursement Obligation, or (subject to clause (v) of the second proviso to this Section 10.01) any fees (including fees related to Letters of Credit) or other amounts payable hereunder or under any other Credit Document, without the written consent of each Lender directly affected thereby; provided, however, that only the consent of the Required Lenders shall be necessary to amend the definition of “Default Rate” or to waive any obligation of the Borrowers to pay interest or Letter of Credit Fees at the Default Rate;

(e) change Section 8.05 in a manner that would alter the *pro rata* sharing of payments required thereby without the written consent of each Lender;

(f) (A) with respect to any Class of Mortgage Loans or Term Loans, reduce the amount of Loans or commitments specified in the definition of “Required Class Lenders” with respect to such Class, without the written consent of each Lender of such Class, (B) reduce the amount of Commitments or Loans specified in the definition of “Required Floor Plan Lenders” without the written consent of each Floor Plan Lender, (C) reduce the amount of Commitments or Loans specified in the definition of “Required Revolving Credit Lenders” or “Supermajority Lenders” without the written consent of each Revolving Credit Lender and (D) change any provision of this Section or reduce the aggregate commitment amount specified in the definition of “Required Lenders”, without the written consent of each Lender;

(g) amend, modify or waive Section 4.02 or any other provision of this Agreement, in each case without the written consent of each Floor Plan Lender or Revolving Credit Lenders, as applicable, if the effect of such amendment, modification or waiver is to require the Floor Plan Lenders or Revolving Credit Lenders to make Floor Plan Loans or Revolving Credit Loans, as applicable, when such Lenders would not otherwise be required to do so;

(h) release all or substantially all Collateral (other than as specifically authorized by the terms of this Agreement or any other Credit Document);

(i) amend or otherwise modify the definition of “Pro Rata Share” or amend or otherwise modify the provisions of Section 2.08.3 or Section 9.14 without the written consent of each Lender;

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(j) modify the definition of the term “Borrowing Base” (or any component definition thereof as used therein to determine eligibility under the Borrowing Base), including any advance rates set forth therein, in the case of each of the foregoing, if such modification would increase the amount available to be borrowed (or the amount available for Letters of Credit) under the Credit Documents without the written consent of the Supermajority Lenders; provided that the foregoing shall not limit the discretion of the Administrative Agent to change, establish or eliminate any Reserves, to modify any eligibility standards pursuant to Section 2.21 or to exercise its Permitted Discretion without the consent of any other Credit Party; or

(k) subordinate the Liens on the Collateral securing any of the Obligations or subordinate the right of payment of the Obligations (in each case, as such definitions were in effect on the Closing Date) in each case without the written consent of each Lender;

provided further, that (i) no amendment, waiver or consent shall, unless in writing and signed by the Issuing Bank in addition to the Lenders required above, affect the rights or duties of the Issuing Bank under this Agreement or any L/C Document relating to any Letter of Credit issued or to be issued by it; (ii) no amendment, waiver or consent shall, unless in writing and signed by the Swingline Lender in addition to the Lenders required above, affect the rights or duties of the Swingline Lender under this Agreement; (iii) no amendment, waiver or consent shall amend or modify any Swap Agreements or otherwise affect the rights or duties of any Swap Providers (and no Lender or Required Lender consent or approval shall be required or permitted with respect to any such amendments or modifications to any Swap Agreements) or release any Collateral securing any obligations under any Swap Agreement without the consent of the respective Swap Provider; (iv) no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent in addition to the Lenders required above, affect the rights or duties of the Administrative Agent under this Agreement or any other Credit Document; (v) the Fee Letter may be amended, or rights or privileges thereunder waived, in a writing executed only by the parties thereto; (vi) no amendment, waiver or consent shall, unless in writing and signed by M&T Bank as M&T Advance Lender in addition to the applicable Lenders required above, affect the rights or duties of M&T Advance Lender pursuant to this Agreement and (vii) notwithstanding anything to the contrary in this Agreement or any other Credit Document, but except for the consents required pursuant

to clause (f) above, any waiver, amendment or modification of this Agreement or any other Credit Document that by its terms affects the rights or duties under this Agreement or such Credit Document of Lenders solely in their capacities as Lenders holding Loans or Commitments of a particular Class (but not in their capacities as Lenders holding Loans or Commitments of any other Class) may be effected by an agreement or agreements in writing entered into solely by the Borrowers in respect of such particular Class, on the one hand, and the Required Class Lenders of such Class, the Required Floor Plan Lenders or the Required Revolving Credit Lenders, on the other hand, as applicable. Notwithstanding anything to the contrary herein, (i) no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder (and any amendment, waiver or consent which by its terms requires the consent of all Lenders or each affected Lender may be effected with the consent of the applicable Lenders other than Defaulting Lenders), except that (x) the Commitments of any Defaulting Lender may not be increased or extended without the consent of such Lender and (y) any waiver, amendment or modification requiring the consent of all Lenders or each affected Lender that by its terms affects any Defaulting Lender more adversely than other affected Lenders shall require the consent of such Defaulting Lender and (ii) if the Administrative Agent and the Borrowers have jointly identified an ambiguity, omission, mistake or defect in any provision of this Agreement or an inconsistency between provisions of this Agreement, the Administrative Agent and the Borrowers shall be permitted to amend such provision or provisions to cure such ambiguity, omission, mistake, defect or inconsistency so long as (x) to do so would not adversely affect the interests of the Lenders and (y) such amendment is not objected to in writing by the Required Lenders to the Administrative Agent within five (5) Business Days following receipt of notice thereof, and any such amendment shall become effective without any further action or consent of any of other party to this Agreement.

Section 10.02. *Successors and Assigns.*

10.02.1. *Successors and Assigns Generally.* The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that no Borrower may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consents of the Administrative Agent and of each Lender, and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (a) to an Eligible Assignee in accordance with the provisions of Section 10.2.2; (b) by way of participation in accordance with the provisions of Section 10.03, or (c) by way of pledge or assignment of a security interest authorized by Section 10.04 (and any other attempted assignment, transfer or pledge by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in Section 10.03 of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

10.02.2. *Assignments By Lenders.* Each Lender may assign to one or more Eligible Assignees all or any portion of such Lender's interests, rights and obligations set forth in this Agreement or the other Credit Documents, including all or a portion of its Commitments and the Loans (including for purposes hereof, its participations in L/C Obligations and Swingline Loans) provided that (a) an administrative fee in the amount of Five Thousand (\$5,000.00) is paid to the Administrative Agent by either the assigning Lender or the Eligible Assignee in connection with the assignment, (b) if less than all of the assigning Lender's Commitments and Loans is to be assigned, the amount of the Commitments and Loans so assigned shall be for an aggregate principal amount of not less than Five Million Dollars (\$5,000,000.00), (c) each partial assignment shall be made as an assignment of a proportionate amount of all of the assigning Lender's rights and obligations under this Agreement with respect to the Loans and Commitments assigned (except this clause (c) shall not apply to the Swingline Lender's rights and obligations in the Swingline Loans), (d) the parties to each such assignment shall execute and deliver an Assignment And Assumption to the Administrative Agent, for its acceptance, and (e) such Assignment And Assumption does not require the filing of a registration statement with the Securities And Exchange Commission or require the Loans or the Notes to be qualified in conformance with the requirements imposed by any blue sky Laws or other Laws of any state. Upon such execution, delivery, acceptance and recording, from and after the effective date specified in each Assignment And Assumption, which effective date is at least five (5) Business Days after the execution thereof, (a) the Assignee thereunder shall be a party hereto and, to the extent provided in such Assignment And Assumption, have the rights, duties, and obligations of a Lender hereunder, and (b) the assigning Lender thereunder shall, to the extent provided in such Assignment And Assumption, be released from its duties and obligations under this Agreement but shall continue to be entitled to all indemnification and reimbursement rights provided to the Lenders by the Borrowers pursuant to any of the Credit Documents with respect to facts, events, and circumstances occurring prior to the effective date of such assignment. By executing and delivering an Assignment And Assumption, the assigning Lender thereunder and the Assignee thereunder confirm to and agree with each other and the other parties to this Agreement the facts and matters as set forth in such Assignment and Assumption. Lenders may only assign their interests in the Commitments, the Loans, and Credit Documents to Eligible Assignees. Any assignment or transfer by a Lender of rights or obligations under the Credit Documents that does not comply with this Section shall be treated for purposes of the Credit Documents as a sale by such Lender of a participation in such rights and obligations in accordance with Section 10.03 of this Agreement. Except to the extent otherwise expressly agreed in writing by the affected parties, no assignment

by a Defaulting Lender will constitute a waiver or a release of any claim of any party hereunder arising from that Lender having been a Defaulting Lender.

10.02.3. *Certain Additional Payments.* In connection with any assignment of rights and obligations of any Defaulting Lender pursuant to Section 10.02.2, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrowers and the Administrative Agent, the applicable *pro rata* share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (a) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent, the Issuing Bank, the Swingline Lender and each other Lender hereunder (and interest accrued thereon), and (b) acquire (and fund as appropriate) its full *pro rata* share of all Loans and participations in Letters of Credit and Swingline Loans in accordance with its respective Commitment Percentages. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable Laws without compliance with the provisions of this Section, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

10.02.4. *Register.* The Administrative Agent, acting solely for this purpose as a limited fiduciary agent of the Borrowers, shall maintain a copy of each Assignment And Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders and the amount of the Loans with respect to each Lender from time to time (the "Register"). The entries in the Register shall be conclusive, in the absence of manifest error, and the Borrowers, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrowers or the Lenders at any reasonable time and from time to time upon reasonable prior notice.

10.02.5. *Procedures for Implementing Lender Assignments.* Upon the Administrative Agent's receipt of an Assignment And Assumption executed by an assigning Lender and an Eligible Assignee together with any Note or Notes subject to such Assignment and Assumption and any necessary consents to such Assignment and Assumption, the Administrative Agent shall, if such Assignment and Assumption has been completed and is substantially in the form of Exhibit A (a) accept such Assignment And Assumption, (b) record the information contained therein in the Register, (c) give prompt notice thereof to the Borrowers, and (d) promptly deliver a copy of such Assignment And Assumption to the Borrowers. Within three (3) Business Days after receipt of notice, the Borrowers shall execute and deliver to the Administrative Agent, in exchange for the surrendered Notes, new Notes to the order of such Eligible Assignee in amounts equal to the Commitments and Commitment Percentages assumed by it pursuant to such Assignment And Assumption and new Notes to the order of the assigning Lender in an amount equal to the Commitments and Commitment Percentages retained by the assigning Lender. Such Notes shall be in the aggregate stated principal amount equal to the aggregate principal amount of such surrendered Notes, shall be dated the effective date of such Assignment And Assumption and shall otherwise be in substantially the form of the assigned Notes delivered to the assigning Lender. The surrendered Notes shall be canceled and returned to the Borrowers. The Borrowers expressly acknowledge that the cancellation of any Note or Notes and the replacement of any Note or Notes in accordance with this provision shall not constitute or be deemed to be a refinancing or a novation of any of the Obligations.

10.02.6. *Cashless Settlements.* Notwithstanding anything to the contrary contained in this Agreement, any Lender may exchange, continue or rollover all or a portion of its Loans in connection with any refinancing, extension, loan modification or similar transaction permitted by the terms of this Agreement, pursuant to a cashless settlement mechanism approved by the Borrowers, the Administrative Agent and such Lender.

Section 10.03. *Participations.* Any Lender may at any time, without the consent of, or notice to, the Borrowers or the Administrative Agent, sell participations to any Person (other than to a Defaulting Lender, a natural Person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of a natural Person), or the Borrowers or any of the Borrowers' Affiliates or Subsidiaries) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitments and/or the Loans owing to it); provided that (a) such Lender's obligations under this Agreement shall remain unchanged, (b) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, and (c) the Borrowers, the Administrative Agent, the Issuing Bank and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. For the avoidance

of doubt, each Lender shall be responsible for the indemnity under Section 2.11.5. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in Section 10.01 that affects such Participant. The Borrowers agree that each Participant shall be entitled to the benefits of Sections 2.07.3, 2.10 and 2.11 (subject to the requirements and limitations therein, including the requirements under Section 2.11.7 (it being understood that the documentation required under Section 2.11.7 shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to Section 10.02 of this Agreement; provided that such Participant (i) agrees to be subject to the provisions of Section 2.12 as if it were an assignee under Section 10.02 of this Agreement; and (ii) shall not be entitled to receive any greater payment under Sections 2.10 or 2.11, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at the Borrowers' request and expense, to use reasonable efforts to cooperate with the Borrowers to effectuate the provisions of Section 2.12.2 with respect to any Participant. To the extent permitted by Law, each Participant also shall be entitled to the benefits of Section 10.07 as though it were a Lender; provided that such Participant agrees to be subject to Section 2.08 as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a limited non-fiduciary agent of the Borrowers, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Credit Documents (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Credit Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

Section 10.04. *Pledges*. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

Section 10.05. *Resignations Of Issuing Bank And Swingline Lender*: Notwithstanding anything to the contrary the Issuing Bank may upon thirty (30) days' notice to the Administrative Agent, the Borrowers and the Lenders, resign as Issuing Bank, and/or (b) the Swingline Lender may upon thirty (30) days' notice to the Administrative Agent, the Borrowers and the Lenders, resign as Swingline Lender. After the resignation of the Issuing Bank hereunder, the retiring Issuing Bank shall remain a party hereto and shall continue to have all the rights and obligations of the Issuing Bank under this Agreement and the other Credit Documents with respect to Letters of Credit issued by it prior to such resignation, but shall not be required to issue additional Letters of Credit or to extend, renew or increase any existing Letter of Credit. After the resignation of the Swingline Lender hereunder, the retiring Swingline Lender shall remain a party hereto and shall continue to have all the rights and obligations of a Swingline Lender under this Agreement and the other Credit Documents with respect to Swingline Loans made by it prior to such resignation, but shall not be required to make any additional Swingline Loans.

Section 10.06. *No Advisory or Fiduciary Responsibility*. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Credit Document), each of the Borrowers acknowledges and agrees that: (a)(i) the arranging and other services regarding this Agreement provided by the Administrative Agent and the Arranger, are arm's-length commercial transactions between the Borrowers and their Affiliates, on the one hand, and the Administrative Agent and the Arranger, on the other hand, (ii) the Borrowers have consulted their own legal, accounting, regulatory and tax advisors to the extent the Borrowers have deemed appropriate, and (iii) the Borrowers are capable of evaluating, and understand and accept, the terms, risks and conditions of the transactions contemplated hereby and by the other Credit Documents; (b) (i) the Administrative Agent and the Arranger each is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for any of the Borrowers or any of their Affiliates, or any other Person and (ii) neither the Administrative Agent nor the Arranger has any obligation to any of the Borrowers or any of their Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Credit Documents; and (c) the Administrative Agent and the Arranger and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Borrowers and their Affiliates, and neither the Administrative

Agent nor the Arranger has any obligation to disclose any of such interests to the Borrowers or their Affiliates. To the fullest extent permitted by Law, each Borrower hereby waives and releases any claims that it may have against the Administrative Agent and the Arranger with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

Section 10.07. *Right of Setoff.* If an Event of Default shall have occurred and be continuing, each Lender, the Issuing Bank, and each of their respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable Laws, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held, and other obligations (in whatever currency) at any time owing, by such Lender, the Issuing Bank or any such Affiliate, to or for the credit or the account of any Borrower or any other Loan Party against any and all of the Obligations of the Borrowers or any Loan Party now or hereafter existing under this Agreement or any other Credit Document to such Lender or the Issuing Bank or their respective Affiliates, irrespective of whether or not such Lender, the Issuing Bank or any of their Affiliates shall have made any demand under this Agreement or any other Credit Document and although such Obligations of the Borrowers or any Loan Party may be contingent or unmatured or are owed to a branch, office or Affiliate of such Lender or the Issuing Bank different from the branch, office or Affiliate holding such deposit or obligated on such indebtedness; provided that in the event that any Defaulting Lender shall exercise any such right of setoff, (a) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 2.13 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent, the Issuing Banks, and the Lenders, and (b) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. The rights of each Lender, each Issuing Bank and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender, such Issuing Bank or their respective Affiliates may otherwise have under applicable Laws. The Lender and the Issuing Bank each agree to notify the Borrowers and the Administrative Agent promptly after any such setoff and application; provided that the failure to give such notice shall not affect the validity of such setoff and application.

Section 10.08. *Expenses; Indemnity; Damage Waiver.*

10.08.1. *Costs and Expenses.* The Borrowers jointly and severally promise to pay (a) all reasonable out-of-pocket expenses incurred by the Administrative Agent and its Affiliates (including the reasonable fees, charges and disbursements of counsel for the Administrative Agent), related to due diligence performed in connection with the Closing Date Transactions, the syndication of the credit facilities hereunder, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Credit Documents, or any amendments, or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (b) all reasonable out-of-pocket expenses incurred by the Issuing Bank in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder, (c) all out-of-pocket expenses incurred by the Administrative Agent, any Lender or the Issuing Bank (including the fees, charges and disbursements of one firm of counsel for the Administrative Agent, any Lender or any Issuing Bank taken as a whole and, if necessary, one firm of local counsel in each appropriate jurisdiction, in each case for all such parties taken as a whole (and in the case of an actual or perceived conflict of interest, of another firm or counsel for such affected party taken as a whole), but in any event excluding allocated costs of internal counsel) in connection with the enforcement or protection of its rights (i) in connection with this Agreement and the other Credit Documents, including its rights under this Section, or (ii) in connection with the Loans made or Letters of Credit issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit, and (d) all other Credit Party Expenses. The agreements of the Borrowers set forth in this Section 10.08.1 shall not merge into any judgment entered in connection with this Agreement or any other Credit Documents but shall survive as separate independent contractual agreements of the Borrowers.

10.08.2. *Indemnification by the Borrowers.* The Borrowers jointly and severally agree to indemnify the Administrative Agent (and any sub-agent thereof), each Lender and the Issuing Bank, and each Related Party of any of the foregoing Persons (each such Person being called an “Indemnitee”) against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the fees, charges and disbursements of one firm of counsel for the Indemnitees taken as a whole and, if necessary, one firm of local counsel in each appropriate jurisdiction, in each case for all such parties taken as a whole (and in the case of an actual or perceived conflict of interest, of another firm or counsel for such affected party taken as a whole), but in any event excluding allocated costs of internal counsel), and to indemnify and hold harmless each Indemnitee from all fees and time charges and disbursements for attorneys who may be employees of any Indemnitee, incurred by any Indemnitee or asserted against any Indemnitee by any Person (including the Borrowers or any other Loan Party) other than such Indemnitee and its Related Parties arising out of, in connection with, or as a result of (a) the execution or delivery of this Agreement, any other Credit Document or any agreement or

instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, (b) any Loan or Letter of Credit or the use or proposed use of the proceeds therefrom (including any refusal by the Issuing Bank to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (c) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by any Loan Party or any of its Subsidiaries, or any Environmental Liability related in any way to any Loan Party or any of its Subsidiaries, or (d) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by any Borrower or any other Loan Party, and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee, or (y) result from a claim brought by a Borrower or any other Loan Party against an Indemnitee for breach in bad faith of such Indemnitee's obligations hereunder or under any other Credit Document, if a Borrower or such Loan Party has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction. This Section 10.08.2 shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

10.08.3. *Reimbursement by Lenders.* To the extent that the Borrowers for any reason fail to indefeasibly pay any amount required under Section 10.08.1 or 10.08.2 to be paid by it to the Administrative Agent (or any sub-agent thereof), the Issuing Bank, any Swingline Lender or any Related Party of any of the foregoing, each Lender severally promises to pay to the Administrative Agent (or any such sub-agent), the Issuing Bank, the Swingline Lender or such Related Party, as the case may be, such Lender's *pro rata* share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought based on each Lender's share of the aggregate Total Credit Exposure for all Lenders at such time) of such unpaid amount (including any such unpaid amount in respect of a claim asserted by such Lender); provided that with respect to such unpaid amounts owed to the Issuing Bank or the Swingline Lender solely in its capacity as such, only the holders of Revolving Credit Loans shall be required to pay such unpaid amounts, such payment to be made severally among them based on each of such Lenders' respective Revolving Credit Commitment Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) provided, further, that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent), such Issuing Bank or the Swingline Lender in its capacity as such, or against any Related Party of any of the foregoing acting for the Administrative Agent (or any such sub-agent), the Issuing Bank or any the Swingline Lender in connection with such capacity.

10.08.4. *Waiver of Consequential Damages, Etc.* To the fullest extent permitted by applicable Laws, each Borrower agrees that it will not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Credit Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan or Letter of Credit, or the use of the proceeds thereof. No Indemnitee referred to in Section 10.08.2 above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Credit Documents or the transactions contemplated hereby or thereby.

10.08.5. *Payments.* All amounts due under this Section shall be payable not later than ten (10) Business Days after demand therefor.

10.08.6. *Survival.* Each party's obligations under this Section 10.08 shall survive the termination of the Credit Documents and the payment of the Obligations hereunder.

Section 10.09. *Course of Conduct.* No failure or delay by any Credit Party in exercising any right or power under any Credit Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Credit Parties under the Credit Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of any Credit Document or consent to any departure by any Loan Party therefrom shall in any event be effective unless such waiver is made in accordance with Section 10.01 of this Agreement, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No waiver or indulgence by any of the Credit Parties shall constitute a future waiver of performance or exact performance by any of the Loan Parties. No amendment or waiver shall be effective unless in writing. Without limiting the generality of the foregoing, the advance of proceeds of a Loan or the

issuance of a Letter of Credit shall not be construed as a waiver of any Default or an Event of Default, regardless of whether any Credit Party may have had notice or knowledge of such Default or Event of Default at the time of such advance or issuance.

Section 10.10. *Notices; Effectiveness; Electronic Communication.*

10.10.1. *Notices Generally.* Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in Section 10.10.2 below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile as follows:

(a) if to any of the Borrowers or to any other Loan Party, to it at 6130 Lazydays Blvd., Seffner, FL 33584, Attention of Nick Tomashot, Chief Financial Officer (ntomashot@lazydays.com; Telephone No. (813) 204-4374);

(b) if to the Administrative Agent, to Manufacturers and Traders Trust Company at One Fountain Plaza – 12th Floor, Buffalo, NY 14203, Attention of Brendan Kelly, Vice President (bkelly@mtb.com; Telephone No. (716) 848-2778; and to M&T Debt Capital Markets Group, 25 S. Charles Street, 12th Floor, Baltimore, Maryland 21201, Attention of Chad Durakis, Vice President (Telephone No. (410) 244-4580);

(c) if to Manufacturers and Traders Trust Company in its capacity as provider of the M&T Advances, to it at M&T Bank Dealer Commercial Services, One Fountain Plaza – 12th Floor, Buffalo, NY 14203, Attention of Brendan Kelly, Vice President (bkelly@mtb.com); Telephone No. (716) 858-2778;

(d) if to Manufacturers and Traders Trust Company in its capacity as Issuing Bank, to it at One Fountain Plaza – 12th Floor, Buffalo, NY 14203, Attention of Brendan Kelly, Vice President (bkelly@mtb.com; Telephone No. (716) 858-2778; and if to any other Issuing Bank, to it at the address provided in writing to the Administrative Agent and the Borrowers at the time of its appointment as an Issuing Bank hereunder;

(e) if to a Lender, to it at its address (or facsimile number) set forth on its respective Lender Addendum or Assignment And Assumption.

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by facsimile shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next business day for the recipient). Notices delivered through electronic communications, to the extent provided in Section 10.10.2 below, shall be effective as provided in said Section 10.10.2.

10.10.2. *Electronic Communications.* Notices and other communications to the Lenders and the Issuing Bank hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent. The Administrative Agent or any of the Borrowers may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications. Unless the Administrative Agent otherwise prescribes, (a) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (b) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient, at its e-mail address as described in the foregoing clause (a), of notification that such notice or communication is available and identifying the website address therefor; provided that, for both clauses (a) and (b) above, if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient.

10.10.3. *Change of Address, etc.* Any party hereto may change its address or facsimile number for notices and other communications hereunder by notice to the other parties hereto.

10.10.4. *Platform.* (a) Each of the Borrowers and each other Loan Party agrees that the Administrative Agent may, but shall not be obligated to, make the Communications (as defined below) available to the Issuing Bank and the other Lenders by posting the Communications on the Platform; and (b) the Platform is provided “as is” and “as available.” The Agent Parties (as defined below) do not warrant the adequacy of the Platform and expressly disclaim liability for errors or omissions in the Communications. No warranty of any kind, express, implied or statutory, including, without limitation, any warranty of merchantability, fitness for a particular purpose, non-infringement of third-party rights or freedom from viruses or other code defects, is made by any Agent Party in connection with the Communications or the Platform. In no event shall the Administrative Agent or any of its Related Parties (collectively, the “Agent Parties”) have any liability to the Borrowers or to any other Loan Parties, any Lender or any other Person or entity for damages of any kind, including, without limitation, direct or indirect, special, incidental or consequential damages, losses or expenses (whether in tort, contract or otherwise) arising out of the Borrowers’, any Loan Party’s or the Administrative Agent’s transmission of Communications through the Platform. “Communications” means, collectively, any notice, demand, communication, information, document or other material provided by or on behalf of any Loan Party pursuant to any Credit Document or the transactions contemplated therein which is distributed to the Administrative Agent, any Lender or the Issuing Bank by means of electronic communications pursuant to this Section, including through the Platform.

Section 10.11. *Treatment of Certain Information; Confidentiality.* Each of the Administrative Agent, the Lenders and the Issuing Bank agree to maintain the confidentiality of the “Information” (as defined below), except that Information may be disclosed (a) to its Affiliates and to its Related Parties (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential); (b) to the extent required or requested by any regulatory authority purporting to have jurisdiction over such Person or its Related Parties (including any self-regulatory authority, such as the National Association of Insurance Commissioners); (c) to the extent required by applicable Laws or by any subpoena or similar legal process; (d) to any other party hereto; (e) in connection with the exercise of any remedies hereunder or under any other Credit Document or any action or proceeding relating to this Agreement or any other Credit Document or the enforcement of rights hereunder or thereunder; (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights and obligations under this Agreement, or (ii) any actual or prospective party (or its Related Parties) to any swap, derivative or other transaction under which payments are to be made by reference to the Borrowers and their obligations, this Agreement or payments hereunder; (g) on a confidential basis to (i) any rating agency in connection with rating the Borrowers or their Subsidiaries or the credit facilities hereunder or (ii) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers with respect to the credit facilities hereunder; (h) with the consent of the Borrowers; or (i) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section, or (y) becomes available to the Administrative Agent, any Lender, any Issuing Bank or any of their respective Affiliates on a nonconfidential basis from a source other than the Borrowers. In addition, the Administrative Agent and the Lenders may disclose the existence of this Agreement and information about this Agreement to market data collectors, similar service providers to the lending industry and service providers to the Administrative Agent and the Lenders in connection with the administration of this Agreement, the other Credit Documents, and the Commitments. For purposes of this Section, “Information” means all information received from the Borrowers or any of their Subsidiaries relating to the Borrowers or any of their Subsidiaries or any of their respective businesses, other than any such information that is available to the Administrative Agent, any Lender or any Issuing Bank on a nonconfidential basis prior to disclosure by the Borrowers or any of their Subsidiaries; provided that, in the case of information received from the Borrowers or any of their Subsidiaries after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

Section 10.12. *Counterparts And Integration.* This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Credit Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement or a Lender Addendum by facsimile or in electronic (i.e., “pdf” or “tif”) format shall be just as effective as the delivery of a manually executed counterpart of this Agreement.

Section 10.13. *Electronic Execution.* The words “execution”, “signed,” “signature,” and words of like import in any Credit Document shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same

legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable Law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state Laws based on the Uniform Electronic Transactions Act. Without limitation to the foregoing, signature pages to the Credit Documents delivered by electronic communication (including facsimile, e-mail and internet or intranet websites) shall be as effective, valid and enforceable and binding upon the indicated signatories as manually delivered signatures.

Section 10.14. *Severability.* In the event any one or more of the provisions contained in this Agreement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

Section 10.15. *Survival.* All covenants, agreements, representations and warranties made by the Borrowers herein and in the certificates or other instruments prepared or delivered in connection with or pursuant to this Agreement or any other Credit Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of any Credit Document and the making of any Loans, regardless of any investigation made by any such other party or on its behalf and notwithstanding that any Credit Party may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under the Credit Documents is outstanding and unpaid and so long as the Revolving Credit Commitments have not expired or terminated. The provisions of Sections 2.07.3, 2.09, 2.10.4, 2.10.5, Article 9 and Section 10.08 shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans and the termination of the Commitments or the termination of this Agreement or any provision hereof.

Section 10.16. *Time.* Time is of the essence to this Agreement.

Section 10.17. *Advertisement.* The Borrowers authorize the Administrative Agent to publish the names of the Borrowers and the amount of the financing provided in accordance with this Agreement in any “tombstone” or comparable advertisement which the Administrative Agent elects to publish. The Borrowers further agree that the Administrative Agent may provide lending industry trade organizations with information necessary and customary (including, without limitation, the amount and type of facilities, the rates and counsel’s name) for inclusion in league table measurements after the Closing Date. Without limiting the generality of the foregoing, the Borrowers consent to the disclosure by the Administrative Agent after the Closing Date of information relating to the Loans to Gold Sheets and other similar bank trade publications, with such information to consist of deal terms consisting of (a) the Borrowers’ names, (b) principal loan amounts, (c) interest rates, (d) term lengths, (e) commitment fees and other fees to the Lenders in the syndicate, and (f) the identity of their attorneys and other information customarily found in such publications.

