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TO: All Genmar Dealers

FROM: Irwin Jacobs

Dear Friends:

I wanted our dealers to be the first to know that Genmar is planning to re-enter the aluminum boat market. We have had many discussions with several Genmar dealers who were very supportive and successful with Genmar's former aluminum boat segment, which included Lund, Crestliner and Lowe boat companies. After carefully assessing and evaluating the aluminum boat market over the past several months, we've concluded there is a major need along with great opportunities in the aluminum boat segment of the fishing and recreational boat market.

As you know, we were in the aluminum boat business for 28-plus years. I believe that today's aluminum boat manufacturers have lost and will continue to lose a lot of business with the high prices they are charging their dealers for all categories of aluminum boats. Let me explain. When the aluminum boat business began decades ago, most aluminum builders then were focused on serving the boating consumers who, for the most part, either couldn't afford or didn't want to purchase a more expensive boat for their recreational and/or fishing needs. Since those early years, and even including many of the latter years when Genmar was in the aluminum boat business, the industry lost sight of the fact that there's a limit as to what dealers would or frankly should pay for aluminum boats and a limit to what they should in turn be retailing them for to their customers.

It is hard for me to believe that currently there are several aluminum fishing boats in the retail market at the same price, if not higher, than equally equipped fiberglass fishing boats of identical size; which I believe offer many more benefits than the today's selection of aluminum boats ever could.

Example being: I believe fiberglass fishing boats (i.e. Ranger, Stratos, Champion Boats, plus others) offer a better ride and a greater value than aluminum boats. In other words, I believe aluminum boats presently being offered both in today's market are, in many instances, overpriced compared to many of the fiberglass fishing boats.

As we develop our new aluminum boat line, it is Genmar's intention to substantially decrease the wholesale and retail prices in all of the aluminum boat segments of the market. This includes reducing wholesale and retail prices from entry level aluminum boats to the higher end and everything in between. I believe the only way that Genmar can once again become the industry leader in aluminum boats is for us to basically change the entire way aluminum boats are presently priced, manufactured and marketed to dealers and to the retail boat buying consumers.

Our present plans include for Genmar to be up and running in a completely new, modern aluminum boat factory sometime during the first quarter in 2010. The following are several important details and plans regarding Genmar's re-entering the aluminum boat business:

- The new Genmar aluminum boat factory will be the most modern, high-tech aluminum boat factory in the world.
- We won't be announcing the new name for the aluminum boat company until late 2009 or early 2010. It will be a completely new name and company.
- We hope to announce the location for the new aluminum boat factory sometime in the middle or third quarter in 2009.
- Our present plans call for Genmar's new aluminum boat company to be the most unique amongst all other aluminum boat manufacturers in the U.S., if not the world.
- Genmar's new aluminum boat company will have the most comprehensive product line-up ever offered under one aluminum boat brand. The line-up will include products in all segments of the aluminum boat market from entry level to the upper end and everything else in between.
- Genmar's dealership distribution for the new aluminum boat company's products will initially include the entire U.S. and Canada. (Eventually Genmar will offer dealership distribution throughout the world.)
- Pricing will be extremely competitive against all the other aluminum boat companies' products both at wholesale and suggested retail prices.
- Genmar will initially be offering dealerships for our new aluminum boat company's products to existing Genmar dealers and to many of those past Genmar dealers who were dealers when Genmar owned Lund, Crestliner and Lowe boat companies. We will not put dealers on top of dealers.

My friends, I want to assure you that when you see and hear about what Genmar's specific plans are for our new aluminum boat company, there won't be any doubt in anyone's mind (including our competitors) who is going to once again be the leader in

the aluminum boat segment of the market. It will be Genmar's new aluminum boat company.

As things progress, I will keep you up-to-date with the details.

If you have any early questions, please feel free to e-mail me at ilj@jacobs-mgmt.com. I always enjoy hearing from our Genmar dealers. Take care.

Your friend,

A handwritten signature in black ink, appearing to read 'Irwin L. Jacobs', with a long, sweeping flourish extending to the right.

Irwin L. Jacobs

ILJ:abh

P.S. With the above proposed commitment from Genmar, it is obvious that we are very optimistic about the future of the boating industry and believe that the recreational boating market will once again be re-emerging bigger and better than ever before.