



INDUSTRY PARTNER PROGRAM



PREMIERE RACING, INC

Key West Race Week

Premiere Racing's **Industry Partner Program**

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*John Gluek; President, **Dimension/Polyant***

"Please pass on our congratulations to the entire Premiere Racing team for a great job! The J-Tent worked well again and the Industry Partner area benefited with the relocation of the race headquarters...We look at our involvement in the Key West event as a great way to support our owners. "

*Jeff Johnstone; President, **J/Boats***

I. PROGRAM OVERVIEW

Premiere Racing's Industry Partner Program *Key West Race Week*

- Objective** The original objective for initiating the Industry Partner Program was to enable the Key West regatta to continue, creating and maintaining a revenue source from within the performance sailing industry as an integral part of the business plan for the event. This revenue, coupled with entry fees and corporate sponsorship revenue, continues to be necessary to ensure the long term viability of this international event at the high standards established in recent years.
- Since 2002, involvement in the Partner Program has become a value proposition for participating companies.
- Goal** The goal of the program is to achieve maximum participation from within the industry by offering affordable levels. Of the original 65 companies and organizations identified, 20 companies joined the program in the first year. In 2008 the number grew to a record 35, and the program reached 80% of the financial goal established in 2002.
- Participation** There are three levels of participation being offered:
- | | |
|--------|---------|
| GOLD | \$6,000 |
| SILVER | \$4,000 |
| BRONZE | \$2,000 |
- Primary Benefit** Continuation of a major international event at the established high standards
- Other Benefits and Value**
- Enhanced Company Exposure and Visibility
 - Affiliation with a Top-Tier International Event
 - Client Awareness
 - Key West On-Site Corporate Hospitality / Exhibit Space (available to Platinum, Gold and Silver level partners)
 - Web Site Exposure / Links
 - Advertising Discounts / Access Cards
- Please refer to Section II (Program Benefits & Value) for additional benefits*
- Commitment** Participating companies are asked to make a three-year commitment to the program at the time they enroll. There is an 'out clause' enabling companies to withdraw from the program, providing they notify Premiere Racing in writing before April 1st prior to the next year's event. Grounds for withdrawing would be either significant changes in the company's business position or dissatisfaction with the event.
- Payment** Over three years, a total of six payments will be made - two installments each year- the first by August 1st and the second by December 1st prior to Key West Race Week in January.

Companies from the performance sailing industry that participate as Official Sponsors are also designated Platinum Level Partners at no additional charge.

II. PROGRAM BENEFITS AND VALUE

Premiere Racing's Industry Partner Program

Key West Race Week

Primary Benefit:

This program plays a significant role in ensuring that this important international event continues as a top-tier quality event. The Industry Partner program was conceived as a way to provide needed financial stability for Key West Race Week. Within a short time, it became a stand-alone value program.

Benefits and Value:

Additional significance comes through Premiere Racing's commitment to promote participating companies and ensure that the racing yacht owner is fully aware of the Industry Partner Program and its importance to the long-term viability of this event. Yacht owners are encouraged to patronize those companies participating in the program. The exposure a company receives and the prominence and size of the logos is based on participation level.

Client Awareness - Exposure and Visibility Pre and Post event:

- Industry Partner acknowledgement, with company logos, in each of the following Race Week publications:
 - Key West Official Notice & Conditions of Race (August) 4,000
 - Key West Program / Sailing Instructions (January) 3,000
 - Key West Race Week News (January) 2,000 daily copies – full page ad
 - Key West Results Package (February) 500
- Industry Partner Program description and logo page emailed or mailed with each entry acknowledgement
- Unique Partner Program Logo

Client Awareness - Exposure and Visibility On Site:

- Acknowledgement of the Industry Partner Program at the Skipper's Meeting
- Industry Partner Skippers' Bag inserts
- Acknowledgement of the Industry Partner Program at the awards ceremonies
- Prominent Logo signage on site in Key West (e.g. Six over-sized, full color industry Partner banners (6' x 8.5') with all Partner's logos.)
- Individual Partner Banners on site in Key West
- Designated Day - "Industry Partner Day" - promoted in the Sailing Instructions, schedule, web site.