Section 10.18. *Acknowledgments.* Each Borrower hereby acknowledges that (a) it and each of the other Loan Parties has been advised and represented by counsel in the negotiation, execution and delivery of each Credit Document, (b) no Credit Party has any fiduciary relationship with or duty to it or any other Loan Party arising out of or in connection with this Agreement and the relationship between the Credit Parties, on one hand, and the Borrowers and the other Loan Parties, on the other hand, in connection herewith is solely that of creditors and debtors, and (c) no joint venture exists among any of the Credit Parties and the Borrowers or any of the other Loan Parties.

Section 10.19. *Governing Law.* This Agreement and the other Credit Documents and any claims, disputes or causes of action (whether in contract or tort) arising out of or related to this Agreement or any other Credit Document (except as to any other Credit Document, as expressly set forth therein) and the transaction contemplated hereby and thereby shall be governed by, and construed in accordance with, the Laws of the Governing State.

Section 10.20. *Jurisdiction.* Each Borrower irrevocably and unconditionally agrees that it will not commence any action, litigation or proceeding of any kind or description, whether in Law or equity, whether in contract or in tort or otherwise, against the Administrative Agent, any Lender, any Issuing Bank, or any Related Party of the foregoing in any way relating to this Agreement or any other Credit Document or the transactions relating hereto or thereto, in any forum other than the courts of the State of New York sitting in New York County, and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, and each of the parties hereto irrevocably and unconditionally submits to the jurisdiction of such courts and agrees that all claims

in respect of any such action, litigation or proceeding may be heard and determined in such New York State court or, to the fullest extent permitted by applicable Law, in such federal court. Each of the parties hereto agrees that a final judgment in any such action, litigation or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Law. Nothing in this Agreement or in any other Credit Document shall affect any right that the Administrative Agent, any Lender or any Issuing Bank may otherwise have to bring any action or proceeding relating to this Agreement or any other Credit Document against the Borrowers or any other Loan Party or its properties in the courts of any jurisdiction.

Section 10.21. *Venue*. Each Borrower hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection that it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or the other Credit Documents in any court referred to in Section 10.20. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by applicable Law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

Section 10.22. *Service Of Process*. Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 10.10. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by Law.

Section 10.23. *WAIVER OF JURY TRIAL*. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR THE OBLIGATIONS. EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, ADMINISTRATIVE AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 10.24. *USA Patriot Act Notice*. Each Credit Party that is subject to the USA Patriot Act hereby notifies the Borrowers that pursuant to the requirements of the USA Patriot Act it is required to obtain, verify and record information that identifies the Borrowers, which information includes the names and address of the Borrowers and other information that will allow such Credit Party to identify the Borrowers in accordance with the USA Patriot Act.

Section 10.25. *Acknowledgement Regarding Any Supported QFCs*. To the extent that the Credit Documents provide support, through a guarantee or otherwise, for Hedging Obligations or any other agreement or instrument that is a QFC (such support, “*QFC Credit Support*” and each such QFC a “*Supported QFC*”), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the “*U.S. Special Resolution Regimes*”) in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Credit Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

(a) In the event a Covered Entity that is party to a Supported QFC (each, a “*Covered Party*”) becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Credit Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Credit Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

(b) As used in this Section 10.25, the following terms have the following meanings:

“BHC Act Affiliate” of a party means an “affiliate” (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

“Covered Entity” means any of the following: (i) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. §252.82(b); (ii) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. §47.3(b); or (iii) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. §382.2(b).

“Default Right” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§252.81, 47.2 or 382.1, as applicable.

“QFC” has the meaning assigned to the term “qualified financial contract” in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

[Signatures begin on following page.]

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have caused this Credit Agreement to be executed by their respective duly Authorized Officers as of the date first written above.

BORROWERS:

LDRV HOLDINGS CORP.,

a Delaware corporation

By: _____

**LAZYDAYS RV AMERICA, LLC,
LAZYDAYS RV DISCOUNT, LLC,
LAZYDAYS MILE HI RV, LLC,
LAZYDAYS OF MINNEAPOLIS LLC,
LDRV OF TENNESSEE LLC,
LDRV OF NASHVILLE, LLC,
LAZYDAYS RV OF CHICAGOLAND, LLC,
LAZYDAYS OF CENTRAL FLORIDA, LLC,
LONE STAR ACQUISITION, LLC,
A Delaware limited liability company,
Authorized to do business in Texas under the name
LONE STAR LAND OF HOUSTON, LLC,
LONE STAR DIVERSIFIED, LLC,
LAZYDAYS RV OF PHOENIX, LLC, and
LAZYDAYS RV OF ELKHART, LLC,
Each a Delaware limited liability company**

By: LDRV Holdings Corp.,
a Delaware corporation,
its Manager

By: _____

Name:
Title:

[Credit Agreement]

GUARANTORS:

**LAZYDAYS HOLDINGS, INC.
LAZYDAYS' R.V. CENTER, INC.
LAZYDAYS LAND HOLDINGS, LLC
LAZYDAYS LAND OF ELKHART, LLC
LAZYDAYS SERVICE OF ELKHART, LLC
LAZYDAYS LAND OF CHICAGOLAND, LLC**

By: _____

Name:

Title:

[Credit Agreement]

ADMINISTRATIVE AGENT:

MANUFACTURERS AND TRADERS TRUST COMPANY,
a New York banking corporation,
in its capacity as Administrative Agent

By: _____

Brendan Kelly
Vice President

[Credit Agreement]

LENDER:

MANUFACTURERS AND TRADERS TRUST COMPANY,
a New York banking corporation,
in its capacity as a Lender

By: _____

Brendan Kelly
Vice President

[Credit Agreement]

LENDER:

NYCB SPECIALTY FINANCE COMPANY, LLC,
in its capacity as a Lender

By: _____

[Credit Agreement]

LENDER:

HUNTINGTON NATIONAL BANK,
in its capacity as a Lender

By: _____

[Credit Agreement]

LENDER:

BANK OF THE WEST,
in its capacity as a Lender

By: _____

[Credit Agreement]

Schedule 1.01
Lenders and Commitments

Lender	Floor Plan Loan Commitment	Floor Plan Loan Commitment Percentage	Revolving Credit Commitment	Revolving Credit Commitment Percentage	Term Loan Commitment	Term Loan Commitment Percentage
Manufacturers and Traders Trust Company	\$ 176,756,756.76	54.054054054%	\$ 13,513,513.51	54.054054054%	\$ 6,108,108.04	54.054054054%
NYCB Specialty Finance Company, LLC	\$ 66,283,783.78	20.270270270%	\$ 5,067,567.57	20.270270270%	\$ 2,290,540.52	20.270270270%
Huntington National Bank	\$ 44,189,189.19	13.513513514%	\$ 3,378,378.38	13.513513514%	\$ 1,527,027.01	13.513513514%
Bank of the West	\$ 39,770,270.27	12.162162162%	\$ 3,040,540.54	12.162162162%	\$ 1,374,324.31	12.162162162%
TOTAL	\$ 327,000,000	100%	\$ 25,000,000	100%	\$ 11,299,999.88	100%



**CERTIFICATION
PURSUANT TO RULE 13a-14 AND 15d-14
UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED
CERTIFICATION OF CHIEF EXECUTIVE OFFICER**

I, William P. Murnane, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Lazydays Holdings, Inc.;

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;

2. 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;

3. 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

4. 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 5, 2021

/s/ WILLIAM P. MURNANE

William P. Murnane
Chief Executive Officer

**CERTIFICATION
PURSUANT TO RULE 13a-14 AND 15d-14
UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED
CERTIFICATION OF CHIEF FINANCIAL OFFICER**

I, Nicholas Tomashot, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Lazydays Holdings, Inc.;

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;

2. 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;

3. 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

4. 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 5, 2021

/s/ NICHOLAS J. TOMASHOT

Nicholas J. Tomashot
Chief Financial Officer

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

In connection with the Quarterly Report on Form 10-Q of Lazydays Holdings, Inc. (the “Company”) for the period ended September 30, 2021 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, William P. Murnane, Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that to the best of my knowledge:

- (1) 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.

/s/ WILLIAM P. MURNANE

William P. Murnane
Chief Executive Officer

Date: November 5, 2021

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

In connection with the Quarterly Report on Form 10-Q of Lazydays Holdings, Inc. (the "Company") for the period ended September 30, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Nicholas Tomashot, Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that to the best of my knowledge:

- (1) 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.

/s/ NICHOLAS J. TOMASHOT

NICHOLAS J. TOMASHOT

Chief Financial Officer

Date: November 5, 2021

Cover - shares**9 Months Ended****Sep. 30, 2021****Nov. 03, 2021****Cover [Abstract]**

<u>Document Type</u>	10-Q	
<u>Amendment Flag</u>	false	
<u>Document Quarterly Report</u>	true	
<u>Document Transition Report</u>	false	
<u>Document Period End Date</u>	Sep. 30, 2021	
<u>Document Fiscal Period Focus</u>	Q3	
<u>Document Fiscal Year Focus</u>	2021	
<u>Current Fiscal Year End Date</u>	--12-31	
<u>Entity File Number</u>	001-38424	
<u>Entity Registrant Name</u>	Lazydays Holdings, Inc.	
<u>Entity Central Index Key</u>	0001721741	
<u>Entity Tax Identification Number</u>	82-4183498	
<u>Entity Incorporation, State or Country Code</u>	DE	
<u>Entity Address, Address Line One</u>	6130 Lazy Days Blvd	
<u>Entity Address, City or Town</u>	Seffner	
<u>Entity Address, State or Province</u>	FL	
<u>Entity Address, Postal Zip Code</u>	33584	
<u>City Area Code</u>	813	
<u>Local Phone Number</u>	246-4999	
<u>Title of 12(b) Security</u>	Common stock	
<u>Trading Symbol</u>	LAZY	
<u>Security Exchange Name</u>	NASDAQ	
<u>Entity Current Reporting Status</u>	Yes	
<u>Entity Interactive Data Current</u>	Yes	
<u>Entity Filer Category</u>	Accelerated Filer	
<u>Entity Small Business</u>	true	
<u>Entity Emerging Growth Company</u>	false	
<u>Entity Shell Company</u>	false	
<u>Entity Common Stock, Shares Outstanding</u>		11,826,007

**Condensed Consolidated
Balance Sheets - USD (\$)
\$ in Thousands**

	Sep. 30, 2021	Dec. 31, 2020
<u>Current assets</u>		
<u>Cash</u>	\$ 67,027	\$ 63,512
<u>Receivables, net of allowance for doubtful accounts of \$659 at September 30, 2021 and December 31, 2020</u>	31,018	19,464
<u>Inventories</u>	140,741	116,267
<u>Income tax receivable</u>		1,898
<u>Prepaid expenses and other</u>	3,968	2,740
<u>Total current assets</u>	242,754	203,881
<u>Property and equipment, net</u>	118,643	106,320
<u>Operating lease assets</u>	29,051	15,472
<u>Goodwill</u>	81,473	45,095
<u>Intangible assets, net</u>	89,816	72,757
<u>Other assets</u>	582	473
<u>Total assets</u>	562,319	443,998
<u>Current liabilities</u>		
<u>Accounts payable, accrued expenses and other current liabilities</u>	60,128	38,781
<u>Income taxes payable</u>	1,078	
<u>Dividends payable</u>	1,210	1,210
<u>Floor plan notes payable, net of debt discount</u>	93,999	105,399
<u>Financing liability, current portion</u>	2,098	1,462
<u>Long-term debt, current portion</u>	6,053	24,161
<u>Operating lease liability, current portion</u>	5,975	3,164
<u>Total current liabilities</u>	170,541	174,177
<u>Long term liabilities</u>		
<u>Financing liability, non-current portion, net of debt discount</u>	88,701	78,634
<u>Long term debt, non-current portion, net of debt discount</u>	14,787	8,445
<u>Operating lease liability, non-current portion</u>	23,038	12,056
<u>Deferred income tax liability</u>	15,091	15,091
<u>Warrant liabilities</u>	15,489	15,096
<u>Total liabilities</u>	327,647	303,499
<u>Commitments and Contingencies</u>		
<u>Series A Convertible Preferred Stock; 600,000 shares, designated, issued, and outstanding as of September 30, 2021 and December 31, 2020; liquidation preference of \$60,000 as of September 30, 2021 and December 31, 2020, respectively</u>	54,983	54,983
<u>Stockholders' Equity</u>		
<u>Preferred Stock, \$0.0001 par value; 5,000,000 shares authorized;</u>		
<u>Common stock, \$0.0001 par value; 100,000,000 shares authorized; 11,665,423 and 9,656,041 shares issued and 11,524,124 and 9,514,742 outstanding at September 30, 2021 and December 31, 2020, respectively</u>		
<u>Additional paid-in capital</u>	100,277	71,226

<u>Treasury Stock, at cost, 141,299 shares at September 30, 2021 and December 31, 2020, respectively</u>	(499)	(499)
<u>Retained earnings</u>	79,911	14,789
<u>Total stockholders' equity</u>	179,689	85,516
<u>Total liabilities and stockholders' equity</u>	\$	\$
	562,319	443,998

**Condensed Consolidated
Balance Sheets
(Parenthetical) - USD (\$)
\$ in Thousands**

Sep. 30, 2021 Dec. 31, 2020

Statement of Financial Position [Abstract]

<u>Allowance for doubtful accounts</u>	\$ 659	\$ 659
<u>Series A convertible preferred stock, shares designated</u>	600,000	600,000
<u>Series A convertible preferred stock, shares issued</u>	600,000	600,000
<u>Series A convertible preferred stock, shares outstanding</u>	600,000	600,000
<u>Series A convertible preferred stock, liquidation preference, value</u>	\$ 60,000	\$ 60,000
<u>Preferred stock, par value</u>	\$ 0.0001	\$ 0.0001
<u>Preferred stock, shares authorized</u>	5,000,000	5,000,000
<u>Common stock, par value</u>	\$ 0.0001	\$ 0.0001
<u>Common stock, shares authorized</u>	100,000,000	100,000,000
<u>Common stock, shares issued</u>	11,665,423	9,656,041
<u>Common stock, shares outstanding</u>	11,524,124	9,514,742
<u>Treasury stock, shares</u>	141,299	141,299

Condensed Consolidated Statements of Income (Unaudited) - USD (\$) \$ in Thousands	3 Months Ended		9 Months Ended	
	Sep. 30, 2021	Sep. 30, 2020	Sep. 30, 2021	Sep. 30, 2020
Revenues				
<u>New and pre-owned vehicles</u>	\$ 285,781	\$ 194,552	\$ 820,875	\$ 553,245
<u>Other</u>	32,947	21,171	91,637	67,293
<u>Total revenues</u>	318,728	215,723	912,512	620,538
Cost applicable to revenues (excluding depreciation and amortization shown below)				
<u>New and pre-owned vehicles (including adjustments to the LIFO reserve of \$655, (\$1,431), \$1,409 and (\$1,481), respectively)</u>	221,176	160,837	651,970	468,616
<u>Other</u>	7,289	5,544	19,947	17,154
<u>Total cost applicable to revenue</u>	228,465	166,381	671,917	485,770
<u>Transaction costs</u>	678	233	1,528	534
<u>Depreciation and amortization</u>	3,717	2,760	10,276	8,068
<u>Stock-based compensation</u>	132	219	815	1,239
<u>Selling, general, and administrative expenses</u>	47,597	28,598	130,109	87,991
<u>Income from operations</u>	38,139	17,532	97,867	36,936
Other income/expenses				
<u>PPP loan forgiveness</u>			6,626	
<u>Interest expense</u>	(2,006)	(1,749)	(5,733)	(6,262)
<u>Change in fair value of warrant liabilities</u>	2,162	(7,899)	(11,090)	(10,245)
<u>Inducement Loss on Warrant Conversion</u>			(246)	
<u>Total other expense</u>	156	(9,648)	(10,443)	(16,507)
<u>Income before income tax expense</u>	38,295	7,884	87,424	20,429
<u>Income tax expense</u>	(7,326)	(4,184)	(22,299)	(8,020)
<u>Net income</u>	30,969	3,700	65,125	12,409
<u>Dividends on Series A Convertible Preferred Stock</u>	(1,210)	(1,745)	(3,591)	(5,073)
<u>Net income attributable to common stock and participating securities</u>	\$ 29,759	\$ 1,955	\$ 61,534	\$ 7,336
EPS:				
<u>Basic</u>	\$ 1.69	\$ 0.12	\$ 3.58	\$ 0.44
<u>Diluted</u>	\$ 1.16	\$ 0.11	\$ 2.75	\$ 0.40
Weighted average shares outstanding:				
<u>Basic</u>	11,556,423	9,753,211	11,146,020	9,746,136
<u>Diluted</u>	21,007,513	10,807,368	20,833,731	10,747,370

Condensed Consolidated **3 Months Ended** **9 Months Ended**
Statements of Income
(Unaudited) (Parenthetical) - **Sep. 30, 2021** **Sep. 30, 2020** **Sep. 30, 2021** **Sep. 30, 2020**
USD (\$)

\$ in Thousands

[Income Statement \[Abstract\]](#)

[Adjustments to LIFO reserve](#) \$ 655 \$ (1,431) \$ 1,409 \$ (1,481)

Condensed Consolidated Statement of Stockholders' Equity (Unaudited) - USD (\$) \$ in Thousands	Common Stock [Member]	Treasury Stock [Member]	Additional Paid-in Capital [Member]	Retained Earnings [Member]	Total
<u>Beginning balance, value at Dec. 31, 2019</u>		\$ (314)	\$ 70,195	\$ 4,802	\$ 74,683
<u>Beginning balance, shares at Dec. 31, 2019</u>	8,506,666	78,000			
<u>Stock-based compensation</u>			680		680
<u>Repurchase of Treasury Stock</u>		\$ (145)			(145)
<u>Repurchase of Treasury Stock, shares</u>		44,729			
<u>Dividends on Series A preferred stock</u>			(1,644)		(1,644)
<u>Net income</u>				3,399	3,399
<u>Ending balance, value at Mar. 31, 2020</u>		\$ (459)	69,231	8,201	76,973
<u>Ending balance, shares at Mar. 31, 2020</u>	8,506,666	122,729			
<u>Beginning balance, value at Dec. 31, 2019</u>		\$ (314)	70,195	4,802	74,683
<u>Beginning balance, shares at Dec. 31, 2019</u>	8,506,666	78,000			
<u>Net income</u>					12,409
<u>Ending balance, value at Sep. 30, 2020</u>		\$ (499)	69,940	13,782	83,223
<u>Ending balance, shares at Sep. 30, 2020</u>	9,593,150	141,299			
<u>Beginning balance, value at Mar. 31, 2020</u>		\$ (459)	69,231	8,201	76,973
<u>Beginning balance, shares at Mar. 31, 2020</u>	8,506,666	122,729			
<u>Stock-based compensation</u>			340		340
<u>Repurchase of Treasury Stock</u>		\$ (40)			(40)
<u>Repurchase of Treasury Stock, shares</u>		18,570			
<u>Shares issued pursuant to the Employee Stock Purchase Plan</u>			150		150
<u>Shares issued pursuant to the Employee Stock Purchase Plan, shares</u>	41,858				
<u>Dividends on Series A preferred stock</u>				(1,684)	(1,684)
<u>Net income</u>				5,310	5,310

<u>Ending balance, value at Jun. 30, 2020</u>		\$ (499)	69,721	11,827	81,049
<u>Ending balance, shares at Jun. 30, 2020</u>	8,548,524	141,299			
<u>Stock-based compensation</u>			219		219
<u>Conversion of pre-funded warrants, warrants and options</u>					
<u>Conversion of pre-funded warrants, warrants and options, shares</u>	1,044,626				
<u>Dividends on Series A preferred stock</u>				(1,745)	(1,745)
<u>Net income</u>				3,700	3,700
<u>Ending balance, value at Sep. 30, 2020</u>		\$ (499)	69,940	13,782	83,223
<u>Ending balance, shares at Sep. 30, 2020</u>	9,593,150	141,299			
<u>Beginning balance, value at Dec. 31, 2020</u>		\$ (499)	71,226	14,789	85,516
<u>Beginning balance, shares at Dec. 31, 2020</u>	9,656,041	141,299			
<u>Stock-based compensation</u>			372		372
<u>Conversion of warrants and options</u>			21,687		21,687
<u>Conversion of warrants and options, shares</u>	1,049,915				
<u>Shares issued pursuant to the Employee Stock Purchase Plan</u>					
<u>Shares issued pursuant to the Employee Stock Purchase Plan, shares</u>	51,437				
<u>Dividends on Series A preferred stock</u>			(1,184)		(1,184)
<u>Net income</u>				8,844	8,844
<u>Ending balance, value at Mar. 31, 2021</u>		\$ (499)	92,101	23,633	115,235
<u>Ending balance, shares at Mar. 31, 2021</u>	10,757,393	141,299			
<u>Beginning balance, value at Dec. 31, 2020</u>		\$ (499)	71,226	14,789	85,516
<u>Beginning balance, shares at Dec. 31, 2020</u>	9,656,041	141,299			
<u>Net income</u>					65,125
<u>Ending balance, value at Sep. 30, 2021</u>		\$ (499)	100,277	79,911	179,689
<u>Ending balance, shares at Sep. 30, 2021</u>	11,665,423	141,299			

<u>Beginning balance, value at Mar. 31, 2021</u>		\$ (499)	92,101	23,633	115,235
<u>Beginning balance, shares at Mar. 31, 2021</u>	10,757,393	141,299			
<u>Stock-based compensation</u>			311		311
<u>Conversion of warrants and options</u>			1,497		1,497
<u>Conversion of warrants and options, shares</u>	97,084				
<u>Shares issued pursuant to the Employee Stock Purchase Plan</u>			327		327
<u>Shares issued pursuant to the Employee Stock Purchase Plan, shares</u>					
<u>Dividends on Series A preferred stock</u>			(1,197)		(1,197)
<u>Net income</u>				25,309	25,309
<u>Ending balance, value at Jun. 30, 2021</u>		\$ (499)	93,039	48,942	141,482
<u>Ending balance, shares at Jun. 30, 2021</u>	10,854,477	141,299			
<u>Stock-based compensation</u>			132		132
<u>Conversion of warrants and options</u>			8,316		8,316
<u>Conversion of warrants and options, shares</u>	787,276				
<u>Shares issued pursuant to the Employee Stock Purchase Plan</u>					
<u>Shares issued pursuant to the Employee Stock Purchase Plan, shares</u>	23,670				
<u>Dividends on Series A preferred stock</u>			(1,210)		(1,210)
<u>Net income</u>				30,969	30,969
<u>Ending balance, value at Sep. 30, 2021</u>		\$ (499)	\$ 100,277	\$ 79,911	\$ 179,689
<u>Ending balance, shares at Sep. 30, 2021</u>	11,665,423	141,299			

**Condensed Consolidated
Statements of Cash Flows
(Unaudited) - USD (\$)
\$ in Thousands**

9 Months Ended

**Sep. 30,
2021 Sep. 30,
2020**

Cash Flows From Operating Activities

Net income \$ 65,125 \$ 12,409

Adjustments to reconcile net income to net cash provided by operating activities:

Stock based compensation 815 1,239

Bad debt expense 11 319

Depreciation and amortization of property and equipment 6,068 4,925

Amortization of intangible assets 4,208 3,143

Amortization of debt discount 178 127

Non-cash lease expense 42 160

Gain on sale of property and equipment 136 8

PPP loan forgiveness (6,626)

Change in fair value of warrant liabilities 11,090 10,245

Inducement loss on warrant conversion 246

Changes in operating assets and liabilities:

Receivables (8,770) (4,092)

Inventories (4,801) 100,060

Prepaid expenses and other (1,229) 140

Income tax receivable/payable 2,976 2,534

Other assets (109) (53)

Accounts payable, accrued expenses and other current liabilities 16,872 12,758

Operating lease liability (2,021)

Total Adjustments 21,107 129,492

Net Cash Provided By Operating Activities 86,232 141,901

Cash Flows From Investing Activities

Cash paid for acquisitions (63,036) (2,749)

Proceeds from sales of property and equipment 139 4,963

Purchases of property and equipment (16,907) (9,219)

Net Cash Used In Investing Activities (79,804) (7,005)

Cash Flows From Financing Activities

Net repayments under M&T bank floor plan (23,995) (96,199)

Borrowings under Houston mortgage with M&T bank 14,840

Repayment of long term debt with M&T bank (2,815) (1,450)

Proceeds from financing liability 12,001 1,343

Repayments of financing liability (1,302) (788)

Payment of dividends on Series A preferred stock (3,591)

Repurchase of Treasury Stock (185)

Proceeds from shares issued pursuant to the Employee Stock Purchase Plan 150

Proceeds from exercise of warrants 11,582

Proceeds from exercise of stock options 8,316 40

<u>Repayments of acquisition notes payable</u>	(2,244)	(2,320)
<u>Loan issuance costs</u>	(865)	(131)
<u>Net Cash Used In Financing Activities</u>	(2,913)	(84,700)
<u>Net Increase In Cash</u>	3,515	50,196
<u>Cash - Beginning</u>	63,512	31,458
<u>Cash - Ending</u>	67,027	81,654
<u>Supplemental Disclosures of Cash Flow Information:</u>		
<u>Cash paid during the period for interest</u>	5,632	6,483
<u>Cash paid during the period for income taxes net of refunds received</u>	19,350	5,486
<u>Non-Cash Investing and Financing Activities</u>		
<u>Accrued dividends on Series A Preferred Stock</u>	1,210	5,073
<u>Operating lease assets - ASC 842 adoption</u>		(17,781)
<u>Operating lease liabilities - ASC 842 adoption</u>		17,845
<u>Operating lease assets</u>	(16,378)	(756)
<u>Operating lease liabilities</u>	16,378	756
<u>Net assets acquired in acquisitions</u>	\$ 27,062	\$ 2,749

**BUSINESS
ORGANIZATION AND
NATURE OF
OPERATIONS**

9 Months Ended

Sep. 30, 2021

**Organization, Consolidation
and Presentation of
Financial Statements**

[Abstract]

BUSINESS ORGANIZATION AND NATURE OF OPERATIONS **NOTE 1 – BUSINESS ORGANIZATION AND NATURE OF OPERATIONS**
**AND NATURE OF
OPERATIONS**

Lazydays Holdings, Inc. (the “Company” or “Holdings”), a Delaware corporation, was originally formed on October 24, 2017, as a wholly owned subsidiary of Andina Acquisition Corp. II (“Andina”), an exempted company incorporated in the Cayman Islands on July 1, 2015 for the purpose of entering into a merger, share exchange, asset acquisition, share purchase, recapitalization, reorganization or other similar business combination with one or more business targets. On October 27, 2017, a merger agreement was entered into by and among Andina, Andina II Holdco Corp. (“Holdco”), a Delaware corporation and wholly-owned subsidiary of Andina, Andina II Merger Sub Inc., a Delaware corporation and wholly-owned subsidiary of Holdco (“Merger Sub”), Lazy Days’ R.V. Center, Inc. (and its subsidiaries), a Delaware corporation (“Lazydays RV”) and solely for certain purposes set forth in the merger agreement, A. Lorne Weil (the “Merger Agreement”). The Merger Agreement provided for a business combination transaction by means of (i) a merger of Andina with and into Holdco, with Holdco surviving, changing its name to Lazydays Holdings, Inc. and becoming a new public company (the “Redomestication Merger”) and (ii) a merger of Lazydays RV with and into Merger Sub with Lazydays RV surviving and becoming a direct wholly-owned subsidiary of Holdings (the “Transaction Merger” and together with the Redomestication Merger, the “Mergers”). On March 15, 2018, the Mergers were consummated.

Lazydays RV has subsidiaries that operate recreational vehicle (“RV”) dealerships in fifteen locations including two in the state of Florida, two in the state of Colorado, two in the state of Arizona, three in the state of Tennessee, one in the state of Minnesota, two in the state of Indiana, one in the state of Oregon, one in the state of Washington and one in the state of Wisconsin. Lazydays RV also has a dedicated service center location near Houston, Texas. Through its subsidiaries, Lazydays RV sells and services new and pre-owned RVs, and related parts and accessories. The Company also arranges financing and extended service contracts for vehicle sales through third-party financing sources and extended warranty providers. It also offers to its customers such ancillary services as overnight campground and restaurant facilities.

**SIGNIFICANT
ACCOUNTING POLICIES**

**9 Months Ended
Sep. 30, 2021**

[Accounting Policies](#)

[\[Abstract\]](#)

[SIGNIFICANT](#)

[ACCOUNTING POLICIES](#)

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America (“GAAP”) and the rules and regulations of the United States Securities and Exchange Commission (the “SEC”). Accordingly, these condensed consolidated financial statements do not include all of the information and footnotes required by GAAP for complete financial statements. For additional information, these condensed consolidated financial statements should be read in conjunction with Lazydays Holdings, Inc.’s consolidated financial statements and notes as of December 31, 2020 and 2019 included in the Annual Report on Form 10-K/A filed with the SEC on June 25, 2021. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included.

