



SPONSORSHIP AGREEMENT

THIS AGREEMENT is made on this 23 day of February 2018 (the "Effective Date") between Monterey County and the Sports Car Racing Association of the Monterey Peninsula ("SCRAMP"), as its acting agent of record with offices at 1021 Monterey Highway 68, Salinas, California 93908 and Mazda Motor of America, Inc., dba Mazda North American Operations ("Mazda" or "Sponsor") with offices at 200 Spectrum Center Drive, Suite 100, Irvine, CA 92618.

FACTS

SCRAMP, in keeping with its objectives of fostering and promoting automobile racing in North America, is hosting the Continental Tire Monterey Grand Prix, Sept. 6-9, 2018 and 2019 date TBD and the Rolex Monterey Motorsports Reunion August 23-26, 2018 and August 15-18, 2019, to be known collectively as the "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 Laguna Seca Raceway ("Facility").

AGREEMENT

In consideration of the mutual covenants contained in this document, SCRAMP, acting as agent for Monterey County, and Mazda agree as follows:

1. GRANT OF RIGHTS

1.1 SCRAMP hereby grants to Mazda 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 2018-2019 Events as set forth in **Schedule "A"**, incorporated by reference into this Agreement.

2. TERM OF AGREEMENT

2.1 The Sponsorship rights herein granted to Mazda shall only apply to the 2018-2019 Events as set forth particularly in **Schedule "A"**, unless otherwise stated, and include the Mazda renewal options set forth in **Schedule "B."** This Agreement is effective as of the Effective Date and expires thirty (30) days following conclusion of the final Event, unless earlier terminated pursuant to Section 2.2 below (the "**Term**") or extended pursuant to **Schedule "B."**

2.2 Either party (the "**Non-Defaulting Party**") may (in addition to pursuing any other remedies available to it by law, equity or this Agreement) elect to terminate this Agreement by giving written notice (the "**Termination Notice**") to that effect to the applicable party (the "**Defaulting Party**") upon occurrence of any of the following events: (1) the commencement of any proceeding against the Defaulting Party, which

is not dismissed within 45 days after commencement, and which seeks adjudication of bankruptcy, reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any state and/or federal statutes, laws or regulations in which event, the termination of this Agreement shall be effective upon the date of, or any later date specified in, the Termination Notice; or (2) a breach by the Defaulting Party of any material term of this Agreement, which breach, as specified in the Termination Notice, either is not capable of being remedied or remains unremedied for more than thirty (30) days after the Defaulting Party's receipt of such Termination Notice in which event, the termination of this Agreement shall be effective at midnight of such thirtieth day or of any later day specified in the Termination Notice). In the event that the Agreement is terminated pursuant to this Section, Mazda shall not be responsible for making any further payments of the Sponsorship Fee as of the effective date of such Termination Notice and SCRAMP shall promptly refund a pro rata portion of the Sponsorship Fee paid by Mazda to SCRAMP representing those benefits which were not realized by Mazda under the Agreement. The provisions of this Section shall survive any termination or breach of this Agreement to the extent necessary to affect the intent of the parties and shall remain in effect so long as the parties are entitled to protections of their rights under the applicable law.

- 2.3 From August 1, 2019 through October 1, 2019, SCRAMP shall negotiate exclusively and in good faith with Mazda for the included renewal extension for years 2020 through 2021. If SCRAMP and Mazda do not enter into a renewal agreement by October 1, 2019, SCRAMP may negotiate with other potential sponsors.

3. SPONSORSHIP PAYMENTS

- 3.1 For the rights granted under this Agreement, Mazda shall pay to SCRAMP acting as agent for Monterey County, the amount described in annexed **Schedule "B"** ("**Sponsorship Fee**") which is incorporated by reference into this Agreement.
- 3.2 Mazda 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 2018-2019 Events and will provide Mazda with the rights described in **Schedule "A"** annexed hereto.
- 5.2 It is acknowledged and agreed that Mazda has no responsibility or authority to organize, promote, implement, administer or conduct the Event. Such responsibility and authority, including, but not limited to, scheduling, staffing,

staging, obtaining all necessary permits, arranging for adequate security, providing sanitary facilities for attendees, supervising Event entrants and other participants, providing pre-event manpower, promoting and advertising the event, paying taxes, payroll, insurance, legal fees and prizes, shall reside with SCRAMP or other third-party.

