

INSTRUCTIONS TO INVESTORS AND SUBSCRIPTION AGREEMENT
for Class B Preferred Units of Membership Interest of
BLUE PEARL YACHTS, LLC, an Ohio limited liability company

Please read carefully the Confidential Private Placement Memorandum dated November 1, 2021 for the offer and sale of up to 10,714,280 Class B Preferred Units (“**Class B Preferred Units**”) of BLUE PEARL YACHTS, LLC, an Ohio limited liability company (the “**Company**”), (as the same may be amended or supplemented, and including all Exhibits thereto, the “**Memorandum**”) before deciding to subscribe. Capitalized terms not otherwise defined herein shall have the meanings given to them in the Memorandum.

EACH PROSPECTIVE INVESTOR IN CLASS B PREFERRED UNITS SHOULD EXAMINE THE SUITABILITY OF THIS TYPE OF INVESTMENT IN THE CONTEXT OF SUCH PROSPECTIVE INVESTOR’S OWN NEEDS, INVESTMENT OBJECTIVES AND FINANCIAL CAPABILITIES AND SHOULD MAKE SUCH PROSPECTIVE INVESTOR’S OWN INDEPENDENT INVESTIGATION AND DECISION AS TO SUITABILITY AND AS TO THE RISK AND POTENTIAL GAIN INVOLVED. ALSO, EACH PROSPECTIVE INVESTOR IN CLASS B PREFERRED UNITS IS ENCOURAGED TO CONSULT WITH SUCH PROSPECTIVE INVESTOR’S ATTORNEY, ACCOUNTANT, FINANCIAL CONSULTANT OR OTHER BUSINESS OR TAX ADVISOR REGARDING THE MERITS AND RISKS OF THE PROPOSED INVESTMENT.

This offering of Class B Preferred Units is limited to “accredited investors” (as defined in Rule 501 of Regulation D under the Securities Act of 1933, as amended (the “**Securities Act**”).

If you are an “accredited investor” (as so defined) and desire to subscribe for Class B Preferred Units, then please complete, sign and deliver the attached Subscription Agreement (the “**Subscription Agreement**”) along with your check payable to the order of “BLUE PEARL YACHTS, LLC” (or wire transfer of immediately available funds to an account designated by the Company) in the amount of the purchase price for the Class B Preferred Units purchased as follows:

Unless otherwise directed by the Company, all documents and checks should be delivered to:

BLUE PEARL YACHTS, LLC
19815 North Park Boulevard
Shaker Heights, Ohio 44122
Attn: Dr. Gregory Hummer

Wire Transfers To:
Westfield Bank
Blue Pearl Yachts, LLC
ABA Routing Number: 041272279
Account Number: 100974577

Upon receipt of the completed and signed Subscription Agreement, verification of your investment qualifications and acceptance of your subscription by the Company (the Company reserves the right, in its sole discretion, to accept or reject a subscription for any reason whatsoever), the Company will notify you of receipt and acceptance of your subscription.

Important Note: The person or entity actually making the decision to invest in Class B Preferred Units should complete and sign the Subscription Agreement. For example, retirement plans often hold certain investments in trust for their beneficiaries, but the beneficiaries may maintain investment control and discretion. In such a situation, the beneficiary with investment control must complete and sign the Subscription Agreement (this also applies to trusts, custodial accounts and similar arrangements).

**SUBSCRIPTION AGREEMENT
BLUE PEARL YACHTS, LLC**

This is the offer and agreement (this “**Subscription Agreement**”) of the undersigned to purchase Class B Preferred Units (“**Class B Preferred Units**”) of, and to be issued by, BLUE PEARL YACHTS, LLC an Ohio limited liability company (the “**Company**”), for a purchase price of Two Dollars Eighty Cents (\$3.73) per Class B Preferred Units, and for a total purchase price of \$_____ (the “**Subscription Price**”), for _____ number of units, subject to the terms, conditions, acknowledgments, representations and warranties stated herein and in the Confidential Private Placement Memorandum of the Company dated November 1, 2021 (as the same may be amended or supplemented, and including all Exhibits thereto, the “**Memorandum**”) relating to the offer of 10,714,280 Class B Preferred Units. Simultaneously with the execution and delivery hereof, I am transmitting a check payable to the order of “BLUE PEARL YACHTS, LLC” (or I am effecting a wire transfer of immediately available funds to an account designated by the Company) in the amount of the Subscription Price for the Class B Preferred Units I am purchasing. Capitalized terms not otherwise defined herein shall have the meanings given to them in the Memorandum.

