

MAZDA RACEWAY

LAGUNA SECA ●●

SPONSORSHIP AGREEMENT

THIS AGREEMENT is made on this 3rd day of April, 2017 between MONTEREY COUNTY and 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 **THE REINALT-THOMAS CORPORATION, dba Discount Tire**, America's Tire and Discount Tire Direct, ("Sponsor"), with offices at 20225 N. Scottsdale Rd. Scottsdale, AZ 85225.

FACTS

SCRAMP, in keeping with its objectives of fostering and promoting automobile racing in North America, is staging the IMSA WeatherTech SportsCar Championship, September 21-24, 2017 and 2018 dates TBD, known going forward 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 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 2017-2018 races 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 2017-2018 races as set forth particularly in Schedule "A", unless otherwise stated. This agreement is effective as of the date first set forth above and expires thirty (30) days following conclusion of the Events, unless earlier terminated pursuant to Section 2.2 below (the "Term").
- 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, seeking adjudication of bankruptcy, reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any

state and/or federal statutes, laws or regulations (in which Events, 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 without remedy for more than thirty (30) days after the Defaulting Party's receipt of such Termination Notice (in which Events, the termination of this Agreement shall be effective at midnight of such seventh day or of any later day specified in the Termination Notice). In the event that the Agreement is terminated pursuant to this Section, Sponsor 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 Sponsor to SCRAMP representing those benefits which were not realized by Sponsor 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.

3. SPONSORSHIP PAYMENTS

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

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 2017-2018 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.
- 5.3 It is acknowledged and agreed that Sponsor has no responsibility or authority to organize, promote, implement, administer or conduct the Events. 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 Events, paying taxes, payroll, insurance, legal fees and prizes, shall reside with SCRAMP or other third-party.

6. REPRESENTATIONS

- 6.1 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.

7. CERTIFICATE OF INSURANCE

- 7.1 At least 15 days prior to the commencement of the Events, 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 Events of any cancellation or modification of coverage, the insurance company will give Sponsor ten (10) 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 Sponsor's prior written consent, any special or non-customary exclusion.

8. NO PARTNERSHIP, ETC.

- 8.1 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.

9. ASSIGNABILITY

- 9.1 This contract shall bind and inure to the benefit of SCRAMP, its successors and assigns, and shall bind and inure to the benefit Sponsor, its successors and assigns. Neither party assign this Agreement with prior written consent from the other party, which consent shall not be unreasonably withheld or delayed; provided, however, that no notice or consent shall be required in the Events of an assignment in connection with the sale of all or substantially all of the assets or stock of either party hereto and such successor can and does agree in writing to be bound by all of the terms and conditions hereof.
- 9.2 In the event that at any time during the Term, SCRAMP is no longer the managing organization of the Facility, Sponsor shall have the right to terminate or renegotiate the Agreement.

10. CONSTRUCTION

- 10.1 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.

11. FORCE MAJEURE

- 11.1 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, provided the cause of the force majeure is remedied by the disabled party as quickly as practicable. 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 Events 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.

12. ENTIRE AGREEMENT

- 12.1 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.

13. NOTICE

- 13.1 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 MONTEREY PENINSULA
P.O. Box 2078
Monterey, CA 93942
Attn: General Manager

COUNTY of MONTEREY
168 W. Alisal Street. 3rd Floor
Salinas, CA 93901
Attn: MRLS County Representative

And in the case of Sponsor to:

DISCOUNT TIRE
20225 N. Scottsdale Rd.
Scottsdale, AZ 85255
Attn: Mark Marrufo

15. COUNTERPARTS

- 15.1 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.

16. INDEMNITY

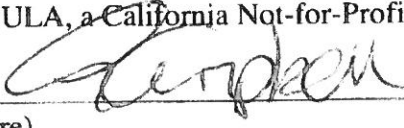
- 16.1 SCRAMP agrees to defend, indemnify and hold harmless Sponsor for any claims, loss or damage (including reasonable attorney's fees and costs) incurred by Sponsor as a result of (a) the negligent or willful act or omission of SCRAMP, its agents or employees; or (b) SCRAMP's failure to perform a 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. 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 EVENTS SHALL EITHER PARTY BE LIABLE TO THE OTHER, IN ANY MANNER WHATSOEVER, FOR CONSEQUENTIAL, INCIDENTAL, SPECIAL OR PUNITIVE DAMAGES.

17. CONFIDENTIALITY

- 17.1 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.

