

# Document Withheld for Privilege

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No. 3:24-cv-00886-KDB-SCR

Pls' Trial Exhibit

**PX-151**

## NASCAR CUP SERIES CHARTER AGREEMENT COMPARISON

### MATERIAL CHANGES BETWEEN 2016 & 2025 VERSIONS AND HIGH-LEVEL TEAM FEEDBACK

**KEY ISSUES -**

- ➔ Revenue - 45% of broadcast fees (from all sources) without reduction
  
- ➔ Length of Charters and Transfer Restrictions
  
- ➔ Governance – Collaboration and Seat-at-the-Table
  
- ➔ New Paradigm – Sharing of new revenue opportunities

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2.1, 2.2	Term	Initial Term - 5 years (2016 – 2020)  Right to extend Term for 4 years (2021 – 2024) exercisable	Initial Term - 7 years (2025 – 2031)  If Teams decide to “opt in”, there is an Extended Term for an additional 7 years (2032 – 2038).	Will need transparency as to the future Pool Money so that Teams can evaluate the offer and will need a fixed delivery date for the offer (i.e., should	Ok with fixed date, Dec. 1, 2030	Neutral:  Some teams have said no value to additional 7 years because the economics are up in the air, but removing the

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		<p>unilaterally by each Team.</p> <p>6-month exclusive negotiation window for renewal (July 1, 2023 – Dec. 31, 2023).</p>	<p>The Team “opt in” is based on NASCAR’s “Pool Money” offer (NASCAR delivers description of Pool Money to Teams by Nov. 1, 2030 (or a later date as reasonably practicable).</p> <p>If applicable, there is a negotiation process built into the Extended Term that mirrors that currently in place and would run from July 1, 2037, through Dec. 31, 2037.</p> <p>Any Team not meeting Minimum Performance Standards (see below) may not extend.</p>	<p>not be later than Nov. 1, 2030).</p> <p>A prerequisite for any inclusion of this structure will be an assurance that all Teams are offered the same deal to accept –there needs to be a “most favored nations” provision in the agreement that applies both to current Charter terms and to the terms of any renewals (which would extend to any prospective Charter owners as well).</p> <p>Teams will expect to include more robust procedures around the future negotiation process to avoid the problems that have come up during the current process (e.g., will need deadlines for delivery of offers/proposed Charter Agreement revisions, etc.).</p>	<p>NASCAR will not provide an MFN</p> <p>Impossible to include this this level of detail in this agreement, but willing to set deadlines as we get into the window.</p>	<p>extra years at this time would be a step backwards</p> <p>Gave the +7, subject to economic terms to be determined in the future.</p> <p>No MRN</p> <p>No more robust negotiating process or timelines</p>

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2.3	Good Faith Renewal Negotiations		Parties are prohibited from making “general statements” or issuing a press release with respect to the negotiations unless mutually approved.	This provision is not practical for either side and should be removed. It seems impractical that NASCAR will seek each Team’s approval before making a “general statement” or issuing a press release, for instance, and both sides will need to be able to respond to press inquiries, etc.	Agreed to remove.	Removed.
3.1(d)	France Family Ownership of Charters	France family expressly not allowed to own Charters.	Deleted all language that prohibited France Family ownership of Charters or that provided for a process through which the France Family could obtain a Charter.	Subject to other applicable provisions (including the MFN noted above), and provided that the France family member purchasing the Charter and running the team is not involved in the management, operations, competition, etc. of NASCAR, then an open market purchase by France family member (no different than any other Charter acquisition) would be acceptable. NASCAR should not be able to issue a new Charter directly to the France family (France family may only purchase a Charter from an	Agreed to return to current language regarding restrictions that the owner can’t be currently involved in the NASCAR business.  Agree Charter must be purchased and can’t be granted to the family member.  No MFN.  No agreement to limit rights of the family member as an owner. Should be treated like all other owners and not excluded but such family member must not be involved	NASCAR Win (team will see this as a step backwards). Jim wants the restrictions on France family ownership of Charters removed. Would still be subject to and governed by the terms of the agreement that the family members purchases.

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				existing Team). Additional protections may be needed to ensure no unfair advantage inures to the purchasing family member (and the Teams would not expect the France family to count towards quorums/thresholds for purposes of team voting, etc.).	in NASCAR sanctioning governance issues or an employee of NASCAR or have access to material non-public competition information not available to other competitors.	
3.2, 3.3	Field Size	Field Size = 40 / 36 total Charters, and 4 Open Teams.  NASCAR can expand Field Size to 43 cars, of which 40 must be Charters (i.e. NASCAR has the right to issue 4 new Charters), subject to NASCAR increasing pro rata the Pool Money payable to Teams in order to not dilute monies then available to Teams.	No change in Field Size for 2025.  NASCAR is still permitted to issue up to 4 new Charters subject to increasing Pool Money pro rata.  NASCAR is now permitted to issue new Charters without increasing the Fixed Plan Money by not including in that Charter the right to share in Fixed Plan Money.  If NASCAR issues new Charter(s) it has omitted the requirement to increase Year End money for the field.	These provisions were heavily negotiated and should remain as currently drafted with the protections for the existing Charter owners. Anything that increases the number of competitors decreases the value of existing Charters. Basic anti-dilution provisions should continue as this is a limited term deal (not permanent) so the period of time being addressed is relatively short.  Issuance of new Charters has previously been explained to the Teams as not being a	Agree to return to current state for field size.  Provide full anti-dilution protection for pool money.  NEM may determine who to issue such new charter to, not limited to OEM.	Neutral. Returned to previous language for anti-dilution.  NEM may determine who to issue the new charter to.

