

SPONSORSHIP AGREEMENT

This Sponsorship Agreement (the “Agreement”) is entered into as of July 1, 2023 (the “Effective Date”) by and between City of Marshall, Minnesota, a municipality of the State of Minnesota (the “City”), and Lockwood Motors Inc., (the “Sponsor,” and together with the City, the “Parties”).

RECITALS

WHEREAS, the City is engaged in the management and the operation of the arena and expo center, known as the Red Baron™ Arena & Expo, and four softball/youth baseball fields yet to be named, hereafter referred to as the “Property,” located in Marshall, MN;

WHEREAS, the Sponsor wishes to be a sponsor of the Property by providing financial support in exchange for certain rights to be granted in connection with the Property and agrees to do so under the terms and conditions of this Agreement;

WHEREAS, the City wishes to grant the Sponsor certain rights in connection with the Sponsorship on the terms and conditions set forth below; and

WHEREAS, each Party is duly authorized and capable of entering into this Agreement.

NOW THEREFORE, in consideration of the above recitals and the mutual promises and benefits contained herein, the Parties hereby agree as follows:

1. GRANT OF RIGHTS.

As consideration for the Sponsorship Rights, as such term is defined in Exhibit A, the City hereby grants the Sponsor the rights described in this Agreement and in Exhibit A attached hereto and made a part hereof, in connection with the Property and agrees to perform all of the City’s obligations hereunder.

2. SPONSORSHIP FEE.

The total Sponsorship Fee, as such term is defined in Exhibit A, for the Sponsorship Rights and the schedule of payments of the Sponsorship Fee shall be as set forth in Exhibit A hereto.

3. TERM.

This Agreement is effective as of the Effective Date and shall continue in force, unless otherwise terminated, in accordance with the provisions of Section 4(B) of this Agreement (the “Term”). On or before April 30 of each year, City and Sponsor shall meet at a mutually agreeable time about the Term of the contract.

4. SPONSORSHIP RENEWAL AND TERMINATION.

(A) SPONSORSHIP RENEWAL.

The Sponsor shall have the right of first negotiation to negotiate a two (2) year renewal of the Sponsorship Rights at completion of the Term. The City shall negotiate exclusively with the Sponsor for a period of one hundred eighty (180) days prior to the expiration of the Term with respect to the terms and conditions of the Sponsorship Rights for the next offering from the City.

(B) TERMINATION.

This Agreement may be terminated:

- (i.) By either Party for a material breach of any provision of this Agreement by the other Party, if the other Party's material breach is not cured within ninety (90) days of receipt of written notice thereof.
- (ii.) By either Party, for failure to comply with Section 8 of this Agreement by the other Party, if the other Party's failure to comply is not cured within ninety (90) days of receipt of written notice thereof.
- (iii.) By either Party at any time and on provision of written notice, if any of the other Party's representations and warranties under this Agreement prove to be inaccurate in any material respects.
- (iv.) By either Party at any time and without prior notice, if the other Party is convicted of any crime or offense or is guilty of serious misconduct in connection with performance under this Agreement.
- (v.) By Either Party at any time without cause if either party deems continuation of this agreement is not in said party's best business interest. Termination without cause requires 60 days written notice to non-terminating party before termination becomes effective.

5. EXCLUSIVITY OF SPONSORSHIP

During the term and any renewal term, the City grants to the Sponsor, Sponsorship Rights Exclusivity at the property, in the areas of Automobile Sales. City will not permit any of the competitors of the Sponsor listed on Exhibit B to this Agreement to be a sponsor of the Property. Additional competitors may be added to Exhibit B with the prior written consent of the City and removed with prior written consent of the Sponsor. The City further agrees to use reasonable efforts to prevent the efforts of any non-sponsor competitor of the sponsor, listed in Exhibit B, to weaken or attack the Sponsor's sponsorship Rights. The City agrees that the use of the Sponsor's trademarks shall occur in such a manner so as not to knowingly diminish value or intentionally tarnish the reputation of Sponsor's trademarks.