Principles of Consolidation

The condensed consolidated financial statements include the accounts of Holdings, Lazydays RV and its wholly owned subsidiary LDRV Holdings Corp. LDRV Holdings Corp is the sole owner of Lazydays Land Holdings, LLC, Lazydays Tampa Land Holdings, LLC, Lazydays RV America, LLC, Lazydays RV Discount, LLC, Lazydays Mile Hi RV, LLC, LDRV of Tennessee LLC, Lazydays of Minneapolis LLC, Lazydays of Central Florida, LLC, Lone Star Acquisition LLC, Lone Star Diversified LLC, LDRV Acquisition Group of Nashville LLC, LDRV of Nashville LLC, Lazydays RV of Phoenix, LLC, Lazydays RV of Elkhart, LLC, Lazydays Land of Elkhart, LLC, Lazydays Service of Elkhart, LLC, Lazydays RV of Chicagoland, LLC, Lazydays Land of Chicagoland, LLC, Lazydays RV of Oregon, LLC, and Lazydays RV of Wisconsin, LLC (collectively, the “Company”, “Lazydays” or “Successor”). All significant inter-company accounts and transactions have been eliminated in consolidation.

Restatement of Previously Reported Financial Statements

The notes included herein should be read in conjunction with the Company’s restated audited consolidated financial statements included in the 2020 Form 10-K/A. As previously disclosed in the 2020 Form 10-K/A, the Company restated its previously issued consolidated financial statements for the years ended December 31, 2020, 2019 and 2018 to make the necessary accounting adjustments related to warrant accounting. The Company has restated herein its condensed consolidated financial statements for the three and nine months ended September 30, 2020 and related amounts within the accompanying footnotes to the condensed consolidated financial statements. Restated net income for the three months ended September 30, 2020 is \$3.7 million, a decrease of \$7.9 million from the previously disclosed net income of \$11.6 million. Restated net income for the nine months ended September 30, 2020 is \$12.4 million, a decrease of \$10.2 million from the previously disclosed net income of \$22.7 million.

The tables below set forth the unaudited condensed consolidated balance sheet as of September 30, 2020 originally reported, adjustments and the restated balances, and the condensed consolidated statement of income for the three and nine months ended September 30, 2020 originally reported, adjustments, and the restated balances and the condensed consolidated statement of cash flow amounts for the nine months ended September 30, 2020 originally reported, adjustments, and the restated balances.

	September 30, 2020 (unaudited)		
	As Previously Reported	Restatement Adjustments	As Restated
Total Assets	\$ 397,905	\$ -	\$ 397,905
Liabilities and Stockholder’ Equity			
Total current liabilities	\$ 137,808	\$ -	137,808

Financing liability, non-current portion, net of debt discount	71,095	-	71,095
Long term debt, non-current portion, net of debt discount	10,512	-	10,512
Operating lease liability, non-current portion	12,841	-	12,841
Deferred tax liability	16,451	-	16,451
Warrant liabilities	-	10,992	10,992
Total liabilities	248,707	10,992	259,699
Commitments and Contingencies			
Series A Convertible Preferred Stock; 600,000 shares, designated, issued, and outstanding as of December 31, 2020; liquidation preference of \$60,000 as of December 31, 2020	54,983	-	54,983
Stockholders' Equity			
Preferred Stock, \$0.0001 par value; 5,000,000 shares authorized;	-	-	-
Common stock, \$0.0001 par value; 100,000,000 shares authorized; 9,593,150 shares issued and 9,451,851 outstanding at September 30, 2020	-	-	-
Additional paid-in capital	78,931	(8,991)	69,940
Treasury Stock, at cost, 141,299 shares at September 30, 2020	(499)	-	(499)
Retained earnings	15,783	(2,001)	13,782
Total stockholders' equity	94,215	(10,992)	83,223
Total liabilities and stockholders' equity	\$ 397,905	\$ -	\$ 397,905

	Three months ended September 30, 2020 (Unaudited)			Nine months ended September 30, 2020 (Unaudited)		
	As Previously Reported	Restatement Adjustments	As Restated	As Previously Reported	Restatement Adjustments	As Restated
Income from Operations	\$ 17,532	\$ -	\$ 17,532	\$ 36,944	\$ -	\$ 36,944
Other income/ expenses						
Loss on sale of property and equipment	-	-	-	(8)	-	(8)
Interest expense	(1,749)	-	(1,749)	(6,262)	-	(6,262)
Change in fair value of warrant liabilities	-	(7,899)	(7,899)	-	(10,245)	(10,245)
Total other expense	(1,749)	(7,899)	(9,648)	(6,270)	(10,245)	(16,515)
Income before income tax expense	15,783	(7,899)	7,884	30,674	(10,245)	20,429
Income tax expense	(4,184)	-	(4,184)	(8,020)	-	(8,020)
Net income	\$ 11,599	\$ (7,899)	\$ 3,700	\$ 22,654	\$ (10,245)	\$ 12,409
Dividends of Series A Convertible Preferred Stock	(1,745)	-	(1,745)	(5,073)	-	(5,073)

Net income (loss) attributable to common stock and participating securities	\$ 9,854	\$ (7,899)	\$ 1,955	\$ 17,581	\$ (10,245)	\$ 7,336
EPS:						
Basic and diluted income (loss) per share	\$ 0.55	\$ (0.42)	\$ 0.13	\$ 1.00	\$ (0.50)	\$ 0.50
Weighted average shares outstanding basic and diluted	10,807,368	10,807,368	10,807,368	10,747,370	10,747,370	10,747,370

	Nine Months Ended September 30, 2020		
	As Previously Reported	Restatement Adjustments	As Restated
Net Income	\$ 22,654	\$ (10,245)	\$ 12,409
Adjustments to reconcile net income to net cash provided by operating activities:			
Change in fair value of warrant liabilities	-	10,245	10,245
Net cash provided by operating activities	141,901	-	141,901
Net cash used in investing activities	(7,005)	-	(7,005)
Net cash used in financing activities	(84,700)	-	(84,700)
Net change in cash and cash equivalents	50,196	-	50,196
Cash - Beginning	31,458	-	31,458
Cash - Ending	<u>\$ 81,654</u>	<u>\$ -</u>	<u>\$ 81,654</u>

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include the assumptions used in the valuation of the net assets acquired in business combinations, goodwill and other intangible assets, provision for charge-backs, inventory write-downs, allowance for doubtful accounts, stock-based compensation and fair value of warrant liabilities.

Revenue Recognition

The core principle of revenue recognition is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Company applies a five-step model for revenue measurement and recognition.

Revenues are recognized when control of the promised goods or services is transferred to the customers at the expected amount the Company is entitled to for such goods and services. Taxes collected on revenue producing transactions are excluded from revenue in the condensed consolidated statements of income. The following table represents the Company's disaggregation of revenue:

Three months ended	Nine months ended
---------------------------	--------------------------

	<u>September</u> <u>30, 2021</u>	<u>September</u> <u>30, 2020</u>	<u>September</u> <u>30, 2021</u>	<u>September</u> <u>30, 2020</u>
New vehicle revenue	\$ 181,395	\$ 130,297	\$ 550,366	\$ 362,139
Preowned vehicle revenue	104,386	64,255	270,509	191,106
Parts, accessories, and related services	12,233	9,470	34,571	29,400
Finance and insurance revenue	20,130	11,073	54,476	35,108
Campground and other revenue	584	628	2,590	2,785
Total	<u>\$ 318,728</u>	<u>\$ 215,723</u>	<u>\$ 912,512</u>	<u>\$ 620,538</u>

Revenue from the sale of vehicles is recognized at a point in time on delivery, transfer of title and completion of financing arrangements.

Revenue from the sale of parts, accessories and related service is recognized as services and parts are delivered or as a customer approves elements of the completion of service. Revenue from the sale of parts, accessories and related service is recognized in other revenue in the accompanying condensed consolidated statements of income.

The Company receives commissions from the sale of insurance and vehicle service contracts to customers. In addition, the Company arranges financing for customers through various financial institutions and receives commissions. The Company may be charged back (“charge-backs”) for financing fees, insurance or vehicle service contract commissions in the event of early termination of some contracts by its customers. The revenues from financing fees and commissions are recorded at the time of the sale of the vehicles and an allowance for future charge-backs is established based on historical operating results and the termination provision of the applicable contracts. The estimates for future charge-backs require judgment by management, and as a result there is an element of risk associated with these revenue streams. The Company recognized finance and insurance revenues, less the additions to the charge-back allowance, which is included in other revenue as follows (unaudited):

	<u>Three months ended</u>		<u>Nine months ended</u>	
	<u>September</u> <u>30, 2021</u>	<u>September</u> <u>30, 2020</u>	<u>September</u> <u>30, 2021</u>	<u>September</u> <u>30, 2020</u>
Gross finance and insurance revenues	\$ 22,193	\$ 13,073	\$ 60,113	\$ 39,573
Additions to charge-back allowance	(2,063)	(2,000)	(5,637)	(4,465)
Net Finance Revenue	<u>\$ 20,130</u>	<u>\$ 11,073</u>	<u>\$ 54,476</u>	<u>\$ 35,108</u>

The Company has an accrual for charge-backs, which totaled \$7,751 and \$5,553 at September 30, 2021 and December 31, 2020, respectively, and is included in “Accounts payable, accrued expenses and other current liabilities” in the accompanying condensed consolidated balance sheets.

Deposits on vehicles received in advance are accounted for as a liability and recognized into revenue upon satisfaction of each respective performance obligation. These contract liabilities are included in Note 5 – Accounts Payable, Accrued Expenses, and Other Current Liabilities as customer deposits. During the nine months ended September 30, 2021, \$4,573 of contract liabilities as of December 31, 2020 were recognized in revenue.

Inventories

Vehicle and parts inventories are recorded at the lower of cost or net realizable value, with cost determined by the last-in, first-out (“LIFO”) method. Cost includes purchase costs, reconditioning costs, dealer-installed accessories and freight. For vehicles accepted in trades, the cost is the fair value of such pre-owned vehicles at the time of the trade-in. Other inventory includes parts and accessories as well as retail travel and leisure specialty merchandise. The current replacement costs of LIFO inventories exceeded their recorded values by \$5,036 and \$3,627 as of September 30, 2021 and December 31, 2020, respectively.

Cumulative Redeemable Convertible Preferred Stock

The Company's Series A Preferred Stock (See Note 10 – Preferred Stock) is cumulative redeemable convertible preferred stock. Accordingly, it is classified as temporary equity and is shown net of issuance costs and the fair value of warrants issued in conjunction with the issuance of the Series A Preferred Stock. Unpaid preferred dividends are accumulated, compounded at each quarterly dividend date and presented within the carrying value of the Series A Preferred Stock until a dividend is declared by the Company's board of directors (the "Board").

Stock Based Compensation

The Company accounts for stock-based compensation for employees and directors in accordance with ASC 718, Compensation. ASC 718 requires all share-based payments to employees, including grants of employee stock options, to be recognized in the statement of income based on their fair values. Under the provisions of ASC 718, stock-based compensation costs are measured at the grant date, based on the fair value of the award, and are recognized as expense over the employee's requisite or derived service period. In accordance with ASC 718, excess tax benefits realized from the exercise of stock-based awards are classified as cash flows from operating activities. All excess tax benefits and tax deficiencies (including tax benefits of dividends on share-based payment awards) are recognized as income tax expenses or benefits in the condensed consolidated statements of income.

Earnings Per Share

The Company computes basic and diluted earnings/(loss) per share ("EPS") by dividing net earnings/(loss) by the weighted average number of shares of common stock outstanding during the period.

The Company is required, in periods in which it has net income, to calculate EPS using the two-class method. The two-class method is required because the Company's Series A Preferred Stock have the right to receive dividends or dividend equivalents should the Company declare dividends on its common stock as if such holder of the Series A Preferred Stock had been converted to common stock. Under the two-class method, earnings for the period are allocated to the common and preferred stockholders taking into consideration Series A Preferred Stockholders participation in dividends on an as converted basis. The weighted-average number of common and preferred shares outstanding during the period is then used to calculate basic EPS for each class of shares.

In periods in which the Company has a net loss, basic loss per share is calculated by dividing the loss attributable to common stockholders by the weighted-average number of common shares outstanding during the period. The two-class method is not used, because the preferred stock does not participate in losses.

The following table summarizes net income attributable to common stockholders used in the calculation of basic and diluted income per common share:

	Three months ended		Nine months ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
		(Restated)		(Restated)
(Dollars in thousands - except share and per share amounts)				
Distributed earning allocated to common stock	\$ -	\$ -	\$ -	\$ -
Undistributed earnings allocated to common stock	19,541	1,140	39,903	4,314
Net earnings allocated to common stock	19,541	1,140	39,903	4,314
Net earnings allocated to participating securities	10,218	815	21,631	3,022
Net earnings allocated to common stock and participating securities	\$ 29,759	\$ 1,955	\$ 61,534	\$ 7,336
Weighted average shares outstanding for basic earning per common share	11,256,066	9,753,211	10,845,663	9,746,136
Dilutive effect of warrants and options	300,357	1,054,157	300,357	1,001,234
Weighted average shares outstanding for diluted earnings per share computation	11,556,423	10,807,368	11,146,020	10,747,370

Basic income per common share	\$ 1.69	\$ 0.12	\$ 3.58	\$ 0.44
Diluted income per common share	\$ 1.16	\$ 0.11	\$ 2.75	\$ 0.40

During the three and nine months ended September 30, 2021 and 2020, respectively, the denominator of the basic EPS was calculated as follow:

	Three months ended		Nine months ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Weighted average outstanding common shares	11,256,066	9,452,854	10,845,663	9,445,779
Weighted average prefunded warrants	300,357	300,357	300,357	300,357
Weighted shares outstanding - basic	\$ 11,556,423	\$ 9,753,211	\$ 11,146,020	\$ 9,746,136

During the three and nine months ended September 30, 2021 and 2020, respectively, the denominator of the dilutive EPS was calculated as follows:

	Three months ended		Nine months ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Weighted average outstanding common shares	11,256,066	9,452,854	10,845,663	9,445,779
Weighted average prefunded warrants	300,357	300,357	300,357	300,357
Weighted average warrants	1,704,003	381,071	1,704,003	381,071
Weighted average options	1,664,106	673,086	1,664,106	620,163
Weighted average convertible preferred stock	6,082,981	-	6,319,602	-
Weighted shares outstanding - diluted	21,007,513	10,807,368	20,833,731	10,747,370

The following common stock equivalent shares were excluded from the computation of the diluted income per share, since their inclusion would have been anti-dilutive:

	Three months ended		Nine months ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Shares underlying Series A Convertible Preferred Stock	-	-	-	-
Shares underlying warrants	-	-	-	-
Stock options	20,000	150,000	20,000	150,000
Shares issuable under the Employee Stock Purchase Plan	17,129	20,529	17,129	20,259
Share equivalents excluded from EPS	37,129	170,529	37,129	170,259

As of September 30, 2021, the Company had declared dividends of \$1,210 on its Series A Convertible Preferred Stock, which are included in dividends payable on the accompanying Condensed Consolidated Balance Sheets. The dividend was paid on October 1, 2021. As a result, the Series A Convertible Preferred Stock was convertible into 5,962,733 shares of common stock as of September 30, 2021. Upon conversion, the Company has the option to pay accrued dividends in cash or allow conversion into common stock.

Prior Period Financial Statement Correction of an Immaterial Misstatement

During the fourth quarter of 2020, the Company identified adjustments required to correct earnings per share for the first three quarters of 2020. The errors discovered resulted in an understatement in earning per share of \$0.12 and \$0.21 for the three and nine months ended September 30, 2020, respectively.

Based on an analysis of “Accounting Changes and Error Corrections” (“ASC 250”), Staff Accounting Bulletin 99 – “Materiality” (“SAB 99”) and Staff Accounting Bulletin 108 – “Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial

Statements” (“SAB 108”), the Company determined that these errors were immaterial to the previously issued condensed consolidated financial statements, and as such, no restatement was necessary. Correcting prior period financial statements for immaterial errors would not require previously filed reports to be amended. Such correction may be made the next time the registrant files the prior period financial statements. Accordingly, the misstatements are being corrected prospectively in this Form 10-Q for the quarter ended September 30, 2021.

Advertising Costs

Advertising and promotion costs are charged to operations in the period incurred. Advertising and promotion costs totaled approximately \$5,881 and \$2,139 for the three months ended September 30, 2021 and September 30, 2020, respectively, and \$15,494 and \$9,229 for the nine months ended September 30, 2021 and September 30, 2020, respectively.

Income Taxes

The Company recognizes deferred tax liabilities and assets for the expected future tax consequences of events that have been included in the condensed consolidated financial statements or tax returns. Deferred tax assets and liabilities are determined based on the difference between the financial statement and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The Company estimates the degree to which tax assets and credit carry forwards will result in a benefit based on expected profitability by tax jurisdiction.

In its interim condensed consolidated financial statements, the Company follows the guidance in ASC 270, “Interim Reporting” and ASC 740 “Income Taxes”, whereby the Company utilizes the expected annual effective tax rate in determining its income tax provisions for the interim periods.

Seasonality

The Company’s operations generally experience modestly higher volumes of vehicle sales in the first half of each year due in part to consumer buying trends and the hospitable warm climate during the winter months at the Company’s Florida and Arizona locations. In addition, the northern locations in Colorado, Tennessee, Minnesota, Indiana, Oregon, Washington and Wisconsin generally experience moderately higher vehicle sales during the spring months.

Vendor Concentrations

The Company purchases its new RVs and replacement parts from various manufacturers. During the three months ended September 30, 2021, three major manufacturers accounted for 46.7%, 31.8% and 18.0% of RV purchases. During the nine months ended September 30, 2021, three major manufacturers accounted for 46.3%, 30.3%, and 19.4% of RV purchases.

During the three months ended September 30, 2020, four major manufacturers accounted for 29.4%, 26.8%, 20.4% and 20.2% of RV purchases. During the nine months ended September 30, 2020, four major manufacturers accounted for 26.8%, 24.1%, 23.3% and 19.4% of RV purchases.

The Company is subject to dealer agreements with each manufacturer. The manufacturer is entitled to terminate the dealer agreement if the Company is in material breach of the agreement’s terms.

Geographic Concentrations

The percent of revenues generated by the Florida locations, Colorado locations, Arizona locations and Tennessee locations, which generate greater than 10% of revenues, were as follows (unaudited):

	<u>Three months ended</u>		<u>Nine months ended</u>	
	<u>September 30, 2021</u>	<u>September 30, 2020</u>	<u>September 30, 2021</u>	<u>September 30, 2020</u>
Florida	44%	56%	49%	64%
Colorado	10%	17%	11%	15%
Arizona	10%	12%	11%	<10%
Tennessee	16%	<10%	14%	<10%

These geographic concentrations increase the exposure to adverse developments related to competition, as well as economic, demographic and weather.

Impact of COVID-19

In March 2020, the World Health Organization declared the outbreak of the novel coronavirus (“COVID-19”) pandemic, which continues to spread throughout the United States and globally. Beginning in mid-to-late March of 2020, the COVID-19 pandemic led to severe disruptions in general economic activity as businesses and federal, state and local governments took increasingly broad actions to mitigate the impact of the COVID-19 pandemic on public health, including through “shelter in place” or “stay at home” orders in the states in which we operate. As we modified our business practices to conform to government guidelines and best practices to ensure the health and safety of our customers, employees and the communities we serve, we saw significant early declines in new and pre-owned vehicle unit sales, sales of parts, accessories and related services, including finance and insurance revenues as well as campground and miscellaneous revenues.

We took a number of actions in April 2020 to adjust resources and costs to align with reduced demand caused by the COVID-19 pandemic. These actions included:

- Reduction of our workforce by 25%;
- Temporary reduction of senior management salaries (April 2020 through May 2020);
- Suspension of 2020 annual pay increases;
- Temporary suspension of 401k match (April 2020 through May 2020);
- Delay of non-critical capital projects; and
- Focus of resources on core sales and service operations.

As described under Note 7 - Debt below, to further protect our liquidity and cash position, we negotiated with our lenders for the temporary suspension of scheduled principal and interest payments on our term and mortgage loans from April 15, 2020 through June 15, 2020 and for the temporary suspension of scheduled floorplan curtailment payments from April 1, 2020 through June 15, 2020. We also received \$8,704 in loans (the “PPP Loans”) under the Paycheck Protection Program of the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”). We applied for loan forgiveness under the PPP Loans. As of September 30, 2021, all of the PPP Loans had a portion forgiven for a total of \$6,626. We expect no further forgiveness of the remaining loans.

The improvement in sales beginning in May 2020 likely relates, at least in part, to an increase in consumer demand as consumers seek outdoor travel and leisure activities that permit appropriate social distancing. However, we can provide no assurances that such growth in sales will continue at the same rate that occurred between May 2020 and September 2021, or at all, over any time period, and sales may ultimately decline. Furthermore, our improved sales and cost savings measures to date may not be sufficient to offset any later impacts of the COVID-19 pandemic, including the Delta variant, and our liquidity could be negatively impacted, if prior sales trends from May 2020 through September 30, 2021 are reversed, which may occur, for example, if consumer preferences shift toward cruise line, air travel and hotel industries.

Our operations also depend on the continued health and productivity of our employees at our dealerships service locations and corporate headquarters throughout the COVID-19 pandemic. The extent to which the COVID-19 pandemic ultimately impacts our business, results of operations and financial condition will depend on future developments, which are highly uncertain and cannot be predicted, including the severity and duration of the COVID-19 pandemic, the efficacy and availability of vaccines, and further actions that may be taken by individuals, businesses and federal, state and local governments in response. Even after the COVID-19 pandemic has subsided, the Company may experience significant adverse effects to its business as a result of its global economic impact, including any economic recession or downturn and the impact of such a recession or downturn on unemployment levels, consumer confidence, levels of personal discretionary spending, credit availability and any long term disruptions in supply chains.

Reclassifications

Certain amounts in prior periods have been reclassified to conform to the current period presentation. These reclassifications had no effect on the previously reported net income.

Recently Issued Accounting Standards

In March 2020, the FASB issued ASU No. 2020-04, Reference Rate Reform (Topic 848) (“ASU 2020-04”). This standard, effective for reporting periods through December 31, 2022, provides accounting relief for contract modifications that replace an interest rate impacted by reference rate reform (e.g., London Interbank Offered Rate (“LIBOR”)) with a new alternative reference rate. The guidance is applicable to investment securities, receivables, loans, debt, leases, derivatives and hedge accounting elections and other contractual arrangements. The new standard provides temporary optional expedients and exceptions to current GAAP guidance on contract modifications and hedge accounting. Specifically, a modification to transition to an alternative reference rate is treated as an event that does not require contract remeasurement or reassessment of a previous accounting treatment. The standard is generally effective for all contract modifications made and hedging relationships evaluated through December 31, 2022, as a result of reference rate reform. The Company is currently evaluating the impact that this new standard will have on our condensed consolidated financial statements.

Recently Adopted Accounting Pronouncements

In June 2016, the FASB issued ASU No. 2016-13, Financial Instruments - Credit Losses (Topic 326) (“ASU 2016-13”). This standard requires the use of a forward-looking expected loss impairment model for trade and other receivables, held-to-maturity debt securities, loans and other instruments. This standard also requires impairments and recoveries for available-for-sale debt securities to be recorded through an allowance account and revises certain disclosure requirements. In April 2019, the FASB issued ASU 2019-04, Codification Improvements, which provides guidance on accounting for credit losses on accrued interest receivable balances and guidance on including recoveries when estimating the allowance. In May 2019, the FASB issued ASU 2019-05, Targeted Transition Relief, which allows entities with an option to elect fair value for certain instruments upon adoption of Topic 326. The standard was effective for the Company for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2020. The Company adopted ASU 2016-13 on January 1, 2021 and the adoption did not materially impact its condensed consolidated financial statements.

Lease recognition

At the inception of a contract, we determine whether an arrangement is or contains a lease. For all leases, we determine the classification as either operating or financing.

Operating lease assets represent our right to use an underlying asset for the lease term, and lease liabilities represent our obligation to make lease payments under the lease. Lease recognition occurs at the commencement date and lease liability amounts are based on the present value of lease payments over the lease term. Our lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. Because most of our leases do not provide information to determine an implicit interest rate, we use our incremental borrowing rate in determining the present value of lease payments. Operating lease assets also include any lease payments made prior to the commencement date and exclude lease incentives received. Operating lease expense is recognized on a straight-line basis over the lease term. We have lease agreements with both lease and non-lease components, which are generally accounted for together as a single lease component.

Subsequent Events

Management of the Company has analyzed the activities and transactions subsequent to September 30, 2021 through the date these condensed consolidated financial statements were issued to determine the need for any adjustments to or disclosures within the condensed consolidated financial statements. The Company did not identify any recognized or non-recognized subsequent events that would require disclosure in the condensed consolidated financial statements except the items below.

On October 4, 2021, the Company entered into an agreement for the sale of property to CARS-DB4, LLC (“CARS4”). The Company has entered into a lease agreement with CARS4 with lease payments commencing on October 1, 2021. The lease has been evaluated in accordance with ASC 842 and

determined to be a failed sale leaseback. As such, it has been recorded as a finance lease and classified as financing liability in the Condensed Consolidated Balance Sheets.

**BUSINESS
COMBINATION**

**9 Months Ended
Sep. 30, 2021**

[Business Combination and
Asset Acquisition \[Abstract\]](#)

[BUSINESS COMBINATION](#) **NOTE 3 – BUSINESS COMBINATION**

Acquisitions of Dealerships

On May 19, 2020, the Company consummated the acquisition contemplated by the Company's asset purchase agreement with Korges Enterprises, Inc. ("Korges"). The purchase price consisted solely of cash paid to Korges. As part of the acquisition, the Company acquired the inventory of Korges and has added the inventory to the M&T Floor Plan Line of Credit (as defined below).

On October 6, 2020, the Company consummated the acquisition contemplated by the Company's asset purchase agreement with Total Value Recreation Vehicles of Indiana, Inc. ("Total RV"). The purchase price consisted solely of cash paid to Total RV. As part of the acquisition, the Company acquired the inventory of Total RV and has added the inventory to the M&T Floor Plan Line of Credit (as defined below).

On December 1, 2020, the Company consummated the acquisition contemplated by the Company's asset purchase agreement with Camp-Land, Inc. ("Camp-Land"). The purchase price consisted of cash paid to Camp-Land and a note payable to the seller of Camp-Land. The note payable is a four year note which matures on January 5, 2025, which requires annual payments of \$435 in principal and interest. The note bears interest at 3.35% per year. As part of the acquisition, the Company acquired the inventory of Camp-Land and has added the inventory to the M&T Floor Plan Line of Credit (as defined below).

On March 23, 2021, the Company consummated the acquisition contemplated by the Company's asset purchase agreement with Chilhowee Trailer Sales, Inc. ("Chilhowee"). The purchase price consisted solely of cash paid to Chilhowee. As part of the acquisition, the Company acquired the inventory of Chilhowee and has added the inventory to the M&T Floor Plan Line of Credit (as defined below).

On August 3, 2021, the Company consummated the acquisition contemplated by the Company's asset purchase agreement with BYRV, Inc., BYRV Oregon, Inc. and BYRV Washington, Inc. ("BYRV"). The purchase price consisted solely of cash paid to BYRV. As part of the acquisition, the Company acquired the inventory of BYRV and has added the inventory to the M&T Floor Plan Line of Credit (as defined below).

On August 24, 2021, the Company consummated the acquisition contemplated by the Company's asset purchase agreement with Burlington RV Superstore, Inc. ("Burlington"). The purchase price consisted solely of cash paid to Burlington. As part of the acquisition, the Company acquired the inventory of Burlington and has added the inventory to the M&T Floor Plan Line of Credit (as defined below).

The Company accounted for the asset purchase agreements as business combinations using the purchase method of accounting as it was determined that Korges, Total RV, Camp-Land, Chilhowee, BYRV and Burlington each constituted a business. The allocation of the fair value of the assets acquired is final for Korges. The allocation of the fair value of the assets acquired is still preliminary for Total RV, Camp-Land, Chilhowee, BYRV and Burlington primarily due to any final adjustments necessary to parts inventory as the examination and inventory of parts acquired is not yet complete. As a result, the Company determined its final allocation for Korges and preliminary allocation for Total RV, Camp-Land, Chilhowee, BYRV and Burlington of the fair value of the assets acquired and the liabilities assumed for these dealerships as follows:

	2021			2020
	BYRV	Other	Total	
Inventories	\$ 10,262	\$ 9,848	\$ 20,110	\$ 18,932
Accounts receivable and prepaid expenses	2,176	657	2,833	1,167
Property and equipment	939	629	1,568	5,417
Intangible assets	17,795	3,470	21,265	8,480
Total assets acquired	<u>31,172</u>	<u>14,604</u>	<u>45,776</u>	<u>33,996</u>
Accounts payable, accrued expenses and other current liabilities	2,367	2,062	4,429	1,004
Floor plan notes payable	6,912	7,373	14,285	20,855
Total liabilities assumed	<u>9,279</u>	<u>9,435</u>	<u>18,714</u>	<u>21,859</u>
Net assets acquired	<u>\$ 21,893</u>	<u>\$ 5,169</u>	<u>\$ 27,062</u>	<u>\$ 12,137</u>

The fair value of consideration paid was as follows:

	2021			2020
	BYRV	Other	Total	
Purchase Price:	\$ 49,506	\$ 13,530	\$ 63,036	\$ 16,653
Note payable issued to former owners	-	-	-	1,600
	<u>\$ 49,506</u>	<u>\$ 13,530</u>	<u>\$ 63,036</u>	<u>\$ 18,253</u>

Goodwill represents the excess of the purchase price over the estimated fair value assigned to tangible and identifiable intangible assets acquired and liabilities assumed from, Korges, Total RV, Camp-Land, Chilhowee, BYRV and Burlington. The primary items that generated the goodwill are the value of the synergies between the acquired businesses and the Company, and the growth and operational improvements that drive profitability growth, neither of which qualify for recognition as a separately identified intangible asset. Goodwill associated with the transactions is detailed below:

	2021			2020
	BYRV	Other	Total	
Total consideration	\$49,506	\$13,530	\$63,036	\$18,253
Less net assets acquired	21,893	5,169	27,062	12,137
Goodwill	<u>\$27,613</u>	<u>\$ 8,361</u>	<u>\$35,974</u>	<u>\$ 6,116</u>

Goodwill is expected to be deductible for income tax purposes to the extent the Company has income tax basis.