SPORTS CAR RACING ASSOCIATION OF THE MONTEREY
PENINSULA, a California Not-for-Profit Corporation

By: 
(Signature)
Name: Gill Campbell

DISCOUNT TIRE COMPANY

By: 
(Signature)
Name: Mark Marrufo

SCHEDULE "A"

Sponsorship Rights

Partnership Rights – the following sponsorship elements shall be reserved for during the agreed 2017-2018 Events:

1. Discount Tire shall be designated as the Title Sponsor of the primary IMSA WeatherTech Sports Car Race, known as the "Discount Tire 250", ("Race")
 - a. Race shall be included in all advertising and marketing assets produced by SCRAMP in support of the Event.
 - b. Discount Tire name, logo, link recognition throughout the mazdaraceway.com website
 - c. Discount Tire representative shall have the opportunity to call "Drivers Start Your Engines" prior to the Race
 - d. Discount Tire representative shall have the opportunity present trophies in Winners Circle following the Race
 - i. Race logo will be present on all Race trophies
 - e. Discount Tire shall receive six (6) VIP Hot Laps on Race day
2. Discount Tire shall be designated as an "Official Partner" of the Event
 - a. Discount Tire shall receive Mazda Raceway Laguna Seca ("MRLS") and Event name and logo rights for use in market for national advertising and promotional use, including video portions of the Event with Event name and logos
 - b. All usage must be approved by SCRAMP. No approvals will be unreasonably withheld. If SCRAMP fails to respond to any proposed use within five (5) business days of SCRAMP's receipt from Sponsor, then the proposed use shall be deemed approved. Any subsequent uses by Sponsor which are substantially similar to an approved use shall not require approval by SCRAMP
 - c. SCRAMP is not contemplating any other tire retail entity as any type of sponsor or otherwise having any advertising rights related to the Events - 70
3. Events Signage
 - a. Two (2) 8'x40' Start/Finish Billboards
 - b. Three (3) 7'x40' Turn 5 Billboards
 - c. One (1) 12'x24' Corkscrew Billboard
 - d. Two (10) 2'x6' Trackside A-Frames
3. Event Hospitality
 - a. Option 1 – Pit Row Suite
 - i. Includes twenty-five (25) individual day passes (75 in total)
 - ii. Includes five (5) VIP Parking Passes
 - iii. Overlooking Pit Garages
 - b. Option 2 – Turn 3 Chalet
 - i. Includes fifty (50) individual day passes (150 in total)
 - ii. Includes twenty-five (25) Turn 3 VIP Car Corral Parking Passes
 - iii. Larger access for dealers, vendors, promotional programs
 - c. Discount Tire shall have two (2) reserved RV parking spaces
4. One (1) Full-Page, 4-color Event Program Ad

5. Digital Assets
 - a. One (1) web banners located on the Event home page and on track calendar of the Raceway's official website: www.MazdaRaceway.com (Size: 728x90)
 - b. One (1) eNewsletter banners in the two (2) August issues (Size: 728x90)
6. Scoring Trylon Package
 - a. Twenty-Five (25) :30 logo spots, per Event race day
7. In-Market Promotional Program
 - a. Two (2) FREE Admission Passes at regional Discount Tire locations
 - b. MRLS and Discount Tire shall co-promote an in-market promotion where all customers who come into an Discount Tire location shall receive a voucher for two (2) FREE admission passes for Sunday September 24th
 - c. No purchase necessary
 - d. Mazda Raceway and Discount Tire shall work jointly on POS creative to help market and promote traffic driver
 - e. Mazda Raceway shall promote through social media outlets, including Facebook and Twitter
 - f. Mazda Raceway shall promote through promotional story in eNewsletter immediately following program launch
 - g. Mazda Raceway shall promote through official website with a dedicated banner detailing promotion

SCHEDULE "B"

Discount Tire Provisions

In return for the sponsorship rights as outlined previously, Discount Tire shall pay the following sponsorship Investment Fees as follows:

1. **Sponsorship Investment:**
 - a. 2017 - \$55,000
 - b. 2018 - \$55,000
 - i. Investment Fee shall be due in full prior to June 15th in each contracted year.
 - ii. Discount Tire may opt out after 2017 with written notice to SCRAMP before February 1, 2108
2. Investment Fee shall include all costs associated with the production, installation and removal of all on-track and off-track signage included in the Agreement.
3. Discount Tire shall receive a First Right of Negotiation beginning September 1, 2018 through December 1, 2018 for renewal of the rights contained in this agreement. The two parties do not come to agreement within this period; Mazda Raceway shall be free to consider other partners.

Initials



DISCOUNT TIRE

SCRAMP