Web Site Exposure:

Key West event web site index pages contain a banner of all Partner Logos with individual links. There is also an expanded section with more information on the program and its participants.

Media:

- Media releases mention the program and highlight its importance.
- Editorial articles with program description and details in the Key West Race Week Newspaper

Advertising Discounts & Access Cards:

Advertising in Race Week publications will be discounted based on level of participation and shoreside access cards will be provided:

	<u>Ad Discount</u>	<u>Shoreside Access Cards</u>
PLATINUM	20%	(per sponsor agreement)
GOLD	15%	5
SILVER	10%	3
BRONZE	5%	2

Continued...

PROGRAM BENEFITS AND VALUE *(continued)*

Key West Corporate Hospitality / Exhibit Space:

PLATINUM, GOLD and SILVER level partners will have the ability to participate on-site in Key West in the corporate hospitality and exhibit area immediately adjacent to the reception tent (space is limited and available to returning participants first). Current details and costs associated with the on-site program can be found in Section VII.

Snacks, popcorn, beer and soft drinks served in the Hospitality Area during the 6 evenings at race week beginning at 5:00 PM – one hour prior to the opening of the reception tent.

Additional Benefits:

Premiere Racing has and will continue to actively pursue additional opportunities to publicize participating companies and the importance of the program Full page, dedicated Industry Partner advertisements are placed in SAIL Magazine, Sailing World and Seahorse.

III. PARTNER FEEDBACK

Premiere Racing's Industry Partner Program

Key West Race Week

Why should your company be an Industry Partner? Our Partners and Sponsors say it best:

"Being an official sponsor for the past couple of years at both Acura Key West & Acura Miami Grand Prix has been great exposure for SLAM. The on-site booth is added visibility and a good chance to be face to face with our clients during the shoreside socials. The events are always organized and well run."

*Filippo Bovio, **SLAM***

"Key West – Great Event! Thank you for all of your hard work. You and your team always do a super job and we really appreciate your efforts..."

*Andy Burdick; Vice President, **Melges Performance Sailboats***

"You guys run a great event, the best winter event in the world! We're very happy to be with you in this venture."

*Peter Harken; President, **Harken, Inc.***

"...thank you for another tremendous event. As a sailor it is the height of my year, as someone in the business, I don't know what we would do without it."

*Barry Carroll, **Summit Yachts***

"A great event last week. We really appreciate all the work you do to put this event on for the sailing industry and its amazing how you manage to up the game each year. My compliments to you and your team on a truly fantastic regatta and count on our partnership next year. Your event is a better business environment for us than any boat show we could ever attend."

*Geoff Stagg; President, **Stagg Yachts***

"We had an excellent experience over at the small boat venue last week. The race committee did a great job banging off quality races in a timely fashion. The shore organizers were friendly and accommodating. It was really a well run event. Please pass the message along to all those responsible."

*Chuck Brown; **RIGPRO***

"We do approximately 10% of our annual gross revenue during race week....All sales records from last year were broken."

*Tao Levi; General Manager, **West Marine Key West***

"Dimension/Polyant would like to congratulate Premiere Racing for putting on the number one U.S. regatta. As an Industry Partner and race participant, the D/P staff is able to analyze new fabric for the coming season, race against top level sailors and make contact with participants...This regatta kick-starts our industry in sales for the new year as well as providing a testing platform for new equipment at the highest level of racing. Thanks from the D/P Team."

*John Gluek; President, **Dimension/Polyant***

"Besides its reputation for excellence in race management, this event has also shown innovation in its alliances with sponsors and marine industry partners. It provides good value for exposure to a very targeted group of national and increasingly international competitors. This year the consolidation of the facilities into one centralized venue created a boatshow-like environment that was easier for all to navigate and participate."

