

MAZDA RACEWAY

LAGUNA SECA

PARTNERSHIP AGREEMENT

Monterey County

THIS AGREEMENT is made on this 1st day of March, 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 STAND 21 NORTH AMERICA, ("Sponsor"), with offices at 17882 Georgetown Ln., Huntington Beach, CA 92647.

FACTS

SCRAMP, in keeping with its objectives of fostering and promoting automobile racing in North America, is staging the Continental Grand Prix of Monterey ("IMSA"), Rolex Monterey Motorsports Reunion ("RMMR"), Pre-Reunion ("RMMR-Pre"), Spring Classic ("SC"), the Pirelli World Challenge ("PWC") and the, known as ("Events"). SCRAMP has the right to license, promote and manage aspects of the Events related to the motor sports racing facility known as Mazda Raceway Laguna Seca ("Facility").

TERM

The "Term" shall be March 1, 2017 through October 31, 2019. Sponsor shall receive an exclusive Right of First Negotiation ("First Rights") for thirty (30) days following the final Event of the 2019 race season. If preceding the period of First Rights, SCRAMP and Sponsor to come to a mutual continuation agreement, SCRAMP shall be free to negotiate with competitive brands for the rights held within this Agreement.

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.

SCRAMP and Sponsor have a clear understanding that as of the date of signature of this Agreement, SCRAMP is under current review and renewal process for the continued management rights agreement ("Concessions Agreement") with the Monterey County Parks Department. If for any reason SCRAMP does not retain the rights and ability to manage the Facility at any time during this Agreement, the Agreement shall be terminated and all agreed License Rights shall be terminated immediately.

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

12. CONSTRUCTION

12.1 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.

13. FORCE MAJEURE

13.1 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.

14. ARBITRATION AND ATTORNEYS FEES

14.1 The parties agree that any disputes arising from this Agreement shall be submitted to binding neutral arbitration before a single arbitrator in accordance with the rules of the American Arbitration Association. In connection therewith, the parties shall be entitled to discovery in accordance with the rules of discovery in civil cases. The arbitrator may award the arbitration fees, attorney fees and costs incurred, as part of any award. The arbitration award may be entered in a court of competent jurisdiction. Any arbitration shall occur in Monterey County, California.

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 SCRAM to:

SPORTS CAR RACING ASSOCIATION OF MONTEREY PENINSULA
1021 Monterey-Salinas Highway
Salinas, California 93908
Attn: Ms. Gill Campbell

and in the case of Sponsor to:

STAND 21 NORTH AMERICA.
17882 Georgetown Lane
Huntington Beach, CA 92647
Attn: KEVIN MCCUNNELL

16. COUNTERPARTS

16.1 This contract may be executed by the parties in multiple counterparts, each of which shall

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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: Ms. Gill Campbell, CEO

Date: 3/16/17

MAZDA RACEWAY LAGUNA SECA

By: 

Name: Mr. Steve Fields

Date: 3/13/17

STAND 21

By: 

Name: Mr. Kevin McConnell

Date: 3-13-17

SCHEDULE "A"

Sponsorship Rights

STAND 21 shall receive the follow rights as an Associate Sponsor of Mazda Raceway Laguna Seca:

1. Facility Signage & Branding:
 - a. Two (2) 4'x15' Pit Row Suite Fascia Signs – Year-Round
 - b. Four (4) 3'x8' Paddock Spectator Banners – All Events
2. Promotions and Awards:
 - a. Stand 21 shall be provided with proper licenses rights for the creation, promotion and sales of limited quantity custom driver suits, gloves, shoes and various racer protective garmets
 - i. Stand 21 and SCRAMP shall mutually agree to revenue share specifications on all MRLS/RMMR merchandise, known as "License Agreement" for "Licensed Apparel"
 - ii. Stand 21 shall provide SCRAMP with two (2) custom suits for demo and/or promotional use
 - iii. Licensed Apparel shall be sold directly through SCRAMP and Sponsor e-commerce sights
 - b. Annual Rolex Reunion award named after Stand 21
 - i. Best "Period Attire" or "Best Team Paddock Display" Award to be named after Stand 21 and awarded on Sunday after the Event (name of the award to be mutually agreed upon)
 - ii. Stand 21 shall provide six hundred (600) pieces of marketing material or token gifts for participant goodie bags
 - iii. Stand 21 is responsible for creation and production of the award
3. Scoring Trylon package for each Event, includes
 - a. Fifteen (15) :30-second Logo Spots
4. Paddock Display Space:
 - a. One (1) 20'x30' footprint display space
 - b. Includes ten (10) worker passes and four (4) parking passes
 - c. Space allocations Spring Classic, IMSA, RMMR, PWC and Pre-Reunion
 - d. Includes 50 amps of power for all Events

SCHEDULE "B"

Payment Terms

1. In return for the sponsorship rights as outlined previously in Schedule "A", Stand 21 shall pay the following sponsorship fees as follows:

2017 - \$12,000

2018 - \$13,500

2019 - \$15,000

Payment schedule is as follows: 50% due by April 1st and 50% due by July 1st of each contract year.

2. In addition, Stand 21 shall pay the following:

Stand 21 is fully responsible for all costs associated with the production and installation/removal of all 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.

Stand 21 shall provide SCRAMP with four (4) custom fit driver's suits for personal or promotional use.

Stand 21 shall be responsible for providing the custom award to be presented in their name at the Rolex Reunion. Stand 21 must also have a management representative to present the award.

Initials

STAND 21

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SCRAMP

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