6. GOODWILL

6.1 Mazda recognizes the great value and inherent attributes of the goodwill associated with the following names (collectively, the "Raceway Trademarks"):

- a) Sports Car Racing Association of the Monterey Peninsula
- b) Laguna Seca Raceway
- c) Rolex Monterey Motorsports Reunion
- d) Continental Tire Monterey Grand Prix
- e) Monterey County
- f) Laguna Seca

and acknowledges that such goodwill belongs exclusively to Monterey County and that the Raceway Trademarks have acquired a secondary meaning in the mind of the public. Sponsor agrees not to use any of said Raceway Trademarks in any Sponsor promotional or marketing materials except as set forth in Section 8 below; provided, however, the parties acknowledge "Monterey County" when used to refer to a location is not a violation of this Section 6.1.

7. OWNERSHIP OF NAME

7.1 Mazda agrees that all ownership rights in the Raceway Trademarks shall remain in County. In recognition of SCRAMP's sole and exclusive rights in the Raceway Trademarks acting as agent for Monterey County, Mazda shall not apply for nor obtain any state or federal service mark or trademark registration or any Foreign Service mark or trademark registrations covering or including the Raceway Trademarks.

7.2 All marks, logos, copyrighted and copyrightable materials supplied to SCRAMP by Mazda (the "Sponsor Intellectual Property") shall belong to and remain the sole property of Mazda, and SCRAMP shall not have or acquire any right to copy, reproduce, publish or use such Mazda Intellectual Property except in connection with the specific purposes of this Agreement and only after specific advance written approval from Mazda.

8. APPROVAL OF USE OF NAME OR LOGO

8.1 SCRAMP grants to Mazda the right to use the Raceway Trademarks for promotional purposes, as well as in connection with the sponsorship of the Event, except as referenced in Paragraph 8.5 below.

8.2 Mazda shall submit in writing all proposed uses of the Raceway Trademarks to SCRAMP for SCRAMP's advance written approval, which shall not be

unreasonably withheld, conditioned or delayed. If SCRAMP does not respond to Mazda 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 Mazda's use of the Raceway Trademarks, Mazda shall not depart from the submitted use in any material respect without SCRAMP's prior written consent, which shall not be unreasonably withheld, conditioned or delayed.

8.5 Use of the Raceway Trademarks for novelty and clothing items is reserved exclusively for the officially licensed clothing sponsor of the Events. Use of the name and logo of the Event on clothing and novelties must be mutually approved by SCRAMP and the licensed clothing sponsor of the Events.

9. COPYRIGHT AND TRADEMARK NOTICES

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

10. REPRESENTATIONS

10.1 SCRAMP hereby represents and warrants that: (a) it has the full right and authority to enter into and fully perform its obligations under this Agreement in accordance with its terms, and this Agreement constitutes a valid, binding and enforceable agreement of SCRAMP; (b) it shall perform its obligations under this Agreement in accordance with all applicable Federal, state and local laws and regulations; (c) it shall perform its activities under this Agreement using sound, professional practices and in a competent and professional manner by knowledgeable and trained personnel; (d) it shall, at its own cost, apply for and secure any and all permits, licenses or other consents which may be required for the execution of the Events and the sponsorship contemplated by this Agreement.

11. CERTIFICATE OF INSURANCE

11.1 At least 15 days prior to the commencement of the Events, SCRAMP shall deliver to Mazda 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 Mazda additional named insured and shall provide that in the event of any cancellation or modification of coverage, the insurance company will give Mazda thirty (30) days prior written notice of it. All insurance will be primary and will not require contribution from any coverage maintained by Sponsor and will not contain, without Mazda's prior written consent, any special or non-customary exclusion.