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				<p>revenue opportunity for NASCAR, and it shouldn't be as any new Charter without appropriate anti-dilution provisions would decrease the Charter values of the existing team owners. The Teams would consider provisions that allow issuing a new Charter in connection with the entry of a new OEM in the sport (provided that no existing Charter owner is willing to switch to such OEM), but otherwise would expect to either retain their existing protections or have the benefit of approval rights and/or other mutually agreed compensation mechanisms.</p>		
3.2	Open Teams		<p>Created an “Invitational” Open Team criteria for an entrant that meets a criterion defined by NEM (e.g., F1 driver, former NASCAR Champion); they would be locked into race, but not eligible for race purse or Pool Money.</p>	<p>Open to the idea, need transparency regarding terms and compensation and need other appropriate restrictions (e.g., will need to discuss criteria and should not be able to create a “de facto” Charter</p>	<p>Agree a framework and limits are necessary around the position.</p>	<p>NASCAR Win.</p>

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				by repeatedly using the Invitational slot).		
3.4	Issuance of New or Re-Issue of Existing Charters	Prior to Issuing/Re-issuing a Charter, NASCAR to provide each Team with information concerning the economic terms by which they propose to sell a new Charter and then first provide existing Teams to sell their Charter to a prospective purchaser.	Deleted the provision that provided current Charter owners with the first opportunity to sell their Charter(s) to any person purchasing a Charter from NASCAR.	Another provision that was heavily negotiated and is designed to protect the Teams. Teams believe this is critical and there is no reason to modify or delete.	Revert to original language.	Neutral. Back to original language.
3.5(a)	Governance / Creation of Team Owner Council	Co-chairs of TOC (one from NASCAR and one person from the Teams)  Creation of Competition Committee and the Marketing Committee.  Establishes 4 TOC meetings annually.	Number of meetings – reduced from 4 a year to 2 a year.  Committees  → Keeps the Competition Committee (but eliminates mandatory monthly meetings in season)  → Eliminated the Marketing Committee	At the outset, NASCAR discussed its desire for collaboration. The TNC has stressed the desire for creating a new paradigm, true collaboration, giving Teams a seat at the table and creating better alignment, etc. The proposed changes do the opposite and effectively give NASCAR carte blanche rights without meaningful Team	Agree on reduced mandatory meetings and other meetings as necessary.  Propose language on the parties working together to mutually agree on the appropriate meeting cadence and structure to improve communications (both ways) between teams and NASCAR.	Neutral – council language re-inserted, but some with more limited cadence.

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		Limits which Team representatives can attend meetings.		input, which the Teams are unwilling to do.	Don’t want to contractually mandate structure because we will want to see what works and it’s likely to evolve over the next 14 years.	
3.5(b)	Material Change Defined / Team Approval for Material Change	Defined as: (i) major rule package changes; (ii) increase in testing dates or testing policies that materially increase costs; (iii) major equipment or engine changes; (iv) new single source supplier arrangements; (v) material Race format changes; (vi) material Chase eligibility or format changes; or (vii) material expansion to the length of the Event weekend. Note, only mid-season schedule changes are “material”.  Created the “Endorsement” / “Non-Endorsement”	Eliminated concept of Teams having approvals (via the Endorsement over Material Changes).  Eliminated “three strikes rule”.  Added language stating, “NASCAR has final decision-making authority”.	While Teams agree that at times the process could be a bit cumbersome, this was the compromise all parties agreed to, and NASCAR was able to make material changes to the sport all while keeping Teams highly engaged in the process. Teams are willing to work on refinements to the approval process (including potentially (i) moving away from the endorsement/non-endorsement process and three strikes rule and (ii) more clearly defining those decisions requiring Team approval to expedite NASCAR’s enactment of non-material items not requiring Team approval), but not	Retain process, procedures and meetings as provided in Charter.  Agree to more clearly define what decisions require Team Owner approval and how the process would work (e.g., one Team disapproval can’t hold something up).  Eliminate strikes.	NASCAR Win. Reduced the teams ability to endorse or non-endorse.  Neutral: retained strikes in very limited circumstances.