*Dobbs Davis; Editor, **Seahorse Magazine***

"Take a look at Key West Race Week - Premiere Racing runs what is possibly the best regatta today - from commercial, sponsorship, logistics, courses, race committee and activities perspectives. The number of entries at this event is a testament to this management...a professionally run event that is on par or better than any other international regatta."

*Campbell Field; **B&G***

"Please pass on our congratulations to the entire Premiere Racing team for a great job! The J-Tent worked well again and the Industry Partner area benefited with the relocation of the race head-quarters... We look at our involvement in the Key West event as a great way to support our owners. While there are hundreds of major sailing events worldwide to choose from, we feel that the professional management of Premiere Racing combined with the great Key West venue, is a no-brainer for us to be involved in."

*Jeff Johnstone; President, **J/Boats***

"Bainbridge is pleased to add their annual support to one of the year's most significant sailing events, Key West Race Week. Premiere Racing runs this event with the world class management and organization that provides Bainbridge excellent exposure to sailors as well as industry professionals. We regard Premiere Racing's Key West Race Week as our most important direct interaction with the sailing community."

*Richard McGhee; Division Manager, **Bainbridge International***

IV. FREQUENTLY ASKED QUESTIONS

Premiere Racing's Industry Partner Program

Key West Race Week

Q. How does an event 'Industry Partner' differ from a 'Sponsor'?

A. *The Industry Partner Program is a "turn key program" requiring a relatively low financial commitment. Sponsor agreements are tailored - varying significantly depending upon the specific need of the sponsor. The Sponsor pays a higher fee to receive exclusivity and custom benefits. Industry Partner levels and benefits are predefined and partners receive equal treatment with a non-exclusive status.*

Q. Can I sign up one year at a time?

A. *No. The three year commitment is an important component of the program, and one of the primary reasons Premiere Racing is able to offer the low fees.*

Q. What if my business situation changes and I can no longer be an Industry Partner?

A. *You can "opt out". Terms are specified on the enrollment form.*

Q. What can I do to be in the Hospitality Area on site in Key West?

A. *Become a Silver or Gold level Partner and complete an application for the Hospitality and Exhibit area. Space is limited and priority is given to returning Partners.*

Q. The perception is that Key West is a huge success. Why is a Partner Program necessary?

A. *Key West is an international success story because of Premiere Racing's commitment to promoting and producing the very best regatta possible, and having the financial capability to do so. Corporate sponsorship dollars and multi-year terms are more limited than ever and are routinely year to year. The Industry Partner program, with numerous participants and a multi-year commitment, provides very important stability and an important revenue source enabling the event organizer to promote year round and maintain a very high standard.*

Q. If you have a Title Sponsor, why do you need a Partner Program?

A. *A single, major, multi-year sponsor providing sufficient revenue is a thing of the past. Faced with declining corporate sponsorship at all levels and rising event expenses, Premiere Racing developed a new business model for the 2002 event and beyond. The plan called for increased entry fees, a reduced title sponsor fee to ensure that this position is filled, and the Partner Program. All three components are vital to maintaining high standards at the event every year.*

Q. Given my budget constraints, how can I maximize my investment in the Partner Program?

A. *There are steps you can take that cost very little. Beyond the event publications, web pages, and on-site signage that we offer, you can identify with America's premiere regattas in your own publications, web site, and other customer promotions. Special event logos are available for your use. If you participate in the hospitality area in Key West, you have an affordable and highly accessible venue to connect with your current and future clients.*

Q. What if we advertise in the Key West publications. Do I get a discount?

A. *Yes – ALL Partners receive discounts on their advertising. Discounts range from 5% to 20% depending upon the level.*

Q. Do my clients really care and will participation give me an advantage?

A. *Ask your clients and please refer to the event testimonials in this package.*

Q. Does Key West Race Week really make a difference to the performance sailing industry?

A. *Industry feedback over the past six years certainly says "yes". Ask your peers and please refer to the quote below and the Partner feedback in this package (Section III).*

"Key West is not only the best event in the U.S. by far, it has helped turn the performance sailboat industry into a year round business. Where people used to pack up their boats in the fall, or delay delivery (and payment) of new boats until spring, Key West has made the game year round."

