

*City of Fort Worth, Texas*  
**Mayor and Council  
Communication**

DATE 10/15/02	REFERENCE NUMBER <b>G-13766</b>	LOG NAME 17SPEED	PAGE 1 of 2
SUBJECT	ADOPTION OF ORDINANCE APPROVING THE AMENDED AND RESTATED PROJECT PLAN AND FINANCING PLAN FOR TAX INCREMENT REINVESTMENT ZONE NUMBER TWO, CITY OF FORT WORTH, TEXAS (SPEEDWAY TIF)		

RECOMMENDATION:

It is recommended that the City Council adopt the attached ordinance approving the Amended and Restated Project Plan and Amended and Restated Financing Plan for Tax Increment Reinvestment Zone Number Two, City of Fort Worth, Texas (Speedway TIF).

DISCUSSION:

The Speedway TIF was created on December 19, 1995 (M&C G-11349), and was expanded on August 10, 1999 (M&C G-12628).

State law (Tax Code 311.011) requires that the Board of Directors of the TIF prepare and adopt a project plan and a reinvestment zone financing plan and submit the plans to the City Council. On August 10, 1999, (M&C G-12628), the City Council approved an amended project plan and reinvestment zone financing plan.

Since the amended project plan and reinvestment zone financing plan were approved in 1999, a number of developments have occurred within the TIF zone. The Speedway TIF Board felt that the project plan and financing plan should be updated to more accurately reflect the planned development for the TIF. Therefore, at its meeting on September 6, 2002, the Board of Directors adopted the Amended and Restated Project Plan 2002 and the Amended and Restated Financing Plan 2002, and recommended the approval of the plans by the City Council. Copies of the Amended and Restated Project Plan 2002 and Amended and Restated Finance Plan are attached.

In addition to making the requisite statutory findings and approving the Project and Financing Plans, adoption of the attached ordinance would expressly grant authority to the Board to enter into agreements that are necessary or convenient for the implementation of the Amended and Restated Project and Financing Plans, pursuant to Tax Code Section 311.010(a). The Board would not, however, have the power of eminent domain, the power to issue bonds or notes, the power to impose taxes or fees, or the power to restrict property uses in the Zone pursuant to Tax Code Section 311.010(c).

FISCAL INFORMATION/CERTIFICATION:

The Finance Director certifies that this action will have no material effect on City funds.

RR:k

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DATE 10/15/02	REFERENCE NUMBER <b>G-13766</b>	LOG NAME 17SPEED	PAGE 2 of 2		
SUBJECT	ADOPTION OF ORDINANCE APPROVING THE AMENDED AND RESTATED PROJECT PLAN AND FINANCING PLAN FOR TAX INCREMENT REINVESTMENT ZONE NUMBER TWO, CITY OF FORT WORTH, TEXAS (SPEEDWAY TIF)				
Submitted for City Manager's Office by:	FUND (to)	ACCOUNT	CENTER	AMOUNT	CITY SECRETARY       APPROVED 10/29/02 ORD.#15304 (AS AMENDED)
Reid Rector 6140					
Originating Department Head:					
Tom Higgins 6192	(from)				
Additional Information Contact:					
Ardina Washington 8003					

ORDINANCE NO. 15304

AN ORDINANCE APPROVING AMENDED AND RESTATED PROJECT FINANCING PLANS FOR TAX INCREMENT REINVESTMENT ZONE NUMBER TWO, CITY OF FORT WORTH, TEXAS (SPEEDWAY TIF); MAKING VARIOUS FINDINGS RELATED TO SUCH AMENDED AND RESTATED PLANS; CLARIFYING THE POWERS OF THE BOARD OF DIRECTORS OF THE ZONE; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, on December 19, 1995 the City Council of the City of Fort Worth (the "City") established Tax Increment Financing Reinvestment Zone Number Two, City of Fort Worth, Texas (Speedway TIF) (the "Zone") pursuant to Ordinance No. 12323 and as authorized by Chapter 311 of the Texas Tax Code (the "Act"); and

WHEREAS, the City Council approved project and financing plans for the Zone pursuant to Ordinance No. Ordinance No. 13889 (adopted August 10, 1999) (collectively the "Plans"); and

WHEREAS, pursuant to 311.011(e) of the Act, the board of directors of the Zone may at any time adopt an amendment to the plans; and

WHEREAS, as authorized by Section 311.011(e) of the Act, on September 6, 2002 the board of directors of the Zone (the "Board") adopted an amended and restated project plan and an amended and restated financing plan, both of which are attached hereto as Exhibit "A" (collectively the "Amended Plans"), and recommended that the Amended Plans be approved by the City Council;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FORT WORTH, TEXAS:

## **Section 1.**

### **FINDINGS.**

That the City Council hereby makes the following findings of fact:

- 1.1. The statements and facts set forth in the recitals of this Ordinance are true and correct.
- 1.2. The Amended Plans include all information required by Sections 311.011(b) and (c) of the Act.
- 1.3. The Amended Plans are feasible and the amended and restated project plan conforms to the City's master plan.
- 1.4. Consistent with Section 311.011(e) of the Act, a public hearing is not required prior to the adoption of this Ordinance because the Amended Plans do not (i) reduce or increase the geographic area of the Zone; (ii) increase the tax increment to be contributed by a taxing unit; (iii) increase the total estimated project costs; or (iv) designate additional property in the Zone to be acquired by the City.

## **Section 2.**

### **APPROVAL OF AMENDED PLANS.**

That based on the findings set forth in Section 1 of this Ordinance, the Approved Plans are hereby approved.

### **Section 3.**

#### **POWERS OF BOARD OF DIRECTORS.**

That the Board will continue to have all powers granted to it under Section 311.010 of the Act and all powers granted to the City under Section 311.008 of the Act except that the Board shall not have the power (i) of eminent domain; (ii) to issue bonds or notes; (iii) to impose taxes or fees; or (iv) to restrict the use or uses of property in the Zone. The Board's chairperson shall have the authority to execute agreements that the Board is lawfully allowed to enter into and that the Board considers necessary or convenient to implement the Amended Plans.

### **Section 4.**

#### **DELIVERY OF AMENDED PLANS TO TAXING ENTITIES.**

That the City Manager is hereby directed to provide a copy of the Amended plans to the governing body of each taxing unit that taxes real property located in the Zone.

### **Section 5.**

#### **SEVERABILITY.**

That if any portion, section or part of a section of this Ordinance is subsequently declared invalid, inoperative or void for any reason by a court of competent jurisdiction, the remaining portions, sections or parts of sections of this Ordinance shall be and remain in full force and effect and shall not in any way be impaired or affected by such decision, opinion or judgment.

**Section 6.**

**EFFECTIVENESS.**

That this Ordinance shall take effect and be in full force and effect from and after its adoption.

**AND IT IS SO ORDAINED.**

ADOPTED AND EFFECTIVE: 10-29-02

APPROVED AS TO FORM AND LEGALITY:

By: Peter Vakay  
Peter Vakay  
Assistant City Attorney

Date: 10-31-02

M&C: G-13766



Tax Increment Reinvestment Zone Number Two  
City of Fort Worth, Texas  
(Speedway TIF)

**Amended and Restated Project Plan 2002**

**and**

**Amended and Restated Financing Plan 2002**

October 2002

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Exhibit "A"  
to Ordinance #15304



Tax Increment Reinvestment Zone Number Two  
City of Fort Worth, Texas  
(Speedway TIF)

**Amended and Restated Project Plan 2002**

October 2002

**Tax Increment Reinvestment Zone Number Two**  
**City of Fort Worth, Texas**  
**Amended and Restated**  
**PROJECT PLAN**

As of October 2002

## **I. Introduction & Background**

In October 1995, the City of Fort Worth received a petition from the property owner requesting a 950 acre tract of land (generally located on the northwest corner of the intersection of State Highway 114 and I-35W) be designated as a reinvestment zone for tax increment financing ("TIF") purposes in support of the development of the Texas Motor Speedway ("Speedway"). Exhibit "A" is a survey plat of the Speedway area.

The Speedway is a 1,200-acre development including a 1.5-mile racing oval and seating for up to 150,000 spectators. As a component of the development, the FW Sports Authority, Inc. ("Sports Authority"), a nonprofit industrial development corporation created under authority of Texas law by the City of Fort Worth, will own the Speedway. The primary purpose of Fort Worth Tax Increment Reinvestment Zone Number Two (TIF 2) is to provide a mechanism for the purchase of the facility as a public improvement by the Sports Authority and to provide for the development of future public improvements within the TIF 2 boundary.

On October 17, 1995, the Fort Worth City Council passed Resolution No. 2100 which set December 19, 1995 as the date for a public hearing to be held before the City Council regarding the designation of this property as a reinvestment zone. At the conclusion of the public hearing, the City Council adopted Ordinance Number 12323 creating the 568.41 acre Tax Increment Reinvestment Zone Number Two (TIF 2) which was determined by the Denton County Appraisal District (DCAD) to have a value of \$2,842,050.00. The City of Fort Worth and Denton County were the only taxing entities participating in TIF 2. The Denton County participation agreement is included in Appendix "A." Because the City of Fort Worth established the TIF zone, it was assumed that the municipality would be contributing increment to the TIF; therefore, it was not necessary for the City to enter into a participation agreement with itself.

The Zone took effect on January 1, 1996 and is scheduled to terminate on December 31, 2035 or at an earlier time designated by subsequent ordinance of the City Council.

Subsequent to the formation of the zone, on May 21, 1999, the City of Fort Worth received a petition from Northwest Independent School District and Beechwood Business Park Joint Venture, Beechwood Hospitality Development, L.P., Beechwood Golf Development, L.P., and Roanoke Ranch and Investment Company, property owners of 921.41 acres of land contiguous to the original boundaries of Tax Increment Reinvestment Zone Number Two, City of Fort Worth, Texas, requesting that Tax Increment

## Exhibit "A"

Finance Zone Number Two be expanded to include these acres. On August 10, 1999, City Council adopted Ordinance Number 13889 which expanded TIF 2 by 921.41 acres and making the total TIF 1,489.82 acres. The base appraised value of the expansion area, determined by the Tarrant Appraisal District (TAD), is \$3,413,543.00.

The TIF 2 expansion provides for the construction, renovation, and operation of educational facilities located in the Northwest ISD tract. The educational facilities are intended to be jointly used by Northwest ISD and the City of Fort Worth in accordance with the terms of their TIF 2 participation agreement. The educational facilities projects include: (1) costs of operation of facilities within the Tax Increment Finance zone (school years 2002-2003 through 2009-2010) and the natatorium operational expenses (school years 2010-2011 through 2025-2026), (2) natatorium and related infrastructure, and (3) establishment of a financial reserve.

The TIF 2 expansion further provides for possible infrastructure improvements that include: (1) transportation improvements to State Highway 114 and State Highway 156, Interstate Highway 35W, frontage roads, feeder roads, access roads, and arterial streets and other public roads and streets within the TIF reinvestment zone, (2) drainage work as required, (3) additional traffic related signs and signalization, and (4) other public improvements in the TIF reinvestment zone as may be approved by the Board and the Fort Worth City Council.

The primary purpose for the 1999 expansion of Fort Worth Tax Increment Reinvestment Zone Number Two was to provide a mechanism for the development of necessary infrastructure and to fund joint use educational facilities as public improvements.

The original estimated construction value of initial improvements proposed in the Beechwood tracts was \$58 million. Initial private investments and improvements completed to date include the 300-room Beechwood Westin Hotel and a golf course. As of the preliminary valuation reports prepared by TAD on July 25, 2002, the expanded TIF area which includes the Beechwood properties has a 2002 taxable value of \$25,575,282 (Exhibit "B").

## II. Existing Uses & Conditions

### *A. Original TIF Area*

Depicted in Exhibit "C" is the area that encompasses the original TIF 2 reinvestment zone. At the time the petition seeking creation of the Zone was submitted to the City, the use of the property was agricultural, was not serviced by any utility infrastructure, and had no street or drainage infrastructure within TIF boundaries.

### *B. 1999 Expansion Area*

Depicted in Exhibit "D" is the area of the 1999 expansion. The Northwest ISD tract was and is currently used for public school district educational and operational facilities. The Northwest ISD tract includes the following facilities: High School, Gene Pike Middle School, W.R. Hatfield Elementary School, Northwest Alliance Academy (NAA), Northwest ISD central administration and support center, bus transportation operations facility, Northwest ISD maintenance facility, and the Northwest ISD Athletic Complex. The property includes infrastructure to support the uses listed above, including water and sewer facilities, drainage improvements and road and parking improvements.

The use of the Beechwood tract was classified as agricultural when the expansion petition was submitted. The area was a completely undeveloped greenfield that did not have any utility infrastructure nor any street or drainage infrastructure. Since the expansion, infrastructure has been installed which helped to facilitate the development of the Beechwood Westin Hotel and a golf course on the property.

### III. Proposed Improvements And Uses

#### *A. The Original TIF 2 Project*

As stated previously, the Zone was created to support the development of the Texas Motor Speedway. The use of TIF 2 increment in support of the development of the Speedway will be as outlined in the Master Agreement between the City of Fort Worth and Texas Motor Speedway, Inc. ("TMS"). Per the agreement, the City of Fort Worth, through the Sports Authority and using TIF 2 increment, will purchase the Speedway (referred to as the "Initial Improvements" in the Master Agreement) over the life of TIF 2 for a total price not to exceed \$20 million. The ability of Sports Authority to secure TIF increment for the purchase of the facility is outlined in the Master Agreement and is directly tied to TMS contracting with Fort Worth and certified Fort Worth Minority and Women-Owned Enterprises. TIF increment not secured as payment for the purchase of the Speedway will be used for future improvements of the public facility and public infrastructure within the TIF 2 boundaries as outlined in the Amended and Restated Financing Plan 2002.

The Speedway is a 1,200 acre development which was projected to include a 1.5 mile racing oval, seating for 150,000 spectators, 205 luxury suites, concessions, ticket booths, garage areas, souvenir facilities, hospitality tents, a kitchen/catering facility, shower/restroom facilities, an on-site hospital, and other developments. The cost of the initial development of the Speedway was estimated as \$110 million. TMS, a fully owned subsidiary of Speedway Motorsports, Inc. will be responsible for financing all initial improvements. Exhibit "E" shows the proposed improvements and layout of the Speedway.

#### *B. Initial Improvements*

##### **1. Original TIF 2 Area: The Speedway**

At the heart of the Speedway is a 1.5 mile oval racing track with four 24 degree banked turns to accommodate both Indy car and stock car racing. Approximately 150,000 grandstand seats surround the track. Concession areas, ticket windows, and entrance gates have been constructed around the perimeter of the main oval.

Above the grandstands between turns 1 and 4 are 205 luxury suites. These air conditioned, fully furnished suites offer dining facilities, restaurant style catering, large screen televisions and an excellent view of the race from a point high above the Speedway. These suites are accessed via several elevator towers.

The infield area (inside the 1.5-mile oval) includes a number of facilities. Auto garage facilities for race event preparation, an area for a tire mounting facility and a fueling station to be operated by Unocal. In addition to the "Winner's Circle," a small quarter (.25) mile track accommodates "Legends Car" racing events. The infield also houses an onsite

## Exhibit "A"

hospital for race contestants, and complete shower/restroom facilities. Finally, a "Road Course" (length to be determined) will support smaller club racing events and possibly International Motor Sports Association (IMSA) racing events and possibly Sports Car Club of America (SCCA) type racing events.

The initial improvements also include a kitchen/catering facility, souvenir shops, and hospitality tents. A 10,000 square foot office building located adjacent to the facility is used primarily for administrative purposes.

Construction of the initial improvements began in August of 1995, with the initial NASCAR race held at the Speedway in April 1997.

### **2. Expanded TIF 2 Area: Beechwood Property**

The estimated construction value of proposed private improvements in the Beechwood tract was \$58 million. Private investments and improvements include a 300-room Westin Hotel and a Greg Norman designed golf-course with private access roads and related infrastructure.

The Beechwood project is the first combination hotel/golf-course resort in Fort Worth. The 250,000 square foot hotel includes a conference center, ballrooms, health club, retail sites, and full-service restaurant. The improvements are designed to service the needs of Texas Motor Speedway and golf course patrons, as well as promote the development of the Fort Worth site and surrounding area as one of the country's premier recreational, business, residential, and retail sites.

### ***C. Future Improvements and Projects***

TIF 2 was expanded to help support the development of necessary infrastructure for the original area (often referred to as TIF 2A) and the expanded area (often referred to as TIF 2B) and to fund jointly used educational facilities as public improvements. The use of the TIF 2 increment is outlined in (1) the participation agreement between the City of Fort Worth and Northwest ISD (Appendix "A"); and (2) the participation agreement and amendments thereto between the City of Fort Worth and Denton County (Appendix "A"); and (3) the Master Agreement and amendments thereto between the FW Sports Authority and Texas Motor Speedway, Inc. (Appendix "B").

TIF 2 increment, generated from property located in the TIF 2A area and contributed by the City of Fort Worth and Denton County for the purchase of the Texas Motor Speedway and for future public improvements, will continue to be used as originally outlined and as identified in the Amended and Restated Financing Plan 2002.

Per the participation agreement between the City of Fort Worth and Northwest ISD, the Northwest ISD TIF 2 increment generated from property located in the TIF 2A area and TIF

## **Exhibit "A"**

2B area will be used to pay for the project costs of the necessary infrastructure and jointly used education facilities, including costs of operation as outlined in the Amended and Restated Financing Plan 2002. In general, Northwest ISD will contribute 100% of its TIF 2 increment and will be reimbursed 66  $\frac{2}{3}$ % of its total contribution to pay for project costs of the educational facilities. The balance of the Northwest ISD funds contributed to the TIF 2, 33  $\frac{1}{3}$ % of its total contribution, will be used to pay for projects and improvements, which may include an interest reserve, within and near the TIF 2 area.

### **1. Original TIF 2 Area: The Speedway**

Future improvements to the Speedway are being contemplated. However, the timing of these improvements is dependent upon a number of factors, primarily market conditions, race demands, and the presence of adequate transportation infrastructure.

Project improvements that could occur on public facilities and infrastructure could include: additional parking facilities for the public; general upkeep of existing facility items worn over time; upgrade of the public address system; and additional public infrastructure within the TIF 2 boundaries. A complete list of proposed projects is included in Exhibit "F"

Private investment and improvements that have been completed include corporate offices for TMS and private condominiums with views of the racetrack. Both the corporate office tower and the condominiums have been completed and are occupied.

Additional future private developments may include additional office space, a "Legends Car" manufacturing facility, and an industrial park including distribution (warehouse) and manufacturing facilities.

Tax increment for TIF 2 is dependent on this private development; the TIF funds available for the purchase of the Speedway and upgrade of public facilities will be dependent on the cost and timeliness of these investments.

### **2. Expanded TIF 2 Area: Beechwood Property**

Future improvements on the Beechwood tract could include an office and retail development adjacent to the proposed Westin Hotel. This development could include pad sites for both restaurant and retail merchants. Additionally, future plans call for an upscale 350-unit apartment community to provide residential product to the area.

### **3. Expanded TIF 2 Area: Northwest Independent School District (Northwest ISD)**

The proposed projects for the expanded TIF 2 area include the construction and renovation of educational facilities located in the Northwest ISD tract. The educational facilities will be jointly used by Northwest ISD and the City of Fort Worth in accordance with the terms

## **Exhibit "A"**

of their participation agreement (Appendix "A"). The educational facilities projects include: (1) costs of operation of facilities within the Tax Increment Finance zone (school years 2002-2003 through 2009-2010) and the natatorium operational expenses (school years 2010-2011 through 2025-2026), (2) natatorium and related infrastructure, and (3) establishment of a financial reserve. The cost of projects for the educational facilities, including cost of operation, is an estimated \$21,291,718.00. Exhibit "G" contains a list of the proposed Northwest ISD projects. The financing for the project costs of the educational facilities will be the responsibility of Northwest Independent School District. TIF 2 increment will be used as a portion of the overall financing for the total cost of projects outlined in this section and in the Amended and Restated Financing Plan 2002. The portion of TIF 2 increment to be used to finance these improvements will be the 66  $\frac{2}{3}$ % of the Northwest ISD increment deposited into the TIF 2 fund and reimbursed to Northwest ISD in accordance with the participation agreement between the City of Fort Worth and Northwest ISD.

### **4. Infrastructure and Other (Non-educational facility) Public Improvements**

The TIF 2 expansion further provides for infrastructure improvements that include: (1) transportation improvements to State Highway 114, State Highway 156, Interstate Highway 35W, frontage roads, feeder roads, access roads, and arterial streets and other public roads and streets within the TIF reinvestment zone, (2) drainage work as required, (3) additional traffic related signs and signalization, and (4) other public improvements in the TIF reinvestment zone as may be approved by the TIF 2 Board and the Fort Worth City Council. A list of proposed projects can be found in the Amended and Restated Financing Plan 2002.



## IV. Non-Project Costs

The Speedway is the second largest sporting venue in the United States. In support of the initial development of the Texas Motor Speedway, the City of Fort Worth provided financial support for two public works projects.

The City of Fort Worth financed the building of a ring road that encircles the track. This road is a traffic feeder to provide visitors easy access between interstate and state highways and the venue. The City of Fort Worth expended approximately \$4.1 million, or 58% of the cost to construct the ring road.

The second public works project which is not part of the TIF 2 project costs is the extension of water and wastewater lines to serve the development. The City of Fort Worth spent approximately \$4 million to provide water and wastewater service to the Speedway. The extension of these lines will open a large area to new development not previously served by water and wastewater.

No non-project public improvements to be born by the City of Fort Worth are expected in the expanded TIF 2 area.

## V. Relocation Plan

As set forth in Section 311.011 in the Tax Increment Financing Act of the Texas Tax Code, this Restated and Amended Project Plan 2002 recognizes that there has not been and anticipates that there will not be any residences or businesses existing in the project development area of the reinvestment zone when development activities commence. If actions by the TIF result in relocation of any persons, the Residential Anti-displacement and Relocation Assistance Plan for the City of Fort Worth (Exhibit "H") will govern their relocation.