The following table summarizes the Company's allocation of the purchase price to the identifiable intangible assets acquired as of the date of the closings.

	Gross Asset Amount at Acquisition Date	Weighted Average Amortization Period in Years
Customer Lists	\$ 615	9.8 years
Dealer Agreements	\$ 28,900	9.8 years
Noncompete Agreement	\$ 230	5 years

The Company recorded approximately \$75,733 in revenue and \$11,492 in income before income taxes during the period from July 1, 2021 to September 30, 2021 related to these

acquisitions. The Company recorded approximately \$158,970 in revenue and \$39,618 in income before income taxes for the nine months ended September 30, 2021 related to these acquisitions.

Pro Forma Information

The following unaudited pro forma financial information summarizes the combined results of operations for the Company as though the purchase of Korges, Total RV, Camp-Land, Chilhowee, BYRV and Burlington had been consummated on January 1, 2020.

	For the three months ended September 30,		For the nine months ended September 30,	
	2021	2020	2021	2020
Revenue	\$ 338,132	\$ 275,100	\$ 1,015,664	\$ 1,090,244
Income before income taxes	\$ 40,835	\$ 10,603	\$ 88,915	\$ 95,216
Net income	\$ 32,976	\$ 5,848	\$ 77,249	\$ 18,565

The Company adjusted the combined income of Lazydays RV with Korges, Total RV, Camp-Land, Chilhowee, BYRV and Burlington and adjusted net income to eliminate business combination expenses, the incremental depreciation and amortization associated with the preliminary purchase price allocation as well as the income taxes for the previously untaxed acquired entities to determine pro forma net income.

INVENTORIES

9 Months Ended
Sep. 30, 2021

[Inventory Disclosure \[Abstract\]](#)

INVENTORIES

NOTE 4 – INVENTORIES

Inventories consist of the following:

	As of September 30, 2021	As of December 31, 2020
	(Unaudited)	
New recreational vehicles	\$ 83,427	\$ 92,434
Pre-owned recreational vehicles	54,852	22,967
Parts, accessories and other	7,498	4,493
	<u>145,777</u>	<u>119,894</u>
Less: excess of current cost over LIFO	(5,036)	(3,627)
Total	<u>\$ 140,741</u>	<u>\$ 116,267</u>

**ACCOUNTS PAYABLE,
ACCRUED EXPENSES
AND OTHER CURRENT
LIABILITIES**

9 Months Ended

Sep. 30, 2021

Payables and Accruals [Abstract]

ACCOUNTS PAYABLE, ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES **NOTE 5 – ACCOUNTS PAYABLE, ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES**

Accounts payable, accrued expenses and other current liabilities consist of the following:

	As of September 30, 2021	As of December 31, 2020
	(Unaudited)	
Accounts payable	\$ 30,713	\$ 18,077
Other accrued expenses	6,469	4,713
Customer deposits	10,452	6,002
Accrued compensation	4,615	4,311
Accrued charge-backs	7,752	5,553
Accrued interest	127	125
Total	\$ 60,128	\$ 38,781

LEASES

9 Months Ended
Sep. 30, 2021

[Lessee Disclosure \[Abstract\]](#)

[LEASES](#)

NOTE 6 – LEASES

The Company leases property and equipment throughout the United States primarily under operating leases. Leases with lease terms of 12 months or less are expensed on a straight-line basis over the lease term and are not recorded in the Condensed Consolidated Balance Sheets.

Most leases include one or more options to renew, with renewal terms that can extend the lease term up to 20 years (some leases include multiple renewal periods). The exercise of lease renewal options is at our sole discretion. In addition, some of our lease agreements include rental payments adjusted periodically for inflation. Our lease agreements neither contain any residual value guarantees nor impose any significant restrictions or covenants.

The Company leases properties for its RV retail locations through fifteen operating leases. The Company also leases billboards and certain of its equipment through operating leases. The related right-of-use (“ROU”) assets for these operating leases are included in operating lease assets.

On May 19, 2020, the Company entered into a new lease for the property associated with the Korges acquisition. The lease was evaluated as a finance lease. As a result, a right of use asset was recorded in property and equipment for \$4,015 with an offsetting \$4,015 financing liability.

As of September 30, 2021, the weighted-average remaining lease term and weighted-average discount rate of operating leases was 7.2 years and 5.0%, respectively.

Operating lease costs for the nine month period ended September 30, 2021 was \$1,929, including variable lease costs. There were no short term leases for the nine months ended September 30, 2021.

Maturities of lease liabilities as of September 30, 2021 were as follows:

Maturity Date	Operating Leases
Remaining six months ending December 31, 2021	\$ 1,520
2022	5,937
2023	5,753
2024	4,734
2025	3,805
Thereafter	13,013
Total lease payments	34,762
Less: Imputed interest	5,749
Present value of lease liabilities	\$ 29,013

The following presents supplemental cash flow information related to leases during 2021:

	For the nine months ended September 30, 2021	For the nine months ended September 30, 2020
Cash paid for amounts included in the measurement of lease liability:		
Operating cash flows for operating leases	\$ 1,929	\$ 2,894

ROU assets obtained in exchange for lease liabilities:

Operating leases	\$ 16,378	\$ 756
Finance lease	\$ 24	\$ 4,015
	<u>\$ 16,402</u>	<u>\$ 4,771</u>

On March 10, 2020, the Company entered into an agreement for the sale of land to LD Murfreesboro TN Landlord, LLC (“LDMTL”) for \$4,921. The Company has entered into a lease agreement with LDMTL with lease payments to commence upon granting of a certificate of occupancy and completion of planned construction, the cost of which was be paid for by LDMTL. The commencement date of the lease occurred at the completion of construction which occurred in late March 2021. The lease has been evaluated in accordance with ASC 842 and determined to be a failed sale leaseback. As such, it has been recorded as a finance lease and classified as financing liability in the Condensed Consolidated Balance Sheets. Lease payments began in April 2021.

On June 22, 2021, the Company entered into an agreement for the sale of property to CARS-DB13, LLC (“CARS”). The Company has entered into a lease agreement with CARS with lease payments commencing on June 22, 2021. The lease has been evaluated in accordance with ASC 842 and determined to be a failed sale leaseback. As such, it has been recorded as a finance lease and classified as financing liability in the Condensed Consolidated Balance Sheets.

On August 11, 2021, the Company entered into an agreement for the sale of property to LD Elkhart IN Landlord, LLC (“LD Elkhart”). The Company has entered into a lease agreement with LD Elkhart with lease payments to commence upon granting of a certificate of occupancy and completion of planned construction, the cost of which was be paid for by LD Elkhart. The commencement date of the lease will occur at the completion of construction.

DEBT

**9 Months Ended
Sep. 30, 2021**

[Debt Disclosure \[Abstract\]](#)

[DEBT](#)

NOTE 7 – DEBT

M&T Financing Agreement

On March 15, 2018, the Company terminated and replaced the Bank of America (“BOA”) credit facility with a \$200,000 Senior Secured Credit Facility with M&T Bank (the “M&T Facility”). The M&T Facility includes a Floor Plan Facility (the “M&T Floor Plan Line of Credit”), a Term Loan (the “M&T Term Loan”) and a Revolving Credit Facility (the “M&T Revolver”). The M&T Facility was originally due to mature on March 15, 2021. On February 13, 2021, the Company signed an agreement with M&T to extend the maturity date to June 15, 2021. On June 14, 2021, an additional agreement was signed to extend the maturity date to September 15, 2021. The M&T Facility requires the Company to meet certain financial and other covenants and is secured by substantially all the assets of the Company. The costs of the M&T Facility were recorded as a debt discount.

On March 6, 2020, the Company entered into the Third Amendment and Joinder to Credit Agreement (the “Third Amendment”) on the M&T Facility. Pursuant to the Third Amendment, Lone Star Land of Houston, LLC (the “Mortgage Loan Borrower”) and Lone Star Diversified, LLC (“Diversified”), wholly owned subsidiaries of LDRV Holdings Corp., became parties to the Credit Agreement and were identified as Additional Loan Parties. The existing borrowers and guarantors also requested that the lenders provide a mortgage loan credit facility in the aggregate principal amount of acquisition, construction and permanent mortgage financing for a property acquired by the Mortgage Loan Borrower. The amount borrowed under the mortgage was \$6,136. The mortgage shall bear interest at (a) LIBOR plus an applicable margin of 2.25% or (b) the Base Rate plus a margin of 1.25%. The mortgage requires monthly payments of principal of \$0.03 million and was originally due to mature on March 15, 2021. On February 13, 2021, the Company signed an agreement with M&T to extend the maturity date to June 15, 2021. On June 14, 2021, an additional agreement was signed to extend the maturity date to September 15, 2021.

To help mitigate the early effects of the COVID-19 pandemic, the Company entered into the Fourth Amendment to the M&T Facility on April 15, 2020 (the “Fourth Amendment”). Pursuant to the Fourth Amendment, the parties agreed to a suspension of scheduled principal payments on the term loans and mortgage loans (to the extent the permanent loan period has begun for the mortgage loans) for the period from April 15, 2020 through June 15, 2020. Interest on the outstanding principal balances of the term loans and mortgage loans continued to accrue and be paid at the applicable interest rate during the deferment period. At the end of the deferment period, the borrowers resumed making all required payments of principal on the term loans and mortgage loans. All principal payments of the term loans and mortgage loans deferred during the deferment period are due and payable on the term loan maturity date or the mortgage loan maturity date, as applicable. Additionally, all principal payments deferred during the deferment period are due and payable (a) as described above or (b) if earlier, the date all outstanding amounts are otherwise due and payable under the terms of the credit documents (including, without limitation, upon maturity, acceleration or, to the extent applicable under the credit documents, demand for payment). In addition, the amendment includes a temporary suspension of scheduled curtailment payments required by the credit agreement for the period from April 1, 2020 through June 15, 2020. Amounts related to floor plan unused commitment fees and interest on the outstanding principal balance of the M&T Floor Plan Line of Credit (as defined below) continued to accrue and be paid at the applicable rate and on the terms set forth in the credit agreement during the suspension period.

On July 14, 2021, the Company entered into an amended and restated credit agreement with M&T, as a Lender, Administrative Agent, Swingline Lender, and Issuing Bank, and other financial institutions as Lender parties, (“new M&T Facility”). The credit agreement evidences

an approximately \$369.1 million aggregate credit facility, consisting of a \$327 million floor plan credit facility, a term loan of approximately \$11.3 million, a \$25 million revolving credit and a \$5.8 million mortgage loan facility. The new M&T Facility requires the Company to meet certain financial and other covenants and is secured by substantially all the assets of the Company. The costs of the new M&T Facility were recorded as a debt discount.

Mortgage Loan Facility

The mortgage loan facility (“mortgage”) has LIBOR borrowings bearing interest at LIBOR plus 2.25% and a base rate margin of 1.25%. The mortgage requires monthly payments of principal of \$0.03 million. As of September 30, 2021, the mortgage balance was \$5,778 and the interest rate was 2.3328%.

As of September 30, 2021, the payment of dividends by the Company (other than from proceeds of revolving loans) was permitted under the new M&T Facility, so long as at the time of payment of any such dividend, no event of default existed under the new M&T Facility, or would result from the payment of such dividend, and so long as any such dividend was permitted under the new M&T Facility. As of September 30, 2021, the maximum amount of cash dividends that the Company could make from legally available funds to its stockholders was limited to an aggregate of \$64,125 pursuant to a trailing twelve month calculation as defined in the new M&T Facility.

Floor Plan Line of Credit

The \$327,000 M&T Floor Plan Line of Credit may be used to finance new vehicle inventory, but only \$90,000 may be used to finance pre-owned vehicle inventory and \$1,000 for permitted Company vehicles. Principal becomes due upon the sale of the related vehicle. The M&T Floor Plan Line of Credit shall accrue interest at either: (a) the fluctuating 30-day LIBOR rate plus an applicable margin which ranges from 2.00% to 2.30% based upon the Company’s total leverage ratio (as defined in the new M&T Facility) or (b) the Base Rate plus an applicable margin ranging from 1.00% to 1.30% based upon the Company’s total leverage ratio (as defined in the new M&T Facility). The Base Rate is defined in the new M&T Facility as the highest of M&T’s prime rate, the Federal Funds rate plus 0.50% or one-month LIBOR plus 1.00%. In addition, the Company will be charged for unused commitments at a rate of 0.15%. As of September 30, 2021, the interest rate on the M&T Floor Plan Line of Credit was approximately 2.08413%.

The M&T Floor Plan Line of Credit consists of the following:

	As of September 30, 2021	As of December 31, 2020
	(Unaudited)	
Floor plan notes payable, gross	\$ 94,704	\$ 105,486
Debt discount	(705)	(87)
Floor plan notes payable, net of debt discount	<u>\$ 93,999</u>	<u>\$ 105,399</u>

Term Loan

The \$11,300 M&T Term Loan will be repaid in equal monthly principal installments of \$242 plus accrued interest through the maturity date. At the maturity date, the Company must pay a principal balloon payment of \$2,600 plus any accrued interest. The M&T Term Loan shall bear interest at: (a) LIBOR plus an applicable margin of 2.25% to 3.00% based on the total leverage ratio (as defined in the new M&T Facility) or (b) the Base Rate plus a margin of 1.25% to 2.00% based on the total leverage ratio (as defined in the new M&T Facility). As of September 30, 2021, there was \$10,817 outstanding under the M&T Term Loan. As of September 30, 2021, the interest rate on the M&T Term Loan was 2.3337%.

Revolver

The \$25,000 M&T Revolver allows the Company to draw up to \$25,000. The M&T Revolver bears interest at: (a) 30-day LIBOR plus an applicable margin of 2.25% to 3.00% based on the total leverage ratio (as defined in the new M&T Facility) or (b) the Base Rate plus a margin of 1.25% to 2.00% based on the total leverage ratio (as defined in the new M&T Facility). The M&T Revolver is also subject to unused commitment fees at rates varying from 0.25% to 0.50% based on the total leverage ratio (as defined in the new M&T Facility). During the three and nine month periods ended September 30, 2021, there were no outstanding borrowings under the M&T Revolver.

PPP Loan

In response to economic uncertainty caused by the COVID-19 pandemic, subsidiaries of the Company took the additional step of applying for the PPP Loans with M&T Bank (the "Lender"). On April 28, 2020, certain of the Company's subsidiaries executed promissory notes (the "Notes") in favor of the Lender for the PPP Loans in an aggregate amount of \$6,831 which mature on April 29, 2022. Applications were submitted by other subsidiaries of the Company, which resulted in the execution of a promissory note on April 30, 2020 for \$1,236 and on May 4, 2020 for \$637, which will mature on April 30, 2022 and May 4, 2022, respectively. Pursuant to the promissory notes evidencing the PPP Loans (the "Notes"), such PPP Loans will bear interest at a rate of 1.0% per year. Commencing six months after each PPP Loan was disbursed, monthly payments of principal and interest will be required in amounts necessary to fully amortize the principal amount by the maturity date. The PPP Loans are unsecured and are non-recourse obligations. The Notes provide for customary events of default, and the PPP Loans may be accelerated upon the occurrence of an event of default. All or a portion of the PPP Loans may be forgiven upon application to the Lender for payroll and certain other costs incurred during the 8-week period beginning on the date each PPP Loan is disbursed, in accordance with the requirements and limitations under the CARES Act. As of September 30, 2021, all of the PPP Loans had a portion forgiven for a total of \$6,626.

The following schedule includes future payments on the term loan, mortgage, PPP loans and loans for acquisitions.

Future Maturities of Long Term Debt

Years ending December 31,	
2021	\$ 1,636
2022	5,492
2023	3,575
2024	9,737
2025	400
Total	<u>\$ 20,840</u>

INCOME TAXES

**9 Months Ended
Sep. 30, 2021**

[Income Tax Disclosure](#)

[\[Abstract\]](#)

[INCOME TAXES](#)

NOTE 8 – INCOME TAXES

The Company recorded a provision for federal and state income taxes of \$7,326 and \$4,184 for the three months ended September 30, 2021 and 2020, respectively, which represent effective tax rates of approximately 19.1% and 53.1%, respectively. The Company recorded a provision for federal and state income taxes of \$22,299 and \$8,020 for the nine months ended September 30, 2021 and 2020, respectively, which represent effective tax rates of 25.5% and 39.3%.

The Company's effective tax rates differ from the federal statutory rate of 21% primarily due to local and state income tax rates, net of the federal tax effect as well as the non-deductibility of stock-based compensation expense, the tax benefit associated with the exercise of stock options and the change in the fair value of warrants recorded for financial statement purposes.

COMMITMENTS AND CONTINGENCIES

**9 Months Ended
Sep. 30, 2021**

[Commitments and Contingencies Disclosure](#)

[\[Abstract\]](#)

[COMMITMENTS AND CONTINGENCIES](#)

NOTE 9 - COMMITMENTS AND CONTINGENCIES

Employment Agreements

The Company entered into an employment agreement with the Chief Executive Officer (“CEO”) of the Company effective as of the consummation of the Mergers. The employment agreement with the CEO provides for an initial base salary of \$540 subject to annual discretionary increases. In addition, the CEO is eligible to participate in any employee benefit plans adopted by the Company from time to time and is eligible to receive an annual cash bonus based on the achievement of performance objectives. The CEO’s target bonus is 100% of his base salary. The employment agreement also provides that the CEO is to be granted an option to purchase shares of common stock of the Company (See Note 11 – Stockholders’ Equity).

The employment agreement provides that if the CEO is terminated for any reason, he is entitled to receive any accrued benefits, including any earned but unpaid portion of base salary through the date of termination, subject to withholding and other appropriate deductions. In addition, in the event the CEO resigns for good reason or is terminated without cause (all as defined in the employment agreement) prior to January 1, 2022, subject to entering into a release, the Company will pay the CEO severance equal to two times the base salary in effect immediately prior to the date of termination and the average of the annual bonus actually paid to the CEO in each of the three years immediately preceding the year in which the date of termination occurs.

During May 2018, the Company entered into an offer letter with the Chief Financial Officer (the “CFO”) of the Company. The offer letter provides for an initial base salary of \$325 per year subject to annual discretionary increases. In addition, the CFO is eligible to participate in any employee benefit plans adopted by the Company from time to time and is eligible to receive an annual cash bonus based on the achievement of performance objectives. The CFO’s target bonus is 75% of his annual base salary (with a potential to earn a maximum of up to 150% of his target bonus). He was also provided with a relocation allowance of \$100, which the CFO would have been required to repay if he had resigned from the Company or had been terminated by the Company for cause within two years of his start date. If he is terminated without cause, he will receive twelve months of his base salary as severance. If he is terminated following a change in control, he is also eligible to receive a pro-rated bonus, if the Board determines that the performance objectives have been met. He also was granted an option to purchase shares of common stock of the Company (See Note 11- Stockholders’ Equity).

Director Compensation

The Company’s non-employee members of the Board receive annual cash compensation of \$50 for serving on the Board, \$5 for serving on a committee of the Board (other than the Chairman of each of the committees) and \$10 for serving as the Chairman of any of the committees of the Board.

Legal Proceedings

The Company is a party to multiple legal proceedings that arise in the ordinary course of business. The Company has certain insurance coverage and rights of indemnification. The Company does not believe that the ultimate resolution of these matters will have a material adverse effect on the Company’s business, results of operations, financial condition, or cash flows. However, the results of these matters cannot be predicted with certainty and an unfavorable

resolution of one or more of these matters could have a material adverse effect on the Company's business, results of operations, financial condition and/or cash flows.

PREFERRED STOCK

**9 Months Ended
Sep. 30, 2021**

[Equity \[Abstract\]](#)
[PREFERRED STOCK](#)

NOTE 10 – PREFERRED STOCK

On March 15, 2018, the Company consummated a private placement with institutional investors for the sale of convertible preferred stock, common stock and warrants for an aggregate purchase price of \$94,800 (the “PIPE Investment”). At the closing, the Company issued an aggregate of 600,000 shares of Series A Preferred Stock for gross proceeds of \$60,000. The investors in the PIPE Investment were granted certain registration rights as set forth in the securities purchase agreements. The holders of the Series A Preferred Stock include 500,000 shares owned by funds managed by a member of the Board.

The Series A Preferred Stock ranks senior to all outstanding stock of the Company. Holders of the Series A Preferred Stock are entitled to vote on an as-converted basis together with the holders of the common stock, and not as a separate class, at any annual or special meeting of stockholders. Each share of Series A Preferred Stock is convertible at the holder’s election at any time, at an initial conversion price of \$10.0625 per share, subject to adjustment (as applicable, the “Conversion Price”). Upon any conversion of the Series A Preferred Stock, the Company will be required to pay each holder converting shares of Series A Preferred Stock all accrued and unpaid dividends, in either cash or shares of common stock, at the Company’s option. The Conversion Price will be subject to adjustment for stock dividends, forward and reverse splits, combinations and similar events, as well as for certain dilutive issuances.

Dividends on the Series A Preferred Stock accrue at an initial rate of 8% per annum (the “Dividend Rate”), compounded quarterly, on each \$100 of Series A Preferred Stock (the “Issue Price”) and are payable quarterly in arrears. Accrued and unpaid dividends, until paid in full in cash, will accrue at the then applicable Dividend Rate plus 2%. The Dividend Rate will be increased to 11% per annum, compounded quarterly, in the event that the Company’s senior indebtedness less unrestricted cash during any trailing twelve-month period ending at the end of any fiscal quarter is greater than 2.25 times earnings before interest, taxes, depreciation and amortization (“EBITDA”). The Dividend Rate will be reset to 8% at the end of the first fiscal quarter when the Company’s senior indebtedness less unrestricted cash during the trailing twelve-month period ending at the end of such quarter is less than 2.25 times EBITDA.

If there is a current registration statement in effect, at any time following the second anniversary of the issuance of the Series A Preferred Stock, the volume weighted average price of the Company’s common stock equals or exceeds \$25.00 per share (as adjusted for stock dividends, splits, combinations and similar events) for a period of thirty consecutive trading days, the Company may elect to force the conversion of any or all of the outstanding Series A Preferred Stock at the Conversion Price then in effect. From and after the eighth anniversary of the issuance of the Series A Preferred Stock, the Company may elect to redeem all, but not less than all, of the outstanding Series A Preferred Stock in cash at the Issue Price plus all accrued and unpaid dividends. From and after the ninth anniversary of the issuance of the Series A Preferred Stock, each holder of Series A Preferred Stock has the right to require the Company to redeem all of the holder’s outstanding shares of Series A Preferred Stock in cash at the Issue Price plus all accrued and unpaid dividends.

In the event of any liquidation, merger, sale, dissolution or winding up of the Company, holders of the Series A Preferred Stock will have the right to (i) receive payment in cash of the Issue Price plus all accrued and unpaid dividends, or (ii) convert the shares of Series A Preferred Stock into common stock and participate on an as-converted basis with the holders of common stock.

So long as the Series A Preferred Stock is outstanding, the holders thereof, by the vote or written consent of the holders of a majority in voting power of the outstanding Series A Preferred Stock, shall have the right to designate two members to the Board.

In addition, five-year warrants to purchase 596,273 shares of common stock at an exercise price of \$11.50 per share were issued in conjunction with the issuance of the Series A Preferred Stock. The warrants may be exercised for cash or, at the option of the holder, on a “cashless basis” pursuant to the exemption provided by Section 3(a)(9) of the Securities Act. The warrants may be called for redemption in whole and not in part, at a price of \$0.01 per share of common stock, if the last reported sales price of the Company’s common stock equals or exceeds \$24.00 per share for any 20 trading days within a 30-day trading period ending on the third business day prior to the notice of redemption to warrant holders, if there is a current registration statement in effect with respect to the shares underlying the warrants.

The Series A Preferred Stock, while convertible into common stock, is also redeemable at the holder’s option and, as a result, is classified as temporary equity in the condensed consolidated balance sheets. An analysis of its features determined that the Series A Preferred Stock was more akin to equity. While the embedded conversion option (“ECO”) was subject to an anti-dilution price adjustment, since the ECO was clearly and closely related to the equity host, it was not required to be bifurcated and it was not accounted for as a derivative liability under ASC 815, Derivatives and Hedging.

After factoring in the fair value of the warrants issued in conjunction with the Series A Preferred Stock, the effective conversion price is \$9.72 per share, compared to the market price of \$10.29 per share on the date of issuance. As a result, a \$3,392 beneficial conversion feature was recorded as a deemed dividend in the condensed consolidated statement of income because the Series A Preferred Stock is immediately convertible, with a credit to additional paid-in capital. The fair value of the warrants issued with the Series A Preferred Stock of \$2,035 was recorded as a reduction to the carrying amount of the preferred stock in the condensed consolidated balance sheet. In addition, aggregate offering costs of \$2,981 consisting of cash and the value of five-year warrants to purchase 178,882 shares of common stock at an exercise price of \$11.50 per share issued to the placement agent were recorded as a reduction to the carrying amount of the preferred stock. The \$632 value of the warrants was determined utilizing the Black-Scholes option pricing model using a term of 5 years, a volatility of 39%, a risk-free interest rate of 2.61% and a 0% rate of dividends.

The discount associated with the Series A Preferred Stock was not accreted during the three or nine month periods ended September 30, 2021 because redemption was not currently deemed to be probable.

The Board declared a dividend payment on the Series A Preferred Stock of \$1,210 for the three months ended September 30, 2021 which is included in dividends payable in the accompanying condensed consolidated balance sheet. The dividend was paid on October 1, 2021 to the holders.

STOCKHOLDERS'
EQUITY

9 Months Ended
Sep. 30, 2021

[Equity \[Abstract\]](#)

[STOCKHOLDERS' EQUITY](#) NOTE 11 – STOCKHOLDERS' EQUITY

Authorized Capital

The Company is authorized to issue 100,000,000 shares of common stock, \$0.0001 par value, and 5,000,000 shares of preferred stock, \$0.0001 par value. The holders of the Company's common stock are entitled to one vote per share. The holders of Series A Preferred Stock are entitled to the number of votes equal to the number of shares of common stock into which the holder's shares are convertible. These holders of Series A Preferred Stock also participate in dividends if they are declared by the Board. See Note 10 – Preferred Stock, for additional information associated with the Series A Preferred Stock.

2019 Employee Stock Purchase Plan

On May 20, 2019, the Company's stockholders approved the 2019 Employee Stock Purchase Plan (the "ESPP"). The ESPP reserved 900,000 shares of common stock for purchase by participants in the ESPP. Participants in the plan may purchase shares of common stock at a purchase price which will not be less than the lesser of 85% of the fair value per share of the common on the first day of the purchase period or the last day of the purchase period. The initial offering and purchase period under the ESPP commenced on July 7, 2019 with the first purchase date to be December 2, 2019. During the three and nine month periods ended September 30, 2021, the Company recorded \$41 and \$246, respectively, of stock based compensation related to the ESPP.

Warrants

The Company had the following activity related to shares of common stock underlying warrants:

	Shares Underlying Warrants	Weighted Average Exercise Price
Warrants outstanding January 1, 2021	4,632,087	\$ 11.50
Granted	-	\$ -
Cancelled or Expired	-	\$ -
Exercised	(1,127,263)	\$ -
Warrants outstanding September 30, 2021	3,504,824	\$ 11.50

The table above excludes perpetual non-redeemable prefunded warrants to purchase 300,357 shares of common stock with an exercise price of \$0.01 per share.

On March 17, 2021, two institutional investors exercised warrants issued in the PIPE Investment with respect to an aggregate of 1,005,308 shares of our common stock for cash, resulting in the issuance of 1,005,308 shares of common stock and gross proceeds to the Company of \$11,315,250 pursuant to agreements executed with the Company. The above issuances were exempt from registration under the Securities Act of 1933, as amended (the "Securities Act") pursuant to Section 4(a)(2) of such act, and Rule 506(b) thereunder, as issuances made in a private placement to accredited investors. The Company recorded an inducement loss on warrant conversion of \$246 related to these warrant exercises.