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		<p>mechanism for Teams to approve Material Changes.</p> <p>NASCAR has final say but there's a 3 strikes rule that if NASCAR were to override the Teams 3 times, the Teams would be relieved of exclusivity obligations.</p>		<p>willing to eliminate approvals of appropriate items entirely.</p> <p>There is a need for transparency in the changes that NASCAR makes throughout the years as they have tremendous impact on the Teams.</p> <p>This is another area where the implication of the draft agreement is that NASCAR is seeking carte blanche rights rather than collaboration.</p> <p>As noted above, if the France Family does acquire a Charter, their role on team councils/committees/in team voting will need to be discussed.</p>		
3.6	Rules Package	<p>Rules Package due October 1<sup>st</sup> of the preceding race season.</p> <p>No rules change in-season unless it was an</p>	<p>Rules Package due date moved to November 15th or within 2 weeks of the end of the racing season.</p>	<p>Amenable to Rules Package date change.</p> <p>Generally, would like to understand NASCAR's rationale for changing</p>	<p>Intent was to capture what was currently happening in the rules space and simplify it to two runways of 12 or 18 months.</p>	<p>Neutral: More simplified runways but still have carveout for govt mandate or safety to get around timelines.</p>

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		<p>“safety issue” or NASCAR has first sought an Endorsement from the Teams.</p>	<p>Eliminated NASCAR’s obligation to obtain Teams’ endorsement for in-season rule changes as long as NASCAR believes such change will “improve the racing product, drive efficiencies, or deals with a future-state balance of performance world” and “doesn’t impact the material direct costs to the Team Owner.”</p> <p>Eliminated detailed time frames listed in Exhibit G Schedule (lead times for 30+ parts/pieces) and replaced with “single source parts will require”:</p> <ul style="list-style-type: none"> <li>→ 12 months’ notice</li> <li>→ 18 months’ notice for major engine changes (down from 36 months)</li> </ul> <p>Added exceptions to lead times (i.e. NASCAR does not have to meet certain lead times) for “safety, new Cup Series BMG or</p>	<p>established guidelines on lead time runways. Also, need greater input from Teams on major engine changes.</p> <p>For in-season rule changes, want to understand why NASCAR would want to deprive Teams of their input through some sort of approval process as the provision has worked well since its inception. The Teams will expect some limits on NASCAR’s authority to make in-season changes unilaterally.</p> <p>The Teams will need to be understand NASCAR’s rationale for the deletion of the Exhibit G Schedule and the related timing changes.</p> <p>18 months is not enough lead time for major engine changes. Engine builders need more time for R&amp;D and</p>	<p>Engine change timeline could be increased to 2 years to line up with OEMS.</p> <p>In-season rule changes (not related to force majeure) allowed as long they do not materially impact direct Team costs (Teams to be consulted); In-season rule changes materially impacting team costs require Team approval.</p>	

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			<p>labor/supply disruptions or force majeure events”.</p> <p>NASCAR will not schedule more than 3 organizational tests (excluding Tire testing) under the Unified Testing Schedule for any year.</p>	<p>depleting parts inventory that would become obsolete.</p> <p>Teams OK with change...</p>		
3.7	Single Source Supplier (SSS)	SSS subject to notice to Teams, RFP process and supplier of engines or single chassis requires Endorsement/Non-Endorsement provisions of Sec. 3.5.	<p>Eliminates NASCAR’s obligation to provide notice/obtain endorsement of the Teams on all new SSS agreements. NASCAR has sole decision-making authority on new (and renewal of existing) SSS agreements and is only obligated to provide Teams with notice of a new SSS agreement if it determines (in its judgement) that it would cost a Team “in excess of \$2,500 per car set”. Regardless, the decision to enter into new SSS agreements is reserved solely for NASCAR.</p> <p>Eliminated requirements that any SSS of engines or chassis be</p>	<p>Teams need to understand NASCAR’s rationale for making these changes and the impact they will have on the Teams (including costs, etc.), but are not inclined to accept this as it is another instance of NASCAR taking away Teams’ right to have a voice in this process.</p> <p>Same issue/response as above. This was negotiated for a reason, as the engine and chassis programs are</p>	<p>Acknowledge current SSS, which are pre-approved. Any new SSS would run through the prior RFP/team meeting feedback process.</p> <p>On \$2,500 exception, will look at the threshold to take into account potential aggregate cost based on number of units of a part needed.</p>	<p>Win for NASCAR. Removed RFP obligation for any current SS suppliers, new suppliers that cost team less than \$2500 aggregate per season, replacement in Tire or Fuel category.</p>

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			approved by 2/3 majority of all Charter members.	fundamental to the Team business operations.		
4 & Ex. B	Payments and Distributions	<p>Pool Money – Avg. \$273M over 10 years (1<sup>st</sup> year \$223M – 10<sup>th</sup> year \$333M)</p> <p>Distributed in 4 buckets –</p> <ul style="list-style-type: none"> <li>o Fixed (30)</li> <li>o Historical (25)</li> <li>o Race Purse (35)</li> <li>o Year-End (10)</li> </ul> <p>Plus, annual distribution of “Ancillary Revenues” from Primary Ancillary Activities and Secondary Ancillary Activities.</p>	<p>Pool Money – Avg. \$450M over 7 years (1st year \$429M – 7th year \$465M)</p> <p>Eliminated Historical – now only 3 buckets –</p> <ul style="list-style-type: none"> <li>o Fixed (40)</li> <li>o Race Purse (50)</li> <li>o Year-End (10)</li> </ul> <p>Revenue share limited to “Media Revenues” only.</p> <p>The sharing of revenues from “Primary Ancillary Activities” and “Secondary Ancillary Activities” (along with reporting to, and audit rights of, the Teams) has been eliminated.</p> <p>In 2025, Teams will be charged a pro rata amount to pay for NASCAR’s broadcast representative (CAA) – this will</p>	<p>Pool Money should equal 45% of media revenue (all sources), without deduction.</p> <p>Teams need transparency in terms of understanding all sources/applicable terms and will expect to receive reps and warranties to confirm that (and covenants not to alter/waive, etc.).</p> <p>Division of money (and shifting of rights/opportunities) can’t happen until the Teams understand how much is available in Pool Money.</p> <p>Teams agreed to elimination of revenues from Primary/Secondary Ancillary Activities.</p>	<p>Exhibit B not final. Open to revisiting after collecting feedback and concerns from teams</p> <p>Willing to remove, contingent on Driver Ambassador Program funding.</p>	<p>Neutral: NASCAR proposal built off their feedback.</p> <p>NASCAR Win: Driver ambassador funding</p>