While the need for relocation is not envisioned during the term of TIF 2, relocation of individuals was necessary in acquiring property for the development of the Speedway. The costs associated with the relocation of property owners are the obligation of the TIF 2 and are included in the purchase price to be paid by TIF 2 to TMS.

Exhibit "A"  
to Ordinance #15304



Tax Increment Reinvestment Zone Number Two  
City of Fort Worth, Texas  
(Speedway TIF)

**Amended and Restated Financing Plan 2002**

October 2002

## Tax Increment Reinvestment Zone Number Two

City of Fort Worth, Texas

Amended and Restated

**FINANCING PLAN**

As of October 2002

**I. ECONOMIC IMPACT*****A. Increased Tourism and Entertainment Related Business*****1. Texas Motor Speedway**

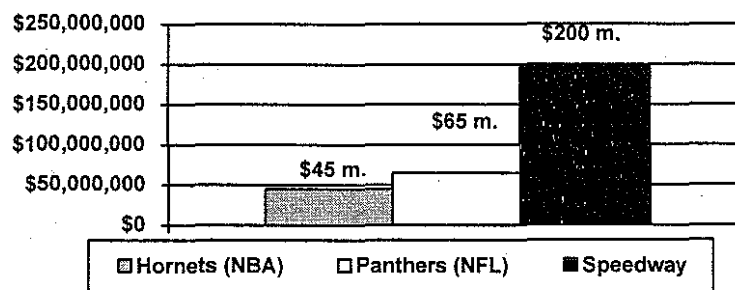
Auto racing, particularly stock car racing, is the largest growing spectator sport in America according to newspaper and magazine publications (such as *Forbes* and *Sports Illustrated*). Communities, which are home to large super speedways, have, in the past, experienced significant increases in tourism and entertainment related business.

Past studies have shown that, unlike fans that attend games between professional sports teams, 45% of fans attending a major racing event are from outside the host city's metropolitan area. TMS has confirmed that its recent experience substantiates this data.

Experience in other parts of the United States has established that fans reserve rooms in local motels and hotels, eat in local restaurants, make purchases from local retailers, and frequent other entertainment venues.

A study commissioned by the Charlotte Convention and Visitor's Bureau, Charlotte, North Carolina, found that out-of-town fans attending racing events at the Charlotte Motor Speedway contribute \$200 million to the local community annually. By way of comparison, the study determined that the Carolina Panthers (NFL) and Charlotte Hornets (NBA) contribute a combined \$110 million annually. (*This study was based on an estimate of direct spending by race fans and did not include any estimates based on "multiplier effects".*)

**Annual Economic Impact Comparison  
Charlotte, N.C.**



## Exhibit "A"

(Note: The calculation for the Carolina Panthers is an estimate of the economic impact of an NFL franchise on the Charlotte area based on economic impact of NFL franchises in other cities. The Carolina Panthers are currently playing outside the Charlotte area.)

### **2. Beechwood Developments**

As a further boost to the tourism and recreation sectors of the area economy, the development of a 300-room Westin Conference Hotel and a Greg Norman designed golf course add to the amenities available. These developments help to make the overall TIF 2 area a destination for tourists and entertainment seekers. The conference hotel could make the TIF 2 area a convention destination as well.

### ***B. Increased Tax Base***

It is anticipated that there will be a substantial increase in taxable real property as a result of the Speedway and Beechwood developments. This increase in taxable real property within the TIF will be the basis on which tax increment will be derived. It is estimated that this increase could reach over \$270 million by the end of the TIF 2 term, with over \$120 million from the TMS development and over \$150 million from the Beechwood development.

As a result of this increase in taxable real property, the City of Fort Worth and Denton County, which are not contributing increment in the expanded areas of TIF 2, could receive over \$9 million in estimated tax revenue directly from private developments within the expanded TIF 2 area (Exhibit Table 1).

In addition to the real property improvements that will comprise the Speedway and Beechwood developments, it is anticipated that the approximately \$6 million in taxable personal property (equipment, inventory & supplies) will be added to the local tax base. Combined tax revenues levied on this personal property annually are estimated to average approximately \$167,646 (Exhibit Table 2).

It was anticipated that the area immediately adjacent to TIF 2 and the surrounding property would experience new development once the Speedway, the hotel and golf course became operational. As expected, new development has included gas stations, convenience stores, restaurants, hotels, motels, fast food chains, distribution operations, light industrial and office developments. It is anticipated that in addition to the new development that is currently operational, discount retail chains, automotive service centers, automotive supply (parts) stores, and grocery stores will develop in the future.

In addition, certain automotive related industries are attracted to speedway sites. Tire and wheel manufacturers, engine and transmission design and manufacturing firms, automotive and motorcycle testing operations, and automotive restoration specialists would benefit from being located in close proximity to the Speedway.

## Exhibit "A"

As a direct result of the events to be held at the Texas Motor Speedway, a large impact will be felt in the local sales tax revenues. The City of Fort Worth receives sales tax revenue for its General Fund, Crime Control and Prevention Fund, and The Transportation Authority ("The T"). An estimate of the amount of sales tax to be generated can be found on Exhibit Table 3.

Beyond the direct tax base impact from the investment due to the construction of the facilities at both the Texas Motor Speedway and in the Beechwood development, the tax bases of all local taxing jurisdictions will receive indirect benefits associated with infrastructure improvements and investments in educational facilities detailed in the Amended and Restated Project Plan 2002.

These benefits are multiple. First is the rise in property value when improvements are made to the infrastructure in a community. With better roads and drainage systems, access to property becomes more readily available which in turn makes the property more desired by developers. Secondly, improvements and investment in educational facilities generally tend to lead to a better overall educational system. As a consequence of this, it is anticipated that an increase in residential development will occur in the area. Individuals and families are often attracted to school districts that are well regarded. Northwest Independent School District (Northwest ISD) encompasses areas that are currently undeveloped. Strengthening the school system could accelerate residential development in the area which will add wealth to the tax base of Northwest ISD.

### ***C. Employment Opportunities***

In addition to hundreds of jobs created during construction of the Speedway, Westin Hotel and golf course, the total operations of the three combined developments could possibly employ up to 350 persons on a full time basis. During race events, as many as 6,000 persons are hired as parking attendants, concession and catering attendants, program and souvenir salespersons, ticket takers, security personnel, and to perform many other tasks.

In addition to employment at the Speedway, Westin Hotel and golf course, additional employment opportunities will be generated due to increased usage of related tourism and entertainment businesses that locate in the area. Furthermore, it is anticipated that overnight express delivery services such as Federal Express will also have fully staffed facilities at the Speedway. Also, medical personnel will be needed to staff the Speedway's on site hospital facility.

### ***D. Fund Raising Opportunities***

Local civic, religious, and educational organizations will have the opportunity to raise funds by selling programs, working in concessions, or other race day activities. At other Speedway Motorsports, Inc. (SMI) facilities, parent company of TMS, these types of organizations have been able to raise substantial sums of money during race events.

### ***E. Vocational and Internship Opportunities***

Students will have numerous opportunities for vocational and internship training. TMS and SMI employ a number of persons who began as interns at other speedways located throughout the

## Exhibit "A"

country. Additionally, the inclusion of Northwest ISD in TIF 2 can lead to a variety of partnerships between area developments and the school district involving vocational students and possible internships.

### ***F. Regional Economic Impact***

A thorough assessment of the economic impact of the Texas Motor Speedway was conducted by the University of North Texas' Center for Economic Development and Research. The study was completed in 1996 and can be found in Appendix "C."

## II. DESCRIPTION OF PROJECT IMPROVEMENTS

### A. *Initial Speedway Improvements*

The initial improvements proposed in the preliminary project plan were the development and purchase of the Speedway. The 1,200 acre development included a 1.5 mile racing oval, seating for 150,000 spectators, 205 luxury suites, concessions, ticket booths, garage areas, souvenir facilities, hospitality tents, a kitchen/catering facility, shower/restroom facilities, an on-site hospital, and other developments. The construction value of these improvements is described below.

#### Projected Construction Cost for Texas Motor Speedway (\$ in millions)

Land	\$10
Site Work	12
Track, Walls, Fences	20
Restrooms, Offices, Concessions, Ticket Booths	20
150,000 Grandstand Seats	30
205 Suites	18
<b>Total Construction Cost</b>	<b>\$110</b>

### B. *Future Speedway Improvements*

Market conditions, race demands, and the need to upgrade facilities and infrastructure within the TIF will determine future project improvements. Project improvements that could occur on public facilities and infrastructure include: installation of additional grandstand seats, additional parking facilities for the public; general upkeep of existing facility items; additional public infrastructure within the TIF boundaries, and the development of an interest reserve. The proposed infrastructure projects, which total \$13,762,417.06, are included in Exhibit "F."

### C. *Educational Facilities Improvements*

The educational facilities in the expansion project include: (1) costs of operation of facilities within the Tax Increment Finance zone (school years 2002-2003 through 2009-2010) and the natatorium operational expenses (school years 2010-2011 through 2025-2026), (2) natatorium and related infrastructure, and (3) establishment of a financial reserve.

Per the participation agreement, any funds paid to the District which have not, in the year of receipt, been expended for Zone School Project Costs may be retained by the District in a separate reserve account maintained by the District for such purposes.



## Exhibit "A"

These projects, to the extent possible, shall be financed by the 66 <sup>2</sup>/<sub>3</sub>% increment deposited by Northwest ISD into the TIF and reimbursed to Northwest ISD in accordance with the participation agreement between the City of Fort Worth and Northwest ISD. The balance of any projects shall be financed by Northwest ISD with revenue other than TIF funds. Estimated costs of operating the educational facilities, natatorium, and establishment of a financial reserve are described below and in Exhibit "G".

<b>1. Costs of Operation of Facilities within the TIF</b>	<b>\$10,914,444</b>
School Years 2002-03 through 2009-2010	\$6,656,815
School Years 2010-11 through 2025-2026	\$4,257,629
* Natatorium operational expenses - \$266,102 per year	
<b>2. Natatorium and related infrastructure</b>	<b>\$ 9,056,000</b>
School Years 2010-11 through 2025-2026	
* Financing cost - approximately \$566,000 per year for 16 years.	
<b>3. Financial Reserve</b>	<b>\$ 1,321,274</b>
School Years 1999-2000 through 2001-2002	
<b>Total Cost of Educational Facilities Projects</b>	<b><u>\$21,291,718</u></b>

### ***D. Other Possible Future Infrastructure and Public Improvements***

If actual TIF revenue exceeds the projections contained in this Amended and Restated Financing Plan 2002, additional revenue will be available for other infrastructure and public improvement projects. A list of possible projects to be considered by the TIF Board should additional revenue be available is listed below.

#### **1. Local Match for State Highway Projects**

Expansion of Highway 156	\$ 1,000,000
Interchange Improvements at Highway 156 and Highway 114	\$ 1,000,000
Access ramps to I35W	\$ 2,250,000
Exit ramps to I35W	\$ 2,250,000
Purchase of Right-of-Way for projects	\$ 1,000,000
<b>TOTAL</b>	<b>\$ 7,500,000.</b>

#### **2. Construction of Arterial Streets and Roads**

Construction of additional streets within TMS development	\$ 4,000,000
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## Exhibit "A"

Construction of new arterial streets in expanded TIF (Beechwood area)	\$ 2,500,000
TOTAL	\$ 6,500,000

### 3. Improvements to Current Arterial Streets and Roads

Improvements to arterial streets within the TMS development	\$ 3,500,000
TOTAL	\$ 3,500,000

### 4. Additional and Improved Signage

Improvements to current signage within the TMS development	\$ 1,500,000
Additional signage throughout the TIF	\$ 4,000,000
TOTAL	\$ 5,500,000

### 5. Drainage Improvements and Infrastructure

Drainage and Infrastructure Improvements	\$12,140,385
TOTAL	\$12,140,385

### 6. Improvements to the TMS Development

Public Improvements on the TMS Development (See Exhibit "F")	\$ 13,762,417
TOTAL	\$ 13,762,417

### COST SUMMARY OF POSSIBLE FUTURE INFRASTRUCTURE AND PUBLIC IMPROVEMENTS:

1. Local Match for State Highway Projects	\$ 7,500,000
2. Construction of Arterial Streets and Roads	\$ 6,500,000
3. Improvements to Current Arterial Streets and Roads	\$ 3,500,000
4. Additional and Improved Signage	\$ 5,500,000
5. Drainage Improvements and Infrastructure	\$ 12,140,385
6. Improvements to the TMS Development	\$ 13,762,417
<b>GRAND TOTAL:</b>	<b><u>\$ 48,902,802</u></b>

### III. TAX INCREMENT PROJECTIONS

#### A. *Background*

This section will outline the estimated tax increment to be derived from the TIF. As stated in the Amended and Restated Project Plan 2002, the establishment of tax increment to provide funding for the various projects is dependent on private investment within the TIF. The timeliness of private investment, which is taxable within the TIF, dictates the financing of the purchase of the Speedway, the construction of educational facilities, and infrastructure improvements.

The City of Fort Worth and Denton County have dedicated 100% of their respective tax increment derived from the 568.41 acres in the original Speedway TIF to the TIF fund for the purchase of Texas Motor Speedway and for additional public improvements within the Zone. Per the terms of the participation agreement between the City of Fort Worth and Northwest ISD, Northwest ISD has agreed, beginning with the 1999 tax year, to contribute school district tax increment derived from private investment in the original Speedway TIF (TIF 2A) and in the Speedway TIF expansion area (TIF 2B) to the TIF 2 fund.

The forecast of estimated TIF 2 increment is based on initial and current development. However, to provide conservative projections, zero annual appreciation of property is assumed.

#### B. *Tax Increment Within the Original Speedway TIF (TIF 2A)*

The initial developments within the TIF 2A area include a speedway valued at \$110 million, a luxury condominium tower valued at approximately \$38 million, and the development of a stadium club with an estimated value of \$30 million.

The amount of tax increment in TIF 2A is derived from the incremental taxes dedicated by the City of Fort Worth, Denton County, and Northwest ISD over the life of the TIF, which will go toward the purchase of the Speedway. Projections indicate that over \$48 million will be generated (Revenue Projection Table 4). The City of Fort Worth and Denton County have dedicated 100% of real property taxes on the increased taxable value within the TIF 2A boundaries. The dedication of these funds was memorialized through an inter-local agreement between both entities (Appendix "A").

The terms upon which the Northwest ISD began to participate in the TIF 2 are set forth in the participation agreement between the City of Fort Worth and Northwest ISD (Appendix "A"). In general, Northwest ISD will contribute 100% of its tax increment to the TIF 2 fund from taxes levied on real property located in the TIF 2A area and the TIF 2B area. Northwest ISD will be reimbursed 66 <sup>2</sup>/<sub>3</sub>% of its total contribution to the TIF District Fund in accordance with the participation agreement between the City of Fort Worth and Northwest ISD. The funds reimbursed to the Northwest ISD will be used to fund the payment of project costs for educational facilities located or to be located in the TIF 2B area and/or TIF 2A area. The balance of the Northwest ISD funds contributed to the TIF fund, 33 <sup>1</sup>/<sub>3</sub>% of its total contribution, will be

## Exhibit "A"

used to fund project costs for infrastructure improvements to property located in the entire TIF 2 area.

The base value of the TIF 2A is \$2,842,050. This is the appraised value of the real property within the TIF boundaries at the time the TIF was created on December 19, 1995. The taxes collected on this amount will continue to flow to each taxing entity even as tax increment is being contributed.

The estimated total tax increment to be contributed by the City of Fort Worth and Denton County to the TIF is \$16,067,835. This amount is made up of \$13,161,295 from City of Fort Worth (Revenue Projection Table 1) and \$2,906,540 from Denton County (Revenue Projection Table 2).

The estimated total tax increment to be contributed by Northwest ISD from taxes collected within the TIF 2A area is \$19,327,443 (Revenue Projection Table 3). Two-thirds (or  $66\frac{2}{3}\%$ ) of this amount, \$12,885,606 will be used to pay the project costs of the educational facilities described in the Amended and Restated Project Plan 2002. One-third (or  $33\frac{1}{3}\%$ ) of this amount, \$6,441,837 will be used to pay the project costs of infrastructure and other public improvements described in the Amended and Restated Project Plan 2002 (Revenue Projection Table 5).

The estimated tax increment to be generated annually in total and from each taxing entity for both TIF 2A and TIF 2B is outlined in Revenue Projection Table 4.

### ***C. Tax Increment Within the Expanded TIF Area (TIF 2B)***

The initial developments in the TIF 2B area include a 300-room Westin Hotel estimated to be valued at approximately \$45 million and a Greg Norman designed golf-course estimated to have a valued of approximately \$14 million.

The tax increment will be derived from taxes levied on real property located in the TIF 2B area. Of the three taxing entities, only Northwest ISD will be contributing to TIF 2B. Northwest ISD contributes 100% of its tax increment to the TIF 2B area. The dedication of these funds has been memorialized through an inter-local agreement between the City of Fort Worth and Northwest ISD (Appendix "A").

In the same manner as described above,  $66\frac{2}{3}\%$  of the Northwest ISD TIF 2B tax increment will pay for educational facilities project costs and  $33\frac{1}{3}\%$  will pay for infrastructure and other public improvement project costs.

The base value of the TIF 2B area, set by the Denton County Appraisal District, is \$2,242,077. This is the appraised value of the real property located in the expansion area in 1999, the year of the enlargement of TIF 2. The taxes collected on the \$2.2 million base value will continue to flow to the taxing entities.

## Exhibit "A"

The estimated total tax increment derived from taxes levied on real property located in the TIF 2B area is \$12,934,693 which comes from Northwest ISD (Revenue Projection Table 3). Two-thirds of the estimated Northwest ISD TIF 2B tax increment, \$8,623,560, will be used to pay educational facilities project costs. One-third of the estimated Northwest ISD Speedway TIF District Expansion tax increment, \$4,311,133, will be used to pay for infrastructure and other public improvements project costs (Revenue Projection Table 5).

## IV. PROJECT COSTS AND FINANCING

### *A. Background*

This section will outline the method by which the Texas Motor Speedway will be purchased and will provide an outline of the costs associated with purchase of the Speedway and other public improvements within the TIF to be financed with tax increment. Additionally, this section outlines the manner in which payments will be made to Northwest ISD for the financing of educational facilities. At no time will the TIF use bonded indebtedness to finance any public improvement project or educational facility. TIF 2 financing and spending will be strictly based on annual increments secured and will follow the procedures set out in this document.

### *B. TMS Purchase Agreement*

The City of Fort Worth, TMS, and the FW Sports Authority have entered into a series of agreements concerning the development of the Speedway. These agreements outline the various components involved and roles to be played by each entity in the development. One result of these agreements was the creation of a TIF zone to provide a mechanism by which the FW Sports Authority will purchase the Speedway and all related public infrastructure and property.

The Purchase Agreement between the Sports Authority and TMS outlines the procedure by which TIF funds will be used to purchase the public improvements (Texas Motor Speedway). A copy of the Purchase Agreement can be found in Appendix "D".

According to the Purchase Agreement, the Speedway will be completely financed by TMS then purchased by the FW Sports Authority from TIF tax increment for a price not to exceed \$20 million. For the purpose of this document, it is assumed that 100% of the TIF increment dedicated by the City of Fort Worth and Denton County each year will go toward the purchase of the Speedway until the purchase price is reached. As outlined in the Master Agreement between the City of Fort Worth and TMS, the TIF will terminate 30 years from the date of its creation or once the \$20 million purchase price is reached, whichever occurs first. The termination must be by ordinance of the City of Fort Worth City Council, since the ordinance establishing the zone set the termination date as December 31, 2035, which is 10 years more than agreed upon in the Master Agreement.

The distribution of funds for the purchase of the Speedway will be accomplished in a two step process. First, TMS will be eligible to receive annual base payments from the increment contributed by the City of Fort Worth and Denton County. These base payments will be calculated, paid, and credited toward the purchase price on the following scale:

- For each of the tax years 1997 through 2001, the Annual Base payments during each year shall be 80% of the amount deposited during each year, respectively, into the TIF.
- For each of the tax years 2002 through 2006, the Annual Base payments during each year shall be 60% of the amount deposited during each year, respectively, in the TIF.

## Exhibit "A"

- For each of the tax years 2007 through 2016, the Annual Base payments during each year shall be 50% of the amount deposited during each year, respectively, in the TIF.
- For each of the tax years 2017 through 2026, the Annual Base payments during each year shall be 30% of the amount deposited during each year, respectively, in the TIF.

Second, TMS will be eligible to receive annual increment payments up to 100% in any given year from the increment contributed by the City of Fort Worth and Denton County. The distribution of these funds will be based on the goals set forth in the Purchase Agreement for contracting opportunities between TMS and its subsidiaries and Fort Worth and certified Fort Worth based Minority and Woman-owned Business Enterprises (MWBE). The targeted goals include the use of Fort Worth companies for 25% and MWBE companies for 15% of all local discretionary business opportunities.

The distribution of these funds will be made on the following schedule:

- For each of the tax years 1997 through 2001, the Annual Incremental Payment shall be equal to 5% of the amount deposited during each year to the TIF for each 25% of the targeted goal that is met.
- For each of the tax years 2002 through 2006, the Annual Incremental Payment shall be equal to 10% of the amount deposited during each year to the TIF for each 25% of the targeted goal that is met.
- For each of the tax years 2007 through 2016, the Annual Incremental Payment shall be equal to 12.5% of the amount deposited during each year to the TIF for each 25% of the targeted goal that is met.
- For each of the tax years 2017 through 2026, the Annual Incremental Payment shall be equal to 17.5% of the amount deposited during each year to the TIF for each 25% of the targeted goal that is met.

The TIF Board will review the annual contracting to determine the appropriate amount of the annual increment payments to be distributed. Current estimates show that the \$20 million will not be reached before the termination date of the TIF 2 reinvestment zone, using only the increment contributions from the City of Fort Worth and Denton County (Exhibit Table 4).