12. NO PARTNERSHIP, ETC.
 - 12.1 This Agreement does not constitute and shall not be construed as constituting a partnership or joint venture between SCRAMP and Mazda. 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.
13. ASSIGNABILITY
 - 13.1 This contract shall bind and inure to the benefit of Monterey County, its successors and assigns, and shall bind and inure to the benefit Mazda, its successors and assigns. Neither party may assign this Agreement without prior written consent from the other party.
14. CONSTRUCTION
 - 14.1 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, without giving effect to any choice of law provision or rule (whether of the State of California or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of California. In the event of any dispute between the parties, all such disputes shall be resolved in Monterey County.
15. FORCE MAJEURE
 - 15.1 In the event any party is unable to carry out its material obligations under this Agreement by reason of "force majeure" (as defined below) those obligations will be suspended during the continuance of the force majeure event. The term "force majeure" means any event caused by occurrences beyond a party's reasonable control, including, but not limited to, acts of God, fire, flood, war, acts of terrorism or Federal, state, city or local government regulations, policies or actions enacted or taken subsequent to the execution of this Agreement. If the force majeure extends for more than ten (10) days and if any affected element of the Event cannot be reasonably rescheduled, then Sponsor and/or SCRAMP, as the case may be, shall be entitled to terminate this Agreement upon written notice to the other party. If Mazda terminates the Agreement, then within fifteen (15) days of such termination SCRAMP shall refund a pro-rata portion of the Sponsorship Fee paid by Mazda representing the benefits, which were not realized by Mazda under this Agreement. No party shall be liable to any other party for lost profits, special, incidental or consequential damages incurred in the event of termination of this Agreement due to a force majeure event.
16. ENTIRE AGREEMENT
 - 16.1 This Agreement constitutes the entire understanding among the parties hereto and cannot be altered or modified except by an agreement in writing signed by all of the parties hereto. Upon its execution, this Agreement shall supersede all prior negotiations, understandings, and agreements, whether oral or written, with

respect to the subject matter herein, and such prior agreements shall thereupon be null and void and without further legal effect.

17. NOTICE

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

Sports Car Racing Association of the Monterey Peninsula
P.O. Box 2078
Monterey, CA 93942
Attn: Mr. Steve Fields

And in the case of Mazda to:

MAZDA NORTH AMERICAN OPERATIONS
200 Spectrum Center Drive, Suite 100
Irvine, CA 92618
Attn: Marketing Department

With a copy to:

MAZDA NORTH AMERICAN OPERATIONS
200 Spectrum Center Drive, Suite 100
Irvine, CA 92618
Attn: General Counsel

18. COUNTERPARTS

18.1 This Agreement may be executed by the parties in multiple counterparts and signatures exchanged by electronic means, each of which shall be deemed an original Agreement, and all of which shall constitute one Agreement.

19. INDEMNITY

19.1 SCRAMP agrees to defend, indemnify and hold harmless Mazda, its corporate affiliates, officers, directors, employees and agents ("Mazda Indemnitees") from any claims, loss, liability or damage (including reasonable attorney's fees and costs) incurred by Mazda Indemnitees as a result of (a) the negligent or willful act or omission of SCRAMP, its agents or employees; (b) breach of any representation, warranty or obligation of SCRAMP in this Agreement; or (c) SCRAMP's failure to perform under any third party obligation or pay any third party, subcontractor, consultant, personnel or agent hired or engaged by SCRAMP including, without limitation, to fulfill SCRAMP's obligations in Section 5 above. Mazda agrees to indemnify and hold SCRAMP harmless for any claims, loss, liability 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 Mazda, its agents or employees, and (b) Mazda's failure to perform a material term hereunder. Said indemnification survives expiration of this Agreement and is conditioned on the indemnifying party receiving prompt notice of any claim, opportunity to defend same solely with counsel of its choice and cooperation of the indemnified party therein. **EXCEPT FOR ITS INDEMNIFICATION OBLIGATIONS FOR THIRD PARTY CLAIMS, IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER, IN ANY MANNER WHATSOEVER, FOR CONSEQUENTIAL, INCIDENTAL, SPECIAL OR PUNITIVE DAMAGES.**

20. CONFIDENTIALITY

20.1 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 and financial audit reporting requirements or to their legal advisors, if any, or as otherwise required by law.