In order to induce the Company to accept this Subscription Agreement for the Class B Preferred Units and as further consideration for such acceptance, I hereby make the following acknowledgments, agreements, representations and warranties with the full knowledge that the Company will expressly rely thereon in making a decision to accept or reject this Subscription Agreement:

1. I hereby adopt, confirm and agree to all of the covenants, representations and warranties set out in this Subscription Agreement.

2. My primary state of residence is: _____.

3. My date of birth is: _____.

4. The undersigned understands that the representations contained below are made for the purpose of qualifying him or her as an “accredited investor” as that term is defined in Regulation D of the General Rules and Regulations promulgated under the Act and for the purpose of inducing a sale of the securities to him or her. The undersigned hereby represents that the statement or statements initialed below are true and correct in all respects. The undersigned understands that a false representation may constitute a violation of law, and that any person who suffers damage as a result of a false representation may have a claim against the undersigned for damages.

(a) Accredited individual investors must initial at least one of the following statements:

____(1) I certify that I am an accredited investor because I had individual income in excess of \$200,000 in each of the two most recent years or joint income with my spouse or spousal equivalent in excess of \$300,000 in each of those years and have a reasonable expectation of reaching the same income level in the current year;

____(2) I certify that I am an accredited investor because my individual net worth, or joint net worth with my spouse or spousal equivalent, exceeds \$1,000,000. For purposes of calculating net worth under this paragraph my primary residence is not included as an asset; indebtedness that is secured by my primary residence, up to the estimated fair market value of the primary residence at the time of the sale of securities, is not be included as a liability (except that if the amount of such indebtedness outstanding at the time of sale of securities exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess is included as a liability); and indebtedness that is secured by my primary residence in excess of the estimated fair market value of the primary residence at the time of the sale of securities is included as a liability.

____(3) I certify that I am an accredited investor because I am a director or executive officer of the Company.

____(4) I hold one of the following licenses in good standing: General Securities Representative license (Series 7), the Private Securities Offerings Representative license (Series 82), or the Investment Adviser Representative license (Series 65).

____(5) I am a “knowledgeable employee,” as defined in rule 3c5(a)(4) under the Investment Company Act of 1940 (17 CFR 270.3c-5(a)(4)), of the issuer of the securities being offered or sold where

the issuer would be an investment company, as defined in section 3 of such act, but for the exclusion provided by either section 3(c)(1) or section 3(c)(7) of such act.]¹