### ***C. Educational Facilities***

Northwest ISD will be responsible for the management and initiation of any educational facilities to be funded through the use of TIF increment. On an annual basis, the TIF will transfer 66 2/3% of the funds secured from the Northwest ISD increment to be used by Northwest ISD for financing projects as outlined in the Amended and Restated Project Plan 2002. The transfer of funds and accounting of those funds will be accomplished in the manner described in the participation agreement between the City of Fort Worth and Northwest ISD. A breakout of the estimated annual transfer to Northwest ISD for use toward educational facility projects can be found in Exhibit Table 5. The Northwest ISD Board of Trustees will determine the timelines and priorities for construction and renovation of the educational facilities described in section two, (Description of Project Improvements) of this Amended and Restated Financing Plan 2002.

#### ***D. Infrastructure and Public Improvements***

Any funds not secured by TMS for the purchase of the Speedway will become available for public project financing along with the 33 1/3% of the Northwest ISD increment generated within the TIF (Exhibit Table 6). The TIF Board will approve all projects and funds to be used to finance these projects. Based on the conservative projections, approximately \$10,752,970.00 will be available to fund public projects. A detailed listing of the possible public improvement projects is contained in Exhibit "F." However, a general description of those projects is outlined below.

- 1. Local Match for State Highway Projects** – Local entities must often provide matching funds in order to secure improvements to the local highway system. TIF increment will be used to provide funds for improvements and expansion of state and interstate highways within and around the TIF.
- 2. Construction of Arterial Streets and Roads** – A number of streets will need to be constructed within and around the TIF in order to provide support to the overall transportation system and to spur future development in the area.
- 3. Improvements to Current Arterial Streets and Roads** – There is a need to improve and possibly expand the current street system within the TIF to provide better traffic flow during major events. TIF funds will be used to renovate and expand these streets as needed.
- 4. Additional and Improved Signage** – Signs throughout the TIF are important to promote traffic flow and provide information for visitors. The size of the overall development creates a need to continually increase, improve, and upgrade signs throughout the property.
- 5. Drainage Improvements and Infrastructure** – Continued development will increase the need to provide an adequate drainage system that will allow for proper development. TIF funds will be used to provide adequate drainage associated with TIF projects.
- 6. Improvements to the TMS Development** – Continued improvements to the TMS to make the development successful will be needed in the future. These improvements could include restroom & shower facilities, additional grandstand seating, a drag strip facility, and a short racing track.





Tax Increment Reinvestment Zone Number Two  
City of Fort Worth, Texas  
(Speedway TIF)

**Amended and Restated Project Plan 2002  
and  
Amended and Restated Financing Plan 2002**

**REVENUE PROJECTION TABLES**

Table 1: Increment from the City of Fort Worth

Table 2: Increment from Denton County

Table 3: Increment from Northwest ISD

Table 4: Total Increment

Table 5: Summary of Funds Available

# Revenue Projection Table 1

## Tax Increment Reinvestment Zone, Number Two (Speedway TIF) Projected Tax Increment Available From the City of Fort Worth (TIF 2A)

### SUMPTIONS:

1. TIF Base Appraised Value \$ 2,842,050
2. The effective tax rate for 2001 is used for all projections from 2001 through 2035  
City of Ft. Worth \$ 0.86500
3. TAD = Tarrant Appraisal District, which provides valuation reports for City of Fort Worth
4. Zero appreciation of property

Appreciation Factor	Year	Base Value	Appraised Value from TAD	Captured Taxable Increment	Tax Increment City of Fort Worth
0	1997	\$ 2,842,050	\$ 6,174,378	\$ 3,332,328	\$ 30,657
0	1998	\$ 2,842,050	\$ 43,531,444	\$ 40,689,394	\$ 365,187
0	1999	\$ 2,842,050	\$ 43,480,356	\$ 40,638,306	\$ 359,649
0	2000	\$ 2,842,050	\$ 42,668,056	\$ 39,826,006	\$ 348,478
0	2001	\$ 2,842,050	\$ 42,668,056	\$ 39,826,006	\$ 344,495
0	2002	\$ 2,842,050	\$ 42,668,056	\$ 39,826,006	\$ 344,495
0	2003	\$ 2,842,050	\$ 42,668,056	\$ 39,826,006	\$ 344,495
0	2004	\$ 2,842,050	\$ 42,668,056	\$ 39,826,006	\$ 344,495
0	2005	\$ 2,842,050	\$ 42,668,056	\$ 39,826,006	\$ 344,495
0	2006	\$ 2,842,050	\$ 42,668,056	\$ 39,826,006	\$ 344,495
0	2007	\$ 2,842,050	\$ 42,668,056	\$ 39,826,006	\$ 344,495
0	2008	\$ 2,842,050	\$ 42,668,056	\$ 39,826,006	\$ 344,495
0	2009	\$ 2,842,050	\$ 42,668,056	\$ 39,826,006	\$ 344,495
0	2010	\$ 2,842,050	\$ 42,668,056	\$ 39,826,006	\$ 344,495
0	2011	\$ 2,842,050	\$ 42,668,056	\$ 39,826,006	\$ 344,495
0	2012	\$ 2,842,050	\$ 42,668,056	\$ 39,826,006	\$ 344,495
0	2013	\$ 2,842,050	\$ 42,668,056	\$ 39,826,006	\$ 344,495
0	2014	\$ 2,842,050	\$ 42,668,056	\$ 39,826,006	\$ 344,495
0	2015	\$ 2,842,050	\$ 42,668,056	\$ 39,826,006	\$ 344,495
0	2016	\$ 2,842,050	\$ 42,668,056	\$ 39,826,006	\$ 344,495
0	2017	\$ 2,842,050	\$ 42,668,056	\$ 39,826,006	\$ 344,495
0	2018	\$ 2,842,050	\$ 42,668,056	\$ 39,826,006	\$ 344,495
0	2019	\$ 2,842,050	\$ 42,668,056	\$ 39,826,006	\$ 344,495
0	2020	\$ 2,842,050	\$ 42,668,056	\$ 39,826,006	\$ 344,495
0	2021	\$ 2,842,050	\$ 42,668,056	\$ 39,826,006	\$ 344,495
0	2022	\$ 2,842,050	\$ 42,668,056	\$ 39,826,006	\$ 344,495
0	2023	\$ 2,842,050	\$ 42,668,056	\$ 39,826,006	\$ 344,495
0	2024	\$ 2,842,050	\$ 42,668,056	\$ 39,826,006	\$ 344,495
0	2025	\$ 2,842,050	\$ 42,668,056	\$ 39,826,006	\$ 344,495
0	2026	\$ 2,842,050	\$ 42,668,056	\$ 39,826,006	\$ 344,495
0	2027	\$ 2,842,050	\$ 42,668,056	\$ 39,826,006	\$ 344,495
0	2028	\$ 2,842,050	\$ 42,668,056	\$ 39,826,006	\$ 344,495
0	2029	\$ 2,842,050	\$ 42,668,056	\$ 39,826,006	\$ 344,495
0	2030	\$ 2,842,050	\$ 42,668,056	\$ 39,826,006	\$ 344,495
0	2031	\$ 2,842,050	\$ 42,668,056	\$ 39,826,006	\$ 344,495
0	2032	\$ 2,842,050	\$ 42,668,056	\$ 39,826,006	\$ 344,495
0	2033	\$ 2,842,050	\$ 42,668,056	\$ 39,826,006	\$ 344,495
0	2034	\$ 2,842,050	\$ 42,668,056	\$ 39,826,006	\$ 344,495
0	2035	\$ 2,842,050	\$ 42,668,056	\$ 39,826,006	\$ 344,495

**Total Projected Increment from the City of Fort Worth \$ 13,161,295**

## Revenue Projection Table 2

### Tax Increment Reinvestment Zone, Number Two (Speedway TIF) Projected Tax Increment Available From Denton County (TIF 2A)

**ASSUMPTIONS:**

1. TIF Base Appraised Value \$ 2,842,050
2. The effective tax rate for 2001 is used for all projections from 2001 through 2026  
Denton County \$ 0.251930
3. TAD = Tarrant Appraisal District, which provides valuation reports for City of Fort Worth
4. Zero appreciation of property

Appreciation Factor	Year	Base Value	Appraised Value from TAD	Captured Taxable Increment	Tax Increment Denton Co.
0	1997	\$ 2,842,050	\$ 6,174,378	\$ 3,332,328	\$ 8,527
0	1998	\$ 2,842,050	\$ 43,531,444	\$ 40,689,394	\$ 101,215
0	1999	\$ 2,842,050	\$ 43,480,356	\$ 40,638,306	\$ 95,516
0	2000	\$ 2,842,050	\$ 42,668,056	\$ 39,826,006	\$ 92,606
0	2001	\$ 2,842,050	\$ 42,668,056	\$ 39,826,006	\$ 100,334
0	2002	\$ 2,842,050	\$ 42,668,056	\$ 39,826,006	\$ 100,334
0	2003	\$ 2,842,050	\$ 42,668,056	\$ 39,826,006	\$ 100,334
0	2004	\$ 2,842,050	\$ 42,668,056	\$ 39,826,006	\$ 100,334
0	2005	\$ 2,842,050	\$ 42,668,056	\$ 39,826,006	\$ 100,334
0	2006	\$ 2,842,050	\$ 42,668,056	\$ 39,826,006	\$ 100,334
0	2007	\$ 2,842,050	\$ 42,668,056	\$ 39,826,006	\$ 100,334
0	2008	\$ 2,842,050	\$ 42,668,056	\$ 39,826,006	\$ 100,334
0	2009	\$ 2,842,050	\$ 42,668,056	\$ 39,826,006	\$ 100,334
0	2010	\$ 2,842,050	\$ 42,668,056	\$ 39,826,006	\$ 100,334
0	2011	\$ 2,842,050	\$ 42,668,056	\$ 39,826,006	\$ 100,334
0	2012	\$ 2,842,050	\$ 42,668,056	\$ 39,826,006	\$ 100,334
0	2013	\$ 2,842,050	\$ 42,668,056	\$ 39,826,006	\$ 100,334
0	2014	\$ 2,842,050	\$ 42,668,056	\$ 39,826,006	\$ 100,334
0	2015	\$ 2,842,050	\$ 42,668,056	\$ 39,826,006	\$ 100,334
0	2016	\$ 2,842,050	\$ 42,668,056	\$ 39,826,006	\$ 100,334
0	2017	\$ 2,842,050	\$ 42,668,056	\$ 39,826,006	\$ 100,334
0	2018	\$ 2,842,050	\$ 42,668,056	\$ 39,826,006	\$ 100,334
0	2019	\$ 2,842,050	\$ 42,668,056	\$ 39,826,006	\$ 100,334
0	2020	\$ 2,842,050	\$ 42,668,056	\$ 39,826,006	\$ 100,334
0	2021	\$ 2,842,050	\$ 42,668,056	\$ 39,826,006	\$ 100,334
0	2022	\$ 2,842,050	\$ 42,668,056	\$ 39,826,006	\$ 100,334
0	2023	\$ 2,842,050	\$ 42,668,056	\$ 39,826,006	\$ 100,334
0	2024	\$ 2,842,050	\$ 42,668,056	\$ 39,826,006	\$ 100,334
0	2025	\$ 2,842,050	\$ 42,668,056	\$ 39,826,006	\$ 100,334
0	2026	\$ 2,842,050	\$ 42,668,056	\$ 39,826,006	\$ 100,334

**Total Projected Increment from Denton County \$ 2,906,540**

# Revenue Projection Table 3

## Tax Increment Reinvestment Zone, Number Two (Speedway TIF) Projected Tax Increment Available From Northwest ISD (TIF 2A & TIF 2B)

### ASSUMPTIONS:

1. Base Appraised Value for TIF 2A \$ 2,842,050
2. Base Appraised Value for TIF 2B \$ 2,242,077
3. The effective tax rate for 2001 is used for all projections from 2001 through 2025  
Northwest Independent School District \$ 1.83481
4. DCAD = Denton County Appraisal District, which provides valuation reports for NISD
5. Zero appreciation of property

Appreciation Factor	Year	TIF 2A				TIF 2B				Total Tax Increment from NISD
		TIF 2A Base Value	Appraised Value from DCAD	Captured Taxable Increment	TIF 2A Tax Increment from NISD	TIF 2B Base Value	Appraised Value from DCAD	Captured Taxable Increment	TIF 2B Tax Increment from NISD	
0	1999	\$ 2,842,050	\$ 42,096,827	\$ 39,254,777	\$ 669,184	\$ 2,242,077	\$ 2,242,077	\$ -	\$ -	\$ 669,184
0	2000	\$ 2,842,050	\$ 42,071,712	\$ 39,229,662	\$ 663,515	\$ 2,242,077	\$ 3,573,855	\$ 1,331,778	\$ 22,525	\$ 686,040
0	2001	\$ 2,842,050	\$ 42,071,712	\$ 39,229,662	\$ 719,790	\$ 2,242,077	\$ 15,673,097	\$ 13,431,020	\$ 246,434	\$ 966,223
0	2002	\$ 2,842,050	\$ 42,071,712	\$ 39,229,662	\$ 719,790	\$ 2,242,077	\$ 31,004,669	\$ 28,762,592	\$ 527,739	\$ 1,247,529
0	2003	\$ 2,842,050	\$ 42,071,712	\$ 39,229,662	\$ 719,790	\$ 2,242,077	\$ 31,004,669	\$ 28,762,592	\$ 527,739	\$ 1,247,529
0	2004	\$ 2,842,050	\$ 42,071,712	\$ 39,229,662	\$ 719,790	\$ 2,242,077	\$ 31,004,669	\$ 28,762,592	\$ 527,739	\$ 1,247,529
0	2005	\$ 2,842,050	\$ 42,071,712	\$ 39,229,662	\$ 719,790	\$ 2,242,077	\$ 31,004,669	\$ 28,762,592	\$ 527,739	\$ 1,247,529
0	2006	\$ 2,842,050	\$ 42,071,712	\$ 39,229,662	\$ 719,790	\$ 2,242,077	\$ 31,004,669	\$ 28,762,592	\$ 527,739	\$ 1,247,529
0	2007	\$ 2,842,050	\$ 42,071,712	\$ 39,229,662	\$ 719,790	\$ 2,242,077	\$ 31,004,669	\$ 28,762,592	\$ 527,739	\$ 1,247,529
0	2008	\$ 2,842,050	\$ 42,071,712	\$ 39,229,662	\$ 719,790	\$ 2,242,077	\$ 31,004,669	\$ 28,762,592	\$ 527,739	\$ 1,247,529
0	2009	\$ 2,842,050	\$ 42,071,712	\$ 39,229,662	\$ 719,790	\$ 2,242,077	\$ 31,004,669	\$ 28,762,592	\$ 527,739	\$ 1,247,529
0	2010	\$ 2,842,050	\$ 42,071,712	\$ 39,229,662	\$ 719,790	\$ 2,242,077	\$ 31,004,669	\$ 28,762,592	\$ 527,739	\$ 1,247,529
0	2011	\$ 2,842,050	\$ 42,071,712	\$ 39,229,662	\$ 719,790	\$ 2,242,077	\$ 31,004,669	\$ 28,762,592	\$ 527,739	\$ 1,247,529
0	2012	\$ 2,842,050	\$ 42,071,712	\$ 39,229,662	\$ 719,790	\$ 2,242,077	\$ 31,004,669	\$ 28,762,592	\$ 527,739	\$ 1,247,529
0	2013	\$ 2,842,050	\$ 42,071,712	\$ 39,229,662	\$ 719,790	\$ 2,242,077	\$ 31,004,669	\$ 28,762,592	\$ 527,739	\$ 1,247,529
0	2014	\$ 2,842,050	\$ 42,071,712	\$ 39,229,662	\$ 719,790	\$ 2,242,077	\$ 31,004,669	\$ 28,762,592	\$ 527,739	\$ 1,247,529
0	2015	\$ 2,842,050	\$ 42,071,712	\$ 39,229,662	\$ 719,790	\$ 2,242,077	\$ 31,004,669	\$ 28,762,592	\$ 527,739	\$ 1,247,529
0	2016	\$ 2,842,050	\$ 42,071,712	\$ 39,229,662	\$ 719,790	\$ 2,242,077	\$ 31,004,669	\$ 28,762,592	\$ 527,739	\$ 1,247,529
0	2017	\$ 2,842,050	\$ 42,071,712	\$ 39,229,662	\$ 719,790	\$ 2,242,077	\$ 31,004,669	\$ 28,762,592	\$ 527,739	\$ 1,247,529
0	2018	\$ 2,842,050	\$ 42,071,712	\$ 39,229,662	\$ 719,790	\$ 2,242,077	\$ 31,004,669	\$ 28,762,592	\$ 527,739	\$ 1,247,529
0	2019	\$ 2,842,050	\$ 42,071,712	\$ 39,229,662	\$ 719,790	\$ 2,242,077	\$ 31,004,669	\$ 28,762,592	\$ 527,739	\$ 1,247,529
0	2020	\$ 2,842,050	\$ 42,071,712	\$ 39,229,662	\$ 719,790	\$ 2,242,077	\$ 31,004,669	\$ 28,762,592	\$ 527,739	\$ 1,247,529
0	2021	\$ 2,842,050	\$ 42,071,712	\$ 39,229,662	\$ 719,790	\$ 2,242,077	\$ 31,004,669	\$ 28,762,592	\$ 527,739	\$ 1,247,529
0	2022	\$ 2,842,050	\$ 42,071,712	\$ 39,229,662	\$ 719,790	\$ 2,242,077	\$ 31,004,669	\$ 28,762,592	\$ 527,739	\$ 1,247,529
0	2023	\$ 2,842,050	\$ 42,071,712	\$ 39,229,662	\$ 719,790	\$ 2,242,077	\$ 31,004,669	\$ 28,762,592	\$ 527,739	\$ 1,247,529
0	2024	\$ 2,842,050	\$ 42,071,712	\$ 39,229,662	\$ 719,790	\$ 2,242,077	\$ 31,004,669	\$ 28,762,592	\$ 527,739	\$ 1,247,529
0	2025	\$ 2,842,050	\$ 42,071,712	\$ 39,229,662	\$ 719,790	\$ 2,242,077	\$ 31,004,669	\$ 28,762,592	\$ 527,739	\$ 1,247,529
		Total Projected Increment: TIF 2A				Total Projected Increment: TIF2B				
		\$19,327,443				\$ 12,934,693				\$ 32,262,136

# Projection Table 4

Tax Increment Reinvestment Zone, Number Two (Speedway TIF)				
Total Projected Tax Increment				
Year	Tax Increment City of FW	Tax Increment Denton Co.	Tax Increment NISD	Total Tax Increment Generated
1997	\$ 30,657	\$ 8,527	\$ -	\$ 39,185
1998	\$ 365,187	\$ 101,215	\$ -	\$ 466,402
1999	\$ 359,649	\$ 95,516	\$ 669,184	\$ 1,124,349
2000	\$ 348,478	\$ 92,606	\$ 686,040	\$ 1,127,124
2001	\$ 344,495	\$ 100,334	\$ 966,223	\$ 1,411,052
2002	\$ 344,495	\$ 100,334	\$ 1,247,529	\$ 1,692,357
2003	\$ 344,495	\$ 100,334	\$ 1,247,529	\$ 1,692,357
2004	\$ 344,495	\$ 100,334	\$ 1,247,529	\$ 1,692,357
2005	\$ 344,495	\$ 100,334	\$ 1,247,529	\$ 1,692,357
2006	\$ 344,495	\$ 100,334	\$ 1,247,529	\$ 1,692,357
2007	\$ 344,495	\$ 100,334	\$ 1,247,529	\$ 1,692,357
2008	\$ 344,495	\$ 100,334	\$ 1,247,529	\$ 1,692,357
2009	\$ 344,495	\$ 100,334	\$ 1,247,529	\$ 1,692,357
2010	\$ 344,495	\$ 100,334	\$ 1,247,529	\$ 1,692,357
2011	\$ 344,495	\$ 100,334	\$ 1,247,529	\$ 1,692,357
2012	\$ 344,495	\$ 100,334	\$ 1,247,529	\$ 1,692,357
2013	\$ 344,495	\$ 100,334	\$ 1,247,529	\$ 1,692,357
2014	\$ 344,495	\$ 100,334	\$ 1,247,529	\$ 1,692,357
2015	\$ 344,495	\$ 100,334	\$ 1,247,529	\$ 1,692,357
2016	\$ 344,495	\$ 100,334	\$ 1,247,529	\$ 1,692,357
2017	\$ 344,495	\$ 100,334	\$ 1,247,529	\$ 1,692,357
2018	\$ 344,495	\$ 100,334	\$ 1,247,529	\$ 1,692,357
2019	\$ 344,495	\$ 100,334	\$ 1,247,529	\$ 1,692,357
2020	\$ 344,495	\$ 100,334	\$ 1,247,529	\$ 1,692,357
2021	\$ 344,495	\$ 100,334	\$ 1,247,529	\$ 1,692,357
2022	\$ 344,495	\$ 100,334	\$ 1,247,529	\$ 1,692,357
2023	\$ 344,495	\$ 100,334	\$ 1,247,529	\$ 1,692,357
2024	\$ 344,495	\$ 100,334	\$ 1,247,529	\$ 1,692,357
2025	\$ 344,495	\$ 100,334	\$ 1,247,529	\$ 1,692,357
2026	\$ 344,495	\$ 100,334		\$ 444,829
2027	\$ 344,495			\$ 344,495
2028	\$ 344,495			\$ 344,495
2029	\$ 344,495			\$ 344,495
2030	\$ 344,495			\$ 344,495
2031	\$ 344,495			\$ 344,495
2032	\$ 344,495			\$ 344,495
2033	\$ 344,495			\$ 344,495
2034	\$ 344,495			\$ 344,495
2035	\$ 344,495			\$ 344,495
	\$ 13,161,295	\$ 2,906,540	\$ 32,262,136	\$ 48,329,970

## Revenue Projection Table 5

### Summary of Funds Available for TIF 2 Projects

#### *The 1995 Original TIF (TIF 2A)*

City of Fort Worth Increment	\$13,161,295	
Denton County Increment	<u>\$ 2,906,540</u>	
Total TIF 2A Increment		\$ 16,067,835
Due to TMS per Purchase Agreement		<u>&lt;\$ 20,000,000&gt;</u>
Balance for TIF Projects		<u>&lt;\$ 3,932,165&gt;</u>