IN WITNESS WHEREOF, the parties hereto as of the Effective Date have duly executed this contract.

Sports Car Racing Association of the Monterey Peninsula

By: 

(Signature)

Name: Steve Fields

Its:

**MAZDA MOTOR OF AMERICA, INC.,
DBA MAZDA NORTH AMERICAN OPERATIONS**

By: 

(Signature)

Name: KATHLEEN SMITH

Its: CONTROLLER

SCHEDULE "A"
SPONSORSHIP ASSETS & RIGHTS

The following sponsorship elements shall be reserved for Mazda during the agreed 2018-2019 Events:

ROLEX MONTEREY MOTORSPORT REUNION

1. One (1) 60'x80' Premier Paddock Location
 - a. Located at the Corner of Row A & Main Fire Lane
 - b. Must contain a minimum of four (4) Participant Entries for the Rolex Reunion
2. Two (2) Premier Pit Row Suites
 - a. Includes fifty (50) passes per day, per Suite (300 total passes)
 - b. Includes (50) Parking Passes
3. One (1) Turn 5 Mazda Car Corral Area
 - a. Space allocation for maximum of (65) Mazda vehicles
4. One (1) Full Page Souvenir Program Ad

IMSA CONTINENTAL TIRE MONTEREY GRAND PRIX

1. One (1) 60'x80' Marketplace Display Space Location
 - a. Opportunity to look at alternative locations closer to the event
2. Two (2) Premier Pit Row Suites
 - a. Includes fifty (50) passes per day, per Suite (300 total passes)
 - b. Includes (50) Parking Passes
3. One (1) Turn 5 Mazda Car Corral Area
 - a. Space allocation for maximum of (65) Mazda vehicles
4. One (1) Full Page Souvenir Program Ad

EXCLUSIVE TRACK RENTAL DAYS

1. One (1) Unlimited Sound Day (Valued at \$25,000/ea.) – April 16, 2018
2. Two (2) 105 dB Limited Sound Day (Valued at \$20,500/ea.) - Sept. 15th & 16th 2018
3. Three (3) 92dB Limited Sound Days (Valued at \$15,500/ea.) - Feb. 24th & 25th, May 23rd 2018
 - a. All Track Rentals must adhere to Monterey County Track Rental Agreement
4. 2019 Track Rental date allocations
 - a. 2019 Sound dB allocations remain the same

SCHEDULE "B"
MAZDA PROVISIONS & SPONSORSHIP INVESTMENT

In return for the Sponsorship Rights outlined in **Schedule "A"**, Sponsor shall pay to SCRAMP the following Sponsorship Investment as follows:

2018 - \$270,000

2019 - \$270,000

1. Payment shall be due in full prior to June 1st of each corresponding year of the Term. SCRAMP shall invoice MNAO no earlier than thirty (30) days prior to June 1st of each year and MNAO will pay within 30 days of receipt of invoice.
2. Mazda shall receive a 2-Year "Renewal Option" for 2020-2021 for all Sponsorship Rights held within. Sponsor shall notify SCRAMP of acceptance for the 2020 Renewal Option prior to August 31, 2019. Renewal Option Term shall include a 5% Sponsorship Investment increase.
3. Mazda is responsible for all cost associated with the Food and Beverage within their hospitality areas. Mazda shall be assigned a track-approved caterer for all hospitality needs.
4. 2019 Track Rental date allocations
 - a. 2019 Mazda shall retain the same dB sound level dates commitments

Initials

MAZDA 

SCRAMP 