



## SPONSORSHIP AGREEMENT

THIS AGREEMENT is made on this 1st day of January, 2017 between SPORTS CAR RACING ASSOCIATION OF THE MONTEREY PENINSULA ("SCRAMP"), A California not-for-profit Corporation, with offices at 1021 Monterey Highway 68, Salinas, California 93908 and EL JEFE TEQUILIA, LLC, ("Sponsor"), with offices at P.O. Box 1752, Monterey, CA 93942

### FACTS

SCRAMP, in keeping with its objectives of fostering and promoting automobile racing in North America, is staging the Continental Tire Monterey Grand Prix ("IMSA"), Motul World Superbike Championship ("SBK"), Rolex Monterey Motorsports Reunion ("RMMR"), the Pirelli World Challenge ("PWC") and Spring Classic ("SC"), detailed going forward as ("Events"). SCRAMP has the right to license, for commercial purposes, the rights to certain information and materials related to the motor sports racing facility known as Mazda Raceway Laguna Seca ("Facility").

### AGREEMENT

In consideration of the mutual covenants contained in this document, SCRAMP and Sponsor agree as follows:

#### 1. GRANT OF RIGHTS

1.1 SCRAMP hereby grants to Sponsor the sponsorship rights described in annexed Schedule "A": (herein such subject matter and items of Schedule "A" being individually and collectively called "**Sponsorship Rights**") solely in connection with the sponsorship of the 2017-2019 Events as set forth in Schedule "A". Schedule "A" is incorporated by reference into this Agreement.

#### 2. TERM OF AGREEMENT

2.1 The Sponsorship rights herein granted to Sponsor shall only apply to the 2017-2019 Events as set forth particularly in Schedule "A", unless otherwise stated. This agreement terminates at the sooner of November 1, 2019 or thirty (30) days following conclusion of the Event of as otherwise provided herein.

#### 3. SPONSORSHIP PAYMENTS

3.1 Sponsor shall pay to SCRAMP for the rights granted under this Agreement, the amount described in annexed Schedule "B" ("Payment for Sponsorship Rights"). Schedule "B" is incorporated by reference into this Agreement.

3.2 Sponsor acknowledges Time is of the Essence in meeting the payment schedules set forth herein.

4. WAIVER

4.1 The failure of either party to enforce any provision of this Agreement shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Agreement.

5. OBLIGATION OF SCRAMP

5.1 SCRAMP will stage and promote the 2017-2019 Events and will provide sponsor with the rights described in Schedule "A" annexed hereto.

5.2 SCRAMP will guarantee Sponsor, Sponsorship Rights to non-SCRAMP promoted Events with the rights described in Schedule "A" annexed hereto.

6. GOODWILL

6.1 Sponsor recognizes the great value and inherent attributes of the goodwill associated with the following names:

- (a) Sports Car Racing Association of the Monterey Peninsula (SCRAMP)
- (b) Mazda Raceway Laguna Seca
- (c) Continental Monterey Grand Prix
- (d) Motul World Superbike Championship, GEICO Motorcycle U.S. Round
- (e) Rolex Monterey Motorsports Reunion
- (f) Laguna Seca Raceway

and acknowledges that such goodwill belongs exclusively to SCRAMP and that such names have acquired a secondary meaning in the mind of the public. Sponsor agrees not to use any of said names without specific advance written approval from SCRAMP as outlined in Paragraph 8.3.

7. OWNERSHIP OF NAME

7.1 Sponsor agrees that all ownership rights in the names listed in Paragraph 6 above shall remain in SCRAMP. In recognition of SCRAMP's sole and exclusive rights in the names, Sponsors shall not apply for nor obtain neither any state or federal service mark or trademark registration nor any Foreign Service mark or trademark registrations covering or including the name.

7.2 SCRAMP acknowledges that the trademark "El Jefe Tequila" brands are registered trademarks of the El Jefe Tequila, LLC and that this Agreement does not grant to SCRAMP any right or interest in the ownership of such marks or any goodwill associated with such marks.