6. RESPONSIBILITIES.

- (A) Of the City. The City agrees to do each of the following:
- (i) Provide the Sponsor with the Sponsorship Rights detailed in this Agreement and Exhibit A to this Agreement.
 - (ii) Organize, produce, and supervise events in a workmanlike manner, in accordance with applicable laws, and with professional diligence and skill, using fully-trained, skilled, competent, and experienced personnel.
 - (iii) Make all arrangements for the use of the venue, including securing any necessary permits, coordinating parking and/or transportation, supplying equipment, and contracting with vendors and other service providers.
 - (iv) Deliver the Property Trademarks (as defined in Section 8(A) below) to the Sponsor within one hundred eighty (180) days of the Effective Date.
 - (v) Provide adequate professional security for the Events and take reasonable steps to ensure the safety of all workers, volunteers, and persons attending the Events.
 - (vi) Use best efforts to obtain appropriate media coverage of the Property.
 - (vii) Use best efforts to promote the Property and maximize attendance.
- (B) Of the Sponsor. The Sponsor agrees to do each of the following:
- (i) Provide all assistance and cooperation to the City that is necessary in connection with the Sponsor's Sponsorship Rights of the Property.
 - (ii) Deliver the Sponsor Trademarks (as defined in Section 8(A) below) to the City within ninety (90) days of the Effective Date.

7. PARTIES' REPRESENTATIONS AND WARRANTIES.

- (A) The Parties each represent and warrant as follows:
- (i) Each Party has full power, authority, and right to perform its obligations under the Agreement.
 - (ii) This Agreement is a legal, valid, and binding obligation of each Party, enforceable against it in accordance with its terms (except as may be limited by bankruptcy, insolvency, moratorium, or similar laws affecting creditors' rights generally and equitable remedies).
 - (iii) Entering into this Agreement will not violate the charter or bylaws of either Party or any material contract to which that Party is also a party.
- (B) The City hereby represents and warrants as follows:
- (i) The Property shall be operated in accordance with any applicable laws, rules, or regulations, and the City shall obtain all permissions required to comply with such laws, rules, or regulations.

- (ii) The City shall notify the Sponsor of any changes that would materially change the deliverable elements at least ninety (90) days before implementing such changes.
- (iii) The obligations required by this Agreement shall be performed by the City or the City's staff, and the Sponsor shall not be required to hire, supervise, or pay any assistants to help the City perform such obligations.

(C) The Sponsor hereby represents and warrants as follows:

- (i) The Sponsor will make timely payments of the Sponsorship Fee to the City under this Agreement and as detailed in Exhibit A hereto.
- (ii) In addition to the responsibilities of Sponsor set forth herein and in the exhibits, the Sponsor shall provide such other assistance to the City as the Sponsor deems reasonable and appropriate.
- (iii) All advertising shall comply with City policies and shall be under the control of the City. The City shall at all times retain final authority to accept or reject advertising submitted by the Sponsor. Installation and removal shall be at the City's sole cost and expense. The City shall have no obligation to display signage or other advertising containing the Sponsor's name or other advertising in violation of applicable law, including, without limitation, city ordinances.

8. TRADEMARKS.

(A) Sponsor Trademarks.

- (i) License. The Sponsor hereby grants the City a non-exclusive limited license to use, display, and reproduce its logos, trademarks, service marks, and trade names (each, a "Sponsor Trademark" and collectively, the "Sponsor Trademarks") only in connection with the promotion and advertisement of the Property and any listing of the sponsors of the Property generally during the Term and any Renewal Term. The City agrees to use reasonable efforts to obtain the consent of the Sponsor before each use, display, and reproduction of the Sponsor Trademarks.
- (ii) Ownership. All Sponsor Trademarks provided, leased, or licensed to the City in connection with the Property are the Sponsor's sole property, and the City has no ownership or other intellectual property rights in or to such items.
- (iii) No Infringement. The Sponsor represents and warrants to the City and unconditionally guarantees that all of the Sponsor Trademarks are owned by the Sponsor or that the Sponsor has permission from the rightful owner to use each of these elements.

(B) Property Trademarks.

- (i) License. The City hereby grants the Sponsor a non-exclusive limited license to use, display, and reproduce the logos, trademarks, service marks, and trade names, associated with the Property (each a "Property

Trademark” and collectively, the “Property Trademarks”) ~~only~~ in connection with the promotion and advertisement of the Sponsor’s products and services during the Term and any Renewal Term. The Sponsor agrees to obtain the consent of the City before each use, display, and reproduction of the Property Trademarks.

- (ii) Ownership. All Property Trademarks provided, leased, or licensed to the Sponsor in connection with Events are the City’s sole property, and the Sponsor has no ownership or other intellectual property rights in or to such items.
- (iii) No Infringement. The City represents and warrants to the Sponsor and unconditionally guarantees that all of the Property Trademarks are owned by the City or that the City has permission from the rightful owner to use each of these elements.

