

QMA SPEC TIRE

Vega Tire would like to place the Vega tire into consideration for the QMA Spec Tire program starting in 2020.

Introduction

Thank you for inviting Vega to participate in the bid for a QMA spec tire program. The tire we are proposing is new technology, designed exclusively for today's quarter midget drivers. The tire provides great performance and repeatability, eliminating the need to put on new tires every time on the track.

The racing market has changed dramatically in the past few years with an emphasis toward cost savings and this Vega tire was designed to fulfill that change.

In addition to a long lasting, quality tire the Vega QMA tire provides the consistency that racers have come to rely upon from Vega. The need to search to find the right circumference in a box of tires or the need to cut the tire to make it round has been eliminated.

In Section IV, A.2. of the RFQ, the tire price is designated as "the most important in QMA's decision process". Vega is proposing a dramatically reduced cost to the racers of QMA that will save thousands of dollars per season over other tire manufacturers. The new Vega QMA tire is priced at \$107.00 per set.

Racer savings on Vega tires:

- Reduced price on tires to wholesaler and racer to reduce costs.
- Better margins for dealers to sell tires.
- Less tires to purchase due to consistent manufacturing.
- No need to pay for cutting due to tires being round out of the box.
- New technology compound allows more heat cycles with consistent lap times allowing racers to get more track time per set.

QMA benefits with Vega tires:

- \$2,000 to each Grands to help QMA with expenses.
- Use of the new bar code management software.
- Increased management fee more than required, \$6.00 per tire.
- No conflict with reporting tire sales due to overlap with other organizations.
- Vega Tire supports QMA not your direct competition.
- No shortage of inventory.
- Racers receive the highest quality product on the market.

Importer: TS Racing, Inc. 123 W. Seminole Ave Bushnell, Fl 33513 USA



Vendor Qualifications

1. Vendor Qualifications

TS Racing, Inc was founded in 1988 and currently supplies karting and quarter midget racing products and support to domestic and international markets. A full time staff of 14 individuals provides industry leading customer service through daily personal contact with racers. The 22,500 square foot retail facility provides racers with complete service. An adjoining 20,000 square feet is available for storage of Vega tires. TS Racing is the direct importer for Vega tires.

Vega S.p.A. was founded in 1980 by Sergio Mantese and is based in Saronno, Italy. Vega has two manufacturing facilities that produce kart and quarter midget tires, their only product. The employees at Vega, some of whom have worked there since the opening, are dedicated to producing the best tires in the world. This exclusive market focus and attention to quality allows Vega to produce a superior product.

2. Contact Information

TS Racing, Inc. 123 W. Seminole Ave. Bushnell, FL 33513 352-793-9600 352-793-4027 fax Brad@TSRacing.com

(Brad Zoeller)

3. Acceptance / Contract

Acceptance in full as received on October 19, 2019.

4. Contract

See attached contract.

5. Pricing

See attached price list.

QMA Price List

Tire Size	Case Quantity	Racer Retail per tire
VEGA MCM 10.5 x 4.50 – 6	12	\$48.00
VEGA MCM 11.5 x 6.50 - 6	12	\$59.00

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CONTRACT

This is the basic format for a contract between Quarter Midgets of America and TS Racing, Inc. acting as the US representative of Vega S.p.A. with regards to spec tires starting in 2020.

The format of this preliminary contract is based upon the Request for Quotation, Section IV, received October 11, 2019 and received from QMA.

For the purpose of this document the following clarifications will be made: Quarter Midgets of America will be referred to as QMA and TS Racing, Inc the US importer of tires from Vega S.p.A. will be referred to as Vega.

Section IV

Α.

1. Acceptance of the Fees:

Vega agrees to a management fee of **\$6.00** per "Spec Tire" sold, to be paid to QMA. Vega understands that for the purpose of this contract "Spec Tire" refers to right side tires only sold for QMA sanctioned events.

2. Wholesale Tire Price:

Vega agrees to the wholesale price specified on the attached price sheet with racer price for all QMA members.