The Company accounts for its warrants in the following ways: (i) the public warrants (“Public Warrants”) as equity for all periods presented; (ii) the private placement warrants (“Private Warrants”) as liabilities for all periods presented; and (iii) the warrants issued in connection with the Private Investment in Public Equity (“PIPE”) transaction (“PIPE Warrants”) as liabilities for all periods presented. The Company determined the following fair values for the outstanding common stock warrants recorded as liabilities:

	September 30, 2021	December 31, 2020 (Restated)
PIPE Warrants	\$ 13,666	\$ 13,716
Private Warrants	1,823	1,380
Total warrant liabilities	\$ 15,489	\$ 15,096

2018 Long-Term Incentive Equity Plan

On March 15, 2018, the Company adopted the 2018 Long-Term Incentive Equity Plan (the “2018 Plan”). The 2018 Plan reserves up to 13% of the shares of common stock outstanding on a fully diluted basis. The 2018 Plan is administered by the Compensation Committee of the Board, and provides for awards of options, stock appreciation rights, restricted stock, restricted stock units, warrants or other securities which may be convertible, exercisable or exchangeable for or into common stock. Due to the fact that the fair value per share immediately following the closing of the Mergers was greater than \$8.75 per share, the number of shares authorized for awards under the 2018 Plan was increased by a formula (as defined in the 2018 Plan) not to exceed 18% of shares of common stock then outstanding on a fully diluted basis. On May 20, 2019, the Company’s stockholders approved the adoption of the Lazydays Holdings, Inc. Amended and Restated 2018 Long Term Incentive Plan (the “Incentive Plan”). The Incentive Plan amends and restates the previously adopted 2018 Plan in order to replenish the pool of shares of common stock available under the Incentive Plan by adding an additional 600,000 shares of common stock and making certain changes in light of the Tax Cuts and Jobs Act and its impact on Section 162(m) of the Internal Revenue Code of 1986, as amended. As of September 30, 2021, there were 329,557 shares of common stock available to be issued under the Incentive Plan.

Stock Options

Stock option activity is summarized below:

	Shares Underlying Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Aggregate Intrinsic Value
Options outstanding at January 1, 2021	4,063,362	\$ 10.60		
Granted	20,000	\$ 23.11		
Cancelled or terminated	(50,000)	\$ -		
Exercised	(858,467)	\$ 10.60		
Options outstanding at September 30, 2021	3,174,895	\$ 10.66	1.92	\$ 33,923
Options vested at September 30, 2021	2,107,922	\$ 10.82	1.90	\$ 23,861

Awards with Market Conditions

On March 16, 2018, the Company granted five-year incentive stock options to purchase an aggregate of 3,573,113 shares of common stock at an exercise price of \$11.10 per share to

employees pursuant to the 2018 Plan, including 1,458,414 shares of common stock underlying the CEO's stock options and 583,366 shares of common stock underlying the former CFO's stock options. A set percentage of the stock options shall vest upon the volume weighted average price ("VWAP") of the common stock, as defined in the option agreements, being equal to or greater than a specified price per share for at least 30 out of 35 consecutive trading days, as follows and are exercisable only to the extent that they are vested: 30% of the options shall vest upon the VWAP exceeding \$13.125 per share; an additional 30% of the options shall vest upon the VWAP exceeding \$17.50 per share; an additional 30% of the options shall vest upon the VWAP exceeding \$21.875 per share; and an additional 10% of the options shall vest upon exceeding \$35.00 per share; provided that the option holder remains continuously employed by the Company (and/or any of its subsidiaries) from the grant date through (and including) the relevant date of vesting. On May 7, 2018, the Company hired a new CFO who received a stock option award exercisable for 583,366 shares of common stock under the same terms as the former CFO. On June 15, 2018, the former CFO forfeited her existing 583,366 options.

The fair value of the awards issued on March 16, 2018 of \$15,004 was determined using a Monte Carlo simulation based on a 5-year term, a risk-free rate of 2.62%, an annual dividend yield of 0% and an annual volatility of 42.8%. The expense is being recognized over the derived service period of each vesting tranche which was determined to be 0.74 years, 1.64 years, 2.24 years and 3.13 years.

The fair value of the awards issued on May 7, 2018 of \$2,357 was determined using a Monte Carlo simulation based on a 5-year term, a risk-free rate of 2.74%, an annual volatility of 54.70% and an annual dividend yield of 0%. The expense is being recognized over the derived service period of each vesting tranche which was determined to be 0.97 years, 1.75 years, 2.15 years and 2.96 years.

The expense recorded for awards with market conditions was \$0 and \$96 during the three and nine month periods ended September 30, 2021, and \$75 and \$848 during the three and nine month periods ended September 30, 2020, which is included in stock-based compensation in the condensed consolidated statements of income.

Awards with Service Conditions

During the year ended December 31, 2020, stock options to purchase 530,000 shares of common stock were issued to employees and board members. The options have an exercise price of \$7.91, \$8.50 or \$14.68. The options had a five year life and a four year vesting period. The fair value of the awards of \$1,915 was determined using the Black-Scholes option pricing model based on a 3.50-3.75 year expected life, a risk free rate of 0.25%-0.43%, an annual dividend yield of 0% and an annual volatility of 55%-73%.

During the nine months ended September 30, 2021, stock options to purchase 20,000 shares of common stock were issued to board members. The options have an exercise price of \$23.11. The options have a five year life and a three year vesting period. The fair value of the awards of \$257 was determined using the Black-Scholes option pricing model. The fair values for the 2021 and 2020 options was based on the following range of assumptions:

	For the nine months ended September 30, 2021
Risk free interest rate	0.77%
Expected term (years)	3.5
Expected volatility	81%
Expected dividends	0.00%

The expected life was determined using the simplified method as the awards were determined to be plain-vanilla options.

The expense recorded for awards with service conditions was \$92 and \$473 for the three and nine month periods ended September 30, 2021, and \$130 and \$309 for the three and nine month periods ended September 30, 2020, which is included in stock-based compensation in the condensed consolidated statements of income.

As of September 30, 2021, total unrecorded compensation cost related to all non-vested awards was \$1,518 which is expected to be amortized over a weighted average service period of approximately 2.33 years.

FAIR VALUE MEASURES

9 Months Ended
Sep. 30, 2021

[Fair Value Disclosures](#)

[\[Abstract\]](#)

[FAIR VALUE MEASURES](#)

NOTE 12 – FAIR VALUE MEASURES

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Company utilizes the suggested accounting guidance for the three levels of inputs that may be used to measure fair value:

- Level 1 - Observable inputs such as quoted prices in active markets for identical assets or liabilities;
- Level 2 - Observable inputs, other than Level 1 inputs in active markets, that are observable either directly or indirectly; and
- Level 3 - Unobservable inputs for which there is little or no market data, which require the reporting entity to develop its own assumptions

The Company has assessed that the fair value of cash and cash equivalents, trade receivables, trade payables, and other current liabilities approximate their carrying amounts.

The Public Warrants trade in active markets. When classified as liabilities, warrants traded in active markets with sufficient trading volume represent Level 1 financial instruments as they are publicly traded in active markets and thus have observable market prices which are used to estimate the fair value adjustments for the related common stock warrant liabilities. When classified as liabilities, warrants not traded in active markets, or traded with insufficient volume, represent Level 3 financial instruments that are valued using a Black-Scholes option-pricing model to estimate the fair value adjustments for the related common stock warrant liabilities.

	September 30, 2021			December 31, 2020 (Restated)				
	Carrying Amount	Level 1	Level 2	Level 3	Carrying Amount	Level 1	Level 2	Level 3
PIPE Warrants	\$ 13,666	\$13,666	\$ -	\$ -	\$ 13,716	\$13,716	\$ -	\$ -
Private Warrants	1,823	-	-	1,823	1,380	-	-	1,380
Total	\$ 15,489	\$13,666	\$ -	\$1,823	\$ 15,096	\$13,716	\$ -	\$1,380

The PIPE Warrants are considered a Level 1 measurement, since they are similar to the Public Warrants which trade under the symbol LAZYW and thus have observable market prices which were used to estimate the fair value adjustments for the PIPE Warrants liabilities. The Private Warrants are considered a Level 3 measurement and were valued using a Black-Scholes Valuation Model to estimate the fair value adjustments for the Private Warrants liabilities.

Level 3 Disclosures

The Company utilizes a Black Scholes option-pricing model to value the Private Warrants at each reporting period and transaction date, with changes in fair value recognized in the statements of income. The estimated fair value of the warrant liabilities is determined using Level 3 inputs. Inherent in the pricing model are assumptions related to expected share-price volatility, expected life, risk-free interest rate and dividend yield. The Company estimates the volatility of its ordinary shares based on historical volatility that matches the expected remaining life of the warrants. The risk-free interest rate is based on the continuously compounded interest rate on U.S.

Treasury Separate Trading of Registered Interest and Principal of Securities having a maturity similar to the contractual life of the warrants. The expected life of the warrants is assumed to be equivalent to their remaining contractual term. The dividend rate is based on the historical rate, which the Company anticipates to remain at zero.

The following table provides quantitative information regarding Level 3 fair value measurements:

	September 30, 2021	December 31, 2020 (Restated)
Stock Price	\$ 21.34	\$ 16.25
Strike Price	\$ 11.50	\$ 11.50
Expected life	1.45	2.20
Volatility	73.8%	81.2%
Risk Free rate	0.18%	0.14%
Dividend yield	0.00%	0.00%
Fair value of warrants	\$ 5.88	\$ 4.45

The following table presents changes in Level 3 liabilities measured at fair value for the nine months ended September 30, 2021:

	PIPE Warrants	Private Warrants
Balance at December 31, 2020 (restated)	\$ 13,717	\$ 1,380
Exercise or conversion	(10,697)	-
Measurement adjustment	10,646	443
Balance at September 30, 2021	<u>\$ 13,666</u>	<u>\$ 1,823</u>

**SIGNIFICANT
ACCOUNTING POLICIES
(Policies)**

9 Months Ended

Sep. 30, 2021

[Accounting Policies](#)

[\[Abstract\]](#)

[Basis of Presentation](#)

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America (“GAAP”) and the rules and regulations of the United States Securities and Exchange Commission (the “SEC”). Accordingly, these condensed consolidated financial statements do not include all of the information and footnotes required by GAAP for complete financial statements. For additional information, these condensed consolidated financial statements should be read in conjunction with Lazydays Holdings, Inc.’s consolidated financial statements and notes as of December 31, 2020 and 2019 included in the Annual Report on Form 10-K/A filed with the SEC on June 25, 2021. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included.

[Principles of Consolidation](#)

Principles of Consolidation

The condensed consolidated financial statements include the accounts of Holdings, Lazydays RV and its wholly owned subsidiary LDRV Holdings Corp. LDRV Holdings Corp is the sole owner of Lazydays Land Holdings, LLC, Lazydays Tampa Land Holdings, LLC, Lazydays RV America, LLC, Lazydays RV Discount, LLC, Lazydays Mile Hi RV, LLC, LDRV of Tennessee LLC, Lazydays of Minneapolis LLC, Lazydays of Central Florida, LLC, Lone Star Acquisition LLC, Lone Star Diversified LLC, LDRV Acquisition Group of Nashville LLC, LDRV of Nashville LLC, Lazydays RV of Phoenix, LLC, Lazydays RV of Elkhart, LLC, Lazydays Land of Elkhart, LLC, Lazydays Service of Elkhart, LLC, Lazydays RV of Chicagoland, LLC, Lazydays Land of Chicagoland, LLC, Lazydays RV of Oregon, LLC, and Lazydays RV of Wisconsin, LLC (collectively, the “Company”, “Lazydays” or “Successor”). All significant inter-company accounts and transactions have been eliminated in consolidation.

[Restatement of Previously
Reported Financial Statements](#)

Restatement of Previously Reported Financial Statements

The notes included herein should be read in conjunction with the Company’s restated audited consolidated financial statements included in the 2020 Form 10-K/A. As previously disclosed in the 2020 Form 10-K/A, the Company restated its previously issued consolidated financial statements for the years ended December 31, 2020, 2019 and 2018 to make the necessary accounting adjustments related to warrant accounting. The Company has restated herein its condensed consolidated financial statements for the three and nine months ended September 30, 2020 and related amounts within the accompanying footnotes to the condensed consolidated financial statements. Restated net income for the three months ended September 30, 2020 is \$3.7 million, a decrease of \$7.9 million from the previously disclosed net income of \$11.6 million. Restated net income for the nine months ended September 30, 2020 is \$12.4 million, a decrease of \$10.2 million from the previously disclosed net income of \$22.7 million.

The tables below set forth the unaudited condensed consolidated balance sheet as of September 30, 2020 originally reported, adjustments and the restated balances, and the condensed consolidated statement of income for the three and nine months ended September 30, 2020 originally reported, adjustments, and the restated balances and the condensed consolidated statement of cash flow amounts for the nine months ended September 30, 2020 originally reported, adjustments, and the restated balances.

	September 30, 2020 (unaudited)		
	As Previously Reported	Restatement Adjustments	As Restated
Total Assets	\$ 397,905	\$ -	\$ 397,905
Liabilities and Stockholder’ Equity			
Total current liabilities	\$ 137,808	\$ -	137,808

Financing liability, non-current portion, net of debt discount	71,095	-	71,095
Long term debt, non-current portion, net of debt discount	10,512	-	10,512
Operating lease liability, non-current portion	12,841	-	12,841
Deferred tax liability	16,451	-	16,451
Warrant liabilities	-	10,992	10,992
Total liabilities	248,707	10,992	259,699
Commitments and Contingencies			
Series A Convertible Preferred Stock; 600,000 shares, designated, issued, and outstanding as of December 31, 2020; liquidation preference of \$60,000 as of December 31, 2020	54,983	-	54,983
Stockholders' Equity			
Preferred Stock, \$0.0001 par value; 5,000,000 shares authorized;	-	-	-
Common stock, \$0.0001 par value; 100,000,000 shares authorized; 9,593,150 shares issued and 9,451,851 outstanding at September 30, 2020	-	-	-
Additional paid-in capital	78,931	(8,991)	69,940
Treasury Stock, at cost, 141,299 shares at September 30, 2020	(499)	-	(499)
Retained earnings	15,783	(2,001)	13,782
Total stockholders' equity	94,215	(10,992)	83,223
Total liabilities and stockholders' equity	\$ 397,905	\$ -	\$ 397,905

	Three months ended September 30, 2020 (Unaudited)			Nine months ended September 30, 2020 (Unaudited)		
	As Previously Reported	Restatement Adjustments	As Restated	As Previously Reported	Restatement Adjustments	As Restated
Income from Operations	\$ 17,532	\$ -	\$ 17,532	\$ 36,944	\$ -	\$ 36,944
Other income/ expenses						
Loss on sale of property and equipment	-	-	-	(8)	-	(8)
Interest expense	(1,749)	-	(1,749)	(6,262)	-	(6,262)
Change in fair value of warrant liabilities	-	(7,899)	(7,899)	-	(10,245)	(10,245)
Total other expense	(1,749)	(7,899)	(9,648)	(6,270)	(10,245)	(16,515)
Income before income tax expense	15,783	(7,899)	7,884	30,674	(10,245)	20,429
Income tax expense	(4,184)	-	(4,184)	(8,020)	-	(8,020)
Net income	\$ 11,599	\$ (7,899)	\$ 3,700	\$ 22,654	\$ (10,245)	\$ 12,409
Dividends of Series A Convertible Preferred Stock	(1,745)	-	(1,745)	(5,073)	-	(5,073)

Net income (loss) attributable to common stock and participating securities	\$ 9,854	\$ (7,899)	\$ 1,955	\$ 17,581	\$ (10,245)	\$ 7,336
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EPS:						
Basic and diluted income (loss) per share	\$ 0.55	\$ (0.42)	\$ 0.13	\$ 1.00	\$ (0.50)	\$ 0.50
Weighted average shares outstanding basic and diluted	10,807,368	10,807,368	10,807,368	10,747,370	10,747,370	10,747,370

	Nine Months Ended September 30, 2020		
	As Previously Reported	Restatement Adjustments	As Restated
Net Income	\$ 22,654	\$ (10,245)	\$ 12,409
Adjustments to reconcile net income to net cash provided by operating activities:			
Change in fair value of warrant liabilities	-	10,245	10,245
Net cash provided by operating activities	141,901	-	141,901
Net cash used in investing activities	(7,005)	-	(7,005)
Net cash used in financing activities	(84,700)	-	(84,700)
Net change in cash and cash equivalents	50,196	-	50,196
Cash - Beginning	31,458	-	31,458
Cash - Ending	\$ 81,654	\$ -	\$ 81,654

[Use of Estimates in the Preparation of Financial Statements](#)

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include the assumptions used in the valuation of the net assets acquired in business combinations, goodwill and other intangible assets, provision for charge-backs, inventory write-downs, allowance for doubtful accounts, stock-based compensation and fair value of warrant liabilities.

[Revenue Recognition](#)

Revenue Recognition

The core principle of revenue recognition is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Company applies a five-step model for revenue measurement and recognition.

Revenues are recognized when control of the promised goods or services is transferred to the customers at the expected amount the Company is entitled to for such goods and services. Taxes collected on revenue producing transactions are excluded from revenue in the condensed consolidated statements of income. The following table represents the Company's disaggregation of revenue:

	Three months ended	Nine months ended
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	<u>September 30, 2021</u>	<u>September 30, 2020</u>	<u>September 30, 2021</u>	<u>September 30, 2020</u>
New vehicle revenue	\$ 181,395	\$ 130,297	\$ 550,366	\$ 362,139
Preowned vehicle revenue	104,386	64,255	270,509	191,106
Parts, accessories, and related services	12,233	9,470	34,571	29,400
Finance and insurance revenue	20,130	11,073	54,476	35,108
Campground and other revenue	584	628	2,590	2,785
Total	<u>\$ 318,728</u>	<u>\$ 215,723</u>	<u>\$ 912,512</u>	<u>\$ 620,538</u>

Revenue from the sale of vehicles is recognized at a point in time on delivery, transfer of title and completion of financing arrangements.

Revenue from the sale of parts, accessories and related service is recognized as services and parts are delivered or as a customer approves elements of the completion of service. Revenue from the sale of parts, accessories and related service is recognized in other revenue in the accompanying condensed consolidated statements of income.

The Company receives commissions from the sale of insurance and vehicle service contracts to customers. In addition, the Company arranges financing for customers through various financial institutions and receives commissions. The Company may be charged back (“charge-backs”) for financing fees, insurance or vehicle service contract commissions in the event of early termination of some contracts by its customers. The revenues from financing fees and commissions are recorded at the time of the sale of the vehicles and an allowance for future charge-backs is established based on historical operating results and the termination provision of the applicable contracts. The estimates for future charge-backs require judgment by management, and as a result there is an element of risk associated with these revenue streams. The Company recognized finance and insurance revenues, less the additions to the charge-back allowance, which is included in other revenue as follows (unaudited):

	<u>Three months ended</u>		<u>Nine months ended</u>	
	<u>September 30, 2021</u>	<u>September 30, 2020</u>	<u>September 30, 2021</u>	<u>September 30, 2020</u>
Gross finance and insurance revenues	\$ 22,193	\$ 13,073	\$ 60,113	\$ 39,573
Additions to charge-back allowance	(2,063)	(2,000)	(5,637)	(4,465)
Net Finance Revenue	<u>\$ 20,130</u>	<u>\$ 11,073</u>	<u>\$ 54,476</u>	<u>\$ 35,108</u>

The Company has an accrual for charge-backs, which totaled \$7,751 and \$5,553 at September 30, 2021 and December 31, 2020, respectively, and is included in “Accounts payable, accrued expenses and other current liabilities” in the accompanying condensed consolidated balance sheets.

Deposits on vehicles received in advance are accounted for as a liability and recognized into revenue upon satisfaction of each respective performance obligation. These contract liabilities are included in Note 5 – Accounts Payable, Accrued Expenses, and Other Current Liabilities as customer deposits. During the nine months ended September 30, 2021, \$4,573 of contract liabilities as of December 31, 2020 were recognized in revenue.

Inventories

Inventories

Vehicle and parts inventories are recorded at the lower of cost or net realizable value, with cost determined by the last-in, first-out (“LIFO”) method. Cost includes purchase costs, reconditioning costs, dealer-installed accessories and freight. For vehicles accepted in trades, the cost is the fair value of such pre-owned vehicles at the time of the trade-in. Other inventory includes parts and accessories as well as retail travel and leisure specialty merchandise. The current replacement costs of LIFO inventories exceeded their recorded values by \$5,036 and \$3,627 as of September 30, 2021 and December 31, 2020, respectively.

Cumulative Redeemable Convertible Preferred Stock

Cumulative Redeemable Convertible Preferred Stock

The Company's Series A Preferred Stock (See Note 10 – Preferred Stock) is cumulative redeemable convertible preferred stock. Accordingly, it is classified as temporary equity and is shown net of issuance costs and the fair value of warrants issued in conjunction with the issuance of the Series A Preferred Stock. Unpaid preferred dividends are accumulated, compounded at each quarterly dividend date and presented within the carrying value of the Series A Preferred Stock until a dividend is declared by the Company's board of directors (the "Board").

Stock Based Compensation

Stock Based Compensation

The Company accounts for stock-based compensation for employees and directors in accordance with ASC 718, Compensation. ASC 718 requires all share-based payments to employees, including grants of employee stock options, to be recognized in the statement of income based on their fair values. Under the provisions of ASC 718, stock-based compensation costs are measured at the grant date, based on the fair value of the award, and are recognized as expense over the employee's requisite or derived service period. In accordance with ASC 718, excess tax benefits realized from the exercise of stock-based awards are classified as cash flows from operating activities. All excess tax benefits and tax deficiencies (including tax benefits of dividends on share-based payment awards) are recognized as income tax expenses or benefits in the condensed consolidated statements of income.

Earnings Per Share

Earnings Per Share

The Company computes basic and diluted earnings/(loss) per share ("EPS") by dividing net earnings/(loss) by the weighted average number of shares of common stock outstanding during the period.

The Company is required, in periods in which it has net income, to calculate EPS using the two-class method. The two-class method is required because the Company's Series A Preferred Stock have the right to receive dividends or dividend equivalents should the Company declare dividends on its common stock as if such holder of the Series A Preferred Stock had been converted to common stock. Under the two-class method, earnings for the period are allocated to the common and preferred stockholders taking into consideration Series A Preferred Stockholders participation in dividends on an as converted basis. The weighted-average number of common and preferred shares outstanding during the period is then used to calculate basic EPS for each class of shares.

In periods in which the Company has a net loss, basic loss per share is calculated by dividing the loss attributable to common stockholders by the weighted-average number of common shares outstanding during the period. The two-class method is not used, because the preferred stock does not participate in losses.

The following table summarizes net income attributable to common stockholders used in the calculation of basic and diluted income per common share:

	<u>Three months ended</u>		<u>Nine months ended</u>	
	<u>September 30, 2021</u>	<u>September 30, 2020</u>	<u>September 30, 2021</u>	<u>September 30, 2020</u>
(Dollars in thousands - except share and per share amounts)		(Restated)		(Restated)
Distributed earning allocated to common stock	\$ -	\$ -	\$ -	\$ -
Undistributed earnings allocated to common stock	19,541	1,140	39,903	4,314
Net earnings allocated to common stock	19,541	1,140	39,903	4,314
Net earnings allocated to participating securities	10,218	815	21,631	3,022
Net earnings allocated to common stock and participating securities	<u>\$ 29,759</u>	<u>\$ 1,955</u>	<u>\$ 61,534</u>	<u>\$ 7,336</u>
Weighted average shares outstanding for basic earning per common share	11,256,066	9,753,211	10,845,663	9,746,136
Dilutive effect of warrants and options	300,357	1,054,157	300,357	1,001,234
Weighted average shares outstanding for diluted earnings per share computation	<u>11,556,423</u>	<u>10,807,368</u>	<u>11,146,020</u>	<u>10,747,370</u>

Basic income per common share	\$ 1.69	\$ 0.12	\$ 3.58	\$ 0.44
Diluted income per common share	\$ 1.16	\$ 0.11	\$ 2.75	\$ 0.40

During the three and nine months ended September 30, 2021 and 2020, respectively, the denominator of the basic EPS was calculated as follow:

	Three months ended		Nine months ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Weighted average outstanding common shares	11,256,066	9,452,854	10,845,663	9,445,779
Weighted average prefunded warrants	300,357	300,357	300,357	300,357
Weighted shares outstanding - basic	\$ 11,556,423	\$ 9,753,211	\$ 11,146,020	\$ 9,746,136

During the three and nine months ended September 30, 2021 and 2020, respectively, the denominator of the dilutive EPS was calculated as follows:

	Three months ended		Nine months ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Weighted average outstanding common shares	11,256,066	9,452,854	10,845,663	9,445,779
Weighted average prefunded warrants	300,357	300,357	300,357	300,357
Weighted average warrants	1,704,003	381,071	1,704,003	381,071
Weighted average options	1,664,106	673,086	1,664,106	620,163
Weighted average convertible preferred stock	6,082,981	-	6,319,602	-
Weighted shares outstanding - diluted	21,007,513	10,807,368	20,833,731	10,747,370

The following common stock equivalent shares were excluded from the computation of the diluted income per share, since their inclusion would have been anti-dilutive:

	Three months ended		Nine months ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Shares underlying Series A Convertible Preferred Stock	-	-	-	-
Shares underlying warrants	-	-	-	-
Stock options	20,000	150,000	20,000	150,000
Shares issuable under the Employee Stock Purchase Plan	17,129	20,529	17,129	20,259
Share equivalents excluded from EPS	37,129	170,529	37,129	170,259

As of September 30, 2021, the Company had declared dividends of \$1,210 on its Series A Convertible Preferred Stock, which are included in dividends payable on the accompanying Condensed Consolidated Balance Sheets. The dividend was paid on October 1, 2021. As a result, the Series A Convertible Preferred Stock was convertible into 5,962,733 shares of common stock as of September 30, 2021. Upon conversion, the Company has the option to pay accrued dividends in cash or allow conversion into common stock.

[Prior Period Financial Statement Correction of an Immaterial Misstatement](#)

Prior Period Financial Statement Correction of an Immaterial Misstatement

During the fourth quarter of 2020, the Company identified adjustments required to correct earnings per share for the first three quarters of 2020. The errors discovered resulted in an understatement in earning per share of \$0.12 and \$0.21 for the three and nine months ended September 30, 2020, respectively.

Based on an analysis of “Accounting Changes and Error Corrections” (“ASC 250”), Staff Accounting Bulletin 99 – “Materiality” (“SAB 99”) and Staff Accounting Bulletin 108 – “Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial

Statements” (“SAB 108”), the Company determined that these errors were immaterial to the previously issued condensed consolidated financial statements, and as such, no restatement was necessary. Correcting prior period financial statements for immaterial errors would not require previously filed reports to be amended. Such correction may be made the next time the registrant files the prior period financial statements. Accordingly, the misstatements are being corrected prospectively in this Form 10-Q for the quarter ended September 30, 2021.

[Advertising Costs](#)

Advertising Costs

Advertising and promotion costs are charged to operations in the period incurred. Advertising and promotion costs totaled approximately \$5,881 and \$2,139 for the three months ended September 30, 2021 and September 30, 2020, respectively, and \$15,494 and \$9,229 for the nine months ended September 30, 2021 and September 30, 2020, respectively.

[Income Taxes](#)

Income Taxes

The Company recognizes deferred tax liabilities and assets for the expected future tax consequences of events that have been included in the condensed consolidated financial statements or tax returns. Deferred tax assets and liabilities are determined based on the difference between the financial statement and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The Company estimates the degree to which tax assets and credit carry forwards will result in a benefit based on expected profitability by tax jurisdiction.

In its interim condensed consolidated financial statements, the Company follows the guidance in ASC 270, “Interim Reporting” and ASC 740 “Income Taxes”, whereby the Company utilizes the expected annual effective tax rate in determining its income tax provisions for the interim periods.

[Seasonality](#)

Seasonality

The Company’s operations generally experience modestly higher volumes of vehicle sales in the first half of each year due in part to consumer buying trends and the hospitable warm climate during the winter months at the Company’s Florida and Arizona locations. In addition, the northern locations in Colorado, Tennessee, Minnesota, Indiana, Oregon, Washington and Wisconsin generally experience moderately higher vehicle sales during the spring months.

[Vendor Concentrations](#)

Vendor Concentrations

The Company purchases its new RVs and replacement parts from various manufacturers. During the three months ended September 30, 2021, three major manufacturers accounted for 46.7%, 31.8% and 18.0% of RV purchases. During the nine months ended September 30, 2021, three major manufacturers accounted for 46.3%, 30.3%, and 19.4% of RV purchases.

During the three months ended September 30, 2020, four major manufacturers accounted for 29.4%, 26.8%, 20.4% and 20.2% of RV purchases. During the nine months ended September 30, 2020, four major manufacturers accounted for 26.8%, 24.1%, 23.3% and 19.4% of RV purchases.

The Company is subject to dealer agreements with each manufacturer. The manufacturer is entitled to terminate the dealer agreement if the Company is in material breach of the agreement’s terms.