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			<p>result in a deduction of ~\$2.15M (43% of \$5MM) from 2025 Pool Money.</p> <p>Eliminated NASCAR’s representation to Teams that “90% of all live broadcast revenue will be attributed to Cup Series each year”, which means that Teams do not have certainty as to what percentage of revenues Teams will be receiving.</p> <p>If there is a shortfall in the number of cars in the field, the existing Charter requires unpaid monies to increase Pool Money available to the Teams that competed, new agreement has NASCAR retaining all such monies for itself.</p> <p>NASCAR’s payment obligations are subject to (and reduced by): (i) Force Majeure events and (ii) any contractual reduction permitted in media rights agreements. These are in addition to the existing</p>	<p>Teams do not agree to pay for NASCAR’s consultant.</p> <p>Why would NASCAR delete the only assurance that Teams have that NASCAR is honoring the deal that it’s made with the Teams?</p> <p>Teams do not agree to this change, as this is another example of NASCAR attempting to chip away at the revenue flowing to the Teams.</p> <p>Cannot agree to reduction “as permitted” in media rights deals” without first transparency into what those media rights deal provide and what areas would cause a reduction.</p>	<p>NASCAR to rep the % of all live broadcast revenue attributed to the Cup Series each year</p> <p>NASCAR to set up a session early next week to ask questions related to the Media rights agreements</p>	<p>NASCAR Win: No rep and warrant regarding % of TV, it will be an annual rep based on how much net TV money is received by NASCAR</p>

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			<p>reductions resulting from bankruptcy of media rights partners; breach by counterparties to media agreements; and breach by NASCAR due to actions of one or more Teams.</p> <p>NASCAR has indicated that each year Teams will be charged ~ \$7.5M - \$8.6M to pay for the Drivers Ambassador Program.</p> <p>Deleted requirement of NASCAR to provide a certified accounting of the fees/payments.</p>	<p>Teams do not agree to fund the Driver Ambassador Program. Teams need transparency and approval over the program plan. Drivers are contracted to Teams and nearly all areas of any proposed program will need to be in writing and will need Team approval. Teams are willing to work with NASCAR (subject to the above) but again it comes down to collaboration, a seat at the table, etc.</p> <p>This provision should be re-inserted for the reason of transparency referenced above.</p> <p>Teams expect the race payouts to be flattened to address disparities in payouts (i.e. Daytona 500).</p>	<p>NASCAR can rep the fees / payments</p> <p>Willing to evaluate race payouts</p>	<p>Neutral: added the rep regarding the money off the top being used solely for the driver ambassador program.</p>

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				Need to address Team entry fees.		
5.1	Ownership of Intellectual Property	Assigns all live rights (and everything that happens during race weekend at the track) to NASCAR.	In addition to the rights NASCAR currently receives from the Teams, the new provisions require Teams to grant the right to allow audio, audio-visual or video equipment for use on Drivers.	Teams need more information in terms of why NASCAR needs these rights, when they apply (only during Events or more generally), what it intends to do with them, etc. If something is agreed here, Teams would expect to have appropriate guardrails to avoid creating sponsor relationship issues, etc.	NASCAR will propose guardrails around use of new content and provide approval (where content isn’t live) regarding use of any mic’ed driver audio.	Neutral: inserted requested language
5.2	Advertising & Promotional Activities of NASCAR	Allows NASCAR, Series Sponsors and Broadcasters the right to use Team and Driver IP without additional compensation in order to exploit (i) “Ancillary Rights” (see Sec. 5.6 below), (ii) promotion/advertising of Series, (iii) and for the broadcast. Upon request, NASCAR will provide each Team a list	Eliminated NASCAR’s obligation to disclose to requesting Teams the NASCAR licensees that have granted Team/driver/owner-related rights in the prior year.  Deleted provision that only permitted NASCAR to use Driver IP	Teams want to understand NASCAR’s rationale for taking another form of transparency from the Teams. Teams have this right in order that they can properly gauge sponsor conflicts in advance of issues that will invariably arise.  Teams will not agree to expanding use of Drivers outside of fire suit/branded	NASCAR to propose potential change to provide transparency without the heavy lift of having to pull license agreement.	Neutral: reinserted prior language