#### *The 1999 NISD Inclusion in TIF 2*

NISD TIF 2A Increment	\$19,327,443	
Due to Educational Facilities Projects	<u>&lt;\$12,885,606&gt;</u>	
Funds Available for TIF Projects		\$ 6,441,837

NISD TIF 2B Increment	\$12,934,693	
Due to Educational Facilities Projects	<u>&lt;\$ 8,623,560&gt;</u>	
Funds Available for TIF Projects		<u>\$ 4,311,133</u>

<b>Total Funds Available for TIF Projects</b>		<b><u>\$ 10,752,970</u></b>
---	--	-----------------------------



Tax Increment Reinvestment Zone Number Two  
City of Fort Worth, Texas  
(Speedway TIF)

**Amended and Restated Project Plan 2002  
and  
Amended and Restated Financing Plan 2002**

**EXHIBITS**

Exhibit "A" Survey Map of Original TIF 2 Area

Exhibit "B" 2002 TIF 2 Preliminary Valuation Report

Exhibit "C" Original TIF 2 Reinvestment Zone

Exhibit "D" Expanded TIF 2 Reinvestment Zone

Exhibit "E" Original TIF 2 Proposed Improvements

Exhibit "F" TMS Proposed Projects

Exhibit "G" NISD Proposed Projects

Exhibit "H" Residential Anti-displacement & Relocation Plan

Exhibit "A"

Survey Map of Original TIF  
Area



2-9632.F15.MD  
5E'05107



DATE 06-07-95  
SCALE 1"=300.0'



FORT WORTH, TEXAS PROJECT  
 HIGHWAY 114 IN INTERSTATE 35W  
 9001 S. WILLOW LANE, FORT WORTH, TEXAS 76116  
 SONIC FINANCIAL CORPORATION  
 C/O OF UNIV. MICROFILMS  
 CHASSIS INFORMATION SYSTEMS, INC.  
 5411 EAST WILSON AVENUE, SUITE 100  
 CHASSIS, ILL. 60412

HUIT - ZOLLARS

DATE	10/10/93	C.P.	10/10/93
TIME	10:00		
LOCATION	10/10/93		
REMARKS			

# Exhibit "B"

## 2002 TIF 2 Preliminary Valuation Report from the Tarrant Appraisal District

# Exhibit B

07/25/2002  
APR632J

## TARRANT APPRAISAL DISTRICT TIF ACCOUNT SUMMARY LISTING FORT WORTH-TIF #2A (SPEEDWAY)

APR633BP-2

ENTITY	1995 BASE YEAR APPRAISED VALUE	2002 APPRAISED VALUE	1995 BASE YEAR TAXABLE VALUE	2002 TAXABLE VALUE	APPRAISED VALUE INCREMENT	TAXABLE VALUE INCREMENT	APPRAISED VALUE UNDER PROTEST	NET TAXABLE LESS PROTESTED VALUE
CITY OF FORT WORTH	2,842,050	42,858,032	2,842,050	42,755,532	40,015,982	39,913,482	612,500	42,143,032
	TOTAL TIF CONTRIBUTIONS:		0		TOTAL VALUE LOSS:	0		
NORTHWEST ISD	2,842,050	42,858,032	2,842,050	42,858,032	40,015,982	40,015,982	612,500	42,245,532
	TOTAL TIF CONTRIBUTIONS:		0		TOTAL VALUE LOSS:	0		

THE AMOUNT SHOWN (IF ANY) FOR TIF CONTRIBUTION IS THE AMOUNT ACTUALLY PAID IN THE CURRENT YEAR BEING REPORTED (2002).  
IT REFLECTS WHAT WAS DUE FROM THE PRIOR TAX YEAR. THE VALUE LOSS SHOWN IS DERIVED FROM THE ACTUAL CONTRIBUTION AMOUNT.

# Exhibit B

07/25/2002  
APR632J

## TARRANT APPRAISAL DISTRICT TIF ACCOUNT SUMMARY LISTING FORT WORTH-TIF #28 (SPEEDWAY)

APR633BP-2

ENTITY	1999 BASE YEAR APPRAISED VALUE	2002 APPRAISED VALUE	1999 BASE YEAR TAXABLE VALUE	2002 TAXABLE VALUE	APPRAISED VALUE INCREMENT	TAXABLE VALUE INCREMENT	APPRAISED VALUE UNDER PROTEST	NET TAXABLE LESS PROTESTED VALUE
NORTHWEST ISD	3,413,543	25,575,282	3,413,543	25,575,282	22,161,739	22,161,739	0	25,575,282
	TOTAL TIF CONTRIBUTIONS:		0		TOTAL VALUE LOSS:	0		

THE AMOUNT SHOWN (IF ANY) FOR TIF CONTRIBUTION IS THE AMOUNT ACTUALLY PAID IN THE CURRENT YEAR BEING REPORTED (2002).  
IT REFLECTS WHAT WAS DUE FROM THE PRIOR TAX YEAR. THE VALUE LOSS SHOWN IS DERIVED FROM THE ACTUAL CONTRIBUTION AMOUNT.

Exhibit "C"

Original TIF 2

Reinvestment Zone

Exhibit C

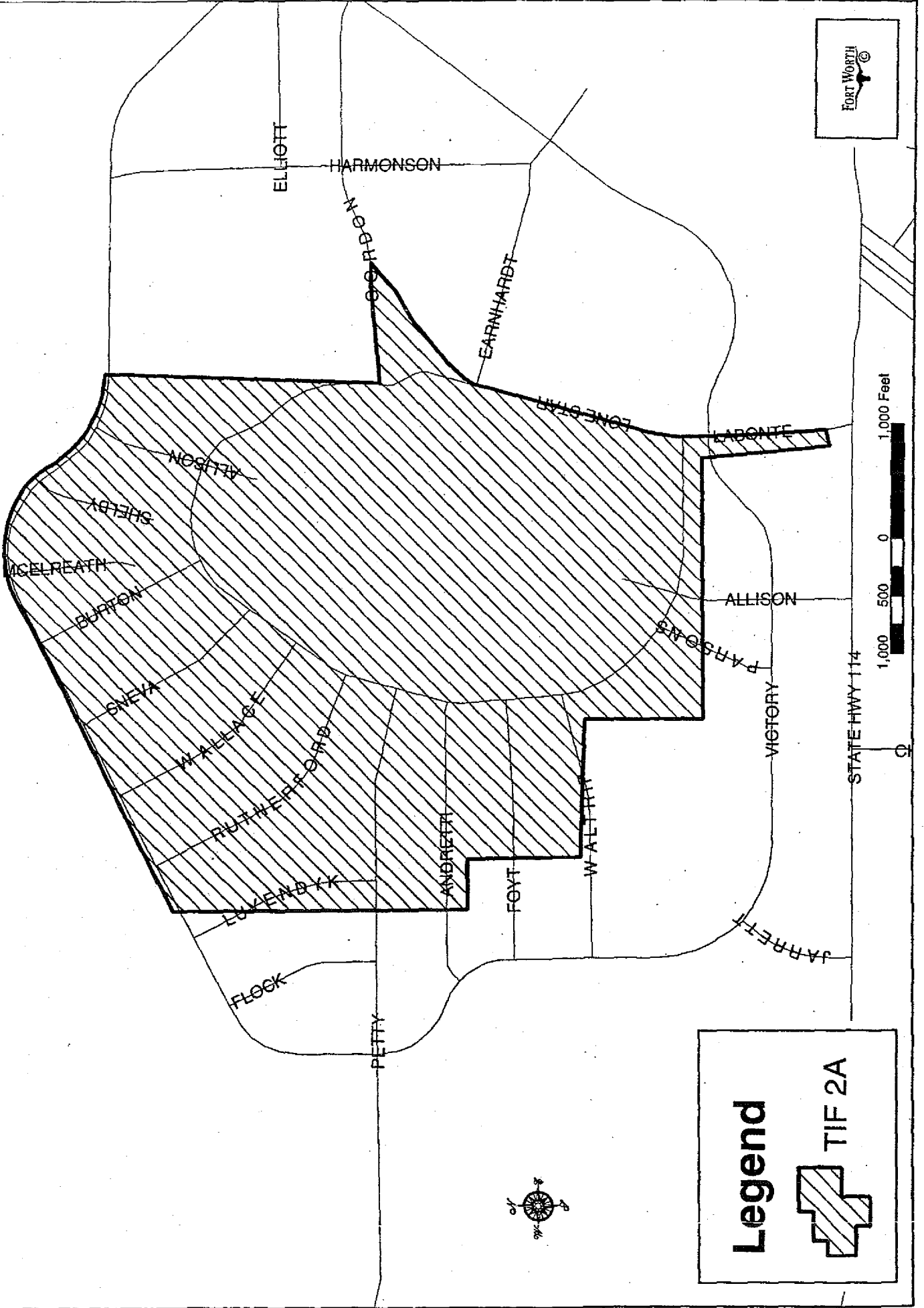


Exhibit "D"

Expanded TIF 2

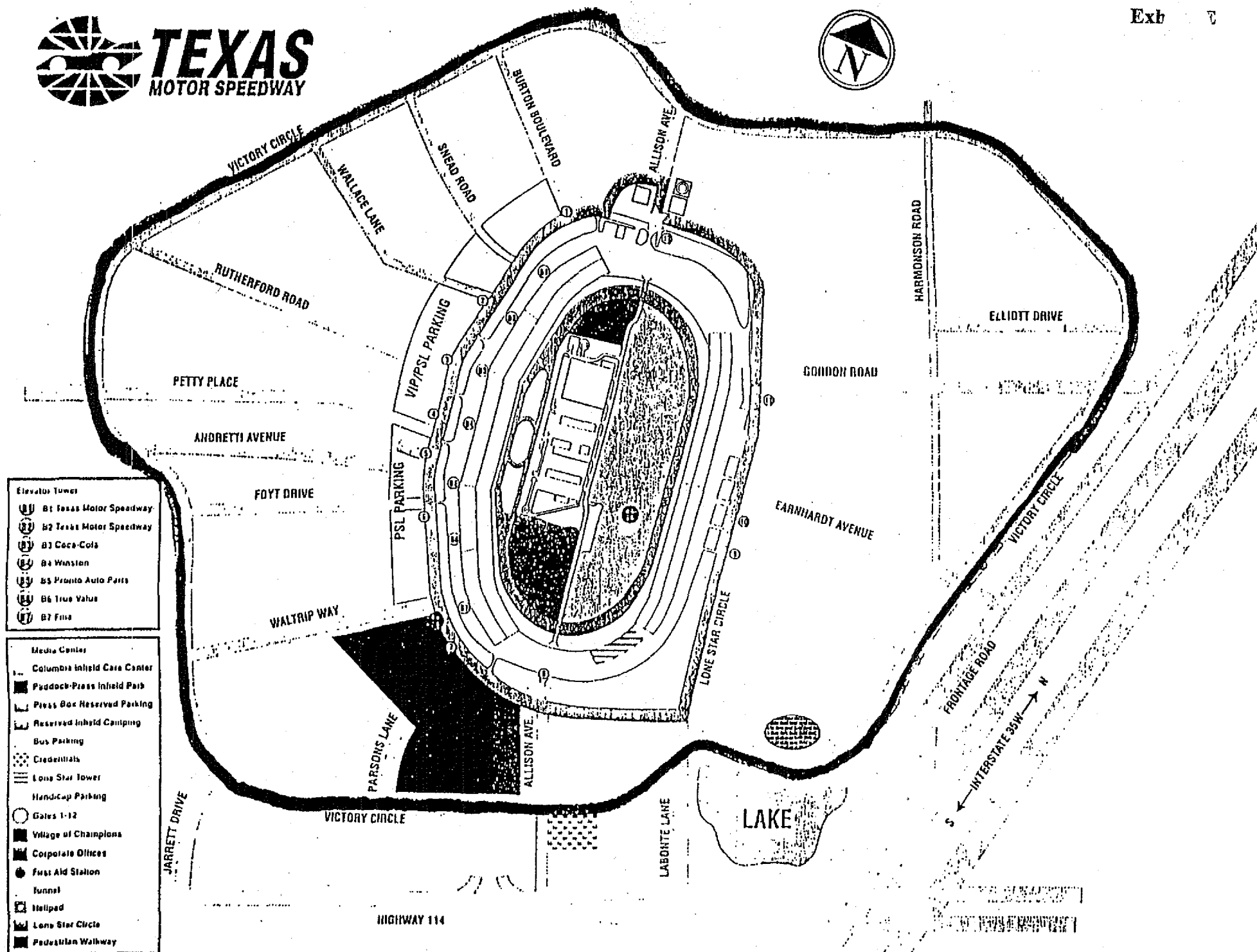
Reinvestment Zone

Exhibit "E"

Original TIF 2

Proposed Improvements





**Victory Circle = TIF Boundary**

Exhibit "F"

Proposed TIF Projects

Submitted by Texas Motor

Speedway

**Exhibit "F"****TEXAS MOTOR SPEEDWAY RECOMMENDED TIF PROJECTS - OCTOBER 2002**

<b>PROJECT</b>	<b>DESCRIPTION</b>	<b>BUDGET</b>
1 P.A. System Upgrade	Current PA system provides inadequate level and distribution of sound. Upgrade proposed would remedy this.	\$224,200.00
2 Re-pave Infield Competitors Parking Lot	Current Parking lot is deteriorated	\$582,176.75
3 Water, telephone lines and additional power receptacles @ Competitors Lot	Per request and complaints from competitors	\$96,000.00
4 Drainage @ competitors lot	Drainage is currently non-existent. Must provide drainage to prevent future pavement failure	\$96,250.00 + tax
5 New Restroom/Shower building	Existing restroom/shower building is overloaded; customers complain of long waits, including lift station and utilities - cost includes estimate of cost on building; utilities cost and backup attached	\$864,110.00
6 Repair and overlay PSL Lot	PSL lot is deteriorating due to thin asphalt and track rentals - Option #3 on attached estimate	\$4,083,392.50
7 Finish paving dirt track pits	Pave surface course on dirt track lot	\$215,579.88
8 Overlay east parking lot	East lot is deteriorating due to thin asphalt and track rentals	\$439,129.66
9 Remove and replace subgrade and asphalt paving at Lonestar Circle from Gate 7 - Gate 9	Subgrade failure has caused over \$300,000 of pavement repair in 3 years	\$568,742.50
9A Storm drain @ Lone Star Circle between gates 7 and 9	Storm drainage is non-existent, causing pavement failures	\$89,480.00
9B Storm drainage - West side LoneStar Circle	Storm drainage is non-existent, causing pavement failures	\$24,940.00
10 Overlay Petty Place	Road is deteriorating due to thin asphalt	\$61,366.93
11 Relocate Diamond Shamrock gas line	Gas line is in conflict with future construction	\$603,900.00

**Exhibit "F"****TEXAS MOTOR SPEEDWAY RECOMMENDED TIF PROJECTS - OCTOBER 2002**

<b>PROJECT</b>	<b>DESCRIPTION</b>	<b>BUDGET</b>
12 Improve parking lots - West of PSL lot	Install rock for all weather parking	\$400,000.00 (Estimated)
13 Paving and gates	Pave and fence area between Souvenir Warehouse & Gate 1 & area between Souvenir Warehouse and Catering Kitchen	\$70,526.40
14 Storm drainaige @ S. Tunnel and South Shower Building	Drainage is non-existent causing S. Tunnel flooding & eliminating vehicle access to South Shower building and East Hospitality Village	\$92,080.00
15 Construct 2.54 acre parking lot North of Condos	Add parking for condos and possible motorhomes	\$198,838.00
16 Lighting for new 17ac. Parking lot	Lighting for safety and pedestrains	\$126,901.00
17 Irrigation and landscaping for 17ac lot	Grass and irrigation for VIP camping lot	\$18,750.00
18 Post,rail,and guardrail for 17ac lot		\$71,000.00
19 RV dump station	Dump station for 17ac VIP camping.	\$27,318.00
20 Tree's	Trees for buffer zone @ FM114 and new 17ac canping lot	\$51,388.80
21 Little Texas Pits	Pave 400' X 400' pit's lot for Legends racing, and school's.	\$239,904.30
22 Water service for 400 Motor homes	Water service at 17ac VIP lot	\$160,380.00
23 Electrical hookup/s for 17 acre RV lot	Electrical service at 17 ac VIP lot	\$896,452.00
24 Ballards for VIP RV lot	1600 ballards to protect water and electrical service	\$27,000.00 (Estimated)
25 Striping for VIP RV lot	Pavement striping for 17 acre VIP RV lot	\$4,000.00 (Estimated)
26 Asphalt curb for VIP RV lot	Asphalt curbs for wheel stops in VIP RV lot	\$50,000.00 (Estimated)
27 Miscellaneous Signage, Paving and Facility Upgrades		\$369,163.00
28 Interest Reserve		<u>\$3,009,447.34</u>
<b>TOTAL</b>		<u><b>\$13,762,417.06</b></u>

Exhibit "G"

Proposed TIF Projects

Submitted by Northwest ISD

## **Exhibit "G"**

### **Northwest Independent School District Educational Facilities Projects For Tax Increment Reinvestment Zone Number Two, City of Fort Worth, Texas**

<b>1.</b>	<b>Costs of Operation of Facilities within the TIF</b>	<b>\$10,914,444</b>
	Years 02-03 through 09-10	\$6,656,815
	Years 10-11 through 25-26	\$4,257,629
	* Natatorium operational expenses - \$266,102 per year	
<b>2.</b>	<b>Natatorium and related infrastructure</b>	<b>\$ 9,056,000</b>
	Years 10-11 through 25-26	
	* Financing cost - approximately \$566,000 per year for 16 years.	
<b>3.</b>	<b>Financial Reserve</b>	<b>\$ 1,321,274</b>
	Years 99-00 through 01-02	
	<b>TOTAL COST OF PROJECTS</b>	<b>\$21,291,718</b>

# Exhibit “H”

## Residential Antidisplacement and Relocation Assistance Plan

**CITY OF FORT WORTH**

**RESIDENTIAL ANTIDISPLACEMENT AND  
RELOCATION ASSISTANCE PLAN**

Section 220 of the Housing and Community Development Act of 1992 (HCDA) requires a participating jurisdiction to certify under its 1994 Comprehensive Housing Affordability Strategy (CHAS) that it is following a Residential Antidisplacement and Relocation Assistance Plan under the HOME Investment Partnerships (HOME) Program that is equivalent to the plan required for the Community Development Block Grant (CDBG) Program under Section 104(d) of the Housing and Community Development Act of 1974, as amended. Each recipient of HOME and CDBG assistance must adopt and make public its Residential Antidisplacement and Relocation Assistance Plan. Under the plan a recipient of HOME or CDBG assistance must:

- (1) Identify the reasonable steps it will take to minimize the displacement of families from their homes as a result of an assisted project;
- (2) Replace all occupied and vacant occupiable "lower income housing" that is converted to a use other than "lower income housing" or is demolished for a project; and
- (3) Provide relocation assistance to lower income families and individuals displaced as a result of the conversion of lower income housing or the demolition of any housing project.

**DEFINITIONS**

"AGENCY"- the entity that causes a person to become a displaced person or that acquires real property, for example, a City, a nonprofit organization or a private developer.

"DISPLACED PERSON"- any lower income family or individual that moves from real property, or moves his or her personal property from real property, permanently and involuntarily, as a direct result of the conversion of an occupied or vacant occupiable low/moderate income dwelling unit, or demolition of any dwelling unit, in connection with an assisted activity.

"LOWER INCOME PERSON"- a lower income person (or low and moderate income person) is a person having an income equal to or less than the Section 8 lower income limit established by HUD (generally this means a family or individual whose average monthly income does not exceed 80 percent of the median income for the area with adjustments for smaller or larger families.)

"LOW/MODERATE INCOME DWELLING UNITS"- a dwelling unit with a market rent (including average utility costs) that does not exceed the applicable Fair Market Rent (FMR) for Section 8 existing housing program. However, the term does not include any unit



## Exhibit H

owned and occupied by the same person before and after the assisted rehabilitation.

### ELIGIBILITY

Any person: 1) who moves permanently from the real property after the person receives a notice from the Agency to move permanently, is considered a displaced person if the move occurs after the Agency initially submits a request for financial assistance that is later provided for the requested activity; 2) a person who moves permanently from the real property before the Agency initially submits a request for financial assistance that is later provided for the requested activity is considered a displaced person if HUD or the City determines that the displacement resulted directly from the conversion of an occupied or vacant occupiable low/moderate income dwelling unit to another use or the demolition of any unit in connection with the assisted activity; or 3) a tenant-occupant of a dwelling who moves permanently from the real property will qualify as a displaced person if any one of the following three situations has occurred:

- a. The tenant moves permanently after execution of the Agreement without prior written notice offering the tenant the opportunity to occupy a suitable decent, safe, and sanitary dwelling unit in the same building/complex following the completion of the project under reasonable terms and conditions;
- b. The tenant was required to relocate temporarily for the project but (i) the tenant was not offered payment for all reasonable out-of-pocket expenses incurred in connection with the temporary relocation, including moving expenses to and from the temporary unit and any increased housing costs, or (ii) other conditions of the temporary relocation were not reasonable; or
- c. The tenant is required to move to another unit in the same building/complex, but is not offered reimbursement for all reasonable out-of-pocket expenses incurred in connection with the move.

Outlined below are steps to be taken by the City of Fort Worth under its Antidisplacement and Relocation Assistance Plan.

The City of Fort Worth will replace all occupied and vacant occupiable low/moderate income dwelling units demolished or converted to a use other than as low/moderate income housing in connection with an activity assisted with HOME or CDBG funds.