8. APPROVAL OF USE OF NAME OR LOGO

8.1 SCRAMP grants to Sponsor the right to use its name and logo for promotional purposes, as well as the name and logo of the names listed in Paragraph 6 above, in connection with the sponsorship of the 2017-2019 Events except as referenced in Paragraph 8.5 below.

8.2 Sponsor agrees that all of its use of these names and logos shall be of high standard and of such style, appearance and quality as to be adequate and suited to their exploitation to the best advantage and to the protection and enhancement of the names and logos and the goodwill pertaining

thereto.

8.3 Sponsor shall submit in writing all such use of the names and logos to SCRAMP for SCRAMP's advance written approval, which shall not be unreasonably withheld. If SCRAMP does not respond to Sponsor within seven (7) days of SCRAMP's receipt of such material for its approval, SCRAMP's approval shall be deemed given.

8.4 After SCRAMP has granted its approval to Sponsor's use of the names and logos, Sponsor shall not depart from the submitted use in any material respect without SCRAMP's prior written consent which shall not be unreasonably withheld.

#### 9. COPYRIGHT AND TRADEMARK NOTICES

9.1 At the time Sponsor submits for approval the use of the names and logos pursuant to the previous paragraphs, SCRAMP shall provide written instructions to Sponsor regarding the manner of display of copyright and trademark notices thereon. Sponsor shall comply with such written instructions and shall not depart there from in any material respect without SCRAMP's prior written consent.

#### 10. CERTIFICATE OF INSURANCE

10.1 At least 15 days prior to the commencement of each Event, SCRAMP shall deliver to Sponsor a Certificate of Insurance evidencing coverage for Comprehensive General Liability, including spectators liability, with limits of no less than \$10,000,000 combined single limit for bodily injury and property damage. Said certificate shall name Sponsor additional named insured and shall provide that in the event of any cancellation or modification of coverage, the insurance company will give Sponsor ten (10) days prior written notice of it.

#### 11. NO PARTNERSHIP, ETC.

11.1 This Agreement does not constitute and shall not be construed as constituting a partnership or joint venture between SCRAMP and Sponsor. Neither party shall have the right to obligate the other in any manner whatsoever, nor nothing herein contained shall give or is intended to give any right of any kind to any third person.

#### 12. ASSIGNABILITY

12.1 This contract shall bind and inure to the benefit of SCRAMP, its successors and assigns, and shall bind Sponsor, its successors and assigns. Sponsor may only assign contract benefits with prior written consent from SCRAMP.

#### 13. CONSTRUCTION

13.1 This agreement has been entered into and performed in Monterey County, California shall be construed in accordance with the laws of the State of California. In the event of any dispute between the parties, all such disputes shall be resolved in Monterey County.

#### 14. FORCE MAJEURE

14.1 Force Majeure, acts of God, or other causes beyond control of either party delaying or

causing the cancellation of either event shall not subject operator or sponsor to any liability hereunder, except, if and to the extent specifically provided otherwise herein. In the case of cancellation by reason of Force Majeure, no additional sponsor payments are due for the cancelled event.

15. NOTICE

15.1 Any notice under this contract shall be given in writing, either by personal delivery, by mail or by telegram, addressed in the case of SCRAMP to:

**SPORTS CAR RACING ASSOCIATION OF MONTEREY PENINSULA**

1021 Monterey Highway 68  
Salinas, California 93908  
Attn: Gill Campbell, CEO

and in the case of Sponsor to:

**EL JEFE TEQUILA, LLC**

P.O. Box 1752  
Monterey, CA 93942  
Attn: Ryan Sanchez

16. COUNTERPARTS

16.1 This contract may be executed by the parties in multiple counterparts, each of which shall be deemed an original agreement, and all of which shall constitute one agreement.