- (b) Accredited partnerships, corporations or other entities must initial one or more of the following statements:
- ___(1) The undersigned hereby certifies that all of the beneficial equity owners of the undersigned qualify as accredited individual investors under items [1](a) and [1](b) hereof;
 - ___(2) The undersigned is a bank as defined in section 3(a)(2) of the Act, or any savings and loan association or other institution as defined in section 3(a)(5)(A) of the Act whether acting in its individual or fiduciary capacity;
 - ___(3) The undersigned is a broker or dealer registered pursuant to section 15 of the Securities Exchange Act of 1934;
 - ___(4) The undersigned is an investment adviser registered pursuant to section 203 of the Investment Advisers Act of 1940 or registered pursuant to the laws of a state;
 - ___(5) The undersigned is an investment adviser relying on the exemption from registering with the Commission under section 203(l) or (m) of the Investment Advisers Act of 1940;
 - ___(6) The undersigned is an insurance company as defined in section 2(a)(13) of the Act;
 - ___(7) The undersigned is an investment company registered under the Investment Company Act of 1940 or a business development company as defined in section 2(a)(48) of that Act;
 - ___(8) The undersigned is a Small Business Investment Company licensed by the U.S. Small Business Administration under section 301(c) or (d) of the Small Business Investment Act of 1958;
 - ___(9) The undersigned is a Rural Business Investment Company as defined in section 384A of the Consolidated Farm and Rural Development Act;
 - ___(10) The undersigned is a plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of \$5,000,000;
 - ___(11) The undersigned is an employee benefit plan within the meaning of Title I of the Employee Retirement Income Security Act of 1974 and (check one or more, as applicable):
 - ___(a) the investment decision is made by a plan fiduciary, as defined therein, in Section 3(21), which is either a bank, savings and loan association, insurance company, or registered investment adviser; or
 - ___(b) the employee benefit plan has total assets in excess of \$5,000,000; or
 - ___(c) the plan is a self-directed plan with investment decisions made solely by persons who are “accredited investors” as defined therein.
 - ___(12) The undersigned is a private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940.
 - ___(13) The undersigned has total assets in excess of \$5,000,000, was not formed for the specific purpose of acquiring the securities offered and is one or more of the following (check one or more, as appropriate):
 - ___(a) an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended;
 - ___(b) corporation,
 - ___(c) Massachusetts or similar business trust,
 - ___(d) partnership, or
 - ___(e) limited liability company,
 - ___(14) The undersigned is a trust with total assets exceeding \$5,000,000, which was not formed for the specific purpose of acquiring the securities offered and whose purchase is directed by a

¹ Only include in applicable fund offerings.

person who has such knowledge and experience in financial and business matters that he or she is capable of evaluating the merits and risks of the investment in the securities offered.

- ____(15) The undersigned is an entity, of a type not listed in paragraphs (b)(1) to (b)(14), not formed for the specific purpose of acquiring the securities offered, owning investments in excess of \$5,000,000.
- ____(16) The undersigned is a “family office,” as defined in rule 202(a)(11)(G)-1 under the Investment Advisers Act of 1940 (17 CFR 275.202(a)(11)(G)-1): (i) with assets under management in excess of \$5,000,000, (ii) that is not formed for the specific purpose of acquiring the securities offered, and (iii) whose prospective investment is directed by a person who has such knowledge and experience in financial and business matters that such family office is capable of evaluating the merits and risks of the prospective investment.
- ____(17) The undersigned is a “family client,” as defined in rule 202(a)(11)(G)-1 under the Investment Advisers Act of 1940 (17 CFR 275.202(a)(11)(G)-1), of a family office meeting the requirements in paragraph (b)(15) above and whose prospective investment in the issuer is directed by such family office pursuant to paragraph (b)(15)(iii) above.

5. Under penalties of perjury, I certify:

- (a) that the number shown on this form is my correct taxpayer identification number; and
- (b) that I am not subject to backup withholding because (check one):

_____ I have not been notified that I am subject to backup withholding as a result of a failure to report all interest or dividends; or

_____ The Internal Revenue Service has notified me that I am no longer subject to backup withholding.

6. I further represent and warrant that my investment in the Class B Preferred Units is not disproportionate to my income or available liquid funds and that I further have the capacity to protect my interests in connection with the purchase of the Class B Preferred Units.

7. I (we) desire to own my (our) Class B Preferred Units as follows (check one):

- (a) _____ Separate or individual property. (In community property states, if the purchaser is married, his (her) spouse must submit written consent if community funds will be used to purchase the Class B Preferred Units.)
- (b) _____ Husband and Wife as community property. (Community property states only. Husband and Wife should both sign all required documents unless advised by their attorney that one signature is sufficient.)
- (c) _____ Husband and Wife as community property with right of survivorship. (Community property states only. Husband and Wife should both sign all required documents unless advised by their attorney that one signature is sufficient.)
- (d) _____ Joint Tenants with right of survivorship. (Both parties must sign all required documents unless advised by their attorneys that one signature is sufficient.)
- (e) _____ Tenants in Common. (Both parties must sign all required documents.)
- (f) _____ Trust. (Attach copy of trust instrument and include name of trust, name of trustee and date trust was formed.)
- (g) _____ Corporation. (Attach copy of articles of incorporation or certificate of incorporation and include evidence of authority of person who executes required documents.)
- (h) _____ Partnership or Limited Liability Company. (Attach copy of certificate of limited partnership or certificate of formation or articles of organization, if any, and copy of partnership agreement or limited liability company agreement or operating agreement and include evidence of authority for person who executes required documents.)