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		of licensees that have been granted such right.	in a Driver fire suit or Team sponsor branded apparel.  Adds rights to audio-visual footage (in addition to photos, images and sounds).	apparel without approval of such Team.  The use of Team IP in the exploitation of Ancillary Rights was tied to Teams’ receipt of Ancillary Revenues. With Teams no longer receiving Ancillary Revenues, Team IP can only be used for non-sponsored/commercial promotion of the sport and should not be used by NASCAR/Tracks in connection with revenue generation. To the extent it’s a revenue generating opportunity, then it needs to be shared with the Teams pursuant to pre-agreed terms (or otherwise with mutual approval).	Error in drafting, the limitation will be brought back in.  NASCAR to lay out current revenue opportunities that need to be retained by NASCAR to continue to operate the business. Clearly outline what is granted to NASCAR and what is “New Business”	Neutral: inserted language regarding what are retained ancillary rights revenue and what will go into “new business”
5.3	Collective Use Rights	Any still image that depicts 10 or more race vehicles or 10 or more drivers/crew members in uniform, may be used	Reduced number of drivers/crew members from 10 to 5 and added “audio-visual footage” (no specific length) to still images.	Depends on overall conversation, including the issues noted above as to promotional vs. commercial use. Let’s discuss parameters	Agreed.	Neutral: haven’t included any additional guardrails, but open to comments.

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		by NASCAR, Promoters and Broadcasters for advertising and promotional purposes without additional compensation to Team/Driver.		and guardrails (e.g., length of clips that can be used, etc.).		
5.5	Reservation of Rights for Team Intellectual Property	Makes it clear that no Team Intellectual Property is granted to NASCAR (or anyone), except as specifically set forth in Section 5 of the Charter Agreement. Included that a Teams Intellectual Property could only be distributed in the Broadcast, subject to the terms of the Agreement (including that Teams are paid the applicable portion of monies from the Broadcaster).	Deleted language specifying that Teams’ grant of rights is subject to their payment of the applicable portion of monies from the Broadcaster.	Teams believe this should be restored; we do not understand why this would change.	Agreed. Will revert to prior language.	Neutral: re-inserted concept of it being tied to the monies paid pursuant to Exhibit B.

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5.6	Ancillary Activity (NASCAR’s use of Team IP w/o approval)	Provides NASCAR with right to create/distribute works inclusive of Team IP in conducting “Ancillary Activities” which include: (i) NASCAR.com (and related channels), (ii) audio only content, (iii) other formats of distribution (internet, mobile and other forms of digital), (iv) event data, (v) e-commerce, (vi) highlight packages, and (v) fantasy and video games, all with no additional compensation to the Teams.	Added to Ancillary Activity: <ul style="list-style-type: none"> <li>➔ Non-Fungible Tokens (“NFTs”).</li> <li>➔ Any other digital products now known or hereafter discovered.</li> <li>➔ Audio-visual footage (adding to right for use of still images).</li> </ul>	These changes expand the area in which Teams are exclusive to NASCAR with Team IP that will not generate additional revenues to the Teams. Teams do not agree to that framework as noted above.	See last comment of 5.2 above.	Neutral: left NFT because currently exploited but deleted the more future looking opportunities which would be “new business”
5.8	Team Websites	N/A	Teams agree to host their Team website exclusively on the official NASCAR app/website.  Teams to enter into a separate agreement with NASCAR to cover the same.	Teams are amenable to migrating sites but would not expect to pay for it and need more information as to how implemented, and need to understand what guardrails are in place, how ad units will be displayed and revenue	Tim Clark to provide additional information.  No use of NASCAR-owned content on competing sites.	Neutral: didn’t include the non-compete language. Same language that limits their use on clips as prior charter. Should not be used on racing America, unless off track and owned by Team.

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			<p>Each Team is responsible for the daily operation and content publishing on their sites.</p> <p>Teams agree to meet not yet defined minimum content requirements (presumably on an annual basis).</p> <p>NASCAR has indicated that Teams will have to pay NASCAR to host Team sites but have not disclosed the cost to do so.</p>	<p>opportunities for the Teams (and NASCAR, if applicable), how sponsor conflicts will be addressed, how data sharing works, how post-term transitions will be handled, etc. Finally, there can be no prohibition on content (outside of live rights) for co-display on Racing America.</p>		
5.9	Limitations on Team Produced Content	N/A	<p>Teams assign NASCAR the exclusive right to produce, sell or license any program or series that includes more than two teams.</p> <p>If NASCAR is shopping a program or series about the sport in general (e.g., playoff show or full season like Race for the Championship) then it can: (i) use Team marks seen in- context at Events and Team shop; and (ii) access to the Team shop and Team employees and owners for</p>	<p>Teams will not agree to exclusivity here, as Teams must retain the right to promote the sport, engage with OEMS and other partners. With respect to the non-exclusive grant, there must be a revenue-sharing arrangement.</p>	<p>Fine going non-exclusive. Add stronger language requiring both parties to bring these opportunities to each other and work in advance. If there's no revenue, we still want the right to do the show because of the promotional value. Trying to save the step of a second agreement with teams.</p>	<p>Win for NASCAR. If this language stays, industry wide shows will be so much easier to film</p>