[Geographic Concentrations](#)

Geographic Concentrations

The percent of revenues generated by the Florida locations, Colorado locations, Arizona locations and Tennessee locations, which generate greater than 10% of revenues, were as follows (unaudited):

	Three months ended		Nine months ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Florida	44%	56%	49%	64%
Colorado	10%	17%	11%	15%
Arizona	10%	12%	11%	<10%

Tennessee 16% <10% 14% <10%

These geographic concentrations increase the exposure to adverse developments related to competition, as well as economic, demographic and weather.

Impact of COVID-19

Impact of COVID-19

In March 2020, the World Health Organization declared the outbreak of the novel coronavirus (“COVID-19”) pandemic, which continues to spread throughout the United States and globally. Beginning in mid-to-late March of 2020, the COVID-19 pandemic led to severe disruptions in general economic activity as businesses and federal, state and local governments took increasingly broad actions to mitigate the impact of the COVID-19 pandemic on public health, including through “shelter in place” or “stay at home” orders in the states in which we operate. As we modified our business practices to conform to government guidelines and best practices to ensure the health and safety of our customers, employees and the communities we serve, we saw significant early declines in new and pre-owned vehicle unit sales, sales of parts, accessories and related services, including finance and insurance revenues as well as campground and miscellaneous revenues.

We took a number of actions in April 2020 to adjust resources and costs to align with reduced demand caused by the COVID-19 pandemic. These actions included:

- Reduction of our workforce by 25%;
- Temporary reduction of senior management salaries (April 2020 through May 2020);
- Suspension of 2020 annual pay increases;
- Temporary suspension of 401k match (April 2020 through May 2020);
- Delay of non-critical capital projects; and
- Focus of resources on core sales and service operations.

As described under Note 7 - Debt below, to further protect our liquidity and cash position, we negotiated with our lenders for the temporary suspension of scheduled principal and interest payments on our term and mortgage loans from April 15, 2020 through June 15, 2020 and for the temporary suspension of scheduled floorplan curtailment payments from April 1, 2020 through June 15, 2020. We also received \$8,704 in loans (the “PPP Loans”) under the Paycheck Protection Program of the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”). We applied for loan forgiveness under the PPP Loans. As of September 30, 2021, all of the PPP Loans had a portion forgiven for a total of \$6,626. We expect no further forgiveness of the remaining loans.

The improvement in sales beginning in May 2020 likely relates, at least in part, to an increase in consumer demand as consumers seek outdoor travel and leisure activities that permit appropriate social distancing. However, we can provide no assurances that such growth in sales will continue at the same rate that occurred between May 2020 and September 2021, or at all, over any time period, and sales may ultimately decline. Furthermore, our improved sales and cost savings measures to date may not be sufficient to offset any later impacts of the COVID-19 pandemic, including the Delta variant, and our liquidity could be negatively impacted, if prior sales trends from May 2020 through September 30, 2021 are reversed, which may occur, for example, if consumer preferences shift toward cruise line, air travel and hotel industries.

Our operations also depend on the continued health and productivity of our employees at our dealerships service locations and corporate headquarters throughout the COVID-19 pandemic. The extent to which the COVID-19 pandemic ultimately impacts our business, results of operations and financial condition will depend on future developments, which are highly uncertain and cannot be predicted, including the severity and duration of the COVID-19 pandemic, the efficacy and availability of vaccines, and further actions that may be taken by individuals, businesses and federal, state and local governments in response. Even after the COVID-19 pandemic has subsided, the Company may experience significant adverse effects to its business as a result of its global economic impact, including any economic recession or downturn and the impact of such a recession or downturn on unemployment levels, consumer confidence, levels of personal discretionary spending, credit availability and any long term disruptions in supply chains.

Reclassifications

Reclassifications

Certain amounts in prior periods have been reclassified to conform to the current period presentation. These reclassifications had no effect on the previously reported net income.

[Recently Issued Accounting Standards](#)

Recently Issued Accounting Standards

In March 2020, the FASB issued ASU No. 2020-04, Reference Rate Reform (Topic 848) (“ASU 2020-04”). This standard, effective for reporting periods through December 31, 2022, provides accounting relief for contract modifications that replace an interest rate impacted by reference rate reform (e.g., London Interbank Offered Rate (“LIBOR”)) with a new alternative reference rate. The guidance is applicable to investment securities, receivables, loans, debt, leases, derivatives and hedge accounting elections and other contractual arrangements. The new standard provides temporary optional expedients and exceptions to current GAAP guidance on contract modifications and hedge accounting. Specifically, a modification to transition to an alternative reference rate is treated as an event that does not require contract remeasurement or reassessment of a previous accounting treatment. The standard is generally effective for all contract modifications made and hedging relationships evaluated through December 31, 2022, as a result of reference rate reform. The Company is currently evaluating the impact that this new standard will have on our condensed consolidated financial statements.

[Recently Adopted Accounting Pronouncements](#)

Recently Adopted Accounting Pronouncements

In June 2016, the FASB issued ASU No. 2016-13, Financial Instruments - Credit Losses (Topic 326) (“ASU 2016-13”). This standard requires the use of a forward-looking expected loss impairment model for trade and other receivables, held-to-maturity debt securities, loans and other instruments. This standard also requires impairments and recoveries for available-for-sale debt securities to be recorded through an allowance account and revises certain disclosure requirements. In April 2019, the FASB issued ASU 2019-04, Codification Improvements, which provides guidance on accounting for credit losses on accrued interest receivable balances and guidance on including recoveries when estimating the allowance. In May 2019, the FASB issued ASU 2019-05, Targeted Transition Relief, which allows entities with an option to elect fair value for certain instruments upon adoption of Topic 326. The standard was effective for the Company for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2020. The Company adopted ASU 2016-13 on January 1, 2021 and the adoption did not materially impact its condensed consolidated financial statements.

[Lease recognition](#)

Lease recognition

At the inception of a contract, we determine whether an arrangement is or contains a lease. For all leases, we determine the classification as either operating or financing.

Operating lease assets represent our right to use an underlying asset for the lease term, and lease liabilities represent our obligation to make lease payments under the lease. Lease recognition occurs at the commencement date and lease liability amounts are based on the present value of lease payments over the lease term. Our lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. Because most of our leases do not provide information to determine an implicit interest rate, we use our incremental borrowing rate in determining the present value of lease payments. Operating lease assets also include any lease payments made prior to the commencement date and exclude lease incentives received. Operating lease expense is recognized on a straight-line basis over the lease term. We have lease agreements with both lease and non-lease components, which are generally accounted for together as a single lease component.

[Subsequent Events](#)

Subsequent Events

Management of the Company has analyzed the activities and transactions subsequent to September 30, 2021 through the date these condensed consolidated financial statements were issued to determine the need for any adjustments to or disclosures within the condensed consolidated financial statements. The Company did not identify any recognized or non-recognized subsequent events that would require disclosure in the condensed consolidated financial statements except the items below.

On October 4, 2021, the Company entered into an agreement for the sale of property to CARS-DB4, LLC (“CARS4”). The Company has entered into a lease agreement with CARS4 with lease payments commencing on October 1, 2021. The lease has been evaluated in accordance with ASC 842 and

determined to be a failed sale leaseback. As such, it has been recorded as a finance lease and classified as financing liability in the Condensed Consolidated Balance Sheets.

**SIGNIFICANT
ACCOUNTING POLICIES
(Tables)**

**9 Months Ended
Sep. 30, 2021**

[Accounting Policies](#)
[\[Abstract\]](#)

[SCHEDULE OF
ORIGINALLY REPORTED,
ADJUSTMENTS, AND
RESTATED BALANCES](#)

The tables below set forth the unaudited condensed consolidated balance sheet as of September 30, 2020 originally reported, adjustments and the restated balances, and the condensed consolidated statement of income for the three and nine months ended September 30, 2020 originally reported, adjustments, and the restated balances and the condensed consolidated statement of cash flow amounts for the nine months ended September 30, 2020 originally reported, adjustments, and the restated balances.

	September 30, 2020 (unaudited)		
	As Previously Reported	Restatement Adjustments	As Restated
Total Assets	\$ 397,905	\$ -	\$ 397,905
Liabilities and Stockholder' Equity			
Total current liabilities	\$ 137,808	\$ -	137,808
Financing liability, non-current portion, net of debt discount	71,095	-	71,095
Long term debt, non-current portion, net of debt discount	10,512	-	10,512
Operating lease liability, non-current portion	12,841	-	12,841
Deferred tax liability	16,451	-	16,451
Warrant liabilities	-	10,992	10,992
Total liabilities	248,707	10,992	259,699
Commitments and Contingencies			
Series A Convertible Preferred Stock; 600,000 shares, designated, issued, and outstanding as of December 31, 2020; liquidation preference of \$60,000 as of December 31, 2020	54,983	-	54,983
Stockholders' Equity			
Preferred Stock, \$0.0001 par value; 5,000,000 shares authorized;	-	-	-
Common stock, \$0.0001 par value; 100,000,000 shares authorized; 9,593,150 shares issued and 9,451,851 outstanding at September 30, 2020	-	-	-
Additional paid-in capital	78,931	(8,991)	69,940
Treasury Stock, at cost, 141,299 shares at September 30, 2020	(499)	-	(499)
Retained earnings	15,783	(2,001)	13,782
Total stockholders' equity	94,215	(10,992)	83,223
Total liabilities and stockholders' equity	\$ 397,905	\$ -	\$ 397,905

	Three months ended September 30, 2020 (Unaudited)			Nine months ended September 30, 2020 (Unaudited)		
	As Previously Reported	Restatement Adjustments	As Restated	As Previously Reported	Restatement Adjustments	As Restated
Income from Operations	\$ 17,532	\$ -	\$ 17,532	\$ 36,944	\$ -	\$ 36,944
Other income/ expenses						
Loss on sale of property and equipment	-	-	-	(8)	-	(8)

Interest expense	(1,749)	-	(1,749)	(6,262)	-	(6,262)
Change in fair value of warrant liabilities	-	(7,899)	(7,899)	-	(10,245)	(10,245)
Total other expense	(1,749)	(7,899)	(9,648)	(6,270)	(10,245)	(16,515)
Income before income tax expense	15,783	(7,899)	7,884	30,674	(10,245)	20,429
Income tax expense	(4,184)	-	(4,184)	(8,020)	-	(8,020)
Net income	\$ 11,599	\$ (7,899)	\$ 3,700	\$ 22,654	\$ (10,245)	\$ 12,409
Dividends of Series A Convertible Preferred Stock	(1,745)	-	(1,745)	(5,073)	-	(5,073)
Net income (loss) attributable to common stock and participating securities	\$ 9,854	\$ (7,899)	\$ 1,955	\$ 17,581	\$ (10,245)	\$ 7,336
EPS:						
Basic and diluted income (loss) per share	\$ 0.55	\$ (0.42)	\$ 0.13	\$ 1.00	\$ (0.50)	\$ 0.50
Weighted average shares outstanding basic and diluted	10,807,368	10,807,368	10,807,368	10,747,370	10,747,370	10,747,370

	Nine Months Ended September 30, 2020		
	As Previously Reported	Restatement Adjustments	As Restated
Net Income	\$ 22,654	\$ (10,245)	\$ 12,409
Adjustments to reconcile net income to net cash provided by operating activities:	119,247		119,247
Change in fair value of warrant liabilities	-	10,245	10,245
Net cash provided by operating activities	141,901	-	141,901
Net cash used in investing activities	(7,005)	-	(7,005)
Net cash used in financing activities	(84,700)	-	(84,700)
Net change in cash and cash equivalents	50,196	-	50,196
Cash - Beginning	31,458	-	31,458
Cash - Ending	\$ 81,654	\$ -	\$ 81,654

**SCHEDULE OF
DISAGGREGATION OF
REVENUE**

	Three months ended		Nine months ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
New vehicle revenue	\$ 181,395	\$ 130,297	\$ 550,366	\$ 362,139
Preowned vehicle revenue	104,386	64,255	270,509	191,106
Parts, accessories, and related services	12,233	9,470	34,571	29,400

Finance and insurance revenue	20,130	11,073	54,476	35,108
Campground and other revenue	584	628	2,590	2,785
Total	<u>\$ 318,728</u>	<u>\$ 215,723</u>	<u>\$ 912,512</u>	<u>\$ 620,538</u>

SCHEDULE OF REVENUE
RECOGNIZED OF FINANCE
AND INSURANCE
REVENUES

	Three months ended		Nine months ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Gross finance and insurance revenues	\$ 22,193	\$ 13,073	\$ 60,113	\$ 39,573
Additions to charge-back allowance	(2,063)	(2,000)	(5,637)	(4,465)
Net Finance Revenue	<u>\$ 20,130</u>	<u>\$ 11,073</u>	<u>\$ 54,476</u>	<u>\$ 35,108</u>

SUMMARY OF NET
INCOME (LOSS)
ATTRIBUTE TO COMMON
STOCKHOLDERS

The following table summarizes net income attributable to common stockholders used in the calculation of basic and diluted income per common share:

	Three months ended		Nine months ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
		(Restated)		(Restated)
(Dollars in thousands - except share and per share amounts)				
Distributed earning allocated to common stock	\$ -	\$ -	\$ -	\$ -
Undistributed earnings allocated to common stock	19,541	1,140	39,903	4,314
Net earnings allocated to common stock	19,541	1,140	39,903	4,314
Net earnings allocated to participating securities	10,218	815	21,631	3,022
Net earnings allocated to common stock and participating securities	<u>\$ 29,759</u>	<u>\$ 1,955</u>	<u>\$ 61,534</u>	<u>\$ 7,336</u>
Weighted average shares outstanding for basic earning per common share	11,256,066	9,753,211	10,845,663	9,746,136
Dilutive effect of warrants and options	300,357	1,054,157	300,357	1,001,234
Weighted average shares outstanding for diluted earnings per share computation	<u>11,556,423</u>	<u>10,807,368</u>	<u>11,146,020</u>	<u>10,747,370</u>
Basic income per common share	<u>\$ 1.69</u>	<u>\$ 0.12</u>	<u>\$ 3.58</u>	<u>\$ 0.44</u>
Diluted income per common share	<u>\$ 1.16</u>	<u>\$ 0.11</u>	<u>\$ 2.75</u>	<u>\$ 0.40</u>

SCHEDULE OF
DENOMINATOR OF BASIC
EARNINGS PER SHARE

During the three and nine months ended September 30, 2021 and 2020, respectively, the denominator of the basic EPS was calculated as follow:

	Three months ended		Nine months ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Weighted average outstanding common shares	11,256,066	9,452,854	10,845,663	9,445,779
Weighted average prefunded warrants	300,357	300,357	300,357	300,357
Weighted shares outstanding - basic	<u>\$ 11,556,423</u>	<u>\$ 9,753,211</u>	<u>\$ 11,146,020</u>	<u>\$ 9,746,136</u>

SCHEDULE OF
DENOMINATOR OF
DILUTIVE EARNINGS PER
SHARE

During the three and nine months ended September 30, 2021 and 2020, respectively, the denominator of the dilutive EPS was calculated as follows:

	Three months ended		Nine months ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Weighted average outstanding common shares	11,256,066	9,452,854	10,845,663	9,445,779
Weighted average prefunded warrants	300,357	300,357	300,357	300,357
Weighted average warrants	1,704,003	381,071	1,704,003	381,071
Weighted average options	1,664,106	673,086	1,664,106	620,163
Weighted average convertible preferred stock	6,082,981	-	6,319,602	-
Weighted shares outstanding - diluted	<u>21,007,513</u>	<u>10,807,368</u>	<u>20,833,731</u>	<u>10,747,370</u>

[SCHEDULE OF ANTI-DILUTIVE SECURITIES EXCLUDED FROM COMPUTATION OF EARNINGS PER SHARE](#)

The following common stock equivalent shares were excluded from the computation of the diluted income per share, since their inclusion would have been anti-dilutive:

	Three months ended		Nine months ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Shares underlying Series A Convertible Preferred Stock	-	-	-	-
Shares underlying warrants	-	-	-	-
Stock options	20,000	150,000	20,000	150,000
Shares issuable under the Employee Stock Purchase Plan	17,129	20,529	17,129	20,259
Share equivalents excluded from EPS	37,129	170,529	37,129	170,259

The percent of revenues generated by the Florida locations, Colorado locations, Arizona locations and Tennessee locations, which generate greater than 10% of revenues, were as follows (unaudited):

	Three months ended		Nine months ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Florida	44%	56%	49%	64%
Colorado	10%	17%	11%	15%
Arizona	10%	12%	11%	<10%
Tennessee	16%	<10%	14%	<10%

[SCHEDULE OF GEOGRAPHIC CONCENTRATION RISK PERCENTAGE](#)

**BUSINESS
COMBINATION (Tables)**

**9 Months Ended
Sep. 30, 2021**

**Business Combination and
Asset Acquisition [Abstract]**

**SCHEDULE OF FAIR VALUE
OF ASSETS ACQUIRED AND
LIABILITIES ASSUMED**

	2021			2020
	BYRV	Other	Total	
Inventories	\$ 10,262	\$ 9,848	\$ 20,110	\$ 18,932
Accounts receivable and prepaid expenses	2,176	657	2,833	1,167
Property and equipment	939	629	1,568	5,417
Intangible assets	17,795	3,470	21,265	8,480
Total assets acquired	31,172	14,604	45,776	33,996

Accounts payable, accrued expenses and other current liabilities	2,367	2,062	4,429	1,004
Floor plan notes payable	6,912	7,373	14,285	20,855
Total liabilities assumed	9,279	9,435	18,714	21,859

Net assets acquired	\$ 21,893	\$ 5,169	\$ 27,062	\$ 12,137
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The fair value of consideration paid was as follows:

	2021			2020
	BYRV	Other	Total	
Purchase Price:	\$ 49,506	\$ 13,530	\$ 63,036	\$ 16,653
Note payable issued to former owners	-	-	-	1,600
	\$ 49,506	\$ 13,530	\$ 63,036	\$ 18,253

**SCHEDULE OF FAIR VALUE
OF CONSIDERATION PAID**

**SCHEDULE OF GOODWILL
ASSOCIATED WITH
MERGER**

	2021			2020
	BYRV	Other	Total	
Total consideration	\$49,506	\$13,530	\$63,036	\$18,253
Less net assets acquired	21,893	5,169	27,062	12,137
Goodwill	\$27,613	\$ 8,361	\$35,974	\$ 6,116

**SCHEDULE OF
IDENTIFIABLE INTANGIBLE
ASSETS ACQUIRED**

The following table summarizes the Company's allocation of the purchase price to the identifiable intangible assets acquired as of the date of the closings.

	Gross Asset Amount at Acquisition Date	Weighted Average Amortization Period in Years
Customer Lists	\$ 615	9.8 years
Dealer Agreements	\$ 28,900	9.8 years
Noncompete Agreement	\$ 230	5 years

**SCHEDULE OF PRO FORMA
FINANCIAL INFORMATION**

The following unaudited pro forma financial information summarizes the combined results of operations for the Company as though the purchase of Korges, Total RV, Camp-Land, Chilhowee, BYRV and Burlington had been consummated on January 1, 2020.

	For the three months ended September 30,		For the nine months ended September 30,	
	2021	2020	2021	2020
Revenue	\$ 338,132	\$ 275,100	\$ 1,015,664	\$ 1,090,244
Income before income taxes	\$ 40,835	\$ 10,603	\$ 88,915	\$ 95,216

Net income	\$	32,976	\$	5,848	\$	77,249	\$	18,565
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INVENTORIES (Tables)

9 Months Ended
Sep. 30, 2021

[Inventory Disclosure \[Abstract\]](#)
[SCHEDULE OF INVENTORIES](#)

Inventories consist of the following:

	As of September 30, 2021	As of December 31, 2020
	<u>(Unaudited)</u>	
New recreational vehicles	\$ 83,427	\$ 92,434
Pre-owned recreational vehicles	54,852	22,967
Parts, accessories and other	7,498	4,493
	<u>145,777</u>	<u>119,894</u>
Less: excess of current cost over LIFO	(5,036)	(3,627)
Total	<u>\$ 140,741</u>	<u>\$ 116,267</u>

**ACCOUNTS PAYABLE,
ACCRUED EXPENSES
AND OTHER CURRENT
LIABILITIES (Tables)**

9 Months Ended

Sep. 30, 2021

[Payables and Accruals \[Abstract\]](#)

[SCHEDULE OF ACCOUNTS PAYABLE, ACCRUED
EXPENSES AND OTHER CURRENT LIABILITIES](#)

Accounts payable, accrued expenses and other current liabilities consist of the following:

	As of September 30, 2021 (Unaudited)	As of December 31, 2020
Accounts payable	\$ 30,713	\$ 18,077
Other accrued expenses	6,469	4,713
Customer deposits	10,452	6,002
Accrued compensation	4,615	4,311
Accrued charge-backs	7,752	5,553
Accrued interest	127	125
Total	\$ 60,128	\$ 38,781

LEASES (Tables)

**9 Months Ended
Sep. 30, 2021**

Lessee Disclosure [Abstract]
SCHEDULE OF MATURITIES OF LEASE
LIABILITIES

Maturities of lease liabilities as of September 30, 2021 were as follows:

Maturity Date	Operating Leases
Remaining six months ending December 31, 2021	\$ 1,520
2022	5,937
2023	5,753
2024	4,734
2025	3,805
Thereafter	13,013
Total lease payments	34,762
Less: Imputed interest	5,749
Present value of lease liabilities	\$ 29,013

SCHEDULE OF SUPPLEMENTAL CASH FLOW
INFORMATION RELATED TO LEASES

The following presents supplemental cash flow information related to leases during 2021:

	For the nine months ended September 30, 2021	For the nine months ended September 30, 2020
Cash paid for amounts included in the measurement of lease liability:		
Operating cash flows for operating leases	\$ 1,929	\$ 2,894
ROU assets obtained in exchange for lease liabilities:		
Operating leases	\$ 16,378	\$ 756
Finance lease	\$ 24	\$ 4,015
	\$ 16,402	\$ 4,771

DEBT (Tables)

**9 Months Ended
Sep. 30, 2021**

[Debt Disclosure \[Abstract\]](#)
[SCHEDULE OF FLOOR PLAN
NOTES PAYABLE](#)

The M&T Floor Plan Line of Credit consists of the following:

	<u>As of September 30, 2021</u>	<u>As of December 31,2020</u>
	(Unaudited)	
Floor plan notes payable, gross	\$ 94,704	\$ 105,486
Debt discount	(705)	(87)
Floor plan notes payable, net of debt discount	<u>\$ 93,999</u>	<u>\$ 105,399</u>

[SCHEDULE OF MATURITIES OF
LONG-TERM DEBT](#)

The following schedule includes future payments on the term loan, mortgage, PPP loans and loans for acquisitions.

Future Maturities of Long Term
Debt

<u>Years ending December 31,</u>	
2021	\$ 1,636
2022	5,492
2023	3,575
2024	9,737
2025	400
Total	<u>\$ 20,840</u>

**STOCKHOLDERS'
EQUITY (Tables)**

**9 Months Ended
Sep. 30, 2021**

[Equity \[Abstract\]](#)
[SCHEDULE OF
WARRANTS ACTIVITY](#)

The Company had the following activity related to shares of common stock underlying warrants:

	Shares Underlying Warrants	Weighted Average Exercise Price
Warrants outstanding January 1, 2021	4,632,087	\$ 11.50
Granted	-	\$ -
Cancelled or Expired	-	\$ -
Exercised	(1,127,263)	\$ -
Warrants outstanding September 30, 2021	3,504,824	\$ 11.50

[SCHEDULE OF FAIR
VALUES FOR
OUTSTANDING
WARRANTS LIABILITIES](#)

The Company accounts for its warrants in the following ways: (i) the public warrants ("Public Warrants") as equity for all periods presented; (ii) the private placement warrants ("Private Warrants") as liabilities for all periods presented; and (iii) the warrants issued in connection with the Private Investment in Public Equity ("PIPE") transaction ("PIPE Warrants") as liabilities for all periods presented. The Company determined the following fair values for the outstanding common stock warrants recorded as liabilities:

	September 30, 2021	December 31, 2020 <i>(Restated)</i>
PIPE Warrants	\$ 13,666	\$ 13,716
Private Warrants	1,823	1,380
Total warrant liabilities	\$ 15,489	\$ 15,096

[SCHEDULE OF STOCK
OPTION ACTIVITY](#)

Stock option activity is summarized below:

	Shares Underlying Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Aggregate Intrinsic Value
Options outstanding at January 1, 2021	4,063,362	\$ 10.60		
Granted	20,000	\$ 23.11		
Cancelled or terminated	(50,000)	\$ -		
Exercised	(858,467)	\$ 10.60		
Options outstanding at September 30, 2021	3,174,895	\$ 10.66	1.92	\$ 33,923
Options vested at September 30, 2021	2,107,922	\$ 10.82	1.90	\$ 23,861

[SCHEDULE OF FAIR
VALUE ASSUMPTIONS OF
AWARDS](#)

	For the nine months ended September 30, 2021
Risk free interest rate	0.77%
Expected term (years)	3.5
Expected volatility	81%
Expected dividends	0.00%

**FAIR VALUE MEASURES
(Tables)**

**9 Months Ended
Sep. 30, 2021**

[Fair Value Disclosures \[Abstract\]](#)
[SCHEDULE OF FAIR VALUE
ADJUSTMENTS FOR PRIVATE
WARRANTS LIABILITIES](#)

	September 30, 2021			December 31, 2020 (Restated)				
	Carrying Amount	Level 1	Level 2	Level 3	Carrying Amount	Level 1	Level 2	Level 3
PIPE Warrants	\$ 13,666	\$13,666	\$ -	\$ -	\$ 13,716	\$13,716	\$ -	\$ -
Private Warrants	1,823	-	-	1,823	1,380	-	-	1,380
Total	\$ 15,489	\$13,666	\$ -	\$1,823	\$ 15,096	\$13,716	\$ -	\$1,380

[SCHEDULE OF FAIR VALUE
MEASUREMENTS](#)

The following table provides quantitative information regarding Level 3 fair value measurements:

	September 30, 2021	December 31, 2020 (Restated)
Stock Price	\$ 21.34	\$ 16.25
Strike Price	\$ 11.50	\$ 11.50
Expected life	1.45	2.20
Volatility	73.8%	81.2%
Risk Free rate	0.18%	0.14%
Dividend yield	0.00%	0.00%
Fair value of warrants	\$ 5.88	\$ 4.45

[SCHEDULE OF FAIR VALUE
MEASURED LIABILITIES](#)

The following table presents changes in Level 3 liabilities measured at fair value for the nine months ended September 30, 2021:

	PIPE Warrants	Private Warrants
Balance at December 31, 2020 (restated)	\$ 13,717	\$ 1,380
Exercise or conversion	(10,697)	-
Measurement adjustment	10,646	443
Balance at September 30, 2021	<u>\$ 13,666</u>	<u>\$ 1,823</u>

**SCHEDULE OF
ORIGINALLY REPORTED,
ADJUSTMENTS, AND
RESTATE BALANCES
(Details) - USD (\$)
\$ / shares in Units, \$ in
Thousands**

3 Months Ended

9 Months Ended

	Sep. 30, 2021	Jun. 30, 2021	Mar. 31, 2021	Sep. 30, 2020	Jun. 30, 2020	Mar. 31, 2020	Sep. 30, 2021	Sep. 30, 2020	Dec. 31, 2020	Dec. 31, 2019
<u>Total Assets</u>	\$ 562,319			\$ 397,905			\$ 562,319	\$ 397,905	\$	443,998
<u>Total current liabilities</u>	170,541			137,808			170,541	137,808	174,177	
<u>Financing liability, non-current portion, net of debt discount</u>	88,701			71,095			88,701	71,095	78,634	
<u>Long term debt, non-current portion, net of debt discount</u>	14,787			10,512			14,787	10,512	8,445	
<u>Operating lease liability, non- current portion</u>	23,038			12,841			23,038	12,841	12,056	
<u>Deferred tax liability</u>	15,091			16,451			15,091	16,451	15,091	
<u>Warrant liabilities</u>	15,489			10,992			15,489	10,992	15,096	
<u>Total liabilities</u>	327,647			259,699			327,647	259,699	303,499	
<u>Commitments and Contingencies</u>										
<u>Series A Convertible Preferred Stock; 600,000 shares, designated, issued, and outstanding as of December 31, 2020; liquidation preference of \$60,000 as of December 31, 2020</u>	54,983			54,983			54,983	54,983	54,983	
<u>Preferred Stock, \$0.0001 par value; 5,000,000 shares authorized;</u>										
<u>Common stock, \$0.0001 par value; 100,000,000 shares authorized; 9,593,150 shares issued and 9,451,851 outstanding at September 30, 2020</u>										
<u>Additional paid-in capital</u>	100,277			69,940			100,277	69,940	71,226	
<u>Treasury Stock, at cost, 141,299 shares at September 30, 2020</u>	(499)			(499)			(499)	(499)	(499)	
<u>Retained earnings</u>	79,911			13,782			79,911	13,782	14,789	
<u>Total stockholders' equity</u>	179,689	\$	\$	83,223	\$	\$	179,689	83,223	85,516	\$
		141,482	115,235		81,049	76,973				74,683
<u>Total liabilities and stockholders' equity</u>	562,319			397,905			562,319	397,905	\$	443,998
<u>Income from Operations</u>	38,139			17,532			97,867	36,936		
<u>Interest expense</u>	(2,006)			(1,749)			(5,733)	(6,262)		
<u>Change in fair value of warrant liabilities</u>	2,162			(7,899)			(11,090)	(10,245)		