9. EVENT MERCHANDISE.

Sponsor-Created Merchandise. During the Term and any Renewal Term and subject to the approval of the City, which shall not be unreasonably withheld, the Sponsor shall have the right to create, manufacture or cause to be manufactured, and sell or give away merchandise associated with the Property and containing the Sponsor’s Trademarks in connection with the promotion of the Sponsor’s products and services. All merchandise caused to be manufactured for sale or to be given away by the Sponsor in association with the Property shall be of high quality, free from product defects, merchantable, and suitable for its intended purpose.

10. INDEMNIFICATION.

- (A) Of Sponsor by City.
The City’s liability shall be subject to the limitations and provisions of the Minnesota Tort Claims Act and other applicable law. The City shall indemnify and hold harmless the Sponsor and its officers, directors, members, managers, employees, agents, contractors, sublicensees, affiliates, subsidiaries, successors and assigns from and against any and all damages, liabilities, costs, expenses, claims, and/or judgments, (collectively, the “Claims”) that any of them may suffer from or incur and that arise or result primarily from (i) any inaccuracy of any representation or warranty made by the City under this Agreement, or (ii) the City’s breach of any of its obligations, agreements, or duties under this Agreement, or (iii) the City, including, but not limited to Claims for bodily injury, death, or property loss, but only in proportion to and to the extent such Claims arise out of or are caused by the intentional acts or omissions of the City and/or the City’s officers, directors, members, managers, employees, agents, contractors, sublicensees, affiliates, subsidiaries, successors, and assigns.
- (B) Of City by Sponsor. Subject to limits applicable under Minnesota law, the Sponsor shall indemnify and hold harmless the City and its officers, directors, members, managers, employees, agents, contractors, sublicensees, affiliates, subsidiaries, successors and assigns from and against any and all damages, liabilities, costs, expenses, claims, and/or judgments, (collectively, the “Claims”) that any of them may

suffer from or incur and that arise or result primarily from (i) any inaccuracy of any representation or warranty made by the Sponsor under this Agreement or (ii) the Sponsor's breach of any of its obligations, agreements, or duties under this Agreement or (iii) the Sponsor, including, but not limited to Claims for bodily injury, death, or property loss, but only in proportion to and to the extent such Claims arise out of or are caused by the negligent or intentional acts or omissions of the Sponsor and/or the Sponsor's officers, directors, members, managers, employees, agents, contractors, sublicensees, affiliates, subsidiaries, successors, and assigns. .

11. INSURANCE.

Each Party shall maintain, at its own expense, insurance coverage required in the reasonable amounts and types for each party's operations.

12. FORCE MAJUERE

Either party shall not be liable for any failure of or delay in the performance of this Agreement for the period that such failure or delay is due to causes beyond its reasonable control, including but not limited to acts of God, war, terrorism, strikes or labor disputes, embargoes, government orders or any other force majeure event.

13. CONFIDENTIALITY.

Other than as required by the Minnesota Government Data Practices Act and other applicable federal or state laws, each party agrees, during the Term, and any renewal term and for a period of 5 years thereafter, to hold in strictest confidence and not to disclose to any person, firm, or corporation without the prior written consent of the other party, any of the terms or conditions of this agreement.

14. NATURE OF RELATIONSHIP.

The Parties agree that nothing in this Agreement shall be construed as creating a joint venture, partnership, franchise, agency, employer/employee, or similar relationship between the Parties, or as authorizing either Party to act as the agent of the other. Nothing in this Agreement shall create any obligation between either Party and a third party.

15. AMENDMENTS.

No amendment, change, or modification of this Agreement shall be valid unless in writing and signed by both Parties.

16. ASSIGNMENT.

Neither Party may, without the prior written consent of the other Party, assign, subcontract, or delegate its obligations under this Agreement, except that the Sponsor may assign this Agreement to a purchaser of all or substantially all of the Sponsor's assets, provided that the Sponsor guarantees the performance of and causes the assignee to assume all obligations of the Sponsor under this Agreement. City may assign the operational and management duties of the Property to a third-party provider, subject to the terms and conditions of this Sponsorship Agreement.

17. SUCCESSORS AND ASSIGNS.

All references in this Agreement to the Parties shall be deemed to include, as applicable, a reference to their respective successors and assigns. The provisions of this Agreement shall be binding on and shall inure to the benefit of the successors and assigns of the Parties.