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			filming for the project, including right to mic team at the NASCAR events. Any exclusivity requires Team approval, not to be unreasonably withheld, conditioned, or delayed.			
5.10	NASCAR’s Fan Rewards Program		NASCAR requiring Teams to provide access to Team databases and other fan data to be included in the NASCAR Fan Rewards Program. No obligation for NASCAR to provide back to the Teams any information although NASCAR will use “good faith efforts” to do so if permitted.	Teams are not agreeing to this without understanding data sharing arrangements and how this will benefit the Teams.	NASCAR will set up time to provide information on data sharing and benefits to the Teams / Industry	Neutral.
5.11	Driver Ambassador Program		NASCAR is creating a “marketing and promotion” platform designed to incentivize Drivers to promote the sport in exchange for “earning points” towards a year end payout of \$18M - \$20M to be distributed among the Drivers that participated in the preceding year.  Teams are asked to support the program by making their Drivers available (i.e. coordinating with	See response above regarding Driver Ambassador Program.	NASCAR is not willing to give up the Driver Ambassador Program	NASCAR Win

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			<p>NASCAR) along with contributing (through a reduction of annual Pool Money) a pro rata share of the \$18M - \$20M annual cost (~\$7.5M - \$8.6M per year).</p>			
5.12	<p>Limitations on Teams Ability to Collaborate on New Revenue Opportunities</p>		<p>NASCAR will be the exclusive rep for “New Business” agreements (agreements involving IP of 4 or more Teams &amp; NASCAR and / or tracks).</p> <p>Committee of Team/NASCAR representatives will be formed to source New Business opportunities.</p> <p>If the collective Team net revenue is 33% (or more), than a Team must agree to be part of the deal unless:</p> <ul style="list-style-type: none"> <li>o There is a direct conflict with a current partner to whom the Team has a contractual relationship at the time the opportunity is presented; or</li> </ul>	<p>Teams will not agree to exclusivity here unless Teams share in all “New Business” revenue generated by NASCAR and there’s an agreement as to how Teams participate. Also, as noted below, we need more information and protection that NASCAR uses best efforts to monetize these rights and will do so in collaboration with (and transparency to) the Teams.</p> <p>Need to clearly define “net revenue” for purposes of net revenue splits, as well as minimum revenue sharing thresholds. Teams would like commitment from NASCAR that NASCAR will use best efforts to include Teams and</p>	<p>Need to come up with a framework that all are comfortable with.</p> <p>Without exclusivity, there’s concern regarding continuing to compete. Happy to discuss the process more in how we frame it up to avoid this. Understand the 4-car teams had concerns this would block them doing Team deals, so we can talk about the parameters around it.</p>	<p>Team Win. NASCAR did propose a framework and 20% net minimum payment if Team IP or new ancillary rights exploitation.</p>

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			<ul style="list-style-type: none"> <li>o Team has a signed term sheet for an upcoming partnership or can show evidence of current conversations which would put the Team in direct conflict if the agreement was completed</li> </ul> <p>If the collective Team net revenue share is &lt; 33%, then any Team may opt out.</p> <p>Note:</p> <ul style="list-style-type: none"> <li>o NASCAR reserves the right to do deals without Team IP.</li> <li>o Teams are permitted to do their own deals (as long as don't conflict with a then existing NASCAR/Team deal).</li> </ul> <p>Net revenues are not defined, and no minimum dollars are required for NASCAR to pursue a New Business Opportunity and use Team IP.</p>	<p>Team IP in substantially all New Business opportunities.</p>		

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6.3	Contingency Program	Specifically reserved Team rights for “Contingency Space” on cars, with the exception of NASCAR’s fuel, tire, and series sponsor.	Deleted language reserving Contingency Space to the Teams, so it’s not clear what NASCAR’s intention is with this deletion, although NASCAR has indicated that it intends to resume selling Contingency Space.  Also, removed language regarding the size of decal for NASCAR’s fuel, tire, and series sponsor.	Teams are open to discussing new business opportunities based on mutually acceptable revenue sharing information and coordination through Race Team Alliance on behalf of the Teams.  There should be no change to the size of the fuel/tire decals or reserved space for a series sponsor.	Any new opportunity like this could go through the New Business framework.  Agree.	Neutral.
6.6	Exclusivity / Goodwill	Team Owner, Control Persons and direct/indirect owner of 10% or more are exclusive to NASCAR and cannot race in any competitive “stock car series”.  Territory is U.S., Canada, and Mexico.	Team Owner, Control Persons and direct/indirect owner of 10% or more equity are prohibited from competing “in any automobile or truck motorsports racing series anywhere in the world” except:  → Racing series sanctioned by NASCAR or Affiliates;  → IndyCar, Indy Lights, F1, NHRA, World of Outlaws, Bandeleros, XR Racing,	Teams do not understand the rationale for this change and Teams will not agree to these changes as they are too broad and overreaching.	NASCAR would like to keep worldwide. Willing to expand the list to address your concerns on other series. How would you propose expanding stock car definition to address our concerns?	Neutral to NASCAR Win: NASCAR returned limited to US only but continued to expand definition of stock car.