17. INDEMNITY

17.1 SCRAMP agrees to defend indemnity and hold harmless Sponsor for any claims, loss or damage (including reasonable attorney's fees and costs) incurred by Sponsor as a result of (a) SCRAMP's failure to perform a material term hereunder. Sponsor agrees to indemnify and hold SCRAMP harmless for any claims, loss or damage (including reasonable attorney's fees and costs) incurred by SCRAMP as a result of (a) the negligent or willful act or omission of Sponsor, its agents or employees, and (b) Sponsor's failure to perform a material term hereunder.

18. CONFIDENTIALITY

18.1 Both parties agree not to divulge the terms and conditions of this Agreement without written consent from the other party except as may be necessary for tax reporting requirements, if any or as otherwise required by law.

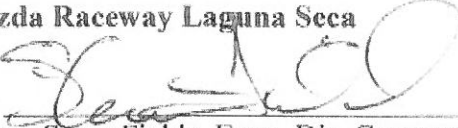
IN WITNESS WHEREOF, the parties hereto as of the date and year first above written have duly executed this contract.

**SCRAMP**

By:   
Name: Gill Campbell, CEO

Date: 1/23/17

**Mazda Raceway Laguna Seca**

By:   
Name: Steve Fields, Exec. Dir. Corporate Partnerships

Date: 1/1/17

**EL JEFE TEQUILA, LLC**

By:   
Name: Ryan Sanchez

Date: 1-1-17



## SCHEDULE "A"

### **Sponsorship Rights**

**El Jefe** shall receive the follow rights as the Official Tequila of Mazda Raceway Laguna Seca:

- 1 **Category Exclusivity** - No other competitive tequila will be allowed to advertise on track or participate in any of the promotions mounted by Mazda Raceway in connection with the subject Events;
- 2 **Event Tickets and VIP Access**
  - a. Two (2) Annual Sponsor VIP Hard Cards
  - b. Twenty (20) 3-Day GA Tickets for each Event
  - c. Two (2) VIP Parking Passes per Event
- 3 **Event Signage & Branding**
  - a. One (1) 12'x24' Paddock Billboard
  - b. Four (4) 3'x5' Track-side A-Frame signs
  - c. Thirty (30) :30 Scoring Trylon Logo Spots, per Event race day
- 4 **Promotions and Marketing**
  - a. El Jefe will be named Presenting Sponsor of the SBK Fan Party
    - i. El Jefe name and logo incorporated into all Fan Party materials
    - ii. SCRAMP will offer El Jefe drink specials at a dedicated and branded bar
  - b. El Jefe branded Margarita Booths
    - i. A minimum of one (1) branded Margarita Booth at all Events
    - ii. Includes exclusive El Jefe branding and POS materials
    - iii. El Jefe may included into a full service bar-style area in Marketplace if developed for future events
  - c. One (1) e-Newsletter Banner, two issues annually
    - i. Size: 160x600
  - d. Two (2) Rotational web banners, year-round
    - i. Size: 728x90 & 160x600

## **SCHEDULE "B"**

### **Payment Terms**

1. In return for the sponsorship rights as outlined previously in Schedule "A", **EL JEFE TEQUILA, LLC** shall pay the following sponsorship fees as follows:

2017 - \$10,000

2018 - \$10,000

2019 - \$10,000

Payment schedule is as follows: \$5,000 due May 1<sup>st</sup> and July 1<sup>st</sup> of each contracted year of the Agreement.

2. Product Allocation:

- a. El Jefe shall provide SCRAMP with thirty (30) bottles of product annually by May 1, 2015 for use as sponsor and volunteer gifts throughout the year.

3. Additional Provisions:

- a. **El Jefe** is fully responsible for all costs associated with the production and installation/removal of its Event signage. Mazda Raceway will work with its track signage installation partner to provide Sponsor with one quote and billing for all signage production and installation fees for the entire year. Signage opportunities for non-SCRAMP promoted events, if available, will be billed independently.
- b. **SCRAMP** shall be provided with six (6) "Season SandiPass" good for one free sandwich with purchase of chips/or drink at Corral Market or Bruno's Market. Passes can be used unlimited days in a row. Valid through December 31, 2019.

**Initials**

**EL JEFE**

**SCRAMP**