

LETTER OF INTENT
2024-2028 AMERICAN FLAT TRACK SEASONS – SINGLEHEADER EVENT

This Letter of Intent (“**LOI**”) is made effective as of December 5, 2023, by and between Daytona Motorsports Group, LLC d/b/a AMA Pro Racing, an entity with a primary place of business located at 525 Fentress Boulevard, Suite B, Daytona Beach, Florida 32114 United States (“**AMA Pro**”), Outerkind, LLC an entity with a primary place of business located at 3575 Ringsby Court, #300B, Denver, Colorado, 80216 United States (“**Agency**”), and the City of Sturgis, a South Dakota municipal corporation with a primary place of business located at Sturgis City Hall, 1040 Harley-Davidson Way, Suite 103, Sturgis, South Dakota 57785 (“**City**”). AMA Pro, Agency and City may be referred to individually as a “Party” and together as the “Parties.”

City desires to contract with AMA Pro and Agency for AMA Pro and its subsidiary event promotions company, AFT Events, to conduct the following American Flat Track events (hereinafter “**Events**”). AMAP desires to grant a sanction for the Events and AFT Events desires to conduct the Events subject to the Parties entering into a separate sanction agreement with AMAP upon terms acceptable to AMAP (the “**Agreement**”). The Parties agree to the following terms and conditions which shall be included in the Agreement:

Event Name:	Spirit of Sturgis TT
Track/Location:	Streets of Downtown Sturgis, South Dakota
Term/Seasons:	5 Years (2024, 2025, 2026, 2027 and 2028 American Flat Track seasons)
Event Date(s):	The final Sunday of the annual Sturgis Motorcycle Rally, i.e. Sunday, August 11, 2024

Background and Overview:

AMA Pro and Agency have met with the City’s key stakeholders several times over the past year. City desires to have AMA Pro and Agency conduct the Spirit of Sturgis TT as a cornerstone American Flat Track event for each of the next five years. The concept of the Spirit of Sturgis TT is to provide an exciting, unique motorsports event that will become emblematic of the annual rally. The shared objective is that the race ultimately highlights three of the four virtues of the City of Sturgis Motorcycle Rally (The Motorcycle, Generational Riding and the American Spirit). The race will occur annually during the last weekend of the rally, specifically targeting the second Sunday. The race will provide immersive content that should be highlighted on all city social media and print media along with a national television broadcast produced by AMA Pro, capturing content that will showcase the entire 10-day rally.

Objectives:

- Encourage a new “wave” of spectators to attend the second weekend of the annual City of Sturgis Motorcycle Rally.
- Encourage the participation of a broader spectrum of motorcycle industry brands which may not have been actively engaged in promotion of or activation at the annual City of Sturgis Motorcycle Rally.
- Encourage a broader demographic of motorcycle and racing enthusiasts to attend the annual City of Sturgis Motorcycle Rally.
- Create a unique, relevant event that pays homage to the legacy of the City of Sturgis Motorcycle Rally while highlighting several of the inherent virtues.
- Create an event which is designed to be televised and communicated to market and advertise the annual City of Sturgis Motorcycle Rally and drive attendance in future rallies.

Scope of Work:

The specific details outlined within each category to follow are simply intended to gain an initial sense of scale and scope. Complete details to be developed and mutually approved by all parties in Exhibit A of the Agreement.

Roles and Responsibilities:

- **AMA Pro and Agency:**
 - Timeline navigation and accountability
 - Creative development & Branding
 - Content creation
 - Experience and aesthetic production design
 - Resource Coordination
 - Sponsorship Negotiations Support
 - Technology and tool(s) integration
 - Provision of course barriers
 - Course build
 - Race and event operations

- Sanctioning Body
- Onsite Safety Plan
- Rider Selection
- Media Production
- Technical, power and system needs
- Budget management and accountability
- **City of Sturgis:**
 - Project briefing & Established Goals
 - Creative feedback and approvals
 - Stakeholder navigation and support
 - Budget resourcing
 - Insights and information sharing
 - Access to existing media channel
 - Utilize City Resources where possible

Provision of Course Barriers and Fencing:

- AMA Pro agrees to purchase and/or provide all necessary retaining walls, fencing and inflatable safety barriers, which shall be installed and removed by AMA Pro in close consultation with the City.

Event Budget:


- Based on the existing scope, the Parties have established an event budget of \$653,962.43 which will be paid to AMA Pro by the City annually for each year of the term.

Sponsorship Sales:

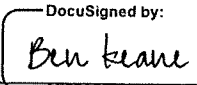
- AMA Pro and Agency agree to make good faith efforts to assist City with securing sponsorship in connection with the events. AMA Pro and Agency shall pass through to City the revenue from any such sponsorships actually received by the Parties, less any mutually-agreed upon sales commissions.

This letter is intended solely as an expression of mutual intent between AMA Pro, Agency and City. AMA Pro, Agency and City agree that there are material terms as to which agreement has not been reached regarding the Event and the Agreement. Accordingly, AMA Pro, Agency and City agree that this LOI is neither to be construed as the Agreement nor is it to be construed as providing the Parties with any right, title or interest in the Events or the dates upon which the Events are scheduled to take place. If final negotiations do not result in an Agreement, this letter will be of no further force or effect.

If the above terms and conditions are acceptable, please sign and return:

City
 By: 
 Print Name: Mark C Gristensen
 Title: Mayor
 Date: 12/6/23

AMA Pro
 By: _____
 Print Name: _____
 Title: _____
 Date: _____

Agency
 By: 
 Print Name: Ben Keane
 Title: Partner
 Date: 12/5/2023