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			<p>Legends Series, Supercars, Global Rally Cross and successors to them, all at their current scope; and</p> <p>→ Any other racing series that is created after the effective date of the Charter and approved by NASCAR</p> <p>“Stock Car Series” becomes “automobile or truck motorsports”.</p> <p>Territory expanded to “the world”.</p>			
6.9	Series Sponsor	Teams had protective language addressing bi-furcated Series Sponsors.	Deleted all such protection.	<p>Teams need to understand why NASCAR deleted this Team protection?</p> <p>Also, important that NASCAR not be able to add a Series Sponsor and make it an exclusive category.</p>	<p>OK to re-insert.</p> <p>NASCAR does not agree.</p>	Neutral.

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6.10, 6.11,	Defined terms - NASCAR Reserved Sponsor Categories		<p>Fuel category expanded to include hydrogen and ethanol in any form.</p> <p>Tire category expanded to include “tire sensors” and “tire management” category.</p>	Fuel sponsor exclusivity needs to be eliminated altogether. Do not agree to expansion of tire category.	<p>No to deletion of fuel or removing exclusivity in the category.</p> <p>OK to remove tire management from tire category.</p>	
6.12	Minimum Performance Standards	A Team can lose its Charter if it lands in the “bottom three in points” for three years in a row. The Teams did request for this provision to be removed in the new Charter Agreement.	<p>Deleted the “bottom three rule” and instead introduced “Minimum Performance Standards” that Teams must meet:</p> <p>90% Rules applicable for each race</p> <p>Purchase tire allotments</p> <p>Fill roster allocation</p> <p>107% Rule - Qualify within 107% of the fastest time for each session (crash / incident during qualifying would be excluded)</p>	Agree.	Agree.	NASCAR Win.

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			<p>3 or less drivers per car during the season, unless pre-approved by NASCAR.</p> <p>Consequences for violations in any year during the Term:</p> <p>1st violation – warning</p> <p>2nd – 4th – escalating fines (\$25K - \$100K)</p> <p>5th - right to terminate Charter</p>			
7 (2016 Only)	Ancillary Rights Financial Information	Created concept of Primary & Secondary Ancillary Rights and Teams’ collective annual share of profits from these rights.	Eliminated all Ancillary Rights revenue to the Teams.	As noted above, will agree to deletion of Ancillary Rights revenue sharing subject to other provisions around IP rights usage and New Business opportunities.	Agree	
7 & Ex. F (2016 - Sec. 8)	Transfer Restrictions	Teams must inform NASCAR of all “Substantial Owners” defined as any direct/indirect owner of 10% or more equity,	Teams required to disclose ALL direct and indirect owners of interest in a Team to NASCAR (regardless of ownership %) and all such persons subject to Charter terms.	Teams are very concerned about the transfer restrictions. As proposed, they are overbroad, will depress Charter values, and will suppress the number of	NASCAR is open to relaxing certain transfer restrictions; would like to get Team feedback on which restrictions felt overbroad.	NASCAR Win: More robust information, NASCAR’s sole discretion in approving transfers, and retention of the 2.5% fee.

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		<p>and all such persons are subject to the Charter terms.</p> <p>Any changes to Substantial Owners, Team Owners or Control Person must be reported to NASCAR.</p> <p>NASCAR must approve any transfer of ownership that would result in the Control Person owning less than 30% (directly/indirectly) of equity.</p> <p>NASCAR entitled to a \$50,000 transfer fee on permitted transfers.</p> <p>Owner may lease Charter to a third party subject to certain limitations.</p> <p>Transfers may not be made to “Prohibited</p>	<p>All transfers of rights, “delegations of duties” and transfers in ownership must be disclosed and are subject to NASCAR’s pre-approval, regardless of size.</p> <p>Buyers must be pre-approved by NASCAR in its sole discretion (no longer solely due to being a “Prohibited Person”).</p> <p>NASCAR has “full due diligence rights”, deal/financing structure (including all related documentation) &amp; assessment of how the Charter value was reached must be disclosed. Includes right to do background checks.</p> <p>New owners must sign Joinder Agreement, agreeing to be bound by the terms of the Charter Agreement.</p> <p>Debt level restrictions have been added so that no more than 20% of the transaction value can be</p>	<p>legitimate investors who can (or would be willing to) invest in the sport.</p> <p>Teams need to understand what NASCAR’s goals are first and then can work on addressing to find solutions without harming Team owners.</p> <p>Teams are amenable to full disclosure (as to the investor and the deal terms).</p> <p>Joinder Agreement for all owners is over broad and not appropriate.</p> <p>Debt level restriction is too low and seems unduly prohibitive on financing sources.</p>	<p>With transparency and disclosure, we do not need a joinder agreement. Add provision where they warrant compliance by other Owners.</p> <p>Open to Team proposal.</p> <p>Staying at 2.5%. The due diligence and time spent is not</p>	<p>Team Wins: higher debt limit and % approved for ownership by P.E.</p>

