

## CIRCUIT EVENTS LOCAL ORGANIZING COMMITTEE

100 CONGRESS AVENUE, SUITE 1300  
AUSTIN, TEXAS 78701-2744

July 3, 2012

Mr. Marc A. Ott  
City Manager  
City of Austin  
P. O. Box 10898  
Austin, Texas 78767

**RE:** *Modification of the portion of the Agreement (the "Agreement") between the City of Austin ("City") and Circuit Events Local Organizing Committee ("CELOC") executed and effective July 31, 2011, pertaining to the Major Events Trust Fund ("METF") to be established for the 2012 - 2021 Formula 1 United States Grand Prix (the "Events")*

Dear Mr. Ott:

On June 29, 2011, council authorized you to negotiate and execute the Agreement noted above (Resolution No. 20110629-002). Pursuant to that authorization, you negotiated and executed the Agreement. The Agreement includes specific authority for the City and CELOC to modify the obligations relating to the METF if that modification is done in writing (Agreement page 6, item D). This letter is to clarify and confirm certain terms and provisions of the Agreement due to certain changed circumstances since the City and CELOC executed the Agreement. Those circumstances include a change in the 2012 - 2021 Formula 1 United States Grand Prix (the "Events") initial race date and a change in application and qualification under the METF for the 2012 Event from pre-event, advance funding ("Advance Funding") to post-event, reimbursement funding. Without Advanced Funding, the City is no longer required to and has not entered into an interlocal agreement with the Texas Comptroller of Public Accounts ("Comptroller") pertaining to the METF to be established for the Events.

Although CELOC does not currently contemplate Advanced Funding the 2012 Event as authorized by Sections 5A(r)-(s) of the Act, CELOC does intend for the METF to be funded after the 2012 Event, as authorized by Sections 5A(d-1) and (f) of the Act. And, funding the METF after the Events (rather than in advance) eliminates certain risks to the City, eliminates the need for the Assurance, and affects the timing of certain aspects of the METF process. On those bases, the City and CELOC intend to continue under the Agreement and consequently, desire to modify certain terms and provisions of the Agreement.

Now therefore, by the signatures below, the City and CELOC acknowledge and agree as follows:

1. Unless and until (a) CELOC applies for, (b) the Comptroller approves Advance Funding under the METF, and (c) the City and the Comptroller execute and deliver an interlocal

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agreement in compliance with Sections 5A(r)-(s) of the Act on terms and conditions mutually acceptable to the City, the Comptroller, and CELOC (collectively, the "Advanced Funding Conditions"), the following sections of the Agreement are waived in their entirety: §17(A)(1), §19(A)(1)(f), §19(B)(1)(e), §20(C), §22(A)(2), §22(B), §23(A)(2), §23(B), §24(A)(1), §24(B), and §29(C)(1); however, if during the term of the Agreement, the Advanced Funding Conditions are met, all enumerated sections of the Agreement shall automatically be reinstated and effective in full as originally written in the Agreement (*i.e.*, prior to modification by this letter).

2. Further, unless and until the Advanced Funding Conditions are initiated and met, the following modifications shall apply to the Agreement:
  - a. Section 14 of the Agreement is modified by ignoring the phrase "and upon termination of the Interlocal".
  - b. Section 18 of the Agreement is modified to ignore the phrase "under the Interlocal at Section 5, and".
  - c. Section 19(A)(1)(a) of the Agreement is modified by replacing the phrase "not later than 11 months prior to the next Event" with the phrase "not later than 3 months prior to the next Event".
  - d. Section 19(A)(1)(c) of the Agreement is modified by waiving the phrase "but not to exceed \$4 million".
  - e. Section 19(B)(1)(b) of the Agreement is modified by replacing the phrase "20 days after the previous Event (e.g., an EIS for the 2013 race will be submitted 20 days after the 2012 race)" with the phrase "3 months prior to the next Event (e.g., an EIS for the 2013 race will be submitted 3 months prior to the 2013 race)".
  - f. Section 19(D) is modified to limit the requirement of Comptroller approval, to only those approvals required under statutes, rules or laws applicable to the METF.
  - g. If during the term of the Agreement the Advanced Funding Conditions are initiated by CELOC and met by both CELOC and the City, then the provisions waived or modified above, excepting §19(A)(i)(c), shall automatically be reinstated in full as originally written in the Agreement (*i.e.*, prior to modification by this letter).
3. The effective date of the Agreement is the date both parties signed the Agreement, which is July 31, 2011.
4. The City confirms its designation and authorization for CELOC to act as its exclusive Designee and local organizing committee for the 2012 – 2021 Events in accordance with the Agreement, as modified by this letter. CELOC confirms its obligation to fund all of the

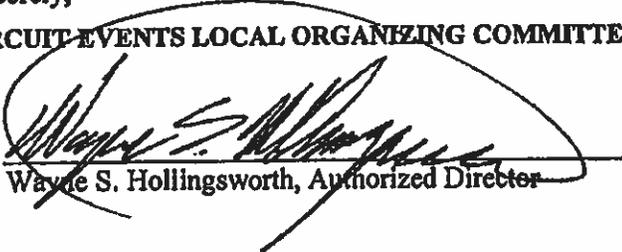
City's portion of the METP contribution as required under the Agreement, as modified by this letter, and to provide the economic impact study and any other documentation reasonably required by the Comptroller.

5. The City and CELOC confirm and ratify that, as of the date of this letter, the Agreement is and remains in good standing, in full force and effect, and unchanged except as modified by this letter. Any conflict or ambiguity between the Agreement and this letter shall be controlled by this letter.
6. All terms used in this letter shall have the same meaning as in the Agreement, except as otherwise defined in this letter.
7. This letter is executed and delivered in multiple counterparts, each of which shall have the force and effect of an original.

Please indicate your acceptance and agreement by signing below, and return an original executed counterpart of this letter to me at the letterhead address above.

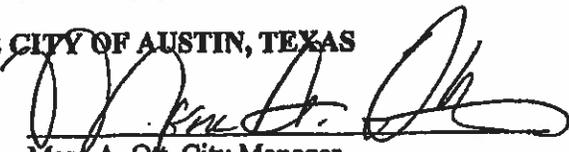
Sincerely,

CIRCUIT EVENTS LOCAL ORGANIZING COMMITTEE

By:   
Wayne S. Hollingsworth, Authorized Director

ACCEPTED AND AGREED:

THE CITY OF AUSTIN, TEXAS

By:   
Marc A. Ott, City Manager

Date: 7/5/12