All replacement housing will be provided within three years after the commencement of demolition or conversion. Before entering into a contract committing the City of Fort Worth to provide funds for an activity that will directly result in demolition or conversion, the City of Fort Worth will publish the activity to be undertaken in a newspaper of general circulation and will submit to the U. S. Department of Housing and Urban Development (HUD) the following information in writing:

## Exhibit H

1. A description of the proposed assisted activity;
2. The location on a map and number of dwelling units by size (number of bedrooms) that will be demolished or converted to use other than as low/moderate income dwelling units as a direct result of the assisted activities;
3. A time schedule for the commencement and completion of the demolition or conversion;
4. The location on a map and the number of dwelling units by size (number of bedrooms) that will be provided as replacement dwelling units. If such data are not available at the time of the general submission, the City of Fort Worth will identify the general location on an area map and the approximate number of dwelling units by size and provide information identifying the specific location and number of dwelling units by size as soon as it is available;
5. The source of funding and time schedule for the provision of the replacement dwelling units;
6. The basis for concluding that each replacement unit will remain a low/moderate income dwelling unit for at least 10 years from the date of initial occupancy;
7. Information demonstrating that any proposed replacement of dwelling units with smaller dwelling units (e. g., a 2-bedroom unit with 1-bedroom units) is consistent with the housing needs of lower income households in the jurisdiction.

The City of Fort Worth's Housing and Human Services Department, (817) 871-7540 is responsible for ensuring requirements are met for notification and provision of relocation assistance to any lower income person displaced by the demolition of any dwelling unit or the conversion of a low/moderate income dwelling unit to another use in connection with an assisted activity.

Contact: Director of Housing and Human Services  
City of Fort Worth  
Housing and Human Services Department  
1000 Throckmorton Street  
Fort Worth, Texas 76102  
(817) 871-7540

Consistent with the goals and objectives of activities assisted under the Act, the City of Fort Worth will take the following steps to minimize the displacement of persons from their homes:

### RELOCATION ASSISTANCE

All eligible persons will be provided with the following services:

**o Advisory Services**

1. Notification of the planned activity with a description of the relocation assistance to be provided.
2. Information on the eligibility criteria for receiving relocation assistance.
3. Counseling to acquaint homeowners and renters with 1) opportunities to select a replacement dwelling from a full range of neighborhoods within the housing market; 2) his/her individual rights under the Fair Housing laws and; 3) how to search for suitable replacement housing.
4. Referrals to suitable replacement dwelling. No tenant shall be required to move unless he/she has been given a reasonable choice of opportunities to lease and move to a suitable replacement dwelling. A suitable replacement dwelling shall be:
  - o Decent, safe and sanitary;
  - o Adequate in size for the family;
  - o In an area that is not subject to unreasonable adverse environmental conditions and is generally not less desirable than the location of the displaced person's dwelling with respect to public utilities, commercial and public facilities; and is reasonably accessible to the person's place of employment or to sources of employment.

**o Payment For Moving and Related Expenses**

The displaced person may choose either:

1. A payment for actual reasonable moving and related expenses; or
  2. A moving expense and dislocation allowance.
- o** The reasonable and necessary cost of any security deposit required to rent the replacement dwelling unit, and any credit checks required to rent or purchase the replacement dwelling unit.

**o Interim Living Costs**

The person will be reimbursed for actual reasonable out-of-pocket costs incurred in connection with temporary relocation, including moving expenses and increased housing costs, if:

1. The person must relocate temporarily because continued occupancy of the unit constitutes a substantial danger to the health or safety of the person or the public; or

## Exhibit H

The person is displaced from a "low/moderate income dwelling unit," none of the comparable replacement dwelling units to which the person has been referred qualifies as a low/moderate dwelling unit, and a suitable low/moderate income dwelling unit is scheduled to become available.

### TEMPORARY RELOCATION ASSISTANCE

1. Rehabilitation of apartment units will be staged to allow tenants to remain during and after rehabilitation by working with empty units or buildings first.
2. Persons who must be relocated temporarily during rehabilitation will be provided housing.

### REPLACEMENT HOUSING ASSISTANCE

Where possible, eligible tenants will be offered a Section 8 Voucher. If a Section 8 Voucher is used, the dwelling must meet Section 8 Existing Housing Quality Standards. Tenants who receive a Voucher and a reasonable choice of opportunities to move to a suitable replacement dwelling that is available from an owner willing to participate, will not be entitled to a cash replacement payment.

Any displaced person who does not receive a Section 8 Voucher will be entitled to cash rental assistance equal to 60 times the amount obtained by subtracting the Total Tenant Payment (TTP) which is the greater of, 30% of the person's adjusted monthly income or 10% of gross monthly income, from the lesser of:

1. The monthly rent and estimated average monthly cost of utilities for a comparable replacement dwelling; or
2. The monthly rent and estimated average monthly cost of utilities for the decent, safe and sanitary replacement dwelling to which the person relocates.

Cash rental assistance may, at the discretion of the Agency, be provided in either a lump sum or in installments.



Tax Increment Reinvestment Zone Number Two  
City of Fort Worth, Texas  
(Speedway TIF)

**Amended and Restated Project Plan 2002  
and  
Amended and Restated Financing Plan 2002**

**EXHIBIT TABLES**

Table 1: Real Property Tax Impact

Table 2: Personal Property Tax Impact

Table 3: Taxable Sales Impact

Table 4: Financing Plan for the Purchase of Texas Motor Speedway

Table 5: Annual Transfers to NISD for Educational Facilities

Table 6: Funds Available for Public Improvement Projects

# Exhibit Table 1

## Expanded TIF 2 Area (TIF 2B)

### Property Tax Impact Projections for the City of Fort Worth and Denton County

#### UMPTIONS:

1. TIF Base Appraised Value

2,242,077

3. Zero appreciation of the improvements.

#### 2. Tax Rates of Participating Entities for 2002 (assuming 100% tax increment contribution)

City of Ft. Worth

0.86500

Denton County

0.25193

Total Tax Rate:

1.11693

Appreciation Factor	Year	TIF Base Value	Denton Appraisal District's Value of Improvements	Captured Taxable Increment	Total Tax Taxes Generated	Taxes Generated City of FW	Taxes Generated Denton Co.
0	2000	\$ 2,242,077	\$ 3,573,855	\$ 1,331,778	\$ 14,875	\$ 11,520	\$ 3,355
0	2001	\$ 2,242,077	\$ 15,673,097	\$ 13,431,020	\$ 150,015	\$ 116,178	\$ 33,837
0	2002	\$ 2,242,077	\$ 25,575,282	\$ 23,333,205	\$ 260,616	\$ 201,832	\$ 58,783
0	2003	\$ 2,242,077	\$ 25,575,282	\$ 23,333,205	\$ 260,616	\$ 201,832	\$ 58,783
0	2004	\$ 2,242,077	\$ 25,575,282	\$ 23,333,205	\$ 260,616	\$ 201,832	\$ 58,783
0	2005	\$ 2,242,077	\$ 25,575,282	\$ 23,333,205	\$ 260,616	\$ 201,832	\$ 58,783
0	2006	\$ 2,242,077	\$ 25,575,282	\$ 23,333,205	\$ 260,616	\$ 201,832	\$ 58,783
0	2007	\$ 2,242,077	\$ 25,575,282	\$ 23,333,205	\$ 260,616	\$ 201,832	\$ 58,783
0	2008	\$ 2,242,077	\$ 25,575,282	\$ 23,333,205	\$ 260,616	\$ 201,832	\$ 58,783
0	2009	\$ 2,242,077	\$ 25,575,282	\$ 23,333,205	\$ 260,616	\$ 201,832	\$ 58,783
0	2010	\$ 2,242,077	\$ 25,575,282	\$ 23,333,205	\$ 260,616	\$ 201,832	\$ 58,783
0	2011	\$ 2,242,077	\$ 25,575,282	\$ 23,333,205	\$ 260,616	\$ 201,832	\$ 58,783
0	2012	\$ 2,242,077	\$ 25,575,282	\$ 23,333,205	\$ 260,616	\$ 201,832	\$ 58,783
0	2013	\$ 2,242,077	\$ 25,575,282	\$ 23,333,205	\$ 260,616	\$ 201,832	\$ 58,783
0	2014	\$ 2,242,077	\$ 25,575,282	\$ 23,333,205	\$ 260,616	\$ 201,832	\$ 58,783
0	2015	\$ 2,242,077	\$ 25,575,282	\$ 23,333,205	\$ 260,616	\$ 201,832	\$ 58,783
0	2016	\$ 2,242,077	\$ 25,575,282	\$ 23,333,205	\$ 260,616	\$ 201,832	\$ 58,783
0	2017	\$ 2,242,077	\$ 25,575,282	\$ 23,333,205	\$ 260,616	\$ 201,832	\$ 58,783
0	2018	\$ 2,242,077	\$ 25,575,282	\$ 23,333,205	\$ 260,616	\$ 201,832	\$ 58,783
0	2019	\$ 2,242,077	\$ 25,575,282	\$ 23,333,205	\$ 260,616	\$ 201,832	\$ 58,783
0	2020	\$ 2,242,077	\$ 25,575,282	\$ 23,333,205	\$ 260,616	\$ 201,832	\$ 58,783
0	2021	\$ 2,242,077	\$ 25,575,282	\$ 23,333,205	\$ 260,616	\$ 201,832	\$ 58,783
0	2022	\$ 2,242,077	\$ 25,575,282	\$ 23,333,205	\$ 260,616	\$ 201,832	\$ 58,783
0	2023	\$ 2,242,077	\$ 25,575,282	\$ 23,333,205	\$ 260,616	\$ 201,832	\$ 58,783
0	2024	\$ 2,242,077	\$ 25,575,282	\$ 23,333,205	\$ 260,616	\$ 201,832	\$ 58,783
0	2025	\$ 2,242,077	\$ 25,575,282	\$ 23,333,205	\$ 260,616	\$ 201,832	\$ 58,783
0	2026	\$ 2,242,077	\$ 25,575,282	\$ 23,333,205	\$ 260,616	\$ 201,832	\$ 58,783
0	2027	\$ 2,242,077	\$ 25,575,282	\$ 23,333,205	\$ 260,616	\$ 201,832	\$ 58,783
0	2028	\$ 2,242,077	\$ 25,575,282	\$ 23,333,205	\$ 260,616	\$ 201,832	\$ 58,783
0	2029	\$ 2,242,077	\$ 25,575,282	\$ 23,333,205	\$ 260,616	\$ 201,832	\$ 58,783
0	2030	\$ 2,242,077	\$ 25,575,282	\$ 23,333,205	\$ 260,616	\$ 201,832	\$ 58,783
0	2031	\$ 2,242,077	\$ 25,575,282	\$ 23,333,205	\$ 260,616	\$ 201,832	\$ 58,783
0	2032	\$ 2,242,077	\$ 25,575,282	\$ 23,333,205	\$ 260,616	\$ 201,832	\$ 58,783
0	2033	\$ 2,242,077	\$ 25,575,282	\$ 23,333,205	\$ 260,616	\$ 201,832	\$ 58,783
0	2034	\$ 2,242,077	\$ 25,575,282	\$ 23,333,205	\$ 260,616	\$ 201,832	\$ 58,783
0	2035	\$ 2,242,077	\$ 25,575,282	\$ 23,333,205	\$ 260,616	\$ 201,832	\$ 58,783
Total Projected Increment:					\$ 9,025,819	\$ 6,989,994	\$ 2,035,826

# Exhibit Table 2

## Expanded TIF 2 Area (TIF 2B)

### Economic Impact: Personal Property Tax Revenue Projections

#### ASSUMPTIONS:

1. Appraised Value of Speedway Personal Property = \$3 million 1996 through 1999
2. Appraised Value of Speedway Personal Property = \$6 million 2000 through 2035
3. Zero Appreciation

Appreciation Factor	Year	Personal Prop Value	TAX REVENUES		
			Fort Worth	Denton Co.	NISD
0	1996	\$ 3,000,000	\$ 27,600	\$ 8,007	\$ 48,879
0	1997	\$ 3,000,000	\$ 27,600	\$ 7,677	\$ 50,274
0	1998	\$ 3,000,000	\$ 26,925	\$ 7,463	\$ 49,876
0	1999	\$ 3,000,000	\$ 26,550	\$ 7,051	\$ 51,142
0	2000	\$ 6,000,000	\$ 52,500	\$ 13,916	\$ 101,482
0	2001	\$ 6,000,000	\$ 51,900	\$ 15,354	\$ 110,089
0	2002	\$ 6,000,000	\$ 51,900	\$ 15,116	\$ 110,089
0	2003	\$ 6,000,000	\$ 51,900	\$ 15,116	\$ 110,089
0	2004	\$ 6,000,000	\$ 51,900	\$ 15,116	\$ 110,089
0	2005	\$ 6,000,000	\$ 51,900	\$ 15,116	\$ 110,089
0	2006	\$ 6,000,000	\$ 51,900	\$ 15,116	\$ 110,089
0	2007	\$ 6,000,000	\$ 51,900	\$ 15,116	\$ 110,089
0	2008	\$ 6,000,000	\$ 51,900	\$ 15,116	\$ 110,089
0	2009	\$ 6,000,000	\$ 51,900	\$ 15,116	\$ 110,089
0	2010	\$ 6,000,000	\$ 51,900	\$ 15,116	\$ 110,089
0	2011	\$ 6,000,000	\$ 51,900	\$ 15,116	\$ 110,089
0	2012	\$ 6,000,000	\$ 51,900	\$ 15,116	\$ 110,089
0	2013	\$ 6,000,000	\$ 51,900	\$ 15,116	\$ 110,089
0	2014	\$ 6,000,000	\$ 51,900	\$ 15,116	\$ 110,089
0	2015	\$ 6,000,000	\$ 51,900	\$ 15,116	\$ 110,089
0	2016	\$ 6,000,000	\$ 51,900	\$ 15,116	\$ 110,089
0	2017	\$ 6,000,000	\$ 51,900	\$ 15,116	\$ 110,089
0	2018	\$ 6,000,000	\$ 51,900	\$ 15,116	\$ 110,089
0	2019	\$ 6,000,000	\$ 51,900	\$ 15,116	\$ 110,089
0	2020	\$ 6,000,000	\$ 51,900	\$ 15,116	\$ 110,089
0	2021	\$ 6,000,000	\$ 51,900	\$ 15,116	\$ 110,089
0	2022	\$ 6,000,000	\$ 51,900	\$ 15,116	\$ 110,089
0	2023	\$ 6,000,000	\$ 51,900	\$ 15,116	\$ 110,089
0	2024	\$ 6,000,000	\$ 51,900	\$ 15,116	\$ 110,089
0	2025	\$ 6,000,000	\$ 51,900	\$ 15,116	\$ 110,089
0	2026	\$ 6,000,000	\$ 51,900	\$ 15,116	\$ 110,089
0	2027	\$ 6,000,000	\$ 51,900	\$ 15,116	\$ 110,089
0	2028	\$ 6,000,000	\$ 51,900	\$ 15,116	\$ 110,089
0	2029	\$ 6,000,000	\$ 51,900	\$ 15,116	\$ 110,089
0	2030	\$ 6,000,000	\$ 51,900	\$ 15,116	\$ 110,089
0	2031	\$ 6,000,000	\$ 51,900	\$ 15,116	\$ 110,089
0	2032	\$ 6,000,000	\$ 51,900	\$ 15,116	\$ 110,089
0	2033	\$ 6,000,000	\$ 51,900	\$ 15,116	\$ 110,089
0	2034	\$ 6,000,000	\$ 51,900	\$ 15,116	\$ 110,089
0	2035	\$ 6,000,000	\$ 51,900	\$ 15,116	\$ 110,089
Total Revenue			\$ 1,977,675	\$ 573,405	\$ 4,154,753
Average Revenue			\$ 49,442	\$ 14,335	\$ 103,869
Grand Total Revenue			\$ 6,705,833		
Total Average Revenue			\$ 167,646		

**Exhibit Table 3**

**Expanded TIF 2 Area (TIF 2B)**  
**Economic Impact: Taxable Sales Projections**

**ASSUMPTIONS:**

1. Modest appreciation or increase in sales over the life of the TIF

Appreciation Factor	Year	Total Estimated Taxable Sales	Projected Sales Tax City	Projected Sales Tax Crime Dist.	Projected Sales Tax Transportaion
0	1996	\$ 26,400,000	\$ 264,000	\$ 132,000	\$ 132,000
0	1997	\$ 26,400,000	\$ 264,000	\$ 132,000	\$ 132,000
0.01	1998	\$ 26,664,000	\$ 266,640	\$ 133,320	\$ 133,320
0.01	1999	\$ 26,930,640	\$ 269,306	\$ 134,653	\$ 134,653
0.01	2000	\$ 27,199,946	\$ 271,999	\$ 136,000	\$ 136,000
0.01	2001	\$ 27,471,946	\$ 274,719	\$ 137,360	\$ 137,360
0.01	2002	\$ 27,746,665	\$ 277,467	\$ 138,733	\$ 138,733
0.01	2003	\$ 28,024,132	\$ 280,241	\$ 140,121	\$ 140,121
0.01	2004	\$ 28,304,373	\$ 283,044	\$ 141,522	\$ 141,522
0.015	2005	\$ 28,728,939	\$ 287,289	\$ 143,645	\$ 143,645
0.015	2006	\$ 29,159,873	\$ 291,599	\$ 145,799	\$ 145,799
0.015	2007	\$ 29,597,271	\$ 295,973	\$ 147,986	\$ 147,986
0.015	2008	\$ 30,041,230	\$ 300,412	\$ 150,206	\$ 150,206
0.015	2009	\$ 30,491,849	\$ 304,918	\$ 152,459	\$ 152,459
0.015	2010	\$ 30,949,226	\$ 309,492	\$ 154,746	\$ 154,746
0.015	2011	\$ 31,413,465	\$ 314,135	\$ 157,067	\$ 157,067
0.015	2012	\$ 31,884,667	\$ 318,847	\$ 159,423	\$ 159,423
0.015	2013	\$ 32,362,937	\$ 323,629	\$ 161,815	\$ 161,815
0.015	2014	\$ 32,848,381	\$ 328,484	\$ 164,242	\$ 164,242
0.015	2015	\$ 33,341,106	\$ 333,411	\$ 166,706	\$ 166,706
0.015	2016	\$ 33,841,223	\$ 338,412	\$ 169,206	\$ 169,206
0.015	2017	\$ 34,348,841	\$ 343,488	\$ 171,744	\$ 171,744
0.015	2018	\$ 34,864,074	\$ 348,641	\$ 174,320	\$ 174,320
0.015	2019	\$ 35,387,035	\$ 353,870	\$ 176,935	\$ 176,935
0.015	2020	\$ 35,917,841	\$ 359,178	\$ 179,589	\$ 179,589
0.015	2021	\$ 36,456,608	\$ 364,566	\$ 182,283	\$ 182,283
0.015	2022	\$ 37,003,457	\$ 370,035	\$ 185,017	\$ 185,017
0.015	2023	\$ 37,558,509	\$ 375,585	\$ 187,793	\$ 187,793
0.015	2024	\$ 38,121,887	\$ 381,219	\$ 190,609	\$ 190,609
0.015	2025	\$ 38,693,715	\$ 386,937	\$ 193,469	\$ 193,469
0.015	2026	\$ 39,274,121	\$ 392,741	\$ 196,371	\$ 196,371
0.015	2027	\$ 39,863,233	\$ 398,632	\$ 199,316	\$ 199,316
0.015	2028	\$ 40,461,181	\$ 404,612	\$ 202,306	\$ 202,306
0.015	2029	\$ 41,068,099	\$ 410,681	\$ 205,340	\$ 205,340
0.015	2030	\$ 41,684,120	\$ 416,841	\$ 208,421	\$ 208,421
0.015	2031	\$ 42,309,382	\$ 423,094	\$ 211,547	\$ 211,547
0.015	2032	\$ 42,944,023	\$ 429,440	\$ 214,720	\$ 214,720
0.015	2033	\$ 43,588,183	\$ 435,882	\$ 217,941	\$ 217,941
0.015	2034	\$ 44,242,006	\$ 442,420	\$ 221,210	\$ 221,210
0.015	2035	\$ 44,905,636	\$ 449,056	\$ 224,528	\$ 224,528
<b>Total Projected Sales Tax Revenue</b>			<b>\$ 13,684,938</b>	<b>\$ 6,842,469</b>	<b>\$ 6,842,469</b>



**Exhibit Table 4**

**Tax Increment Reinvestment Zone, Number Two (Speedway TIF)**  
**Financing Plan for the Purchase of Texas Motor Speedway**  
 (Assuming the use of incremented contributed by the City of Fort Worth & Denton County)

Tax Year	Purchase Price of Speedway	Total TIF 2A Tax Increment	Speedway Purchase Remaining Balance
1997	\$ 20,000,000	\$ 39,185	\$ 19,960,815
1998	\$ 19,960,815	\$ 466,402	\$ 19,494,413
1999	\$ 19,494,413	\$ 455,165	\$ 19,039,248
2000	\$ 19,039,248	\$ 441,084	\$ 18,598,164
2001	\$ 18,598,164	\$ 444,829	\$ 18,153,335
2002	\$ 18,153,335	\$ 444,829	\$ 17,708,507
2003	\$ 17,708,507	\$ 444,829	\$ 17,263,678
2004	\$ 17,263,678	\$ 444,829	\$ 16,818,850
2005	\$ 16,818,850	\$ 444,829	\$ 16,374,021
2006	\$ 16,374,021	\$ 444,829	\$ 15,929,192
2007	\$ 15,929,192	\$ 444,829	\$ 15,484,364
2008	\$ 15,484,364	\$ 444,829	\$ 15,039,535
2009	\$ 15,039,535	\$ 444,829	\$ 14,594,706
2010	\$ 14,594,706	\$ 444,829	\$ 14,149,878
2011	\$ 14,149,878	\$ 444,829	\$ 13,705,049
2012	\$ 13,705,049	\$ 444,829	\$ 13,260,221
2013	\$ 13,260,221	\$ 444,829	\$ 12,815,392
2014	\$ 12,815,392	\$ 444,829	\$ 12,370,563
2015	\$ 12,370,563	\$ 444,829	\$ 11,925,735
2016	\$ 11,925,735	\$ 444,829	\$ 11,480,906
2017	\$ 11,480,906	\$ 444,829	\$ 11,036,078
2018	\$ 11,036,078	\$ 444,829	\$ 10,591,249
2019	\$ 10,591,249	\$ 444,829	\$ 10,146,420
2020	\$ 10,146,420	\$ 444,829	\$ 9,701,592
2021	\$ 9,701,592	\$ 444,829	\$ 9,256,763
2022	\$ 9,256,763	\$ 444,829	\$ 8,811,935
2023	\$ 8,811,935	\$ 444,829	\$ 8,367,106
2024	\$ 8,367,106	\$ 444,829	\$ 7,922,277
2025	\$ 7,922,277	\$ 444,829	\$ 7,477,449
2026	\$ 7,477,449	\$ 444,829	\$ 7,032,620
2027	\$ 7,032,620	\$ 344,495	\$ 6,688,125
2028	\$ 6,688,125	\$ 344,495	\$ 6,343,630
2029	\$ 6,343,630	\$ 344,495	\$ 5,999,135
2030	\$ 5,999,135	\$ 344,495	\$ 5,654,640
2031	\$ 5,654,640	\$ 344,495	\$ 5,310,145
2032	\$ 5,310,145	\$ 344,495	\$ 4,965,650
2033	\$ 4,965,650	\$ 344,495	\$ 4,621,155
2034	\$ 4,621,155	\$ 344,495	\$ 4,276,661
2035	\$ 4,276,661	\$ 344,495	\$ 3,932,166