18. NO IMPLIED WAIVER.

The failure of either Party to insist on strict performance of any covenant or obligation under this Agreement, regardless of the length of time for which such failure continues, shall not be deemed a waiver of such Party's right to demand strict compliance in the future. No consent or waiver, express or implied, to or of any breach or default in the performance of any obligation under this Agreement shall constitute a consent or waiver to or of any other breach or default in the performance of the same or any other obligation.

19. NOTICE.

Any notice or other communication provided for herein or given hereunder to a Party hereto shall be in writing and shall be given in person, by overnight courier, or by mail (registered or certified mail, postage prepaid, return-receipt requested) to the respective Parties as follows:

If to the Sponsor:

Lockwood Motors Inc.
Attn: Chet Lockwood
1310 E. College Dr.
Marshall MN 56258

If to the City:

City of Marshall
ATTN: Sharon Hanson, City Administrator
344 W. Main St.
Marshall, MN 56258

20. GOVERNING LAW.

This Agreement shall be governed by the laws of the State of Minnesota.

21. COUNTERPARTS/ELECTRONIC SIGNATURES.

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument. For purposes of this Agreement, use of a facsimile, e-mail, or other electronic medium shall have the same force and effect as an original signature.

22. SEVERABILITY.

Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal, or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality, or unenforceability will not affect any other provision or any other jurisdiction, but this Agreement will be reformed, construed, and enforced in such jurisdiction as if such invalid, illegal, or unenforceable provisions had never been contained herein.

23. DATA PRACTICES.

All data collected, created, received, maintained, disseminated, or used for any purposes in the course of this Agreement is governed by Chapter 13 of Minnesota Statutes, or any other applicable state statutes and state rules adopted to implement the Act, as well as state statutes and federal regulations on data privacy.

24. AUDIT

Each party's bonds, records, documents, papers, accounting procedures and practices, and other records relevant to this Agreement are subject to the examination, duplication, transcription and audit by the other party, the Legislative Auditor or State Auditor under Minn. Stat. § 16C.05, subd. 5. Following termination of this Agreement, the parties must keep these records for at least six years or longer if any audit -in -progress needs a longer retention time.

25. ANTI-DISCRIMINATION

The provisions of Minnesota Statutes Section 181.59 and of any applicable ordinance relating to civil rights and discrimination shall be considered part of this Agreement as if fully set further herein and shall be part of any Agreement entered into by the parties with any contractor subcontractor, or material suppliers.

26. ENTIRE AGREEMENT.

This Agreement, together with the Exhibits hereto, constitutes the final, complete, and exclusive statement of the agreement of the Parties with respect to the subject matter hereof, and supersedes any and all other prior and contemporaneous agreements and understandings, both written and oral, between the Parties.

27. HEADINGS.


Headings used in this Agreement are provided for convenience only and shall not be used to construe meaning or intent.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

SPONSOR

LOCKWOOD MOTORS, INC.

By: 
Name: Chester Lockwood
Title: CEO

CITY

CITY OF MARSHALL

By: _____
Name: Robert J. Byrnes
Title: Mayor

ATTEST:

By: _____
Name: Steven Johnson
Title: City Clerk

EXHIBIT A
SPONSORSHIP RIGHTS, FEE, REBATE OF FEE, AND INSURANCE

1. SPONSORSHIP RIGHTS.

In exchange for the Sponsorship Fee, as defined in Section 2 below, the Sponsor will receive the following rights in connection with the Property (collectively, the “Sponsorship Rights”):

(A) Signage and branding. The Sponsor will receive the right to:

- 1) Zamboni. Sponsor will receive exclusive signage rights to Lockwood Rink Zamboni at the Red Baron Arena & Expo
- 2) Videoboard Sponsorship. The 13’ 8” x 25’ videoboard located in the main arena will feature video spots at City controlled events. Ten and thirty-second advertisement will be included for Sponsor.
- 3) Dasher board Signage: Sponsor will receive two dasher boards in each arena. (4) total Dashers.
- 4) South Rink (Rink 2) Name & Logo. Sponsor Shall receive the right to the year-round name entitlement to the South Rink (rink 2) subject to the approval by the City and the right to placement of an Ice Logo in Rink 2. City will cover the cost of the production installation and maintenance of the in ice logo.
- 5) Digital Media. Sponsor logo will be included in all digital/social media controlled by the City and related to the arena (arena website and social media campaigns related to the arena or events at the arena).
- 6) Ballfield Entitlement Signage: Sponsor shall receive one (1) Outfield sign advertising their Brand on each of the four (4) fields at the Schwan’s Regional Sports Complex.
- 7) Existing Signage. If Sponsor alters or creates a new logo, then Sponsor will be responsible for the cost of updates on all existing sponsor signage located within the arena. As a Sponsor, ads will be weighted to run with all other sponsors under the same Sponsorship level. Sponsor is responsible for providing production and traffic instructions for the ads to the City.