(i) _____ Other (indicate):

8. I understand that, if this Subscription Agreement is not accepted by the Company, then funds transmitted herewith shall be returned to the undersigned (without interest), and this Subscription Agreement shall be terminated and of no further effect. The Company may accept subscriptions until the earlier of the date on which 10,714,280 Class B Preferred Units have been sold or December 31, 2020, which date may be extended in the sole discretion of the Company.

9. I acknowledge that I have received, read and fully understand the Memorandum. I acknowledge that I am basing my decision to invest in the Class B Preferred Units on the Memorandum, and I have relied only on the information contained therein and have not relied on any representation made by any other person. I recognize that an investment in the Class B Preferred Units involves substantial risk, and I am fully cognizant of and understand all of the risk factors related to the purchase of the Class B Preferred Units, including, without limitation, those risks set forth in Exhibit A to the Memorandum titled "Risk Factors."

10. My overall commitment to investments that are not readily marketable is not disproportionate to my individual net worth, and my investment in the Class B Preferred Units will not cause such overall commitment to become excessive. I have adequate means of providing for my financial requirements, both current and anticipated, and have no need for liquidity in this investment. I can bear and am willing to accept the economic risk of losing my entire investment in the Class B Preferred Units.

11. I agree to provide additional information as reasonably requested by the Company to confirm my status as an "accredited investor." Such additional information may include:

- a. Copies of tax returns or W-2s for the two most recently completed years demonstrating that I fulfill the income requirements; or
- b. Copies of bank statements or brokerage statements demonstrating that I fulfill the net worth requirements; or
- c. A letter of verification from my attorney or accountant (in a form acceptable to the Company) certifying that I am an accredited investor.

12. All information that I have provided to the Company herein concerning my suitability to invest in the Class B Preferred Units is complete, accurate and correct as of the date of my signature on the signature page of this Subscription Agreement. I hereby agree to notify the Company immediately of any material change in any such information occurring before the acceptance of this Subscription Agreement, including any information about changes concerning my net worth and financial position.

13. I have had the opportunity to ask questions of, and receive answers from, the Company concerning the Company and the terms and conditions of the offering of the Class B Preferred Units and to obtain any additional information deemed necessary to verify the accuracy of the information contained in the Memorandum. I have been provided with all materials and information requested by either me or others representing me, including any information requested to verify any information furnished to me.

14. I am purchasing the Class B Preferred Units for my own account and for investment purposes only and have no present intention, understanding or arrangement for the distribution, transfer, assignment, resale or subdivision of the Class B Preferred Units. I understand that, due to the restrictions referred to in **Paragraph 19** below and described in the Memorandum and the lack of any market existing or to exist for the Class B Preferred Units, my investment in the Company will be highly illiquid and may have to be held indefinitely.

15. I acknowledge and agree that the Class B Preferred Units will not be certificated securities. I understand that, nevertheless, the Class B Preferred Units are and will be subject to restrictions on transferability and resale imposed by applicable federal and state securities laws. I am fully aware that the Class B Preferred Units subscribed for hereunder have not been registered with the United States Securities and Exchange Commission in reliance on an exemption specified in Regulation D, which reliance is based in part on my representations set forth herein. I understand that the Class B Preferred Units subscribed for herein have not been registered under applicable state securities laws and are being offered and sold pursuant to the exemptions specified in those laws and that, unless they are registered, they may not be re-offered for sale or resold except in a transaction or as a security exempt from the registration requirements of those laws. I further understand that the specific approval of such resales by the state securities administrator may be required in some states.