**Exhibit Table 5****Tax Increment Reinvestment Zone, Number Two (Speedway TIF)****Projected Annual Transfer to NISD for Educational Facilities**

<b>Tax Year</b>	<b>TIF 2A NISD Tax Increment</b>	<b>TIF 2B NISD Tax Increment</b>	<b>Total TIF 2 NISD Increment</b>	<b>Transfer to NISD (66.67%)</b>
1997		\$ -	\$ -	
1998		\$ -	\$ -	
1999	\$ 669,184	\$ -	\$ 669,184	446,145
2000	\$ 663,515	\$ 22,525	\$ 686,040	457,383
2001	\$ 719,790	\$ 246,434	\$ 966,223	644,181
2002	\$ 719,790	\$ 527,739	\$ 1,247,529	831,727
2003	\$ 719,790	\$ 527,739	\$ 1,247,529	831,727
2004	\$ 719,790	\$ 527,739	\$ 1,247,529	831,727
2005	\$ 719,790	\$ 527,739	\$ 1,247,529	831,727
2006	\$ 719,790	\$ 527,739	\$ 1,247,529	831,727
2007	\$ 719,790	\$ 527,739	\$ 1,247,529	831,727
2008	\$ 719,790	\$ 527,739	\$ 1,247,529	831,727
2009	\$ 719,790	\$ 527,739	\$ 1,247,529	831,727
2010	\$ 719,790	\$ 527,739	\$ 1,247,529	831,727
2011	\$ 719,790	\$ 527,739	\$ 1,247,529	831,727
2012	\$ 719,790	\$ 527,739	\$ 1,247,529	831,727
2013	\$ 719,790	\$ 527,739	\$ 1,247,529	831,727
2014	\$ 719,790	\$ 527,739	\$ 1,247,529	831,727
2015	\$ 719,790	\$ 527,739	\$ 1,247,529	831,727
2016	\$ 719,790	\$ 527,739	\$ 1,247,529	831,727
2017	\$ 719,790	\$ 527,739	\$ 1,247,529	831,727
2018	\$ 719,790	\$ 527,739	\$ 1,247,529	831,727
2019	\$ 719,790	\$ 527,739	\$ 1,247,529	831,727
2020	\$ 719,790	\$ 527,739	\$ 1,247,529	831,727
2021	\$ 719,790	\$ 527,739	\$ 1,247,529	831,727
2022	\$ 719,790	\$ 527,739	\$ 1,247,529	831,727
2023	\$ 719,790	\$ 527,739	\$ 1,247,529	831,727
2024	\$ 719,790	\$ 527,739	\$ 1,247,529	831,727
2025	\$ 719,790	\$ 527,739	\$ 1,247,529	831,727
2026	\$ -	\$ -	\$ -	-
2027	\$ -	\$ -	\$ -	-
2028	\$ -	\$ -	\$ -	-
2029	\$ -	\$ -	\$ -	-
2030	\$ -	\$ -	\$ -	-
2031	\$ -	\$ -	\$ -	-
2032	\$ -	\$ -	\$ -	-
2033	\$ -	\$ -	\$ -	-
2034	\$ -	\$ -	\$ -	-
2035	\$ -	\$ -	\$ -	-
	<b>\$ 19,327,443</b>	<b>\$ 12,934,693</b>	<b>\$ 32,262,136</b>	<b>21,509,166</b>

# Exhibit Table 6

Tax Increment Reinvestment Zone, Number Two (Speedway TIF)

## Projected Annual Funds Available for Public Improvement Projects

(Non-Educational Facilities)

Tax Year	TIF 2A NISD Tax Increment	TIF 2B NISD Tax Increment	Total TIF 2 NISD Increment	1/3 of the NISD Increment Available for TIF Projects
1997		\$ -	\$ -	
1998		\$ -	\$ -	
1999	\$ 669,184	\$ -	\$ 669,184	223,039
2000	\$ 663,515	\$ 22,525	\$ 686,040	228,657
2001	\$ 719,790	\$ 246,434	\$ 966,223	322,042
2002	\$ 719,790	\$ 527,739	\$ 1,247,529	415,801
2003	\$ 719,790	\$ 527,739	\$ 1,247,529	415,801
2004	\$ 719,790	\$ 527,739	\$ 1,247,529	415,801
2005	\$ 719,790	\$ 527,739	\$ 1,247,529	415,801
2006	\$ 719,790	\$ 527,739	\$ 1,247,529	415,801
2007	\$ 719,790	\$ 527,739	\$ 1,247,529	415,801
2008	\$ 719,790	\$ 527,739	\$ 1,247,529	415,801
2009	\$ 719,790	\$ 527,739	\$ 1,247,529	415,801
2010	\$ 719,790	\$ 527,739	\$ 1,247,529	415,801
2011	\$ 719,790	\$ 527,739	\$ 1,247,529	415,801
2012	\$ 719,790	\$ 527,739	\$ 1,247,529	415,801
2013	\$ 719,790	\$ 527,739	\$ 1,247,529	415,801
2014	\$ 719,790	\$ 527,739	\$ 1,247,529	415,801
2015	\$ 719,790	\$ 527,739	\$ 1,247,529	415,801
2016	\$ 719,790	\$ 527,739	\$ 1,247,529	415,801
2017	\$ 719,790	\$ 527,739	\$ 1,247,529	415,801
2018	\$ 719,790	\$ 527,739	\$ 1,247,529	415,801
2019	\$ 719,790	\$ 527,739	\$ 1,247,529	415,801
2020	\$ 719,790	\$ 527,739	\$ 1,247,529	415,801
2021	\$ 719,790	\$ 527,739	\$ 1,247,529	415,801
2022	\$ 719,790	\$ 527,739	\$ 1,247,529	415,801
2023	\$ 719,790	\$ 527,739	\$ 1,247,529	415,801
2024	\$ 719,790	\$ 527,739	\$ 1,247,529	415,801
2025	\$ 719,790	\$ 527,739	\$ 1,247,529	415,801
2026	\$ -	\$ -	\$ -	-
2027	\$ -	\$ -	\$ -	-
2028	\$ -	\$ -	\$ -	-
2029	\$ -	\$ -	\$ -	-
2030	\$ -	\$ -	\$ -	-
2031	\$ -	\$ -	\$ -	-
2032	\$ -	\$ -	\$ -	-
2033	\$ -	\$ -	\$ -	-
2034	\$ -	\$ -	\$ -	-
2035	\$ -	\$ -	\$ -	-
	<b>\$ 19,327,443</b>	<b>\$ 12,934,693</b>	<b>\$ 32,262,136</b>	<b>10,752,970</b>



**Tax Increment Reinvestment Zone Number Two  
City of Fort Worth, Texas  
(Speedway TIF)**

**Amended and Restated Project Plan 2002  
and  
Amended and Restated Financing Plan 2002**

**APPENDICES**

- Appendix A: Participation Agreement with Denton County and  
Participation Agreement with Northwest ISD
- Appendix B: Master Agreement for Texas Motor Speedway and  
Amended & Restated Master Agreement
- Appendix C: University of North Texas Assessment of TMS
- Appendix D: Contract for the Purchase of TMS

Appendix A

TIF Participation Agreements

with Denton County and

with Northwest ISD

Appendix A

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**TAX INCREMENT REINVESTMENT ZONE PARTICIPATION AGREEMENT**

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by and between

**DENTON COUNTY**

and the

**THE CITY OF FORT WORTH, TEXAS**

**TAX INCREMENT REINVESTMENT ZONE NUMBER TWO, CITY OF  
FORT WORTH**

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dated as of

**NOVEMBER 11, 1998**

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STATE OF TEXAS           §  
                                     §  
COUNTY OF DENTON       §

**CITY OF FORT WORTH AND DENTON COUNTY  
AGREEMENT TO PARTICIPATE IN THE TAX INCREMENT  
REINVESTMENT ZONE NUMBER TWO,  
CITY OF FORT WORTH, TEXAS**

**THIS AGREEMENT** is made and entered into by and between the City of Fort Worth, Texas ("City"), a Texas home-rule municipality, and Denton County, Texas ("Taxing Unit").

**WITNESSETH:**

**WHEREAS**, on December 19, 1995, the Fort Worth City Council approved Ordinance No. 12323, establishing Tax Increment Reinvestment Zone Number Two, City of Fort Worth, Texas ("TIF District"), in accordance with the Tax Increment Financing Act, as amended (V.T.C.A., Tax Code, Chapter 311) (the "Act"), to promote development of the area within the TIF District through the use of tax increment financing; and

**WHEREAS**, City and Taxing Unit wish to enter into an agreement defining the terms and conditions under which Taxing Unit will contribute its tax increment to the TIF District Tax Increment Fund;

**NOW, THEREFORE**, City and Taxing Unit, in consideration of the terms, conditions and covenants contained herein, hereby agree as follows:

**I. DEFINITIONS**

Terms not defined herein shall be construed as defined in the Act (hereinafter defined), or through normal usage if not defined in the Act. The following terms shall have the following meanings when used in this Agreement.

"Act" shall mean V.T.C.A., Tax Code, Chapter 311, the Tax Increment Financing Act, as amended.

"Captured Appraised Value" shall mean the total appraised value of the property located within the TIF District for the year less the Tax Increment Base of the TIF Taxing Units.

"Project Plan and Reinvestment Zone Financing Plan" shall mean the project and financing plan for the development of the TIF District.

"TIF District" shall mean Tax Increment Reinvestment Zone Number Two, City of Fort Worth, Texas, established by the Fort Worth City Council Ordinance No. 12323, on December 19, 1995, a copy of which ordinance is attached hereto and marked Exhibit "A".

"TIF Taxing Units" shall mean those political subdivisions of the State of Texas authorized to impose ad valorem taxes on property located within the TIF District.

## Appendix A

"Tax Increment" shall mean the amount of property taxes levied by a TIF Taxing Unit for the year on the Captured Appraised Value of taxable property located in the TIF District.

"Tax Increment Base" shall mean the total appraised value of all property taxable by the TIF Taxing Units and located in the TIF District on January 1, 1995.

"Tax Increment Fund" shall mean a fund consisting of all the Tax Increment deposits, all revenues from the sale of tax increment bonds or notes, revenues from the sale of any property acquired as part of the Project Plan and Reinvestment Zone Financing Plan, and other revenues to be used in the development of the TIF District.

### II. AGREEMENT TO PAY TAX INCREMENT

Taxing Unit annually shall pay into the Tax Increment Fund an amount equal to 100% of its Tax Increment pursuant to §§311.013(a) and (b) of the Act and as authorized by the Denton County Commissioners Court by Resolution and Order No. \_\_\_\_\_ adopted February 11, 1997, attached hereto as Exhibit "B". Taxing Unit shall make said annual payment for a term beginning January 1, 1997, and ending December 31, 2026.

### III. RESPONSIBILITY FOR ACTS

City and Taxing Unit shall each be responsible for the sole negligent acts of their officers, agents, employees or separate contractors. In the event of joint and concurrent negligence of both City and Taxing Unit, responsibility, if any, shall be apportioned comparatively in accordance with the laws of the State of Texas, without however, waiving any governmental immunity available to City and Taxing Unit under Texas law and without waiving any defenses of the parties under Texas law.

### IV. ADMINISTRATION OF AGREEMENT

This Agreement shall be administered on behalf of the City by the City Manager's Office of the City, or the designee thereof.

### V. DELIVERY ADDRESS

Whenever this Agreement requires or permits any consent, approval, notice, request, proposal, or demand from one party to the other, the consent, approval, notice, request, proposal, or demand must be in writing to be effective and shall be delivered to the party intended to receive it at that party's address shown below:

If intended for City, to:

Economic Development Director  
City of Fort Worth  
1000 Throckmorton  
Fort Worth, Texas 76102

If intended for Taxing Unit, to:

County Judge, Denton County  
Courthouse on the Square  
110 W. Hickory St.  
Denton, Texas 76201



## Appendix A

or to such other address as either party may request, in writing, from time to time.

### VI. GOVERNING LAW AND VENUE

This Agreement is made subject to the provisions of the Charter and ordinances of City, as amended; the Texas Constitution, codes, and statutes; and all other applicable state and federal laws, regulations and requirements, as amended. Venue for any cause of action arising hereunder shall be in either Denton or Tarrant County, Texas.

### VII. TERM

This Agreement is effective from January 1, 1997, through December 31, 2026.

### VIII. ENTIRE AGREEMENT/AMENDMENTS

This Agreement embodies the complete understanding of City and Taxing Unit, and shall supersede all oral or written previous and contemporary agreements between the parties relating to matters herein. This Agreement may be amended, modified, or supplemented only by an instrument in writing executed by City and Taxing Unit. Any alternations, additions or deletions to the terms of this Agreement required by changes in federal, state or local law or regulations will be automatically incorporated into this Agreement without written amendment, and shall become effective on the date designated by such law or regulation.

Appendix A

EXECUTED this the 16<sup>th</sup> day of <sup>November</sup> February, 1998, by City, signing by and through its City Manager, and by Taxing Unit, signing by and through its duly authorized officials.

APPROVED AS TO FORM AND LEGALITY:

CITY OF FORT WORTH, TEXAS

By:

David L. Yett  
David L. Yett  
William W. Wood  
Asst. Deputy City Attorney

By:

Bob Terrell  
Bob Terrell  
City Manager

ATTEST:

By:

Rona Pearson

DENTON COUNTY, TEXAS

By:

Jeff Moseley  
Jeff Moseley, County Judge,  
Denton County, Texas

ATTEST:

By:

Tim Hodges  
Tim Hodges, County Clerk and Ex Officio  
Clerk of the Commissioners Court of  
Denton County, Texas

C-17112  
Contract Authorization  
11-10-98  
Date

[COMMISSIONERS COURT SEAL]



Appendix A

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**TAX INCREMENT REINVESTMENT ZONE PARTICIPATION AGREEMENT**

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by and between

**NORTHWEST INDEPENDENT SCHOOL DISTRICT**

and the

**THE CITY OF FORT WORTH, TEXAS**

**TAX INCREMENT REINVESTMENT ZONE NUMBER TWO, CITY OF  
FORT WORTH**

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dated as of

**AUGUST 10, 1999**

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CITY SECRETARY  
CONTRACT NO. 25242

STATE OF TEXAS       §  
                               §       TAX INCREMENT REINVESTMENT ZONE  
                               §       PARTICIPATION AGREEMENT  
 COUNTY OF TARRANT §

THIS TAX INCREMENT REINVESTMENT ZONE PARTICIPATION AGREEMENT (hereinafter referred to as the "Agreement") is executed and delivered by and between NORTHWEST INDEPENDENT SCHOOL DISTRICT (the "District"), a lawfully created independent school district of the State of Texas operating under and subject to "Applicable District Law," as herein defined, and the CITY OF FORT WORTH, TEXAS (the "City"), a municipality and a home-rule city in the State of Texas, relating to the District's participation in TAX INCREMENT REINVESTMENT ZONE NUMBER TWO, CITY OF FORT WORTH (the "Zone"), a reinvestment zone created by the City under and pursuant and subject to the "Zone Act," as herein defined;

## WITNESSETH:

WHEREAS, the City Council of the City, after due and proper notice and public hearing, adopted on December 19, 1995, the "Zone Creation Ordinance," as herein defined, pursuant to which the City Council created the Zone pursuant to the Zone Act; and

WHEREAS, on May 21, 1999, the City of Fort Worth received a petition from Northwest Independent School District and Beechwood Business Park Joint Venture, Beechwood Hospitality Development, L.P., Beechwood Golf Development, L.P., and Roanoke Ranch and Investment Company, property owners of, respectively, a 231.06-acre tract of land and a 281.872-acre tract of land contiguous to the present boundaries of Tax Increment Reinvestment Zone Number Two, Fort Worth, Texas, requesting that the Zone be expanded to include their tracts; and

WHEREAS, the Zone Board passed and approved Board Resolution No. 2 on July 15, 1999, recommending that the City Council approve by ordinance expansion of the boundaries of the Zone and adoption of the Amended Project and Financing Plans pursuant to Section 311.007 and 311.011 of the Zone Act; and

WHEREAS, Section 311.008 of the Zone Act authorizes the City to exercise any power necessary and convenient to carry out the provisions of the Zone Act, including, when consistent with the project plan required by the Zone Act, to acquire, construct, reconstruct, or install public works, facilities, or sites or other public improvements, including utilities, streets, street lights, water and sewer facilities, pedestrian malls and walkways, parks, flood and drainage facilities, parking facilities, or educational facilities that are used or intended to be used jointly by the City and the District in a reinvestment zone created on or before September 1, 1999; and

WHEREAS, the Amended Project and Financing Plans will provide that some of the "projects" to be constructed and equipped within and as a part of the Zone and the expansion thereof are educational facilities herein defined as the "Zone School Projects," the same to be

owned, maintained, and operated by the District, in accordance with and subject to the terms and provisions of this Agreement and Applicable District Law; and

WHEREAS, the Amended Financing Plan will require the Zone Board to make payments to the District in an agreed amount, not in excess of the "Tax Increment Payments," as herein defined, made by the District and deposited to the "Tax Increment Fund," as herein defined, for the purpose of paying the costs of constructing, equipping, maintaining, administering and/or operating one or more of the Zone School Projects, such funds being dedicated for that purpose to the District under and in accordance with this Agreement; and

WHEREAS, the District, as one of the "Taxing Units," as herein defined, and the City are authorized by Section 311.013 of the Zone Act to enter into an agreement pursuant to which the District agrees to make the Tax Increment Payments for the purpose of implementing the Plans;

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants and agreements herein contained, the parties hereto agree as follows:

## ARTICLE I

### Authority, Definitions, General Provisions

#### Section 1.1. Authority.

(a) This Agreement is executed by the District as its written agreement with the City pursuant to the provisions and authority granted to the District in Section 311.013 of the Zone Act, and as the District's written notification of its intention to retain: (i) all Tax Increments levied, assessed, and collected on taxable personal property taxed by it within the Zone; and (ii) all Tax Increments levied, assessed, and collected by the District which are withheld and retained pursuant to Section 2.1 of this Agreement, in response to the requirements of Section 311.013 of the Zone Act.

(b) This Agreement is executed by the City pursuant to the power and authority granted in Section 311.008 of the Zone Act, and other law applicable to the City and to this Agreement.

(c) This Agreement is binding on the Zone Board of Directors pursuant to Section 311.013 (k) of the Zone Act.

#### Section 1.2. Definitions.

Wherever used herein, the following terms shall have the following meanings, unless the context in which used clearly indicates another meaning, to-wit:

"Agreement" means this Agreement.

"Amended Financing Plan" means the amended financing plan adopted and recommended on July 15, 1999, by the Zone Board in its Resolution No. 2 for final approval by the City Council in conformity with the requirements of Sections 311.010 and 311.011 of the Zone Act, and as accepted by the District as required by Section 4.2 (a) of this Agreement, and as the same may be amended from time to time in accordance with the Zone Act and Section 4.3 of this Agreement.

"Amended Project Plan" means the amended project plan adopted and recommended on July 15, 1999, by the Zone Board in its Resolution No. 2 for final approval by the City Council in conformity with the requirements of Sections 311.010 and 311.011 of the Zone Act, and as accepted by the District as required by Section 4.2 (a) of this Agreement, and as the same may be amended from time to time in accordance with the Zone Act and Section 4.3 of this Agreement.

"Applicable District Law" means the Zone Act as applicable to the District as a Taxing Unit and the Constitution and general laws of the State applicable to the independent school districts of the State, including specifically, but not limited to, Section 403.302, Texas Government Code, and the applicable rules and regulations of the agencies of the State having jurisdiction over any matters relating to the public school systems and school districts of the State, or any interpretation, ruling, order, decree or court decision interpreting existing law or any law enacted during the term of this Agreement which is applicable to the District, provided such interpretation, ruling, order, decree or court decision is made administratively by the Comptroller of Public Accounts of the State of Texas, the Texas Attorney General, or any other State agency, or by a court of competent jurisdiction.

"Captured Appraised Value" means the total appraised value of real property in that portion of the Zone that is located in the District, as of January 1 of any year, less the Tax Increment Base of the Zone allocable to the District, as defined herein and contemplated in the Zone Act.

"City" means the City of Fort Worth, Texas.

"City Council" means the governing body of the City.

"County" means Denton County, Texas.

"District" means the Northwest Independent School District, a duly incorporated and operating independent school district in the State, having the power to levy, assess, and collect ad valorem taxes within its boundaries, including the Zone.

"District Bonds" means any bonds issued by the District for the purpose of paying the Project Costs incurred by the District in constructing and equipping a Zone School Project.

"Interlocal Agreement" means the Interlocal Cooperation Agreement between the Northwest Independent School District and the City of Fort Worth, Texas, regarding joint use of the Zone School Projects, attached to this Agreement as Exhibit "A."

## Appendix A

"Plans" mean, collectively, the Amended Project and Financing Plans.

"Project Costs" mean any and all of the items of "project costs" set forth and described in Section 311.002(1) and the other provisions of the Zone Act.

"State" means the State of Texas.

"Tax Increment" means the total amount of ad valorem taxes levied and collected each year by the District in the Zone on the Captured Appraised Value.