*Ben Hall; President, **Hall Spars***

V. PROGRAM BACKGROUND

Premiere Racing's Industry Partner Program

Key West Race Week

Premiere Racing's Industry Partner Program established an affordable way for the performance sailing industry and related marine services and products to be recognized as active, supporting participants in Key West Race Week. The initiative came about because of decreasing corporate sponsorships which threatened the future of the event. Based on a dramatic increase in Partner benefits, above and beyond those promised, the program has evolved into a legitimate value proposition for all participants.

As you may know, from both participation and stature standpoints, the Key West event is a solid success. The 2009 regatta produced another high-quality turnout, despite the present global economic recession. With the exception of the recent event, Key West has consistently attracted a 250-275 boat fleet, with boat owners representing over 30 states and 20 different countries during the past decade.

This turnout, coupled with continuing positive regatta features such as National & Midwinter Championships for several One Design classes, Handicap racing in the PHRF and IRC classes, the debut of new race boat designs, and worldwide video and television productions, bodes well for good numbers in 2010 and beyond. The caliber of international talent is unmatched with race week having firmly established itself as the premier event in America and one of the world's most important testing grounds.

The update on the Key West event from a business perspective has been a different story. Sponsorships have always represented a crucial revenue stream for professionally run events, however corporate America has backed away from the sport of sailing. A quick look at the America's Cup, Volvo Race, The Race, Olympic sailing support, and other major regattas reinforces this fact. Attracting sponsors has always been a struggle in our sport, even when the economy is strong. In recent years, Premiere Racing had greatly increased marketing efforts in this area, yet sponsor procurement continues to be a significant challenge.

Now, with the current, serious economic issues affecting businesses and individuals around the world, corporate sponsorships will be even more difficult to attain.

Companies and organizations in the performance sailing industry, much like participating yacht owners, have a stake in Key West Race Week. Throughout the years we have received extensive feedback from leaders in the sailing industry about the importance of this international event to the sport and their industry. At the same time, there was minimal industry participation in our Sponsor programs, often times because traditional sponsor levels were beyond their means. Industry companies have benefited from the regatta without having to pay in.

At an industry meeting in Key West eight years ago, the attendees corroborated the fact that Race Week is indeed very important to them and provided input for the current program. We are confident that we now have a very affordable program to offer one with value above and beyond what has been promised.

Historically, our primary source of revenue was from our corporate sponsors. The other revenue source of consequence has been entry fees. After carefully evaluating a number of different scenarios, Premiere Racing adjusted the traditional business model that we had used for this event. In 2002 we commenced a 3-part plan that was designed to produce the revenue required to create greater financial stability and allow for the event to manage rising expenses. It called for:

- Increasing entry fees
- Initiating a new 'Industry Partner Program'
- Securing a 3-year Title Sponsor at a reduced fee

This plan achieved its initial goal of getting the event to where it is today. However, in the current economic environment we are faced with the new challenges of a lower base and the need to find a new Title Sponsor. The Industry Partner Program is now more important than ever to the stability of the event.

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We were most fortunate to have a multi-year agreement with Title Sponsor Acura, but they too have been affected by the global economy and have reluctantly withdrawn their sponsorship. We increased entry fees slightly for 2009 and do not believe that it would be wise to raise them two years in a row.

In 2008-2009 we reached approximately 80% of the stated financial goals with the Partner Program. Many of our original partners have signed on for their third 3-year terms, a fact which is a testimony to the validity of the program in and of itself. While we remain shy of our goal, we are encouraged and continue to seek other companies' involvement for 2010 and beyond.

We are confident that Key West Race Week will continue to deliver value to all participating companies and that this program will play a critical role in the long-term viability of this international event, enabling us to maintain the high standards established in recent years.