

**LICENSE AGREEMENT TO PERMIT EMPIRE STATE PERFORMANCE
RALLY INC. TO USE TOWN HIGHWAYS FOR SPEED CONTESTS**

THIS AGREEMENT entered into this _____ day of March, 2014, by and between the TOWN OF THOMPSON (hereinafter the "Town"), a municipal corporation organized and existing under and by virtue of the laws of the State of New York, with offices and principal place of business at 4052 Route 42, Monticello, New York 12701, party of the first part, and EMPIRE STATE PERFORMANCE RALLY INC. (hereinafter "Empire"), a domestic corporation organized and existing under and by virtue of the laws of the State of New York, with offices and principal place of business at 530 Broadway, PO Box 177, Monticello, New York 12701, party of the second part.

WITNESSETH, that pursuant to, and in accordance with the provisions of Section 1660(a)(6)(i) of the Vehicle and Traffic Law, the Town and Empire, for the consideration hereinafter named, do hereby mutually agree as follows:

1. The Town hereby gives and Empire hereby accepts from the Town, a revocable license to use certain Town roads or highways (more particularly described in Schedule "A" which is attached hereto and made a part hereof) for the purposes of holding its road rallies within the borders of the Town of Thompson. All of the foregoing shall be subject to the terms and conditions for this agreement.

2. Empire shall have the right to request additional roads as they are discovered. Upon the approval of the Town, these additional roads shall be incorporated into Schedule "A" for the remainder of the term of this license agreement.

3. Whereas Empire organizes two (2) major rallies every year that are rounds of the United States Rally Championship (USRC), it is understood and agreed by the Town and Empire that each of the roads listed in Schedule A would be principally used by one or the other rally every year but a minority of these roads may be used by both events every year. It is further understood and agreed by the parties that competition rally vehicles may travel over a particular road more than one time during the rally and on the same day. It is further understood by the parties that this license agreement is limited to no more than two (2) organized rallies per year.

4. Empire will not be deemed in default under this agreement if Empire is not able to organize one or both events during a particular year of this multi-year agreement because of unforeseen circumstances such as, but not limited to, economic conditions, price or availability of motor fuels, government regulations, lack of entries, extremely adverse weather conditions, natural disasters and other acts of God, and any and all other circumstances unforeseen at the time of signing this agreement. None of these occurrences shall prevent Empire from exercising its rights under this license agreement to use the Town road for a speed contest in the remainder of the term of this license agreement.

5. This agreement shall expire on December 31, 2015, however, the Town may terminate the agreement earlier if Empire defaults under its promises and representations set forth herein, or if the Town deems it reasonably necessary for the public's safety or security. In the interest of proper

planning, budgeting and execution of each rally event announced by Empire in conformance with paragraph 16 of this license agreement, it is understood and agreed by both parties that the Town may not terminate this agreement within the ninety (90) day period defined in paragraph 16 of this license agreement.

6. Empire shall take out and maintain during the life of this agreement such public liability and property damage insurance, insuring Empire and the participants, as shall protect the Town from claims for damages for personal injury including accidental death, as well as from claims for property damage, which may arise from operations under this agreement, and the amounts of such insurance shall be as follows:

A single limit general liability policy in the amount of \$1 million for each occurrence and \$3 million excess/umbrella liability policy, together with participant accident insurance coverage. Empire shall furnish to the Town a certificate of insurance naming the Town as additional insured under its insurance policy.

7. Empire agrees to reimburse Town dollar-for-dollar for any and all expenses, damages or injury to any real property or personal property of Town that may be incurred or arise, directly or indirectly, from the negligence, acts or omissions of Empire, its officers, members, contractors, agents, employees, customers, clients or participants as a result of this event.

8. Empire will defend, indemnify and save harmless the Town, Rock Hill Fire Commissioners, Rock Hill Fire District and Rock Hill Fire Department, including its reasonable attorneys' fees, from any and all suits, actions or causes of action of every name and description brought against Town for or on account of any injuries or damage received or sustained by any party or parties by or from the negligence of Empire, its officers, members, contractors, agents, employees, customers, clients or participants.