3. Tire Performance and Quality:

This Vega spec tire was specifically designed for QMA racing. In addition, the compound selected was chosen for the excellent wear and performance capabilities. The Vega QMA compound has proven to be the tire of choice in pavement applications due to its low cost, excellent performance and outstanding durability.

4. Vendor Performance:

TS Racing and Vega S.p.A. are dedicated to maintain an adequate stock of tires in the US at all times. To date, TS Racing has never had a shortage of Vega QMA tires in the United States.

5. Bar Coding:

Vega tires are bar coded per request of QMA. Vega will also supply a copy of track management software to scan, record and tech bar coded tires.

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6. Support and Sponsorship:

Vega will provide track side support to the racers and handlers in QMA. Vega representatives have assisted drivers and handlers at tracks in every corner of the United States.

In addition to the fees outlined in number 1 of this section Vega will provide the following:

- a. Vega will contribute \$2,000 per Grands to QMA for use in its national programs. The \$2,000 per Grands is in addition to the proposed spec tire management fee.
- b. Vega will continue support of the Grands by providing additional merchandise for the clubs and Vega Champions hats.
- c. Vega will provide bar coded tires and a copy of track management software.

B thru F

Vega agrees to the conditions and terms stated in the RFQ Section IV, B, C, D, E, F and 1 through 9.

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Section V

A. Specifications:

The Vega tire has proven throughout the country to be an excellent choice for quarter midget tracks. This one compound fulfills the requirements set forth by QMA and our sizing compliments quarter midget classes from Jr. Novice to World Formula. Vega proposes the Vega MCM compound as the spec tire for the pavement series.

B. Warranty:

A warranty applies to any Vega tire that is found to have a manufacturing defect. The unused defective tire will be replaced by the manufacturer at no charge. Vega tires are known for exceptional quality and the finest Italian craftsmanship. Vega certifies that they will maintain this high quality through the contract period.

C. Usage:

The Vega tires quoted will fulfill the requirements of all the classes listed on pages 9 & 10 of the RFQ.

D. Tire Sizes:

Vega tires meet the specifications required of this section.

E. Bar Code:

Vega tires are bar coded per request of QMA.

F. Contract Award Process:

Vega acknowledges the required bid date and the specifications of this section.

G. Fees:

Vega agrees to the management fee of **\$6.00** per "Spec Tire" sold to be paid to QMA. Vega understands that for the purpose of this contract "Spec Tire" refers to right side tires only sold for QMA sanctioned events. As the Vega spec tire was designed for QMA racing and is only used by the QMA organization, Vega will not have a problem with accounting for sales to the specific organization.

In addition, Vega offers additional sponsorship as outlined in Section IV, A.6. of this document.

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Summation

- The Vega tire was designed specifically for QMA spec tire rules and performs exceptionally well on both concrete and asphalt tracks.
- The set pricing on the Vega tires is many dollars less than the other manufacturers and will remain consistent throughout the years of the contract.
- The high quality manufacturing process used by Vega saves the racers money by ensuring consistency in all tire circumferences.
- Vega is a long time financial and technical supporter of QMA.
- Vega proposes a partnership with QMA to promote the organization and the sport of quarter midget racing. Vega will work with a promotion person designated by QMA to help increase membership and advance the awareness of QMA to the public.
- Vega does not have any alliance with organizations that compete against QMA, therefore can devote their entire attention and focus to QMA and its members.
- As a supplier to QMA exclusively, Vega can assure correct accounting on the sale of tires with regards to the management fee due to QMA.
- Value to QMA of the Vega tire contract:
 - \$6.00 per tire cash payment to QMA
 - \$2,000 per Grands to QMA for use in its national programs
 - Lower tire costs for QMA members
 - More profit for dealers selling tires to QMA members
 - Consistent, high quality, bar coded tires
 - Support of clubs and Grands races

Brad Zoeller

Executive Director

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TS Racing, Inc./ Vega USA

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