16. I hereby adopt the Operating Agreement of BLUE PEARL YACHTS, LLC, attached as an Exhibit to the Memorandum and/or otherwise made available to me by the Company upon my request, as a Member of the Company and agree to be bound by the terms of such agreement and be deemed a signatory thereto.

17. This Subscription Agreement shall be construed in accordance with and governed by the laws of the State of Ohio without regard to its choice of law provisions, except as to the type of registration of ownership of Class B Preferred Units, which shall be construed in accordance with the state of principal residence of the subscribing investor.

18. THE CLASS B PREFERRED UNITS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE AND ARE BEING OFFERED AND SOLD IN RELIANCE ON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND SUCH STATE LAWS. THE CLASS B PREFERRED UNITS ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT AND SUCH LAWS PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. THE CLASS B PREFERRED UNITS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY, NOR HAS ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR ADEQUACY OF THE MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

19. I HEREBY IRREVOCABLY WAIVE ANY AND ALL RIGHTS TO TRIAL BY JURY WITH RESPECT TO ANY LEGAL PROCEEDING ARISING OUT OF THE TRANSACTIONS CONTEMPLATED BY THIS SUBSCRIPTION AGREEMENT. I HEREBY COVENANT AND AGREE THAT ANY DISPUTE, CONTROVERSY OR OTHER CLAIM ARISING UNDER, OUT OF OR RELATING TO THIS SUBSCRIPTION AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY, OR ANY AMENDMENT THEREOF, OR THE BREACH OR INTERPRETATION HEREOF OR THEREOF, SHALL BE DETERMINED AND SETTLED IN BINDING ARBITRATION IN CUYAHOGA COUNTY, OHIO, BY A SOLE ARBITRATOR IN ACCORDANCE WITH THE LAWS OF THE STATE OF OHIO FOR AGREEMENTS MADE IN AND TO BE PERFORMED IN THAT STATE. THE ARBITRATION SHALL BE ADMINISTERED BY THE AMERICAN ARBITRATION ASSOCIATION IN ACCORDANCE WITH ITS RULES THEN EXISTING. THE SUBSTANTIALLY PREVAILING PARTY SHALL BE ENTITLED TO AN AWARD OF ITS REASONABLE COSTS AND EXPENSES, INCLUDING BUT NOT LIMITED TO REASONABLE ATTORNEYS' FEES AND COSTS, IN ADDITION TO ALL OTHER AVAILABLE REMEDIES. ANY AWARD RENDERED THEREIN SHALL BE FINAL AND BINDING ON EACH AND ALL OF THE PARTIES THERETO AND THEIR PERSONAL REPRESENTATIVES, AND JUDGMENT MAY BE ENTERED THEREON IN ANY COURT OF COMPETENT JURISDICTION.

Investor's Initials: _____

20. I hereby agree to indemnify, defend and hold harmless the Company (and all of its Managers, officers, employees, affiliates and advisors) from any and all damages, losses, liabilities, costs and expenses (including reasonable attorneys' fees and costs) that they may incur by reason of my failure to fulfill all of the terms and conditions of this Subscription Agreement or by reason of the untruth or inaccuracy of any of the representations, warranties or agreements contained herein or in any other document that I have furnished to any of the foregoing in connection with this transaction. This indemnification includes, but is not limited to, all damages, losses, liabilities, costs and expenses (including reasonable attorneys' fees and costs) incurred by the Company (or any of its Managers, officers, employees, affiliates or advisors) defending against any alleged violation of federal or state securities laws that is based on or related to any untruth or inaccuracy of any of the representations, warranties or agreements contained herein or in any other document that I have furnished in connection with this transaction.