<u>Total other expense</u>	156		(9,648)		(10,443)	(16,507)
<u>Income before income tax expense</u>	38,295		7,884		87,424	20,429
<u>Income tax expense</u>	7,326		4,184		22,299	8,020
<u>Net Income</u>	30,969	\$ 25,309	8,844	3,700	\$ 5,310	3,399
					65,125	12,409
<u>Dividends of Series A Convertible Preferred Stock</u>	(1,210)		(1,745)		(3,591)	(5,073)
<u>Net income (loss) attributable to common stock and participating securities</u>	\$ 29,759		\$ 1,955		\$ 61,534	\$ 7,336
<u>Weighted average shares outstanding basic and diluted</u>	21,007,513		10,807,368		20,833,731	10,747,370
<u>Adjustments to reconcile net income to net cash provided by operating activities:</u>					\$ 21,107	\$ 129,492
<u>Change in fair value of warrant liabilities</u>	\$ (2,162)		\$ 7,899		11,090	10,245
<u>Net cash provided by operating activities</u>					86,232	141,901
<u>Net cash used in investing activities</u>					(79,804)	(7,005)
<u>Net cash used in financing activities</u>					(2,913)	(84,700)
<u>Net change in cash and cash equivalents</u>					3,515	50,196
<u>Cash - Beginning</u>		\$ 63,512			31,458	63,512
<u>Cash - Ending</u>	\$ 67,027		81,654		\$ 67,027	81,654
<u>Previously Reported [Member]</u>						
<u>Total Assets</u>			397,905			397,905
<u>Total current liabilities</u>			137,808			137,808
<u>Financing liability, non-current portion, net of debt discount</u>			71,095			71,095
<u>Long term debt, non-current portion, net of debt discount</u>			10,512			10,512
<u>Operating lease liability, non-current portion</u>			12,841			12,841
<u>Deferred tax liability</u>			16,451			16,451
<u>Warrant liabilities</u>						
<u>Total liabilities</u>			248,707			248,707
<u>Series A Convertible Preferred Stock; 600,000 shares, designated, issued, and outstanding as of December 31, 2020; liquidation preference of \$60,000 as of December 31, 2020</u>			54,983			54,983
<u>Preferred Stock, \$0.0001 par value; 5,000,000 shares authorized;</u>						

<u>Common stock, \$0.0001 par value; 100,000,000 shares authorized; 9,593,150 shares issued and 9,451,851 outstanding at September 30, 2020</u>			
<u>Additional paid-in capital</u>	78,931		78,931
<u>Treasury Stock, at cost, 141,299 shares at September 30, 2020</u>	(499)		(499)
<u>Retained earnings</u>	15,783		15,783
<u>Total stockholders' equity</u>	94,215		94,215
<u>Total liabilities and stockholders' equity</u>	397,905		397,905
<u>Income from Operations</u>	17,532		36,944
<u>Loss on sale of property and equipment</u>			(8)
<u>Interest expense</u>	(1,749)		(6,262)
<u>Change in fair value of warrant liabilities</u>			
<u>Total other expense</u>	(1,749)		(6,270)
<u>Income before income tax expense</u>	15,783		30,674
<u>Income tax expense</u>	(4,184)		(8,020)
<u>Net Income</u>	11,599		22,654
<u>Dividends of Series A Convertible Preferred Stock</u>	(1,745)		(5,073)
<u>Net income (loss) attributable to common stock and participating securities</u>	\$ 9,854		\$ 17,581
<u>Basic and diluted income (loss) per share</u>	\$ 0.55		\$ 1.00
<u>Weighted average shares outstanding basic and diluted</u>	10,807,368		10,747,370
<u>Adjustments to reconcile net income to net cash provided by operating activities:</u>			\$ 119,247
<u>Change in fair value of warrant liabilities</u>			
<u>Net cash provided by operating activities</u>			141,901
<u>Net cash used in investing activities</u>			(7,005)
<u>Net cash used in financing activities</u>			(84,700)
<u>Net change in cash and cash equivalents</u>			50,196
<u>Cash - Beginning</u>		31,458	31,458
<u>Cash - Ending</u>	81,654		81,654
<u>Revision of Prior Period, Adjustment [Member]</u>			

<u>Total Assets</u>		
<u>Total current liabilities</u>		
<u>Financing liability, non-current portion, net of debt discount</u>		
<u>Long term debt, non-current portion, net of debt discount</u>		
<u>Operating lease liability, non-current portion</u>		
<u>Deferred tax liability</u>		
<u>Warrant liabilities</u>	10,992	10,992
<u>Total liabilities</u>	10,992	10,992
<u>Series A Convertible Preferred Stock; 600,000 shares, designated, issued, and outstanding as of December 31, 2020; liquidation preference of \$60,000 as of December 31, 2020</u>		
<u>Preferred Stock, \$0.0001 par value; 5,000,000 shares authorized;</u>		
<u>Common stock, \$0.0001 par value; 100,000,000 shares authorized; 9,593,150 shares issued and 9,451,851 outstanding at September 30, 2020</u>		
<u>Additional paid-in capital</u>	(8,991)	(8,991)
<u>Treasury Stock, at cost, 141,299 shares at September 30, 2020</u>		
<u>Retained earnings</u>	(2,001)	(2,001)
<u>Total stockholders' equity</u>	(10,992)	(10,992)
<u>Total liabilities and stockholders' equity</u>		
<u>Income from Operations</u>		
<u>Loss on sale of property and equipment</u>		
<u>Interest expense</u>		
<u>Change in fair value of warrant liabilities</u>	(7,899)	(10,245)
<u>Total other expense</u>	(7,899)	(10,245)
<u>Income before income tax expense</u>	(7,899)	(10,245)
<u>Income tax expense</u>		
<u>Net Income</u>	(7,899)	(10,245)
<u>Dividends of Series A Convertible Preferred Stock</u>		
<u>Net income (loss) attributable to common stock and participating securities</u>	\$ (7,899)	\$ (10,245)

<u>Basic and diluted income (loss) per share</u>	\$ (0.42)	\$ (0.50)
<u>Weighted average shares outstanding basic and diluted</u>	10,807,368	10,747,370
<u>Change in fair value of warrant liabilities</u>	\$ 7,899	\$ 10,245
<u>Net cash provided by operating activities</u>		
<u>Net cash used in investing activities</u>		
<u>Net cash used in financing activities</u>		
<u>Net change in cash and cash equivalents</u>		
<u>Cash - Beginning</u>		
<u>Cash - Ending</u>		
<u>As Restated [Member]</u>		
<u>Income from Operations</u>	17,532	36,944
<u>Loss on sale of property and equipment</u>		(8)
<u>Interest expense</u>	(1,749)	(6,262)
<u>Change in fair value of warrant liabilities</u>	(7,899)	(10,245)
<u>Total other expense</u>	(9,648)	(16,515)
<u>Income before income tax expense</u>	7,884	20,429
<u>Income tax expense</u>	(4,184)	(8,020)
<u>Net Income</u>	3,700	12,409
<u>Dividends of Series A Convertible Preferred Stock</u>	(1,745)	(5,073)
<u>Net income (loss) attributable to common stock and participating securities</u>	\$ 1,955	\$ 7,336
<u>Basic and diluted income (loss) per share</u>	\$ 0.13	\$ 0.50
<u>Weighted average shares outstanding basic and diluted</u>	10,807,368	10,747,370
<u>Adjustments to reconcile net income to net cash provided by operating activities:</u>		\$ 119,247
<u>Change in fair value of warrant liabilities</u>	\$ 7,899	10,245
<u>Net cash provided by operating activities</u>		141,901
<u>Net cash used in investing activities</u>		(7,005)
<u>Net cash used in financing activities</u>		(84,700)
<u>Net change in cash and cash equivalents</u>		50,196

<u>Cash - Beginning</u>		\$	31,458
<u>Cash - Ending</u>	\$ 81,654	31,458	\$ 81,654

**SCHEDULE OF
DISAGGREGATION OF
REVENUE (Details)
(Parenthetical) - USD (\$)
\$ / shares in Units, \$ in
Thousands**

Sep. 30, 2021 Dec. 31, 2020 Sep. 30, 2020

Accounting Policies [Abstract]

<u>Series A convertible preferred stock, shares designated</u>	600,000	600,000	
<u>Series A convertible preferred stock, shares issued</u>	600,000	600,000	
<u>Series A convertible preferred stock, shares outstanding</u>	600,000	600,000	
<u>Temporary Equity, Liquidation Preference</u>	\$ 60,000	\$ 60,000	
<u>Preferred stock, par value</u>	\$ 0.0001	\$ 0.0001	\$ 0.0001
<u>Preferred stock, shares authorized</u>	5,000,000	5,000,000	5,000,000
<u>Common stock, par value</u>	\$ 0.0001	\$ 0.0001	\$ 0.0001
<u>Common stock, shares authorized</u>	100,000,000	100,000,000	100,000,000
<u>Common stock, shares issued</u>	11,665,423	9,656,041	9,593,150
<u>Common stock, shares outstanding</u>	11,524,124	9,514,742	9,451,851
<u>Treasury stock, shares</u>	141,299	141,299	141,299

**SCHEDULE OF
DISAGGREGATION OF
REVENUE (Details) - USD
(\$)**

\$ in Thousands

	3 Months Ended		9 Months Ended	
	Sep. 30, 2021	Sep. 30, 2020	Sep. 30, 2021	Sep. 30, 2020

Product Information [Line Items]

<u>Revenue</u>	\$ 318,728	\$ 215,723	\$ 912,512	\$ 620,538
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New Vehicles Revenue [Member]

Product Information [Line Items]

<u>Revenue</u>	181,395	130,297	550,366	362,139
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Pre-owned Vehicle Revenue [Member]

Product Information [Line Items]

<u>Revenue</u>	104,386	64,255	270,509	191,106
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Parts Accessories And Related Services [Member]

Product Information [Line Items]

<u>Revenue</u>	12,233	9,470	34,571	29,400
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Finance And Insurance Revenue [Member]

Product Information [Line Items]

<u>Revenue</u>	20,130	11,073	54,476	35,108
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Campground And Other Revenue [Member]

Product Information [Line Items]

<u>Revenue</u>	\$ 584	\$ 628	\$ 2,590	\$ 2,785
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**SCHEDULE OF REVENUE
RECOGNIZED OF
FINANCE AND
INSURANCE REVENUES
(Details) - USD (\$)
\$ in Thousands**

3 Months Ended **9 Months Ended**
Sep. 30, 2021 **Sep. 30, 2020** **Sep. 30, 2021** **Sep. 30, 2020**

[Accounting Policies \[Abstract\]](#)

<u>Gross finance and insurance revenues</u>	\$ 22,193	\$ 13,073	\$ 60,113	\$ 39,573
<u>Additions to charge-back allowance</u>	(2,063)	(2,000)	(5,637)	(4,465)
<u>Net Finance Revenue</u>	\$ 20,130	\$ 11,073	\$ 54,476	\$ 35,108

SUMMARY OF NET INCOME (LOSS) ATTRIBUTE TO COMMON STOCKHOLDERS (Details) - USD (\$) \$ / shares in Units, \$ in Thousands	3 Months Ended		9 Months Ended	
	Sep. 30,	Sep. 30,	Sep. 30,	Sep. 30,
	2021	2020	2021	2020

**Deferred Compensation Arrangement with Individual,
Excluding Share-based Payments and Postretirement Benefits
[Line Items]**

<u>Net earnings allocated to common stock and participating securities</u>	\$ 29,759	\$ 1,955	\$ 61,534	\$ 7,336
<u>Weighted average shares outstanding for basic earning per common share</u>	11,556,423	9,753,211	11,146,020	9,746,136
<u>Dilutive effect of warrants and options</u>	300,357	300,357	300,357	300,357
<u>Weighted average shares outstanding for diluted earnings per share computation</u>	21,007,513	10,807,368	20,833,731	10,747,370
<u>Basic income per common share</u>	\$ 1.69	\$ 0.12	\$ 3.58	\$ 0.44
<u>Diluted income per common share</u>	\$ 1.16	\$ 0.11	\$ 2.75	\$ 0.40

**Deferred Compensation Arrangement with Individual,
Excluding Share-based Payments and Postretirement Benefits
[Line Items]**

<u>Distributed earning allocated to common stock</u>				
<u>Undistributed earnings allocated to common stock</u>	19,541	1,140	39,903	4,314
<u>Net earnings allocated to common stock</u>	19,541	1,140	39,903	4,314
<u>Net earnings allocated to participating securities</u>	10,218	815	21,631	3,022
<u>Net earnings allocated to common stock and participating securities</u>	\$ 29,759	\$ 1,955	\$ 61,534	\$ 7,336
<u>Weighted average shares outstanding for basic earning per common share</u>	11,256,066	9,753,211	10,845,663	9,746,136
<u>Dilutive effect of warrants and options</u>	300,357	1,054,157	300,357	1,001,234
<u>Weighted average shares outstanding for diluted earnings per share computation</u>	11,556,423	10,807,368	11,146,020	10,747,370
<u>Basic income per common share</u>	\$ 1.69	\$ 0.12	\$ 3.58	\$ 0.44
<u>Diluted income per common share</u>	\$ 1.16	\$ 0.11	\$ 2.75	\$ 0.40

**SCHEDULE OF
DENOMINATOR OF
BASIC EARNINGS PER
SHARE (Details) - shares**

	3 Months Ended		9 Months Ended	
	Sep. 30, 2021	Sep. 30, 2020	Sep. 30, 2021	Sep. 30, 2020

Accounting Policies [Abstract]

<u>Weighted average outstanding common shares</u>	11,256,066	9,452,854	10,845,663	9,445,779
<u>Weighted average prefunded warrants</u>	300,357	300,357	300,357	300,357
<u>Weighted shares outstanding - basic</u>	11,556,423	9,753,211	11,146,020	9,746,136

**SCHEDULE OF
DENOMINATOR OF
DILUTIVE EARNINGS
PER SHARE (Details) -
shares**

3 Months Ended

9 Months Ended

Sep. 30, 2021 Sep. 30, 2020 Sep. 30, 2021 Sep. 30, 2020

Accounting Policies [Abstract]

<u>Weighted average outstanding common shares</u>	11,256,066	9,452,854	10,845,663	9,445,779
<u>Weighted average prefunded warrants</u>	300,357	300,357	300,357	300,357
<u>Weighted average warrants</u>	1,704,003	381,071	1,704,003	381,071
<u>Weighted average options</u>	1,664,106	673,086	1,664,106	620,163
<u>Weighted average convertible preferred stock</u>	6,082,981		6,319,602	
<u>Weighted shares outstanding - diluted</u>	21,007,513	10,807,368	20,833,731	10,747,370

SCHEDULE OF ANTI-DILUTIVE SECURITIES EXCLUDED FROM COMPUTATION OF EARNINGS PER SHARE
(Details) - shares

	3 Months Ended		9 Months Ended	
	Sep. 30, 2021	Sep. 30, 2020	Sep. 30, 2021	Sep. 30, 2020
<u>Antidilutive Securities Excluded from Computation of Earnings Per Share [Line Items]</u>				
<u>Share equivalents excluded from EPS</u>	37,129	170,529	37,129	170,259
<u>Series A Convertible Preferred Stock [Member]</u>				
<u>Antidilutive Securities Excluded from Computation of Earnings Per Share [Line Items]</u>				
<u>Share equivalents excluded from EPS</u>				
<u>Warrant [Member]</u>				
<u>Antidilutive Securities Excluded from Computation of Earnings Per Share [Line Items]</u>				
<u>Share equivalents excluded from EPS</u>				
<u>Share-based Payment Arrangement, Option [Member]</u>				
<u>Antidilutive Securities Excluded from Computation of Earnings Per Share [Line Items]</u>				
<u>Share equivalents excluded from EPS</u>	20,000	150,000	20,000	150,000
<u>Employee Stock Purchase Plan [Member]</u>				
<u>Antidilutive Securities Excluded from Computation of Earnings Per Share [Line Items]</u>				
<u>Share equivalents excluded from EPS</u>	17,129	20,529	17,129	20,259

**SCHEDULE OF
GEOGRAPHIC
CONCENTRATION RISK
PERCENTAGE (Details) -
Geographic Concentration
Risk [Member] - Revenue
Benchmark [Member]**

3 Months Ended

9 Months Ended

Sep. 30, 2021 Sep. 30, 2020 Sep. 30, 2021 Sep. 30, 2020

FLORIDA

Product Information [Line Items]

Concentration risk percentage 44.00% 56.00% 49.00% 64.00%

COLORADO

Product Information [Line Items]

Concentration risk percentage 10.00% 17.00% 11.00% 15.00%

ARIZONA

Product Information [Line Items]

Concentration risk percentage 10.00% 12.00% 11.00%

Concentration risk percentage, description <10

TENNESSEE

Product Information [Line Items]

Concentration risk percentage 16.00% 14.00%

Concentration risk percentage, description <10

SIGNIFICANT ACCOUNTING POLICIES (Details Narrative) - USD (\$) \$ / shares in Units, \$ in Thousands	1	3 Months Ended			9 Months Ended						
	Months Ended	Apr. 30, 2020	Sep. 30, 2021	Jun. 30, 2021	Mar. 31, 2021	Sep. 30, 2020	Jun. 30, 2020	Mar. 31, 2020	Sep. 30, 2021	Sep. 30, 2020	Dec. 31, 2020
Product Information [Line Items]											
Net income		\$ 30,969	\$ 25,309	\$ 8,844	\$ 3,700	\$ 5,310	\$ 3,399	\$ 65,125	\$ 12,409		
Accrued charge-backs		7,751						7,751			\$ 5,553
Contract liabilities		4,573						4,573			
Lifo inventory value exceeds		5,036						5,036			3,627
Dividends payable		1,210						1,210			\$ 1,210
Understatement in earnings per share					\$ 0.12				\$ 0.21		
Advertising and promotion costs		\$ 5,881			\$ 2,139			15,494	\$ 9,229		
Paycheck Protection Program Loans [Member]											
Product Information [Line Items]											
Proceeds from loans								8,704			
Loan forgiveness								\$ 6,626			
Covid Nineteen [Member]											
Product Information [Line Items]											
Reduction of workforce percentage		25.00%									
Vendor One [Member] Supplier Concentration Risk [Member] Cost of Goods and Service, Product and Service Benchmark [Member]											
Product Information [Line Items]											
Concentration risk, percentage		46.70%			29.40%			46.30%	26.80%		
Vendor Two [Member] Supplier Concentration Risk [Member] Cost of Goods and Service, Product and Service Benchmark [Member]											
Product Information [Line Items]											
Concentration risk, percentage		31.80%			26.80%			30.30%	24.10%		
Vendor Three [Member] Supplier Concentration Risk [Member] Cost of Goods and Service, Product and Service Benchmark [Member]											
Product Information [Line Items]											
Concentration risk, percentage		18.00%			20.40%			19.40%	23.30%		
Vendor Four [Member] Supplier Concentration Risk [Member] Cost											

of Goods and Service, Product and Service Benchmark [Member]		
Product Information [Line Items]		
Concentration risk, percentage	20.20%	19.40%
Series A Convertible Preferred Stock [Member]		
Product Information [Line Items]		
Convertible preferred stock converted into common stock		5,962,733
Revision of Prior Period, Adjustment [Member]		
Product Information [Line Items]		
Net income	\$ (7,899)	\$ (10,245)
Revision of Prior Period, Adjustment [Member] Minimum [Member]		
Product Information [Line Items]		
Net income	(7,900)	
Previously Reported [Member]		
Product Information [Line Items]		
Net income	\$ 11,599	\$ 22,654

**SCHEDULE OF FAIR
VALUE OF ASSETS
ACQUIRED AND
LIABILITIES ASSUMED
(Details) - Acquisition of
Dealership [Member] - USD
(\$)**

Sep. 30, 2021 Dec. 31, 2020 Sep. 30, 2020

\$ in Thousands

Business Acquisition [Line Items]

<u>Inventories</u>	\$ 20,110	\$ 18,932	
<u>Inventories</u>	2,833	1,167	
<u>Inventories</u>	1,568	5,417	
<u>Inventories</u>	21,265	8,480	
<u>Inventories</u>	45,776	33,996	
<u>Inventories</u>	4,429	1,004	
<u>Inventories</u>	14,285	20,855	
<u>Inventories</u>	18,714	21,859	
<u>Inventories</u>	27,062	\$ 12,137	\$ 12,137

BYRV Washington, Inc [Member]

Business Acquisition [Line Items]

<u>Inventories</u>	10,262
<u>Inventories</u>	2,176
<u>Inventories</u>	939
<u>Inventories</u>	17,795
<u>Inventories</u>	31,172
<u>Inventories</u>	2,367
<u>Inventories</u>	6,912
<u>Inventories</u>	9,279
<u>Inventories</u>	21,893

Other [Member]

Business Acquisition [Line Items]

<u>Inventories</u>	9,848
<u>Inventories</u>	657
<u>Inventories</u>	629
<u>Inventories</u>	3,470
<u>Inventories</u>	14,604
<u>Inventories</u>	2,062
<u>Inventories</u>	7,373
<u>Inventories</u>	9,435
<u>Inventories</u>	\$ 5,169

SCHEDULE OF FAIR VALUE OF CONSIDERATION PAID
(Details) - Acquisition of Dealership [Member] - USD
(\$)
\$ in Thousands

9 Months Ended

Sep. 30, 2021 Sep. 30, 2020

Business Acquisition [Line Items]

Purchase Price: \$ 63,036 \$ 16,653

Purchase Price: 1,600

Purchase Price: 63,036 \$ 18,253

BYRV Washington, Inc [Member]

Business Acquisition [Line Items]

Purchase Price: 49,506

Purchase Price:

Purchase Price: 49,506

Other [Member]

Business Acquisition [Line Items]

Purchase Price: 13,530

Purchase Price:

Purchase Price: \$ 13,530

**SCHEDULE OF
GOODWILL ASSOCIATED
WITH MERGER (Details) -
USD (\$)
\$ in Thousands**

9 Months Ended

	Sep. 30, 2021	Sep. 30, 2020	Dec. 31, 2020
<u>Business Acquisition [Line Items]</u>			
<u>Total consideration</u>	\$ 81,473		\$ 45,095
<u>Acquisition of Dealership [Member]</u>			
<u>Business Acquisition [Line Items]</u>			
<u>Total consideration</u>	63,036	\$ 18,253	
<u>Total consideration</u>	27,062	12,137	\$ 12,137
<u>Total consideration</u>	35,974	\$ 6,116	
<u>Acquisition of Dealership [Member] BYRV Washington, Inc [Member]</u>			
<u>Business Acquisition [Line Items]</u>			
<u>Total consideration</u>	49,506		
<u>Total consideration</u>	21,893		
<u>Total consideration</u>	27,613		
<u>Acquisition of Dealership [Member] Other [Member]</u>			
<u>Business Acquisition [Line Items]</u>			
<u>Total consideration</u>	13,530		
<u>Total consideration</u>	5,169		
<u>Total consideration</u>	\$ 8,361		

**SCHEDULE OF
IDENTIFIABLE
INTANGIBLE ASSETS
ACQUIRED (Details) -
Acquisition of Dealership
[Member]
\$ in Thousands**

9 Months Ended

**Sep. 30, 2021
USD (\$)**

[Customer Lists \[Member\]](#)

[Acquired Finite-Lived Intangible Assets \[Line Items\]](#)

[Intangible Assets, Gross Asset Amount at Acquisition Date](#) \$ 615

[Intangible Assets, Weighted Average Amortization Period in Years](#) 9 years 292 days

[Dealer Agreements \[Member\]](#)

[Acquired Finite-Lived Intangible Assets \[Line Items\]](#)

[Intangible Assets, Gross Asset Amount at Acquisition Date](#) \$ 28,900

[Intangible Assets, Weighted Average Amortization Period in Years](#) 9 years 292 days

[Noncompete Agreements \[Member\]](#)

[Acquired Finite-Lived Intangible Assets \[Line Items\]](#)

[Intangible Assets, Gross Asset Amount at Acquisition Date](#) \$ 230

[Intangible Assets, Weighted Average Amortization Period in Years](#) 5 years

**SCHEDULE OF PRO
FORMA FINANCIAL
INFORMATION (Details) -
Acquisition of Dealership
[Member] - USD (\$)
\$ in Thousands**

	3 Months Ended		9 Months Ended	
	Sep. 30, 2021	Sep. 30, 2020	Sep. 30, 2021	Sep. 30, 2020
<u>Revenue</u>	\$ 338,132	\$ 275,100	\$ 1,015,664	\$ 1,090,244
<u>Income before income taxes</u>	40,835	10,603	88,915	95,216
<u>Net income</u>	\$ 32,976	\$ 5,848	\$ 77,249	\$ 18,565

**BUSINESS
COMBINATION (Details
Narrative) - USD (\$)
\$ in Thousands**

	3 Months Ended	9 Months Ended
Dec. 01, 2020	Sep. 30, 2021	Sep. 30, 2021

Statement Line Items

Business Acquisition [Line Items]

Revenue related to acquisitions

\$ 75,733

\$ 158,970

Net loss prior to income taxes related to acquisitions

\$ 11,492

\$ 39,618

Asset Purchase Agreement [Member] | Camp Land Inc
[Member]

Business Acquisition [Line Items]

Debt instrument, maturity date

Jan. 05, 2025

Payments of principal and interest

\$ 435

Debt instrument, interest rate

3.35%

**SCHEDULE OF
INVENTORIES (Details) -
USD (\$)
\$ in Thousands**

Sep. 30, 2021 Dec. 31, 2020

Inventory [Line Items]

<u>Inventories, gross</u>	\$ 145,777	\$ 119,894
<u>Less: excess of current cost over LIFO</u>	(5,036)	(3,627)
<u>Inventories, net</u>	140,741	116,267

New Recreational Vehicles [Member]

Inventory [Line Items]

<u>Inventories, gross</u>	83,427	92,434
<u>Pre-owned Recreational Vehicles [Member]</u>		

Inventory [Line Items]

<u>Inventories, gross</u>	54,852	22,967
<u>Parts Accessories and Other [Member]</u>		

Inventory [Line Items]

<u>Inventories, gross</u>	\$ 7,498	\$ 4,493
---------------------------	----------	----------

SCHEDULE OF
ACCOUNTS PAYABLE,
ACCRUED EXPENSES
AND OTHER CURRENT **Sep. 30, 2021 Dec. 31, 2020**
LIABILITIES (Details) -
USD (\$)
\$ in Thousands

Payables and Accruals [Abstract]

<u>Accounts payable</u>	\$ 30,713	\$ 18,077
<u>Other accrued expenses</u>	6,469	4,713
<u>Customer deposits</u>	10,452	6,002
<u>Accrued compensation</u>	4,615	4,311
<u>Accrued charge-backs</u>	7,752	5,553
<u>Accrued interest</u>	127	125
<u>Total</u>	\$ 60,128	\$ 38,781

**SCHEDULE OF
MATURITIES OF LEASE
LIABILITIES (Details)
\$ in Thousands**

**Sep. 30, 2021
USD (\$)**

Lessee Disclosure [Abstract]

<u>Remaining six months ending December 31, 2021</u>	\$ 1,520
<u>2022</u>	5,937
<u>2023</u>	5,753
<u>2024</u>	4,734
<u>2025</u>	3,805
<u>Thereafter</u>	13,013
<u>Total lease payments</u>	34,762
<u>Less: Imputed interest</u>	5,749
<u>Present value of lease liabilities</u>	\$ 29,013

**SCHEDULE OF
SUPPLEMENTAL CASH
FLOW INFORMATION
RELATED TO LEASES
(Details) - USD (\$)
\$ in Thousands**

9 Months Ended

Sep. 30, 2021 Sep. 30, 2020

Lessee Disclosure [Abstract]

<u>Operating cash flows for operating leases</u>	\$ 1,929	\$ 2,894
<u>Operating leases</u>	16,378	756
<u>Finance lease</u>	24	4,015
<u>ROU assets obtained in exchange for lease liabilities</u>	\$ 16,402	\$ 4,771

LEASES (Details Narrative) - USD (\$) \$ in Thousands	9 Months Ended				
	Mar. 10, 2020	Sep. 30, 2021	Sep. 30, 2020	Dec. 31, 2020	May 19, 2020
Lease term		12 months			
Property and equipment		\$ 118,643		\$ 106,320	
Operating Lease, Weighted Average		7 years 2 months			
Remaining Lease Term		12 days			
Weighted-average discount rate of operating leases		5.00%			
Operating lease cost		\$ 1,929	\$ 2,894		
Short term leases		\$ 0			
L D Murfreesboro T N Landlord L L C [Member]					
Proceeds from sale of land	\$ 4,921				
Korges Enterprises Inc [Member]					
Property and equipment				\$ 4,015	
Financing liability offset amount				\$ 4,015	
Maximum [Member]					
Lease renewal terms		20 years			

**SCHEDULE OF FLOOR
PLAN NOTES PAYABLE
(Details) - Floor Plan Notes
Payable [Member] - USD (\$)
\$ in Thousands**

Sep. 30, 2021 Dec. 31, 2020

Short-term Debt [Line Items]

<u>Floor plan notes payable, gross</u>	\$ 94,704	\$ 105,486
<u>Debt discount</u>	(705)	(87)
<u>Floor plan notes payable, net of debt discount</u>	\$ 93,999	\$ 105,399