"Tax Increment Base" means where applicable either (1) the total taxable value for school tax purposes of all real property located in the original Zone boundaries as designated in the Zone Creation Ordinance and taxable by the District as of January 1, 1995, the year in which the Zone was designated as a reinvestment zone or (2) the total taxable value for school tax purposes of all real property located in the expanded Zone boundaries to be designated in the Zone Expansion Ordinance and taxable by the District as of January 1, 1999, the year in which the expansion of the Zone is to be designated.

"Tax Increment Fund" means the special fund bearing that name and created by the City Council in the Zone Creation Ordinance, into which all Tax Increment Payments are to be deposited in accordance with the requirements of the Zone Act.

"Tax Increment Payments" means that amount of the Tax Increment that the District agrees to deposit annually to the Tax Increment Fund in accordance with the requirements of Section 2.1 of this Agreement, the Amended Financing Plan, and the Zone Act.

"Taxing Units" mean the County, the District, and the City.

"Zone" means "Tax Increment Reinvestment Zone Number Two, City of Fort Worth," created by the City Council in the Zone Creation Ordinance, and to be amended to expand its boundaries, all done and to be done in accordance with Section 3.1 of this Agreement and with the Zone Act.

"Zone Act" means Chapter 311, Texas Tax Code, as amended.

"Zone Board" means the board of directors of the Zone.

"Zone Creation Ordinance" means Ordinance No. 12323, adopted by the City Council on December 19, 1995.

"Zone Expansion Ordinance" means Ordinance No. 13889, adopted by the City Council on August 10, 1999, designating the expanded boundaries of the Zone and approving the Plans.

"Zone Infrastructure Projects" means transportation, drainage and other public improvements (not including educational facilities) to be constructed, equipped, located,

## Appendix A

maintained and/or operated by the City or the FW Sports Authority, Inc. in the Zone as a project under the Plans and the Zone Act.

"Zone School Project" means any school district educational facilities to be constructed, equipped, located, maintained and/or operated by the District in the Zone as a project under the Plans and the Zone Act, and jointly used by the District and the City as set forth in Section 311.008 of the Zone Act, and in accordance with the Interlocal Agreement attached and fully incorporated into this Agreement as Exhibit "A."

"Zone School Project Costs" mean the costs of financing, constructing, equipping, maintaining, administering and/or operating one or more of the Zone School Projects, including any principal or interest on the District's debt issues applicable to such Zone School Projects.

"Zone School Site" means the land to be included within the Zone and on which a Zone School Project is to be located and constructed.

### Section 1.3. General Provisions.

(a) The City and the Zone Board, by the City's execution of this Agreement, do not assume, agree to pay, or guarantee the payment of any bond, note, or other financial obligation or undertaking of the District, whether in the form of securities or in other contractual forms, including the District Bonds.

(b) The Zone Board and the City hereby dedicate a portion of the Tax Increment Payments, in an amount as set forth in Section 3.2 of this Agreement for Zone School Project Costs, for the purpose of reimbursing and paying to the District all or a portion of the Project Costs incurred by the District in financing, constructing, equipping, maintaining, administering and/or operating one or more of the Zone School Projects, and the parties hereto expressly agree that such amounts are dedicated for such purpose in compliance with and in satisfaction of the requirements of Section 311.014 of the Zone Act.

(c) The Zone Board and the City hereby dedicate the remaining portion of the District's Tax Increment Payments, after payment of the Zone School Project Costs as set forth in Section 3.2 of this Agreement, to payment of the infrastructure and other public improvement projects specifically described and set forth in the Plans.

(d) The City and the Zone Board expressly agree that any funds which are paid to the District pursuant to Paragraph 3.2 of this Agreement which have not, in the year of receipt, been expended for Zone School Project Costs may be retained by the District in a separate reserve account maintained by the District for such purposes. Such funds may be budgeted and expended in any subsequent year following receipt for such purposes as are set forth in Paragraph 3.1 of this Agreement.

(e) The boundaries of the Zone are and shall be those boundaries described in the Zone Creation Ordinance and the Zone Expansion Ordinance. The parties to this Agreement expressly agree that the boundaries of the Zone and the current expansion thereof may not be



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reduced without the express authorization of the Board of Trustees of the District. The City agrees that the boundaries of the Zone shall not be changed to exclude any Zone School Projects which are located within the boundaries of the of Zone set forth in the Zone Creation Ordinance and Zone Expansion Ordinance unless the Board of Trustees of the District has first approved such boundary change.

(f) The parties to this Agreement expressly agree that the Plans shall not be changed to exclude any of the Zone School Projects and the Tax Increment Payments dedicated thereto without the express authorization of the Board of Trustees of the District.

(g) The City and the County are not required to contribute any tax increment generated from the areas added to the Zone by the Zone Expansion Ordinance.

### ARTICLE II

#### Participation in the Zone, Payments, Adjustments, and Retentions

##### Section 2.1. Participation in the Zone.

(a) Subject to the terms set forth in Sections 3.2 (a) and 4.3 (b) of this Agreement, the District agrees to participate in the Zone and to make Tax Increment Payments to the Tax Increment Fund annually in amounts calculated in accordance with this Section for the purpose of paying a portion of the Project Costs under the Plans.

(b) The District agrees to pay into the Tax Increment Fund an amount of money from the District's property taxes computed according to the methodology set forth below in the succeeding subparagraphs of this Subsection. The annual payment shall be calculated based upon funds generated pursuant to the District's total tax rate on the real property located in the Zone. Notwithstanding anything herein to the contrary, the District's annual tax increment payments shall not exceed the amount based upon the estimated Captured Appraised Value for each year as set forth in the Amended Financing Plan. No District revenues generated by District ad valorem taxation of personal property shall ever be used to calculate the District's deposit in the Tax Increment Fund.

- i. The calculation of the District's deposit in the Tax Increment Fund shall begin by the District determining the Captured Appraised Value in the Zone as defined in paragraph 1.2 of this Agreement.
- ii. The District will next calculate the difference between the current year values on the Zone real property and the Comptroller's State Property Division taxable values of real property located within the Zone. The District will determine the Comptroller's State Property Division taxable values of real property located within the Zone by multiplying the prior year's taxable value of real property located within the Zone by the appraisal ratios established pursuant to Tex. Gov't. Code § 403.302. This difference will be subtracted

## Appendix A

from the Captured Appraised Value. This product will be referred to as the Adjusted Captured Appraised Value.

If the Adjusted Captured Appraised Value is zero or a negative number, then the District will not owe any Tax Increment Payment for the year of the calculation. If the Adjusted Captured Appraised Value is a positive number, the District will multiply the Adjusted Captured Appraised Value times the District's current year total tax rate per One Hundred Dollars (\$100.00) of assessed valuation. The product of this calculation will be referred to as the preliminary sum, and will be further adjusted pursuant to subparagraphs *iii*, *iv*, and *v* below.

- iii*. The District will next subtract from the preliminary sum an additional amount equal to the uncollected portion of the total tax levy on the Captured Appraised Value for the current tax year. Where the District has received partial payments of taxes said partial payments shall be applied: first, to any penalty and interest due and owing to the District; then to the District's proportionate share of the taxes due on the parcel at issue; and, finally, to the sums owing to the Tax Increment Fund.
- iv*. The District will next subtract from the preliminary sum an additional amount equal to a proportionate share of any tax refunds repaid to taxpayers for real property in the Zone for years in which this Agreement is in effect. In computing the proportionate amount, the District shall retain an amount computed by multiplying the refund amount times the percentage created by dividing the Adjusted Captured Appraised Value calculated pursuant to subparagraph 2.1 (b) *ii* for the tax year for which the refund is paid, by the total real property taxable values in the Zone for the tax year for which the refund is paid.
- v*. The District will then add to the preliminary sum an amount equal to the uncollected taxes on the Captured Appraised Value that have been received by the District since its last payment to the Tax Increment Fund. In making such payments to the fund, only an amount equal to the collected delinquent taxes will be transferred to the Tax Increment Fund. Statutory penalties and interest and attorney's fees where applicable for delinquent taxes, shall be retained by the District. Any amounts received by the District pursuant to TEX. CONST. Art. VIII § 1-d(f) shall be retained by the District.
- vi*. The preliminary sum, as further adjusted pursuant to subparagraphs *iii*, *iv*, and *v*, above, and, if applicable, subsection (c) of this section, shall constitute the Tax Increment Payment for the year of calculation.

(c) The District shall, in its sole discretion, have the option to use the Captured Appraised Value described in Section 2.1 (b)(i), above, in place of the Adjusted Captured

## Appendix A

Appraised Value described in Section 2.1(b)(ii), above, in calculating its Tax Increment Payment pursuant to the formula in Section 2.1 (b), above.

(d) Notwithstanding any other provision in this Agreement, in the event that, by virtue of Applicable District Law, the District will receive less state funding, or will be required to increase its payment of funds to the State, or to another school district, or school districts, because of, or in any way related to, its participation in the Zone under this Agreement, including but not limited to that the District will not be allowed to deduct all or any part of its estimated Captured Appraised Value from its taxable value as set forth in Section 403.302 of the Texas Government Code, or the District is required to pay all or any part of the Tax Increment to the State or other school districts, the District may retain, from the amount of the payments agreed to be made under Subsection (b) of this Section, the amount necessary to secure for the District an amount equal to the loss of State funding or the increased amount of funds paid to the State or other school districts resulting from the District's participation in the Zone. The resulting amount each year shall constitute the "Tax Increment Payment" for such year and shall be made to the Tax Increment Fund in accordance with the requirements of the Zone Act. It is understood and agreed, however, that part of the consideration for the City's agreement to annex the District's main campus, expand the Zone and include participation by the District in the Zone is the District's agreement hereunder to dedicate 33 1/3% of its Tax Increment Payments to Zone Infrastructure Projects (the Infrastructure Payments). Therefore, in the event that the operation of this Section 2.1(d) results in the District having the right to retain the Infrastructure Payments (whether such right is exercised or not), the District agrees to pay to the City an annual amount equal to the operations and maintenance (non-debt) portion of the City's tax rate multiplied by the appraised market value of the District's property annexed by the City and included within the Zone boundaries as consideration for the extension of municipal services to the District's exempt property. In the alternative, at the District's option, the District may petition for disannexation of the property from the City. In the event of disannexation, the District shall be obligated to pay for water and sewer services provided by the City at the established out-of-city rates. The City and District agree to cooperate fully and in good faith with one another with regard to any and all necessary actions or legal requirements to implement either of these options.

For each year in which the District invokes this Subsection to reduce the amounts otherwise to be deposited to the Tax Increment Fund, the District shall serve written notice of the invocation of this paragraph and its calculations of the relevant amount upon the Zone Board and the City on or before the payment due date established under Section 311.103 of the Zone Act.

(e) The District may make a demand for reimbursement of funds previously deposited into the Tax Increment Fund, if by virtue of its previous payments into the fund under Subsection 2.1(b) above, Applicable District Law causes the District to receive a reduction in the combined revenues from both local and state sources that the District would have received, or was required to pay, had the District not participated in this Agreement. Any demand for reimbursement shall be accompanied by written explanation showing the calculations underlying the claim for reimbursement and a reference to any rule, statute, or administrative interpretation which explains the calculations. In the event that it receives a claim for reimbursement, the Tax Increment Fund shall, within seven days return the funds claimed for refund to the District. In the event that the City or Zone Board wishes to contest the claim for reimbursement, it may send

an objection to the reimbursement request along with the funds claimed for reimbursement to the District. The transmittal of an objection, however, does not relieve the Tax Increment Fund of its obligation to return the funds to the District. In the event that the City or the Zone Board files an objection, the District shall maintain the contested amounts in a reserve account pending the resolution of the dispute.

The obligation to reimburse the District for any amount in accordance with this Subsection is limited to, and payable only from, amounts available in the Tax Increment Fund, and if at the time any such payment becomes due there are insufficient funds in the Tax Increment Fund to make such payment in full, the District shall be reimbursed as soon as funds become available and shall have first priority among claims against the Tax Increment Fund.

In the event that there is an outstanding reimbursement obligation from the Tax Increment Fund to the District at the time that any Payment is due from the District to the Tax Increment Fund under this Agreement, the District may offset any reimbursement amount against its payment obligation.

Provided that notwithstanding the foregoing, in no event shall reimbursements made to the District exceed the actual amount of funds deposited by the District in the Fund. Provided further, that in the event that reimbursement hereunder involves the Infrastructure Payments [as defined in Section 2.1(d)], the District agrees to pay to the City, beginning the year of the reimbursement, an annual amount equal to the operations and maintenance (non-debt) portion of the City's tax rate multiplied by the appraised market value of the District's property annexed by the City and included within the Zone boundaries as consideration for the extension of municipal services to the District's exempt property. In the alternative, at the District's option, the District may petition for disannexation of the property from the City. In the event of disannexation, the District shall be obligated to pay for water and sewer services provided by the City at the established out-of-city rates. The City and District agree to cooperate fully and in good faith with one another with regard to any and all necessary actions or legal requirements to implement either of these options.

(f) The payment of Tax Increment Payments, in the amounts calculated and adjusted in accordance with this Section, shall commence during the 1999-2000 school year in accordance with the Plans and the Zone Act and shall continue until the termination of this Agreement in accordance with the provisions of Section 4.3 (b) of this Agreement.

(g) This Agreement is expressly conditioned on the approval of the Amended Project Plan, the Amended Financing Plan, the annexation of the Northwest ISD tract to be included in the expanded Zone boundaries and the Settlement Agreement and Mutual Release (Northwest ISD v. City of Fort Worth et al., Cause No. 97-20568-158) by all parties to such agreements or Plans.

ARTICLE III

Payment of Zone School Project Costs

Section 3.1. Constructing, Equipping, Financing, Administering and Operating a Zone School Project.

(a) The City agrees, as a precondition to any obligations of the District hereunder, to include in the Amended Project and Financing Plans in form and substance approved by the Board of Trustees of the District a listing of all matters relating to Zone School Projects as may be designated by the District as required by Section 311.011 of the Zone Act. The final description, size, scope, and design of such Zone School Projects shall be solely as determined by the District, provided that the Zone School Projects shall be consistent with the Plans and in accordance with the requirements of the Zone Act. All financing of Zone School Projects shall be provided by the District, and not by the City or County.

(b) The District agrees to use the proceeds of the payments defined under Section 3.2 of this Agreement solely for the purpose of paying Project Costs, as defined in the Zone Act, related to constructing, equipping, financing, maintaining, administering and/or operating such Zone School Projects as are designated under Section 3.1(a) of this Agreement.

(c) The District shall make annual reports to the Zone Board on the use and prospective use of the funds received hereunder for Zone School Projects.

Section 3.2. Payment and Use of Zone School Project Costs.

(a) The Parties to the Agreement agree that the District will paid out of the Tax Increment Fund sixty-six and two-thirds percent ( $66\frac{2}{3}\%$ ), of the Tax Increment Payments actually received by the Tax Increment Fund for the purpose of paying all or a portion of the Zone School Project Costs as specified in the definition of that term in Section 1.2 of this Agreement. It is specifically understood and agreed by the parties to this Agreement that even though additional or other projects may be included in the Plans, the funds paid to the District from the Tax Increment Fund pursuant to this Agreement shall and may only be used for the District's Zone School Projects. Except for the District's Tax Increment Payments, the District shall have no obligation for any costs or expenses associated with the operation of the Zone, including, without limitation, any obligation to pay or repay any debt issued by the City, the Zone, or the Zone Board relating to the Zone or any costs associated with the operation of Zone or any projects relating thereto. The District shall have no obligation to make contributions to the Tax Increment Fund in the event the City, for any reason during the term of this Agreement, does not contribute its tax increment in accordance with the terms of the Plans.

(b) To the extent that the District makes Tax Increment Payments to the Tax Increment Fund in accordance with Section 2.1 of this Agreement, the parties agree that the City shall be paid its  $33\frac{1}{3}\%$  of the Tax Increment Payments dedicated to Zone Infrastructure Projects prior to the District being reimbursed for  $66\frac{2}{3}\%$  of the Tax Increment Payments dedicated to Zone School Projects.

## Appendix A

(c) The amounts dedicated and required to be paid pursuant to Subsection (a) of this Section shall be paid to the District within seven (7) days of receipt by the Zone Board of the Tax Increment Payments. Such payments shall be made in such manner and to such account as may be designated from time to time by the District in writing.

(d) The payment of the amounts required to be paid to the District under Subsection (a) of this Section shall continue for each year in which the District makes a deposit into the Tax Increment Fund.

(e) Pursuant to Section 311.014 (d) of the Zone Act, after all project costs and all tax increment bonds or notes issued for the Zone have been paid, any money remaining in the tax increment fund shall be paid to the municipality and other taxing units levying taxes on the property in proportion to the municipality's and each unit's respective share of the total tax increments derived from taxable real property in the zone that were deposited in the fund during the fund's existence.

### ARTICLE IV

#### Miscellaneous Provisions

##### Section 4.1. Information Notices.

(a) The Zone Board shall provide periodic information concerning the status of the Zone and the Plans as may be reasonably requested in writing by the District.

(b) Whenever this Agreement requires or permits any consent, approval, notice, request, proposal or demand from one party to another, the consent, approval, notice, request, proposal or demand must be in writing to be effective and shall be deliverable to the party intended to receive it at the addresses shown below:

If intended to the District, to:

Superintendent of Schools  
Northwest Independent School District  
18501 State Hwy. 114  
Justin, Texas 76247-8700

If intended for the City, to:

City Manager  
City of Fort Worth  
1000 Throckmorton Street  
Fort Worth, Texas 76102

## **Appendix A**

### **Section 4.2. Effective Date, Termination of Agreement.**

(a) This Agreement shall be and become effective on and after the date on which the Plans are accepted by the District and approved by the City Council. Any of the District, the Zone Board, or the City may terminate this Agreement if the Plans have not been approved by the City and accepted by the District by August 31, 1999.

(b) Notwithstanding anything herein to the contrary, this Agreement and the District's obligations hereunder [except any obligations of the District to pay for municipal services pursuant to Sections 2.1 (d) and 2.1(e)] shall terminate and shall have no further force or effect on the earlier to occur of (i) December 31, 2025, (ii) an earlier termination date designated by an ordinance adopted subsequent to the Zone Creation Ordinance or (iii) the date on which the District's Zone School Project Costs have been paid in full from the Tax Increment Payments.

### **Section 4.3 Amendments to Plans.**

No amendments to the Plans involving Zone School Projects or modifying or altering the terms of this Agreement, directly or indirectly, shall be effective until the same are approved and accepted by the District. Other amendments to the Plans may be made in the manner provided by Section 311.011(e) of the Zone Act.

### **Section 4.4. Amendments and Modifications.**

This Agreement may be modified and amended by written mutual agreement of the District and the City.

### **Section 4.5. No Personal Liability for Zone Board**

The obligations under this Agreement are binding on the Zone Board in its corporate capacity, and no present or future member or officer of the Zone Board shall have any liability, obligation, or responsibility in their individual capacities for such obligations or failure of the Zone Board to perform such obligations.

### **Section 4.6. Severability.**

The provisions of this Agreement are severable and the invalidity or unenforceability of any provision hereof shall not affect the validity or enforceability of any other provision. It is the intention of the parties that each provision hereof be construed in a manner designed to effectuate the purposes of such provision to the maximum extent enforceable under applicable law.

### **Section 4.7. Strict Performance**

Failure of any party hereto to insist on the strict performance of any of the covenants or agreements herein contained or to exercise any rights or remedies accruing hereunder upon default or failure of performance shall not be considered a waiver of the right to insist on, and to

enforce by any appropriate remedy, strict compliance with any other obligation hereunder or to exercise any right or remedy occurring as a result of any future default or failure of performance.

Section 4.8. Immunity

No party hereto waives or relinquishes any immunity or defense on behalf of itself, its trustees, officers, employees or agents as a result of its execution of this Agreement and performance of the covenants contained herein.

IN WITNESS WHEREOF, this Agreement has been executed by the District and the City, in duplicate originals on this 11<sup>th</sup> day of ~~August~~<sup>September</sup>, 1999.

NORTHWEST INDEPENDENT  
SCHOOL DISTRICT

By: *Abbie Thomas*  
President, Board of Trustees

ATTEST:

*Brenda Mithras*  
Secretary, Board of Trustees

CITY OF FORT WORTH, TEXAS

By: *Bob Tenell*  
City Manager

ATTEST:

*Gloria Perea*  
City Secretary

APPROVED AS TO FORM:

*David H. Galt*  
for City Attorney

G-12628  
Contract Authorization  
8-10-99  
Date



STATE OF TEXAS

§

§

COUNTY OF TARRANT

§

EXHIBIT "A"  
INTERLOCAL COOPERATION AGREEMENT BETWEEN  
NORTHWEST INDEPENDENT SCHOOL DISTRICT  
AND THE CITY OF FORT WORTH, TEXAS

THIS INTERLOCAL COOPERATION AGREEMENT is made and entered into by the Northwest Independent School District ("District"), acting by and through its Board of Trustees, and the City of Fort Worth ("City"), acting by and through its City Council.

WITNESSETH:

WHEREAS, the Texas State Legislature has authorized the use of interlocal cooperation agreements between and among governmental entities; and

WHEREAS, this Interlocal Cooperation Agreement ("Interlocal Agreement") is made under the authority granted by and pursuant to the Interlocal Cooperation Act, Texas Government Code, Chapter 791, and as otherwise provided herein, relative to the joint authorization by the District and City to jointly use educational facilities (the "Zone School Projects") to be located in Tax Increment Reinvestment Zone No. Two, City of Fort Worth, Texas (the "Zone") in accordance with Chapter 311 of the Texas Tax Code (the "Zone Act"); and

WHEREAS, the governing bodies find that the performance of this Interlocal Agreement is in the common public interest of both parties, that their joint use will be in accordance with Section 311.008 of the Zone Act and of mutual benefit to the District and the City of Fort Worth; and

WHEREAS, the parties, in paying for the performance of governmental functions or in performing such governmental functions, shall make payments therefore only from current revenues legally available to each party; and

WHEREAS, the District and the City agree that the District's Zone School Projects shall be jointly used by the City for educational, recreational and civic opportunities for its citizens as set out herein.