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		<p>Persons” -- a person whose association with NASCAR would materially and adversely affect the NASCAR brand or the image of the sport of stock car racing.</p> <p>In the event a Control Person becomes a Prohibited Person, then (post arbitration procedure), NASCAR can require the naming of a new Control Person.</p>	<p>financed (i.e., 80% of the deal must be cash).</p> <p>NASCAR is entitled to receive a 2.5% “transfer fee” on the “purchase price” (this fee applicable to any transaction where Control Person will no longer have a Controlling Interest in, and at least 30% direct/indirect ownership of equity).</p> <p>If NASCAR believes that any Owner has become a “Prohibited Person” then NASCAR can require them to divest within 120 days of determination of same (previously was limited to Control Person and did not permit divestiture – only remedy was replacement of Control Person).</p> <p>Eliminated ability of Teams to lease Charters.</p>	<p>Will agree to a 1% transfer fee on the profit margin from the sale of a Charter (which is still significantly higher than other leagues, which do not have a transfer fee at all). For those holding original Charters there should be an agreed upon “base amount” to which fee does not apply to recognize those Teams’ initial investment in the sport.</p> <p>Divestiture is extreme remedy. Will need to discuss what is appropriate.</p> <p>Amenable to concept of eliminating Charter leasing</p> <p>Need to come up with a workable definition of “Institutional Investor” and</p>	<p>a cost the league should bear on its own.</p>	

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			<p>Other limits on Institutional investors: (Sec. 7.6 &amp; Ex. F)</p> <ul style="list-style-type: none"> <li>o Investment Firms Limits                             <ul style="list-style-type: none"> <li>→ Investments (non-controlling / passive minority stakes) not more than 2 Cup Organizations (consisting of a maximum of 6 Charters);</li> <li>→ NASCAR will waive this rule for sports holding conglomerates such as Fenway Sports Group and HBSE.</li> </ul> </li> <li>o Firms with investments in multiple Teams are required to be siloed from any Competition data or decision-making – investments must be truly passive.</li> <li>o Capped at 30% interest in any Charter Member.</li> <li>o Any single Charter Member would be limited to</li> </ul>	<p>then also come up with appropriate guidelines as these are too restrictive and will need to discuss application of other rules (exclusivity/goodwill, e.g.). Restrictions on institutional investors existing in other major US leagues do not uniformly make sense in the context of NASCAR, given Charter terms and other circumstances.</p> <p>A 30% cap will limit investor interest and potential investor capital for teams.</p>		

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			<p>having 49% of its equity owned by funds.</p> <ul style="list-style-type: none"> <li>o Charters / Charter organizations cannot be publicly traded.</li> <li>o Sovereign wealth funds are prohibited but NASCAR did not make this reciprocal (i.e. nothing precludes NASCAR from accepting Sovereign wealth funds).</li> </ul> <p>Limit of 20 investors / investment groups per Charter organization (family members can be consolidated if allowed by NASCAR in its sole discretion).</p>	<p>Whatever is agreed re: Sovereign wealth funds, needs to be reciprocal.</p> <p>A limit of 20 is too small. Need to discuss an appropriate limit.</p>		
7.2 (2016 - Sec. 8.2)	Anti-Flip	No Charter acquisition for 12 months after Charter sale.	No Charter acquisition for 36 months after Charter sale.	Teams will consider but let’s discuss whether there is a rule that applies to someone who sells Charters and leaves the sport vs. a Team that sells a Charter and remains in the sport but is seeking to add	NASCAR is open to a proposal.	Neutral.

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				back a Charter after a sale (for whatever reason).		
7.3 (2016 - Sec. 8.3)	Charter Limits	Teams limited to 4 Charters.	Teams limited to 3 Charters. Exempts family transfers, but if there is a new non-family control person, limit would be 3.  Note, takes effect upon signing (not Jan. 1, 2025, as the rest of agreement).	Willing to entertain with the additions of greater protections/flexibility to current owners of 4 car teams.	Need to ensure meaningful ownership by the family. So need to come up with a threshold %	NASCAR Win.
9.2 (2016 – Sec. 10.2)	NASACAR Reps & Warranties	In addition to customary reps and warranties provided (i) NASCAR would allow affiliates to take actions intended/designed to artificially reduce Pool Money or monies payable to Teams and (ii) that 90% of all Broadcast revenue would be deemed to be attributable to the Cup Series Broadcast rights.	NASCAR eliminated reps regarding (i) assurances that affiliates would be prohibited from artificially reducing monies due to the Teams and (ii) the 90% representation on Broadcast revenues being attributable to the Cup Series.	NASCAR to explain the rationale for these deletions. In the view of the Teams, no reason to delete these reps.	Agree, will reinsert with updated %	NASCAR Win. Did not reinsert guaranteed % of TV dollars.

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13 (2026 – Sec. 12)	Misc.		Eliminated guarantees provided by NASCAR Broadcasting and related entities.	Guarantee should be reinstated, among other things Teams should not have performance or bankruptcy risk by limiting signatory solely to NEM.	Guarantee will extend to needed entities as determined in the conversation regarding who needs to be a party to the agreement.	
Schedule 3		This Schedule listed the payments required by Teams for licenses, entry fees and credentials, with caps on what NASCAR could charge.	The specific numbers were deleted and left blank, so it is not clear whether NASCAR intends to increase these fees and preserve the ability to set them in their discretion.	Need to understand changes.	Didn't have the info, so this was merely a placeholder.	