DEBT (Details Narrative) - USD (\$) \$ in Thousands	9 Months Ended									
	Jul. 14, 2021	Jun. 14, 2021	Feb. 13, 2021	May 04, 2020	Apr. 30, 2020	Apr. 28, 2020	Mar. 06, 2020	Mar. 15, 2018	Sep. 30, 2021	Jun. 30, 2021
Paycheck Protection Program Loans [Member]										
Debt Instrument [Line Items]										
Notes payable						\$				
						6,831				
Debt instrument maturity date				May 04, 2022	Apr. 30, 2022	Apr. 29, 2022				
Proceeds from notes payable				\$	\$					
				637	1,236					
Debt instrument interest rate						1.00%				
Loans forgiven								\$ 6,626		
Amended and Restated Credit Agreement [Member]										
Debt Instrument [Line Items]										
Line of credit maximum borrowing capacity	\$	369,100								
Amended and Restated Credit Agreement [Member] Term Loan [Member]										
Debt Instrument [Line Items]										
Line of credit maximum borrowing capacity		11,300								
Amended and Restated Credit Agreement [Member] Mortgage Loan Facility [Member]										
Debt Instrument [Line Items]										
Line of credit maximum borrowing capacity		5,800								
Amended and Restated Credit Agreement [Member] Interest Rate Floor [Member]										
Debt Instrument [Line Items]										
Line of credit maximum borrowing capacity		327,000								
M&T Facility [Member]										

Debt Instrument [Line Items]

Line of credit maximum borrowing capacity \$ 200,000

Line of credit facility, expiration date Mar. 15, 2021

Line of credit facility, extended expiration date Sep. 15, 2021 Jun. 15, 2021

M&T Facility [Member] | Third Amendment [Member]

Debt Instrument [Line Items]

Line of credit maximum borrowing capacity \$ 6,136

Line of credit facility, expiration date Mar. 15, 2021

Line of credit facility, extended expiration date Sep. 15, 2021 Jun. 15, 2021

Repayments of loan monthly installments \$ 30

M&T Facility [Member] | Third Amendment [Member] |

London Interbank Offered Rate (LIBOR) [Member]

Debt Instrument [Line Items]

Percentage of leverage ratio 2.25%

M&T Facility [Member] | Third Amendment [Member] | Base Rate [Member]

Debt Instrument [Line Items]

Percentage of leverage ratio 1.25%

Revolving Credit Facility [Member] | Amended and Restated Credit Agreement [Member]

Debt Instrument [Line Items]

Line of credit maximum borrowing capacity \$ 25,000

Mortgage Loan Facility [Member]

Debt Instrument [Line Items]

Outstanding balance \$ 5,778

Interest rate 2.3328%

Maximum amount of cash dividends \$ 64,125

Mortgage Loan Facility [Member] | London Interbank

Offered Rate (LIBOR)

[Member]

Debt Instrument [Line Items]

Percentage of leverage ratio 2.25%

Mortgage Loan Facility

[Member] | Base Rate

[Member]

Debt Instrument [Line Items]

Percentage of leverage ratio 1.25%

Mortgage Loan Facility

[Member] | Third Amendment

[Member]

Debt Instrument [Line Items]

Repayments of loan monthly installments \$ 30

M&T Floor Plan Line of

Credit [Member]

Debt Instrument [Line Items]

Line of credit maximum borrowing capacity \$ 327,000

Line of credit rate description The Base Rate is The \$327,000 M&T Floor Plan defined in Line of Credit the new may be used to M&T finance new Facility as vehicle inventory, the but only \$90,000 highest of may be used to M&T's finance pre-prime owned vehicle rate, the inventory and Federal \$1,000 for Funds permitted rate plus Company 0.50% or vehicles.

	one-month LIBOR plus 1.00%.	Principal becomes due upon the sale of the related vehicle.
<u>Line of credit commitments percentage</u>	0.15%	
<u>M&T Floor Plan Line of Credit [Member] Vehicles [Member]</u>		
<u>Debt Instrument [Line Items]</u>		
<u>Interest rate</u>		2.08413%
<u>M&T Floor Plan Line of Credit [Member] Pre Owned Vehicle Inventory [Member]</u>		
<u>Debt Instrument [Line Items]</u>		
<u>Line of credit maximum borrowing capacity</u>		\$ 90,000
<u>M&T Floor Plan Line of Credit [Member] London Interbank Offered Rate (LIBOR) [Member] Minimum [Member]</u>		
<u>Debt Instrument [Line Items]</u>		
<u>Percentage of leverage ratio</u>		2.00%
<u>M&T Floor Plan Line of Credit [Member] London Interbank Offered Rate (LIBOR) [Member] Maximum [Member]</u>		
<u>Debt Instrument [Line Items]</u>		
<u>Percentage of leverage ratio</u>		2.30%
<u>M&T Floor Plan Line of Credit [Member] Base Rate [Member] Minimum [Member]</u>		
<u>Debt Instrument [Line Items]</u>		
<u>Percentage of leverage ratio</u>		1.00%
<u>M&T Floor Plan Line of Credit [Member] Base Rate [Member] Maximum [Member]</u>		

**Debt Instrument [Line
Items]**

Percentage of leverage ratio 1.30%

M&T Term Loan [Member]

**Debt Instrument [Line
Items]**

Repayments of loan monthly
installments \$ 242

Interest rate 2.3337%

Long-term Debt, Gross 11,300 \$ 10,817

Debt Instrument, Periodic

Payment Terms, Balloon \$ 2,600

Payment to be Paid

M&T Term Loan [Member] |

London Interbank Offered

Rate (LIBOR) [Member] |

Minimum [Member]

**Debt Instrument [Line
Items]**

Percentage of leverage ratio 2.25%

M&T Term Loan [Member] |

London Interbank Offered

Rate (LIBOR) [Member] |

Maximum [Member]

**Debt Instrument [Line
Items]**

Percentage of leverage ratio 3.00%

M&T Term Loan [Member] |

Base Rate [Member] |

Minimum [Member]

**Debt Instrument [Line
Items]**

Percentage of leverage ratio 1.25%

M&T Term Loan [Member] |

Base Rate [Member] |

Maximum [Member]

**Debt Instrument [Line
Items]**

Percentage of leverage ratio 2.00%

M&T Revolver [Member]

**Debt Instrument [Line
Items]**

Line of credit maximum
borrowing capacity \$ 25,000

M&T Revolver [Member] |

Minimum [Member]

**Debt Instrument [Line
Items]**

Line of credit commitments
percentage 0.25%

M&T Revolver [Member] |
Maximum [Member]

**Debt Instrument [Line
Items]**

Line of credit commitments
percentage 0.50%

M&T Revolver [Member] |
London Interbank Offered
Rate (LIBOR) [Member] |
Minimum [Member]

**Debt Instrument [Line
Items]**

Percentage of leverage ratio 2.25%

M&T Revolver [Member] |
London Interbank Offered
Rate (LIBOR) [Member] |
Maximum [Member]

**Debt Instrument [Line
Items]**

Percentage of leverage ratio 3.00%

M&T Revolver [Member] |
Base Rate [Member] |
Minimum [Member]

**Debt Instrument [Line
Items]**

Percentage of leverage ratio 1.25%

M&T Revolver [Member] |
Base Rate [Member] |
Maximum [Member]

**Debt Instrument [Line
Items]**

Percentage of leverage ratio 2.00%

**INCOME TAXES (Details
Narrative) - USD (\$)
\$ in Thousands**

3 Months Ended **9 Months Ended**
Sep. 30, 2021 **Sep. 30, 2020** **Sep. 30, 2021** **Sep. 30, 2020**

Income Tax Disclosure [Abstract]

<u>Provision for federal and state income taxes</u>	\$ 7,326	\$ 4,184	\$ 22,299	\$ 8,020
<u>Effective tax rates, percentage</u>	19.10%	53.10%	25.50%	39.30%
<u>Federal statutory rate, percentage</u>			21.00%	

**COMMITMENTS AND
CONTINGENCIES (Details
Narrative) - USD (\$)
\$ in Thousands**

**1 Months Ended 9 Months Ended
May 31, 2018 Sep. 30, 2021**

Chief Financial Officer [Member] Employee Relocation [Member]		
Loss Contingencies [Line Items]		
Relocation allowance	\$ 100	
Chief Financial Officer [Member] Maximum [Member]		
Loss Contingencies [Line Items]		
Percentage of target bonus on base salary	150.00%	
Non Employee Members [Member]		
Loss Contingencies [Line Items]		
Annual cash compensation		\$ 50
Committee of Board of Directors [Member]		
Loss Contingencies [Line Items]		
Annual cash compensation		5
Chairman of Any Committees [Member]		
Loss Contingencies [Line Items]		
Annual cash compensation		10
Employment Agreement [Member] Chief Executive Officer [Member]		
Loss Contingencies [Line Items]		
Initial base salary		\$ 540
Percentage of target bonus on base salary		100.00%
Employment Agreement [Member] Chief Financial Officer [Member]		
Loss Contingencies [Line Items]		
Initial base salary	\$ 325	
Percentage of target bonus on base salary	75.00%	

PREFERRED STOCK (Details Narrative) \$ / shares in Units, \$ in Thousands	Mar. 15, 2018 USD (\$) \$ / shares shares	Sep. 30, 2021 USD (\$) \$ / shares shares	Dec. 31, 2020 USD (\$)
<u>Subsidiary, Sale of Stock</u> <u>[Line Items]</u>			
<u>Preferred stock conversion</u> <u>price per share</u>	\$ 9.72		
<u>Market price per share on the</u> <u>date of issuance</u>	\$ 10.29		
<u>Beneficial conversion feature</u> <u>on series a convertible</u> <u>preferred stock \$</u>	\$ 3,392		
<u>Reduction in preferred stock </u> <u>\$</u>	\$ 2,035		
<u>Dividends payable \$</u>		\$ 1,210 \$ 1,210	
<u>Measurement Input, Expected</u> <u>Term [Member]</u>			
<u>Subsidiary, Sale of Stock</u> <u>[Line Items]</u>			
<u>Fair value assumptions,</u> <u>measurement input, term</u>	5 years		
<u>Measurement Input, Price</u> <u>Volatility [Member]</u>			
<u>Subsidiary, Sale of Stock</u> <u>[Line Items]</u>			
<u>Fair value assumptions,</u> <u>measurement input,</u> <u>percentages</u>	39		
<u>Measurement Input, Risk Free</u> <u>Interest Rate [Member]</u>			
<u>Subsidiary, Sale of Stock</u> <u>[Line Items]</u>			
<u>Fair value assumptions,</u> <u>measurement input,</u> <u>percentages</u>	2.61		
<u>Measurement Input, Expected</u> <u>Dividend Rate [Member]</u>			
<u>Subsidiary, Sale of Stock</u> <u>[Line Items]</u>			

Fair value assumptions, measurement input, percentages	0	
Common Stock [Member]		
Subsidiary, Sale of Stock [Line Items]		
Warrant redemption price per share	\$ 0.01	
Common Stock [Member] Exceeds Price Point [Member]		
Subsidiary, Sale of Stock [Line Items]		
Common stock market price per share	\$ 24.00	
Warrant [Member]		
Subsidiary, Sale of Stock [Line Items]		
Warrant to purchase common shares shares		300,357
Warrant exercise price		\$ 0.01
Placement Agent [Member]		
Subsidiary, Sale of Stock [Line Items]		
Warrant term	5 years	
Warrant to purchase common shares shares	178,882	
Warrant exercise price	\$ 11.50	
Aggregate offering costs \$	\$ 2,981	
Placement Agent [Member] Warrant [Member]		
Subsidiary, Sale of Stock [Line Items]		
Fair value of warrants \$	\$ 632	
Series A Preferred Stock One [Member]		
Subsidiary, Sale of Stock [Line Items]		
Weighted average price trading price after second anniversary force conversion	\$ 25.00	
Warrant term	5 years	
Warrant to purchase common shares shares	596,273	
Warrant exercise price	\$ 11.50	
Private Placement [Member]		

Subsidiary, Sale of Stock**[Line Items]**

Sale of stock consideration | \$ \$ 94,800

Private Placement [Member] |

Series A Preferred Stock One

[Member]

Subsidiary, Sale of Stock**[Line Items]**

Number of shares issued |
shares 600,000

Number of shares issued,
value | \$ \$ 60,000

Preferred stock conversion
price per share \$ 10.0625

Preferred stock dividend rate
percentage 8.00%

Issue price of preferred stock |
\$ \$ 100

Dividend rate description Accrued and unpaid dividends, until paid in full in cash, will accrue at the then applicable Dividend Rate plus 2%. The Dividend Rate will be increased to 11% per annum, compounded quarterly, in the event that the Company's senior indebtedness less unrestricted cash during any trailing twelve-month period ending at the end of any fiscal quarter is greater than 2.25 times earnings before interest, taxes, depreciation and amortization ("EBITDA"). The Dividend Rate will be reset to 8% at the end of the first fiscal quarter when the Company's senior indebtedness less unrestricted cash during the trailing twelve-month period ending at the end of such quarter is less than 2.25 times EBITDA.

Private Placement [Member] |

Series A Preferred Stock One

[Member] | Maximum

[Member]

Subsidiary, Sale of Stock**[Line Items]**

Preferred stock dividend rate
percentage 11.00%

Private Placement [Member] |

Series A Preferred Stock One

[Member] | Board of Directors

[Member]

Subsidiary, Sale of Stock**[Line Items]**

Number of preferred stock
owned | shares 500,000

**SCHEDULE OF
WARRANTS ACTIVITY
(Details)**

**9 Months Ended
Sep. 30, 2021
\$ / shares
shares**

Equity [Abstract]

<u>Shares Underlying Warrants, Outstanding, Beginning balance shares</u>	4,632,087
<u>Weighted Average Exercise Price, Outstanding, Beginning balance \$ / shares</u>	\$ 11.50
<u>Shares Underlying Warrants, Granted shares</u>	
<u>Weighted Average Exercise Price Granted \$ / shares</u>	
<u>Shares Underlying Warrants, Cancelled or Expired shares</u>	
<u>Weighted Average Exercise Price Cancelled or Expired \$ / shares</u>	
<u>Shares Underlying Warrants, Exercised shares</u>	(1,127,263)
<u>Weighted Average Exercise Price Exercised \$ / shares</u>	
<u>Shares Underlying Warrants, Outstanding, Ending balance shares</u>	3,504,824
<u>Weighted Average Exercise Price, Outstanding, Ending balance \$ / shares</u>	\$ 11.50

**SCHEDULE OF FAIR
VALUES FOR
OUTSTANDING
WARRANTS LIABILITIES
(Details) - USD (\$)
\$ in Thousands**

Sep. 30, 2021 Dec. 31, 2020

Class of Warrant or Right [Line Items]

Total warrant liabilities \$ 15,489 \$ 15,096

PIPE Warrants [Member]

Class of Warrant or Right [Line Items]

Total warrant liabilities 13,666 13,716

Private Warrants [Member]

Class of Warrant or Right [Line Items]

Total warrant liabilities \$ 1,823 \$ 1,380

**SCHEDULE OF STOCK
OPTION ACTIVITY
(Details) - USD (\$)
\$ / shares in Units, \$ in
Thousands**

9 Months Ended

**12 Months
Ended**

Sep. 30, 2021

Dec. 31, 2020

Equity [Abstract]

<u>Shares Underlying Options, Outstanding, Beginning balance</u>	4,063,362	
<u>Weighted Average Exercise Price, Outstanding, Beginning balance</u>	\$ 10.60	
<u>Shares Underlying Options, Granted</u>	20,000	530,000
<u>Weighted Average Exercise Price, Granted</u>	\$ 23.11	
<u>Shares Underlying Options, Cancelled or terminated</u>	(50,000)	
<u>Weighted Average Exercise Price, Cancelled or terminated</u>		
<u>Shares Underlying Options, Exercised</u>	(858,467)	
<u>Weighted Average Exercise Price, Exercised</u>	\$ 10.60	
<u>Shares Underlying Options, Outstanding, Ending balance</u>	3,174,895	4,063,362
<u>Weighted Average Exercise Price, Outstanding, Ending balance</u>	\$ 10.66	\$ 10.60
<u>Weighted Average Remaining Contractual Life, Outstanding, Ending balance</u>	1 year 11 months 1 day	
<u>Aggregate Intrinsic Value, Outstanding, Ending balance</u>	\$ 33,923	
<u>Shares Underlying Options, Vested, Ending balance</u>	2,107,922	
<u>Weighted Average Exercise Price, Vested, Ending balance</u>	\$ 10.82	
<u>Weighted Average Remaining Contractual Life, Vested, Ending balance</u>	1 year 10 months 24 days	
<u>Aggregate Intrinsic Value, Vested, Ending balance</u>	\$ 23,861	

SCHEDULE OF FAIR VALUE ASSUMPTIONS OF AWARDS (Details) **9 Months Ended** **12 Months Ended**
Sep. 30, 2021 **Dec. 31, 2020**

Equity [Abstract]

<u>Risk free interest rate</u>	0.77%	
<u>Expected term (years)</u>	3 years 6 months	
<u>Expected volatility</u>	81.00%	
<u>Expected dividends</u>	0.00%	0.00%

STOCKHOLDERS' EQUITY (Details Narrative) - USD (\$) \$/ shares in Units, \$ in Thousands	Mar. 17, 2021	May 20, 2020	Jun. 15, 2018	May 16, 2018	May 07, 2018	Mar. 16, 2018	Mar. 15, 2018	3 Months Ended		9 Months Ended		12 Months Ended	May 20, 2019
								Sep. 30, 2021	Sep. 30, 2020	Sep. 30, 2021	Sep. 30, 2020	Dec. 31, 2020	
Accumulated Other Comprehensive Income (Loss) [Line Items]													
Common stock, shares authorized								100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	
Common stock, par value								\$ 0.0001	\$ 0.0001	\$ 0.0001	\$ 0.0001	\$ 0.0001	
Preferred stock, shares authorized								5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	
Preferred stock, par value								\$ 0.0001	\$ 0.0001	\$ 0.0001	\$ 0.0001	\$ 0.0001	
Stock based compensation								\$ 132	\$ 219	\$ 815	\$ 1,239		
Gross proceeds from warrant exercises										\$ 11,582			
Number of shares options granted										20,000		530,000	
Fair value of the options issued										3 years 6 months			
Expected risk-free rate										0.77%			
Expected dividend yield										0.00%		0.00%	
Expected annual volatility										81.00%			
Stock based compensation related to awards with market conditions								0	75	\$ 96	848		
Expected risk-free rate, minimum													0.25%
Expected risk-free rate, maximum													0.43%
Expected annual volatility, minimum													55.00%
Expected annual volatility, maximum													73.00%
Stock based compensation related to awards with service conditions								\$ 92	\$ 130	\$ 473	\$ 309		
Minimum [Member]													
Accumulated Other Comprehensive Income (Loss) [Line Items]													
Fair value of the options issued												3 years 6 months	
Maximum [Member]													
Accumulated Other Comprehensive Income (Loss) [Line Items]													
Fair value of the options issued												3 years 9 months	
Employees [Member]													
Accumulated Other Comprehensive Income (Loss) [Line Items]													
Stock options exercise price per share								\$ 23.11		\$ 23.11			
Fair value of the options issued						\$ 15,004				\$ 257		\$ 1,915	
Fair value of the options issued						5 years							
Expected risk-free rate						2.62%							
Expected dividend yield						0.00%							
Expected annual volatility						42.80%							
Stock options vesting term										3 years		4 years	
[custom:StockOptionExercisePriceDescription]												The options have an exercise price of \$7.91, \$8.50 or \$14.68.	
Stock options expiration period										5 years		5 years	
Warrant [Member]													
Accumulated Other Comprehensive Income (Loss) [Line Items]													
Number of warrant to purchase shares of common stock								300,357		300,357			
Warrant exercise price								\$ 0.01		\$ 0.01			
Warrant [Member] Two Institutional Investors [Member]													
Accumulated Other Comprehensive Income (Loss) [Line Items]													
Number of securities into which the class of warrant converted		1,005,308											
Number of shares issued		1,005,308											
Gross proceeds from warrant exercises		\$ 11,315,250											
Five Year Incentive Stock Options [Member]													
Accumulated Other Comprehensive Income (Loss) [Line Items]													
Number of shares options granted										3,573,113			
Stock options exercise price per share										\$ 11.10			

Fair value of the options issued	\$ 2,357		
Fair value of the options issued	5 years		
Expected risk-free rate	2.74%		
Expected dividend yield	0.00%		
Expected annual volatility	54.70%		
Five Year Incentive Stock Options [Member] Share-based Payment Arrangement, Tranche One [Member]			
Accumulated Other Comprehensive Income (Loss) [Line Items]			
Stock options exercise price per share	\$ 13.125		
Stock option vesting percentage	30.00%		
Stock options vesting term	8 months	11 months	
	26 days	19 days	
Five Year Incentive Stock Options [Member] Share-based Payment Arrangement, Tranche Two [Member]			
Accumulated Other Comprehensive Income (Loss) [Line Items]			
Stock options exercise price per share	\$ 17.50		
Stock option vesting percentage	30.00%		
Stock options vesting term	1 year		
	7 months	1 year 9 months	
	20 days		
Five Year Incentive Stock Options [Member] Share-based Payment Arrangement, Tranche Three [Member]			
Accumulated Other Comprehensive Income (Loss) [Line Items]			
Stock options exercise price per share	\$ 21.875		
Stock option vesting percentage	30.00%		
Stock options vesting term	2 years	2 years	
	2 months	1 month	
	26 days	24 days	
Five Year Incentive Stock Options [Member] Share Based Compensation Award Tranche Four [Member]			
Accumulated Other Comprehensive Income (Loss) [Line Items]			
Stock options exercise price per share	\$ 35.00		
Stock option vesting percentage	10.00%		
Stock options vesting term	3 years	2 years	
	1 month	11 months	
	17 days	15 days	
C E O Stock Options [Member]			
Accumulated Other Comprehensive Income (Loss) [Line Items]			
Number of shares options granted	1,458,414		
CFO Stock Options [Member]			
Accumulated Other Comprehensive Income (Loss) [Line Items]			
Number of shares options granted	583,366	583,366	
Former C F O Stock Options [Member]			
Accumulated Other Comprehensive Income (Loss) [Line Items]			
Number of options forfeited	583,366		
Stock Options [Member]			
Accumulated Other Comprehensive Income (Loss) [Line Items]			
Compensation cost unrecognized	\$ 1,518	\$ 1,518	
Weighted average service period		2 years 3 months 29 days	
2019 Employee Stock Purchase Plan [Member]			
Accumulated Other Comprehensive Income (Loss) [Line Items]			
Number of common shares reserved for future issuance			900,000

Common stock purchase price, description

Participants in the plan may purchase shares of common stock at a purchase price which will not be less than the lesser of 85% of the fair value per share of the common on the first day of the purchase period or the last day of the purchase period.

<u>Stock based compensation</u>	\$ 41	\$ 246	
<u>2018 Long-Term Incentive Equity Plan</u>			
<u>[Member]</u>			
<u>Accumulated Other Comprehensive Income (Loss) [Line Items]</u>			
<u>Number of common shares reserved for future issuance</u>	329,557	329,557	600,000
<u>Maximum percentage on options may be issued</u>	13.00%		
<u>Options issuable under stock price trigger</u>	\$ 8.75		
<u>2018 Long-Term Incentive Equity Plan</u>			
<u>[Member] Increased Plan By Formula</u>			
<u>[Member]</u>			
<u>Accumulated Other Comprehensive Income (Loss) [Line Items]</u>			
<u>Maximum percentage on options may be issued</u>	18.00%		

**SCHEDULE OF FAIR
VALUE ADJUSTMENTS
FOR PRIVATE
WARRANTS LIABILITIES
(Details) - USD (\$)
\$ in Thousands**

	Sep. 30, 2021	Dec. 31, 2020	Sep. 30, 2020
<u>Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]</u>			
<u>Warrant</u>	\$ 15,489	\$ 15,096	\$ 10,992
<u>Private Warrant [Member]</u>			
<u>Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]</u>			
<u>Warrant</u>	1,823	1,380	
<u>Fair Value, Inputs, Level 1 [Member]</u>			
<u>Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]</u>			
<u>Warrant</u>	13,666	13,716	
<u>Fair Value, Inputs, Level 1 [Member] Private Warrant [Member]</u>			
<u>Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]</u>			
<u>Warrant</u>			
<u>Fair Value, Inputs, Level 2 [Member]</u>			
<u>Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]</u>			
<u>Warrant</u>			
<u>Fair Value, Inputs, Level 2 [Member] Private Warrant [Member]</u>			
<u>Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]</u>			
<u>Warrant</u>			
<u>Fair Value, Inputs, Level 3 [Member]</u>			
<u>Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]</u>			
<u>Warrant</u>	1,823	1,380	
<u>Fair Value, Inputs, Level 3 [Member] Private Warrant [Member]</u>			
<u>Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]</u>			
<u>Warrant</u>	1,823	1,380	
<u>PIPE Warrants [Member]</u>			
<u>Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]</u>			
<u>Warrant</u>	13,666	13,716	
<u>PIPE Warrants [Member] Fair Value, Inputs, Level 1 [Member]</u>			
<u>Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]</u>			
<u>Warrant</u>	13,666	13,716	

[PIPE Warrants \[Member\] | Fair Value, Inputs, Level 2 \[Member\]](#)
[Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis \[Line Items\]](#)

[Warrant](#)

[PIPE Warrants \[Member\] | Fair Value, Inputs, Level 3 \[Member\]](#)
[Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis \[Line Items\]](#)

[Warrant](#)

**SCHEDULE OF FAIR
VALUE MEASUREMENTS
(Details)**

	9 Months Ended Sep. 30, 2021 \$ / shares	12 Months Ended Dec. 31, 2020 \$ / shares
Measurement Input, Share Price [Member]		
Fair Value Measurement Inputs and Valuation Techniques [Line Items]		
Fair value liabilities, measurement input, price per share	\$ 21.34	\$ 16.25
Measurement Input Strike Price [Member]		
Fair Value Measurement Inputs and Valuation Techniques [Line Items]		
Fair value liabilities, measurement input, price per share	\$ 11.50	\$ 11.50
Measurement Input, Expected Term [Member]		
Fair Value Measurement Inputs and Valuation Techniques [Line Items]		
Fair value liabilities, measurement input, term	1 year 5 months 12 days	2 years 2 months 12 days
Measurement Input, Price Volatility [Member]		
Fair Value Measurement Inputs and Valuation Techniques [Line Items]		
Fair value liabilities, measurement input, percentage	73.8	81.2
Measurement Input, Risk Free Interest Rate [Member]		
Fair Value Measurement Inputs and Valuation Techniques [Line Items]		
Fair value liabilities, measurement input, percentage	0.18	0.14
Measurement Input Expected Dividend Yield [Member]		
Fair Value Measurement Inputs and Valuation Techniques [Line Items]		
Fair value liabilities, measurement input, percentage	0.00	0.00
Measurement Input Fair Value Of Warrants [Member]		
Fair Value Measurement Inputs and Valuation Techniques [Line Items]		
Fair value liabilities, measurement input, price per share	\$ 5.88	\$ 4.45

**SCHEDULE OF FAIR
VALUE MEASURED
LIABILITIES (Details) -
USD (\$)**

9 Months Ended

Sep. 30, 2021 Dec. 31, 2020

\$ in Thousands

PIPE Warrants [Member]

Class of Warrant or Right [Line Items]

<u>Fair value ending</u>	\$ 13,666	\$ 13,717
<u>Exercise or conversion</u>	(10,697)	
<u>Measurement adjustment</u>	10,646	

Private Warrants [Member]

Class of Warrant or Right [Line Items]

<u>Fair value ending</u>	1,823	\$ 1,380
<u>Exercise or conversion</u>		
<u>Measurement adjustment</u>	\$ 443	

1. The first part of the document is a list of names and titles, including "The Hon. Mr. Justice Gauthier" and "The Hon. Mr. Justice Lamer".

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes the need for transparency and accountability in financial reporting.

2. The second part of the document outlines the various methods used to collect and analyze data. It includes a detailed description of the sampling process and the statistical techniques employed to ensure the reliability of the results.

3. The third part of the document presents the findings of the study. It highlights the key trends and patterns observed in the data, as well as the implications of these findings for the industry and the broader economy.

4. The fourth part of the document discusses the limitations of the study and the potential areas for future research. It acknowledges the challenges faced during the data collection and analysis process and offers suggestions for how these challenges can be addressed in future studies.

5. The fifth part of the document provides a conclusion and a summary of the main points. It reiterates the importance of the study and the need for continued research in this area.

6. The sixth part of the document includes a list of references and a bibliography. It cites the various sources used in the study and provides a comprehensive overview of the relevant literature.

7. The seventh part of the document contains a list of appendices and a glossary. It provides additional information and definitions for the terms used in the study.

8. The eighth part of the document includes a list of figures and tables. It provides a visual representation of the data and a detailed description of the tables used in the study.

9. The ninth part of the document contains a list of footnotes and a list of abbreviations. It provides additional information and definitions for the terms used in the study.

10. The tenth part of the document includes a list of acknowledgments and a list of contributors. It expresses gratitude to the individuals and organizations that supported the study and provided valuable input.

