



THE
ENTHUSIAST
NETWORK™

POWERED BY PASSIONS

PROPOSED PARTNERSHIP AGREEMENT TERM SHEET

This Term Sheet is entered into on **August 1, 2016** by and between **TEN: The Enthusiast Network, LLC ("TEN")** and the County of Monterey, with the Sports Car Racing Association of Monterey Peninsula ("SCRAMP") as their agent.

1. **BACKGROUND.** TEN owns and operates automotive-oriented media brands, such as *Motor Trend onDemand* with the ability to broadcast certain live events through video-on-demand services as well as linear television. SCRAMP operates a motorsport racing competition series known as the "Rolex Monterey Motorsports Reunion" ("Rolex Reunion"). SCRAMP and TEN have discussed the potential for business collaboration under which: (a) TEN will capture video and photographic footage of the events surrounding the Rolex Reunion ("Footage"); (b) SCRAMP will license the live broadcast rights for the Rolex Reunion to TEN on an exclusive basis; (c) SCRAMP and TEN will contribute various assets and services towards the promotion and distribution of the RMMR in an effort to expand their respective consumer bases; and (d) TEN will leverage its media generation, content distribution, marketing expertise to drive growth and awareness of the RMMR. Based on the positive direction of these business discussions, the parties have decided to enter into this binding Term Sheet in order to move towards definitive agreements formalizing their business relationship. The parties intend to negotiate and execute a long-form agreement as promptly as reasonably possible upon execution of this Term Sheet ("Definitive Agreement").

2. **TEN RESPONSIBILITIES.** TEN shall undertake the following responsibilities related to broadcast, marketing and promotional support (which may change from time to time before being finalized between the parties no later than the execution of the Definitive Agreement):

(a) TEN will provide access to the live track coverage of the RMMR from 10:00a until 6:00p on the Saturday and Sunday of the RMMR event.

(b) TEN will stream the live coverage of the RMMR on the Friday, Saturday and Sunday of the RMMR event with the specific length of live streaming hours to be determined at TEN's sole discretion.

(c) TEN will produce a one-hour show capturing the highlights of the RMMR for distribution on CBS Sports Network.

(d) TEN reserves the right to sell all third party advertising in connection with the distribution of the RMMR and TEN shall retain 100% of all revenue generated with such solicitations and sales of third party advertising.

(e) TEN will promote the distribution of the RMMR by using the agreed-upon name of the event ("Rolex Monterey Motorsports Reunion") and will use the term Rolex Monterey Motorsports Reunion a minimum of one time during the opening of each broadcast distribution.

3. **SCRAMP RESPONSIBILITIES.** SCRAMP will support TEN by providing and granting the following license rights and deliverables to TEN:

(a) SCRAMP shall grant to TEN the exclusive rights to stream digitally and broadcast on linear television the live video content related to the RMMR including all track and paddock activities during the time



THE
ENTHUSIAST
NETWORK™

POWERED BY PASSIONS

period of the RMMR. Following the conclusion of the exclusive period, the footage captured at the RMMR shall be limited to the distribution on TEN's digital and video-on-demand platforms and its YouTube channels in perpetuity.

4. **TERM; TERMINATION RIGHTS.** The term of the Definitive Agreement will be until December 31, 2018 with the option of the parties to extend the Term through mutual agreement. Neither party may terminate this Term Sheet in the event that either party materially breaches any obligation set forth in this Term Sheet and such breach remains uncured for thirty (30) days following the date of written notice specifying the breach. Moreover, if at any time during the term of this business arrangement, SCRAMP does not retain the rights and ability to manage the racing facility used by the parties, this Term Sheet and the Definitive Agreement shall be subject to renegotiation or may be terminated immediately by TEN.

5. **INTELLECTUAL PROPERTY RIGHTS.** Monterey County and SCRAMP as their agent shall maintain ownership over all intellectual property rights concerning the logos, trademarks and service marks relating to RMMR. TEN shall maintain ownership over all intellectual property rights concerning the logos, trademarks and service marks related to its brands as well as the Footage. TEN will grant license rights to SCRAMP to distribute the Footage across its owned and operated digital platforms for non-commercial purposes.

6. **COMPENSATION.** The parties acknowledge that the license rights granted herein are not subject to any compensation.

7. **NEGOTIATION WITH OTHERS.** Until the consummation of the transaction contemplated by this Term Sheet, neither TEN nor SCRAMP or its agents or representatives will, directly or indirectly, solicit or initiate discussions or engage in negotiations with any person (whether such negotiations are initiated by them or otherwise), with respect to the arrangement as contemplated by this Term Sheet.

8. **CONFIDENTIALITY.** Neither party hereto shall in any way or in any form disclose, publicize, or advertise in any manner the discussions that give rise to this Term Sheet or the terms and conditions of this Term Sheet without the prior written consent of the other party.

9. **BINDING TERM SHEET.** This Term Sheet shall be interpreted as binding the parties and committing the parties to entering into the Definitive Agreement concerning the foregoing commercial relationship.

10. **ENTIRE AGREEMENT; COUNTERPARTS.** The Term Sheet contains the entire understandings of the parties with respect to the subject matter of each such provision and supersede any prior agreement between the parties. This Term Sheet may be executed in any number of counterparts, including signatures via facsimile or PDF attached to an email, and each such counterpart shall be deemed to be an original instrument, but all such counterparts together shall constitute but one agreement.

TEN: THE ENTHUSIAST NETWORK, LLC

By: 

Name: Robert A. Alvin

Title: SVP - Original Proj.

Date: 4/10/17

SPORTS CAR RACING ASSOCIATION OF MONTEREY PENINSULA

By: 

Name: GILL CAMPBELL

Title: CEO

Date: 4/18/17