21. I hereby acknowledge and agree that: (a) I may not transfer or assign this Subscription Agreement, or any interest herein, and any purported transfer shall be void; (b) except as specifically described herein, I am not entitled to cancel, terminate or revoke this Subscription Agreement, and this Subscription Agreement will be binding on my heirs, successors and personal representatives; *provided, however*, that, if the Company rejects this Subscription Agreement, then this Subscription Agreement shall be automatically canceled, terminated and revoked; (c) this Subscription Agreement constitutes the entire agreement between the parties hereto with respect to the sale of the Class B Preferred Units and may be amended, modified or terminated only by a writing executed by all parties hereto (except as provided herein with respect to the rejection of this Subscription Agreement by the Company); (d) within two (2) days after receipt of a written request from the Company, the undersigned agrees to provide such information and to execute and deliver such documents as may be necessary to comply with any and all laws and regulations to which the Company is subject; and (e) the representations and warranties of the undersigned set forth herein shall survive the sale of the Class B Preferred Units pursuant to this Subscription Agreement.

22. I am not making this investment in any manner as a representative of a charitable remainder unitrust or a charitable remainder trust.

23. I hereby acknowledge and agree that legal counsel representing the Company and its Affiliates does not represent, and will not be deemed under the applicable codes of professional responsibility to have represented or to be representing, me as an investor in, or as a Member of, the Company or otherwise.

24. By executing this Subscription Agreement, I acknowledge and confirm that the Company has not given any guarantee or representation as to the potential success, return, effect or benefit (either legal, regulatory, tax, financial, accounting or otherwise) of

an investment in the Class B Preferred Units. In deciding to purchase the Class B Preferred Units, I am not relying on the advice or recommendations of the Company.

25. By executing this Subscription Agreement, I acknowledge and agree that I have read and considered the Memorandum, including but not limited to the risks set forth in the section of the Memorandum titled "Risk Factors." I acknowledge that I have determined and made my own independent decision that an investment in the Class B Preferred Units is suitable and appropriate for me based on my financial circumstances, knowledge and goals. **I further acknowledge that I have had the opportunity to consult an independent tax advisor, an attorney and/or an accountant regarding these matters and this offering of Class B Preferred Units and have independently decided to purchase the Class B Preferred Units.**

[Signature Page Follows]

THE UNDERSIGNED HAS THE AUTHORITY TO ENTER INTO THIS SUBSCRIPTION AGREEMENT ON BEHALF OF THE PERSON(S) OR ENTITY REGISTERED IN A. BELOW.

Executed this ____ day of _____, _____

X _____
Signature (Investor, or authorized signatory)

X _____
Signature (Investor, or authorized signatory)

(SPECIAL INSTRUCTIONS: In all cases, the person/entity making the investment decision to purchase the Class B Preferred Units must complete and sign this Subscription Agreement. For example, if the form of ownership designated above is a retirement plan for which investments are directed or made by a third party trustee, then that third party trustee must complete and sign this Subscription Agreement rather than the beneficiaries under the retirement plan. Investors must list their principal place of residence rather than their office or other address on the signature page so that the Company can confirm compliance with appropriate securities laws. If you desire correspondence to be sent to some address other than your principal residence, please provide a mailing address in the blank provided below.)

A. REGISTRATION INFORMATION

Please print the exact name (registration) investor desires on account:

Mailing address: _____

Email address: _____

B. INVESTOR INFORMATION

Please send all investor correspondence to the following:

Name: _____

Address: _____

Investor Phone: Business (_____) _____

Home (_____) _____

Investor Fax: Business (_____) _____
Home (_____) _____

Social Security or Federal Tax ID Number: _____

C. SUBMIT
SUBSCRIPTION

Make check payable to the order of "BLUE PEARL YACHTS, LLC". Mail the check and the completed and signed Subscription Agreement to:

BLUE PEARL YACHTS, LLC
19815 North Park Boulevard
Shaker Heights, Ohio 44122
Attn: Dr. Gregory Hummer

Otherwise, effect a wire transfer of immediately available funds to the Company's account

Subscription Accepted: BLUE PEARL YACHTS, LLC,
An Ohio limited liability company

By: _____

Name: _____

Title: _____