(B) Event Rights. The Sponsor will receive the right to:

- 1) Exclusive use of the Red Baron Arena & Expo two times per calendar year for each year of the sponsorship agreement. Since the effective date is July 1, 2023, Sponsor has the right to use to Red Red Baron Arena & Expo once from July 1, 2023 to December 31, 2023, and then two times per calendar year starting in 2024. Operational expenses, food costs,

promotional giveaways and any facility remodeling costs associated with the exclusive sponsor use are the responsibility of the Sponsor.

- 2) Exclusive use of the facility club room two times per calendar year. Since the effective date is July 1, 2023, Sponsor has the right to use to Red Red Baron Arena & Expo once from July 1, 2023 to December 31, 2023, and then two times per calendar year starting in 2024. Operational expenses, food costs, promotional giveaways and any facility remodeling costs associated with the exclusive sponsor use are the responsibility of the Sponsor.

(C) Media Rights. The Sponsor will receive the right to:

As Sponsor, Sponsor will receive logo/marks inclusion in all media campaigns associated with events controlled by the City as follows:

Package Value:

Rink Naming Entitlement

Zamboni

In-Ice Logo

Championship Field Fence Signage

Dasher Boards – Signage Sponsorship

Facility Use

Club Room Use

Founding Partner Status

Category Exclusivity

(D) Exclusivity of Automobile Sales Advertising Right. The Sponsor shall have the exclusive right to the Automobile Sales Advertising of the brands specified herein at the property. The sponsor shall have the right advertise Chevrolet, Cadillac, Chrysler, Dodge, and Jeep brand automobiles. The brands or suppliers as identified on Exhibit B shall not be allowed to advertise on the property.

2. SPONSORSHIP FEE.

In exchange for the Sponsorship Rights as defined herein, the Sponsor agrees to pay the City as follows an annual Sponsorship fee (the “Sponsorship Fee”):

- (a) An initial payment of \$10,000 shall be paid within ten (10) days after full execution and approval of this Agreement. The remainder of the Fee will be paid in annual installments of \$10,000 due on or before June 1 of each subsequent year of this Agreement.

**EXHIBIT B
COMPETITORS' LIST**

Kruse Motors
El Rancho
Amdahl Motors
Country Side
Auto
Breyfogle Auto
Sales
Cars limited
Adams Motors
Bents Motor
Company
Doug's Auto &
Truck
Monte Motor
Sales
Scott Preusse Inc
Redwood Auto
Sales
Schwieters Ford
Doug Olsen
Auto
H&L Motors
Olivia Chrysler
Center
Universal
Motors
Kollen Motos
Kohls-
Wheelborg Ford
Billion
Image Auto
Sales
ABC Auto
Alex Auto &
Marine
Certified Auto
Plaza
JAX of Benson

Cleveland
Chevrolet
CJ's Auto
Danube Auto
Sales
DeBoer
Chevrolet Co
Bid 2 Buy
Wellington Vans
Inc.
Unique Specialty
& Classic Cars
Park N Sell
Milello Motors
Buy Rite Motors
GBS Auto Sales
Schultz Motors
Doug's Sports
Center
Jakes Auto Sales
Furlong Motors
Harpel Brothers
Inc.
Kannegiesser
Truck
Guste Blad
Ralph Larson
Chevrolet
Erickson Auto
Inc.
Valley Sales of
Hutchinson
AM Maus & Son
Davis Motors
Brandl Motors
Rudolph Auto
Solutions
Connell Car Care

Papik Motors
Deans
Northtown Auto
Luther Mankato
Auto
Snell Motos
Heintz Toyota
Fromms Auto
Fairmont Ford
Mankato Ford
Ron's Auto Sales
Timpote Auto
K&K Auto Sales
Lagers Chrysler
World
Mankato-Motor
Co
Toppers Plus
Moorehead Auto
Center
Muscatel 1 Super
Center
Atlantic Auto
Sales
Heartland Motor
Co
Palmer Welcome
Auto
Jensen Motors
South Central
Auto
Wheels
Unlimited
Keith Mages
Auto
Dahlstrom
Motors