Empire will defend, indemnify and save harmless the Town, Rock Hill Fire Commissioners, Rock Hill Fire District and Rock Hill Fire Department, including its reasonable attorneys' fees, for any and all suits, actions or causes of action by or as a result of any potential intellectual property infringements alleged against Empire by Rally New York Ltd., per the letters of Ivan Orisek dated October 13, 2012, March 20, 2013 and April 14, 2013, attached hereto. Empire shall defend, indemnify and save harmless the Town, Rock Hill Fire Commissioners, Rock Hill Fire District and Rock Hill Fire Department from any action brought by Rally New York Ltd. that names any of the aforesaid parties.

9. Empire and each participant involved in the speed contest shall furnish to the Town its written waiver and release from any liability and assumption of risk for injuries or damage that may be received or sustained by any participant as a result of holding the event, in a form to be approved by the Town's Attorney.

10. Empire hereby assumes all risk for damages or claims by the organizer, sponsor, driver,

rider or participant in the speed contest, and agrees to defend, indemnify and save harmless the Town from any and all such claims, including its reasonable attorneys' fees.

11. In the event where Empire is in default of its performance of the promises and representations set forth under this agreement, and the Town is caused to initiate a legal proceeding in a court of proper jurisdiction to enforce against Empire its obligations as more fully set forth herein, Empire shall be responsible for any and all costs and disbursements actually incurred by the Town, including reasonable attorneys' fees.

12. In exercising the right herein granted, Empire shall (a) repair any damage to the Town's property, and (b) replace and restore the ground and material around the roads and highways set forth in Schedule "A" hereto to the same condition as existed as of the date of execution of this agreement.

13. That this Agreement is contingent upon Empire gaining any and all approvals from interested government agencies as applicable.

14. Prior to the commencement of each event, Empire shall furnish the Town with a complete copy of its official safety plan. In addition thereto, Empire shall take all necessary steps to coordinate with the Emergency Medical Services, the Sullivan County Sheriff's Office, the New York State Police, and fire companies with jurisdiction over the areas set forth in Schedule "A", so as to adequately provide the necessary means to comply with the terms of the safety plan and which are reasonably necessary for the public's health, safety and welfare.

15. Prior to the commencement of each event, Empire shall notify all residents and property owners on roads to be used by the event, selected from the list in Schedule "A", and will notify and make arrangements with school bus companies operating in the areas as set forth on Schedule "A".

16. Empire, in order to exercise its rights under this agreement to use the Town roads for a speed contest, shall notify Town sixty (60) or ninety (90) days prior to each rally of the dates of the rally and the specific list of roads selected from the list in Schedule A that shall be used on a particular date. It is understood and agreed by Town and Empire that no additional approval by Town shall be required for the rally to take place.

17. Empire shall not assign this agreement, or its right, title or interest herein without the express, prior written consent of Town.

18. This agreement shall be construed in accordance with the laws of the State of New York, and constitutes the complete understanding and agreement of the parties. No modification or amendment of any of the provisions hereof shall be valid unless in writing and signed by all parties hereto.

IN WITNESS WHEREOF, Town of Thompson has caused its corporate seal to be affixed hereto and these presents to be signed by Hon. William J. Rieber, Jr., its Supervisor, duly authorized so to do, and to be attested to by Marilee J. Calhoun, Town Clerk, and Empire State Performance Rally Inc. has caused its corporate seal to be affixed hereto and these presents to be signed by its

President, Fran Gager, the day and year first above written.

(Seal)
Attest:

Marilee J. Calhoun, Town Clerk

(Seal)

Michael Cosgrove, Secretary

TOWN OF THOMPSON

By: _____
William J. Rieber, Jr., Supervisor

EMPIRE STATE PERFORMANCE
RALLY INC.

By: _____
Fran Gager, President

SCHEDULE "A"

April 26-27, 2014

Wild Turnpike from East Glen Wild Road to the Town line
Glen Wild Road from the Town line to Adams Road
Wolf Lake Road, from Route 17 to Katrina Falls Road
Katrina Falls Road, from Wolf Lake Road to Holiday Mountain Trail
Holiday Mountain Trail, from Katrina Falls Road to Edwards Road
Edwards Road, from Holiday Mount Trail to the Town line
Adams Road, from Glen Wild Road to Bowers Road
Bowers Road, from Adams Road to East Glen Wild Road
East Glen Wild Road, from Glen Wild Road to Wild Turnpike
Levine & Whittaker Roads