## Appendix A

NOW THEREFORE, for and in consideration of the mutual agreements contained herein, the parties do hereby agree as follows:

### I. RESPONSIBILITIES

A. In consideration of the mutual covenants of this Interlocal Agreement and other good and valuable consideration, and in accordance with Section 311.008 of the Zone Act, the District shall permit the City to jointly use the Zone School Projects located in the Zone pursuant to the terms of this Agreement.

B. The District's Zone School Projects proposed in the Amended Project and Financing Plans include (1) an athletic complex with a football stadium, coliseum, natatorium, baseball, softball, and track facilities, tennis center, multi-purpose building (basketball, gymnastics, wrestling), and related infrastructure; (2) an automotive training complex; (3) additions and renovations/remodeling of the District's Core Campus Facilities and (4) planned new schools.

The construction of Zone School Projects is dependent on development in the Zone, the tax increment generated, and the needs of the District. Nothing in this Interlocal Agreement shall be construed as a representation that the District will construct a certain type of facility for joint use by the City. The District and City agree to determine the appropriate joint use of the Zone School Projects described in the Plans. Subject to approval by the District's Board of Trustees, potential joint use of the Zone School Projects by the City include but are not limited to the following: City sports leagues, City meetings and elections, City parks and recreation activities, adult and vocational education, and City performance events.

C. The Zone School Projects shall be owned and operated by the District for use as educational facilities and will be primarily used to service the educational needs of the District's students.

The scheduling of City use of the Zone School Projects shall be subject to approval by the District's Board of Trustees or its authorized representative. The District and the City shall cooperate in scheduling the joint use of the Zone School Projects by the City. However, in the event of an irreconcilable conflict between the District and City's joint use of the Zone School Projects, the District's use of the Zone School Projects shall prevail.

## Appendix A

The City shall be responsible for all additional costs associated with its joint use of the Zone School Projects as set forth herein, including but not limited to, utilities, maintenance, labor, and security.

D. Security shall be the responsibility of each party during its joint use of the Zone School Projects. The City and the District shall perform and exercise all rights, duties and functions and services in compliance with all valid and applicable laws, statutes, codes, regulations and ordinances of the United States, the State of Texas, the County of Tarrant, the Northwest Independent School District, the City of Fort Worth, or other lawful authority with jurisdiction over the premises.

E. During the term of this Agreement, the District agrees to obtain at its sole expense liability insurance for school sponsored events and/or activities on the Zone School Projects which the District determines, in its sole discretion, is appropriate.

During the term of this Agreement, the City agrees to obtain at its sole expense general liability insurance for City sponsored events and/or activities on the Zone School Projects, or provide evidence of self-insurance programs acceptable to the District.

F. Each party shall be responsible for defending and/or disposing of all causes of action arising against the respective party as a result of its use or occupation of the Zone School Projects. It is expressly understood and agreed that in the execution of this contract, neither the District nor the City waives, nor shall be deemed to waive, any immunity or defense that would otherwise be available to each against claims arising in the exercise of governmental powers or functions.

## II. TERM

The term and the termination of this Interlocal Agreement shall be in accordance with the Tax Increment Reinvestment Participation Zone Agreement to which this Interlocal Agreement is attached as Exhibit "A."


Appendix A

IN WITNESS WHEREOF, this Interlocal Agreement has been executed by the District and the City in duplicate originals on this 16th day of September, 1999.

NORTHWEST INDEPENDENT  
SCHOOL DISTRICT

By:   
President, Board of Trustees

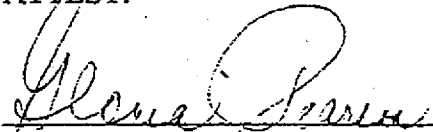
ATTEST:

  
Secretary, Board of Trustees

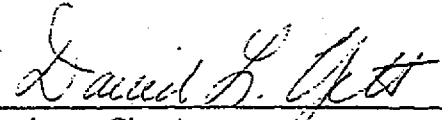
CITY OF FORT WORTH, TEXAS

By:   
City Manager

ATTEST:

  
City Secretary

APPROVED AS TO FORM:

  
Assistant City Attorney

G-12628  
Contract Authorization  
8-10-99  
Date

Appendix B

Master Agreement and  
Amendments for Texas  
Motor Speedway

MASTER AGREEMENT REGARDING SUPERSPEEDWAY  
COMPLEX DEVELOPMENT

WLG

This Master Agreement Regarding Superspeedway Complex Development (this "Agreement") is entered into as of the 31<sup>st</sup> day of July, 1996, by and among the City of Fort Worth, Texas, a municipal corporation of the State of Texas and a home rule city (the "City"), FW Sports Authority, Inc., a Texas industrial development corporation (the "Sports Authority"), and Texas Motor Speedway, Inc., a Texas corporation (the "Operator").

RECITALS:

- I. Operator is a major developer and operator of motor racing facilities.
- II. Operator proposes to construct a superspeedway (the "Superspeedway") and related facilities as described in Section 1.1 below (the "Project") on the land described in Exhibit A hereto (the "Property").
- III. The City, Denton County, Texas (the "County"), and Speedway Motorsports, Inc., a Delaware corporation ("SMI") have executed a Memorandum of Understanding dated June 14, 1995 (the "Memorandum of Understanding") setting forth the agreement in principle among SMI, the City and the County with respect to the financing and construction of the Project and with respect to SMI's construction of certain other facilities, all as identified on the Master Site Plan attached hereto as Exhibit B (the "Master Site Plan").
- IV. The Memorandum of Understanding contemplated the execution of a definitive agreement pertaining to the financing and construction of the Project and other matters relating to the Project including the operation thereof. Subsequent to the execution of the Memorandum of Understanding, the County, with the consent of the City, the Sports Authority, SMI and the Operator, withdrew from participating in any such definitive agreement.
- V. In accordance with the Memorandum of Understanding, the City has caused the creation of the Sports Authority pursuant to Section 4B of article 5190.6 of the Texas Revised Civil Statutes, as amended for the purpose, among others, of facilitating and supporting the construction and development of the Project.
- VI. Operator is the wholly-owned subsidiary of SMI that will develop and operate the Project and lease the Property and the Project from the Sports Authority.
- VII. The Sports Authority, the Operator and the City desire to set forth in this Agreement the general terms and conditions of the construction, development and lease of the Project, which terms and conditions will be more particularly described to the mutual satisfaction of the parties thereto in certain documents to be entered into subsequent to the date hereof, including, without limitation, the Lease, the Guaranty, and any and all other documents related hereto or thereto, including without limitation the documents relating to the issuance of the Bonds (collectively, the "Collateral Agreements").

## Appendix B

VIII. The parties hereby declare and agree that this Agreement supersedes the Memorandum of Understanding.

IX. The parties recognize that all agreements of the parties hereto and all terms and provisions hereof are subject to the laws of the State of Texas and all rules, regulations and interpretations of any agency or subdivision thereof then governing the subject matters hereof.

### AGREEMENT

In consideration of the premises and the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged and confessed by each of the parties hereto, the parties hereto have agreed and do hereby agree as follows:

#### I.

#### DEVELOPMENT

1.1 Development of Superspeedway Complex. The Operator agrees to cause, at its cost and expense, the Project to be constructed and developed on the Property as contemplated in this Agreement. The Project will include a one and one-half mile oval speedway, grandstand and other spectator seating, luxury suites, parking facilities, and such other facilities as may be directly related to the operation of the Superspeedway. The parties contemplate that the Project will be developed in two phases. The first phase ("Phase I") shall consist of the superspeedway facility described above along with seating for approximately 150,000 spectators (as well as luxury boxes and related facilities). The subsequent phase of the construction of the Project ("Phase II") shall expand the existing Project to accommodate approximately 280,000 spectators along with appropriate improvements to the remaining portion of the Project required to accommodate such additional spectators. Phase I of the Project shall be financed in accordance with the terms of Article II hereof. Phase II of the Project shall be financed by the issuance of additional Bonds substantially in the manner the Bonds for Phase I are to be issued, with such changes to such terms and conditions as are acceptable to the City, the Sports Authority, and Operator.

1.2 Design and Construction of Project. The Project shall be provided, constructed, and equipped in accordance with designs, plans and specifications prepared by or under the direction of Operator. All costs of preparation of designs, plans and specifications for all the Project shall be included in the Costs of the Project (defined below) payable or reimbursable, to the extent permitted by law, from the proceeds of the Bonds. Construction of the Project shall be accomplished in accordance with applicable law. Unless otherwise required by law, rule, regulation or interpretation by an agency of the State of Texas, Operator will negotiate and will not competitively bid construction contracts for the Project.

#### 1.3 Other Improvements.

1.3.1 Road Improvements. Subject to Sections 1.3.3 and 3.3(b) below, the City and Operator shall construct a ring road, a connecting road westerly to Highway 156, and a

## Appendix B

connecting road easterly to Interstate 35 as dedicated public thoroughfares (including the acquisition of needed right-of-way and drainage, some of which may be off site) as shown on the Master Site Plan. The design, location and construction of the road improvements shall be coordinated with the design and construction of the Project, subject to the prior mutual approval of the City, the Sports Authority, and Operator, in order to provide the optimum functional access to and from the Property. All costs of the road improvements referenced in this Section 1.3.1 are herein called the "Road Costs." The City shall not be required to spend more than \$7 million on the Road Costs. The City and the Operator shall share the Road Costs on a pro rata basis with the City bearing \$7.00 of such costs for every \$5.00 of costs that the Operator bears up to \$12 million. Anything to the contrary notwithstanding, Operator shall bear all Road Costs in excess of \$12 million. Such costs borne by Operator may be included in the Costs of the Project, to the extent permitted by law; provided, however, that the first \$5 million in Road Costs borne by Operator may not be financed by the proceeds of any obligations issued by the Sports Authority which are secured by or payable from, in whole or in part, directly or indirectly, any TIF Revenues. The City shall pay its share of the Road Costs (subject to the limitations set forth above) periodically in accordance with the terms of a community facilities agreement and/or interlocal cooperative agreement, as applicable, in form and substance acceptable to the City.

1.3.2 Water and Sewer Improvements. Subject to Sections 1.3.3 and 3.3(b) below, the City shall construct and maintain water and sewer improvements described on the Master Site Plan so that water and sewer services are delivered to the property line of the Property. The design, location, and construction of the water and sewer improvements shall be coordinated with the design and construction of the Project. The water and sewer improvements shall have a capacity of at least one million gallons of water service and one million gallons of sewer service provided for the Project to the property line of the Property. All costs of the utility improvements referenced in this Section 1.3.2 are herein called the "Utility Costs." The City shall not be required to spend more than \$4 million on the Utility Costs. Operator shall bear all Utility Costs in excess of \$4 million, and such costs borne by Operator may be included in the Costs of the Project, to the extent permitted by law. Construction of utilities shall be in accordance with the attached Schedule 1.3.2 subject to the City's right to amend the schedule, if necessary.

1.3.3 Master Site Plan. The Master Site Plan, including the uses set forth thereon, may not be materially changed without the prior written approval of the City, the Sports Authority, and Operator, such approval not to be unreasonably withheld. Operator's submission of a final version of the Master Site Plan, and the approval thereof by the City and the Sports Authority, are conditions precedent to the obligations of the City to finance and construct the road improvements and water and sewer improvements set forth in Section 1.3.1 and 1.3.2.

1.4 Annexation. Promptly after the execution hereof, the City shall use all reasonable efforts to annex into the City, to the extent permitted by law, those portions of the Property owned by the Sports Authority and Operator and located within the exclusive extraterritorial jurisdiction of the City (the "Annexed Property"). Further, the City will use its good faith efforts to secure appropriate adjustment of any extraterritorial jurisdiction boundaries in order to accomplish development of the Speedway in accordance with the Master Site Plan.



II.

FINANCING

2.1 Costs of the Project. It is understood and agreed that the costs of the Project (the "Costs of the Project") will include the following: (i) land acquisition costs, (ii) the architectural and engineering costs for preparation of plans, specifications and designs for the Project, (iii) costs of construction, equipment, furniture, and furnishings of the Project in order to make them usable for the purposes intended, (iv) financing costs, including underwriting costs, fees, and expenses, and the fees and expenses of attorneys, market analysts, consultants, and the costs of credit enhancement, if any, (v) capitalized interest during construction and reserve fund requirements attendant to the financing, (vi) direct out-of-pocket costs, including, without limitation, fifty percent (50%) of all attorneys' fees (not to exceed \$50,000) of the City and the Sports Authority paid out or incurred prior to the financing stage for the Project for any of the foregoing purposes, and (vii) such other costs and expenses as the City, the Sports Authority, and Operator shall mutually approve. It is agreed by the City, the Sports Authority, and Operator that the Project will be of such design and quality as will cause the Costs of the Project for Phase I not to exceed an estimated cost, as of the date this Agreement is executed, of \$115,000,000.00 (the "Phase I Amount"). Operator shall have architectural, engineering and construction control and discretion over the Project and the Costs of the Project related hereto. It is further agreed, however, that Operator may enhance the design and quality of the Project above the stated maximum costs at its sole cost and expense.

2.2 Issuance of Bonds; Purchase of Property and Project. Subject to construction of the Project having been certified to be complete and operational by Operator, the issuance of a Certificate of Occupancy by the City, and the Project being acceptable to the Sports Authority, and further subject to execution of the Collateral Agreements, the Sports Authority shall use its best efforts to issue its "Lease and Contract Revenue Bonds" (the "Bonds") in an aggregate principal amount not exceeding the Phase I Amount for the purpose of purchasing the Project and the Annexed Property from Operator and to reimburse Operator for funds advanced pursuant to Section 3.3 hereof. The structure, maturities, interest rates, provisions and specific terms of the Bonds shall be as mutually approved by the Sports Authority, the City, and Operator, and shall be, subject to then prevailing market conditions and applicable laws, payable over a term of 30 years with level debt service. The Bonds shall never be paid or payable from the general credit or taxing power of the City. SMI shall execute a guaranty acceptable to the City and Sports Authority (the "Guaranty") pursuant to which SMI will guaranty all obligations of Operator under the Lease and hereunder. In addition, Operator and SMI may be required to provide credit enhancement for the Bonds to assure their marketability.

2.3 Repayment of Bonds and Incremental Funding.

2.3.1 Sources of Repayment of Bonds. Subject to Section 2.3.4 below, the City, the Sports Authority, and Operator agree that the rental under the Lease (defined below) shall be applied to the repayment of the principal of and interest on the Bonds when due. Subject to the terms and conditions of Sections 2.3.2 below, the TIF Revenues and Other Revenues (each as defined below) may be applied as a credit to the rent payable by the Operator, as lessee.

2.3.2 Tax Increment District.

(a) Promptly after annexation of the Annexed Property pursuant to Section 1.4 above, a Tax Increment Financing District (the "TIF") shall be created over the Annexed Property pursuant to the provisions of Chapter 311 of the Texas Tax Code. The City shall contribute 100% of the incremental taxes related to the TIF into the tax increment fund of the TIF. The TIF shall, to the extent now or hereafter permitted by law, pay to the Sports Authority and the City moneys on deposit in the tax increment fund for the purpose of discharging obligations arising out of the Bonds and other costs, expenses, and obligations incurred by the Sports Authority and the City. The TIF will terminate on the earlier of (i) 40 years from the date of its creation or (ii) payment, discharge, or defeasance of all Bonds and other TIF obligations, if any. Nothing in this Section 2.3.2 shall limit or restrict the use of any land outside of the TIF for any purpose or restrict the use of the land within the TIF for being used for the following uses: (i) office and condominium complexes, (ii) private club facilities and amenities, (iii) warehouse industrial facilities, (iv) facilities used for the purpose of furnishing products and/or services utilized in conducting driving schools, motor vehicle racing events, or other entertainment events, and (v) facilities for the manufacture and assembly of vehicles (collectively, the "Other Facilities"). TIF Revenues and Other Revenues, however, shall not be made available for the acquisition, construction, improvement or equipping of any of the Other Facilities, unless the Sports Authority determines, in its sole judgment, that the Other Facilities are an integral part of Phase I or Phase II.

(b) All local sales taxes (other than the transit authority and crime district taxes collected within the City), hotel occupancy taxes, and ad valorem taxes (to the extent contributed to the TIF by the taxing units) generated within the TIF in excess of those generated as of the date of the TIF's creation shall, to the extent now or hereafter permitted by law, be paid to the Sports Authority to be used by the Sports Authority in accordance with the terms hereof (respectively "ST", "HOT" and "AVT" and collectively, the "TIF Revenues"). In addition Operator, may seek to capture ST, HOT, and AVT generated within the Project's sphere of influence but outside the corporate limits of the City under the terms of interlocal contracts which will provide for the payment of such funds to the Sports Authority. Such ST, HOT and AVT are herein collectively called "Other Revenues." Operator shall be responsible for initiating and coordinating the pursuit of Other Revenues.

(c) After payment of unreimbursed costs and expenses (other than Utility Costs and Road Costs) incurred by the City and Sports Authority in connection with their activities and operations relative to the Project, to the extent permitted by law, and subject to Sections 2.3.4 and 4.1.2, TIF Revenues and Other Revenues will be applied as follows:

(i) All AVT generated within the TIF will be credited to the rent payable as provided in Section 4.1.2;

## Appendix B

(ii) All ST and HOT generated within the TIF up to \$500,000 annually (the "Threshold Amount") will be used for the payment of eligible TIF costs and expenses; and

(iii) all ST and HOT generated within the TIF in excess of the Threshold Amount, together with all Other Revenues, will be shared by the City and the Sports Authority, with the Sports Authority receiving 50% of such amounts, to be used for the payment of amounts due with respect to or incurred in connection with the Bonds, and the City receiving the remaining 50% of such revenues.

(d) The Bonds shall be subject to the approval of the Attorney General of Texas, as required by Texas law.

**2.3.3 State Tax Rebate.** The City and the Sports Authority shall cooperate with Operator (at Operator's expense and at no expense or loss of revenue to the City or the Sports Authority) to secure a State rebate to the Sports Authority (to the extent permitted by law) of all or a part of the State's portion of all mixed beverage taxes and any other taxes related to alcoholic beverages, ST, and HOT generated from the Project for the term of the Bonds. Fifty percent of any rebated amounts shall be retained by the Sports Authority and the remaining 50% shall be refunded to the City. The portion of such funds retained by the Sports Authority shall be used to pay amounts due in connection with the Bonds or to commence Phase II of the Project. Any amounts remaining in the Sports Authority after payment of all obligations of the Sports Authority shall be paid to the City. Operator shall have primary responsibility for seeking any rebate from the State. If the State rebate is paid to the Sports Authority as provided above but the Sports Authority is precluded from making a payment to the City as contemplated in this Section, then the Sports Authority and Operator shall pay to the City its portion of the State rebate contemplated herein, such amount to be derived from additional payments under the Lease.

**2.3.4 Liquidated Damages.** In consideration of the City contributing its TIF Revenues as described above, in the event a major motor racing event has not been held at the Speedway or a major NASCAR event has not been sanctioned to be held at the Speedway by January 1, 2000, the Operator shall pay to the City the amounts set forth on Schedule 2.3.4, at the times set forth in such schedule and an amount equal to the TIF Revenues captured to date from the City, and TIF Revenues will no longer be contributed or paid to the Sports Authority or the Project.

### III.

#### PROPERTY

**3.1 Transfers.** As contemplated by Section 2.2 hereof, concurrently with the issuance of the Bonds, Operator shall transfer to the Sports Authority the Project and the Property owned it, and the Sports Authority shall reimburse Operator for the Out Parcels (defined below) acquired by the Sports Authority with funds advanced by Operator.

3.2 Title and Effect of Transfers. The properties transferred pursuant to this Article III will be transferred by special warranty deed in a condition reasonably acceptable to the Sports Authority and free and clear of all liens, claims, easements, rights-of-way, reservations, reversionary interests, restrictions, encroachments, tenancies, oil, gas or mineral leases and any other encumbrances on the mineral estate and any other encumbrances of whatsoever nature (collectively, "Encumbrances") except the Permitted Encumbrances (hereinafter defined). Within thirty (30) days after the completion of construction of all improvements comprising the Project, Operator shall, at Operator's sole cost and expense, deliver to the Sports Authority an Owner's Commitment for Title Insurance ("Title Commitment") from Rattikin Title Company, 611 Throckmorton Street, Fort Worth, Texas 76102 (the "Title Company"), which Title Commitment shall set forth the status of the title of the Property and shall show all Encumbrances and other matters, if any, relating to the Property. Within thirty (30) days after the completion of construction of all improvements comprising the Project, Operator shall, at Operator's sole cost and expense, deliver to the Sports Authority a survey ("Survey"), certified to the Sports Authority and the City, describing the Property, showing the location of all improvements constructed thereon, showing the location of all Encumbrances located (identified by appropriate recording information), and reflecting the total number of acres within the Property, prepared by Huitt Zollers, Inc. If the Title Commitment or Survey fails to show good, marketable, and indefeasible fee simple title to the Property to be in the Operator, free and clear of all Encumbrances that, in the Sports Authority's judgment, materially and adversely affect the ownership, use, or operation of the Property, then the Sports Authority may give the Operator written notice thereof ("Objections"). If the Sports Authority gives such notice to the Operator, the Operator may cure the Objections. If the Sports Authority gives notice of Objections and the Operator does not cure the Objections so that the Title Commitment and Survey can be amended to give effect to matters that are cured, and give the Sports Authority written notice thereof within thirty (30) days prior to the date on which the Property will be purchased by and transferred to the Sports Authority, the Sports Authority shall have the right to either (i) waive the Objections by written notice to the Operator and consummate the purchase of the Property subject to the Objections, which shall be deemed to be "Permitted Encumbrances," or (ii) this Master Agreement shall be deemed terminated, whereupon neither party shall have any further rights or obligations to the other hereunder. If the parties proceed to closing, the Operator shall deliver to the Sports Authority an Owner Policy of Title Insurance issued by the Title Company to the Sports Authority in the amount of the indebtedness evidenced by Bonds, insuring that, after the completion of the closing, the Sports Authority is the owner of indefeasible fee simple title to the Property, subject only to the Permitted Encumbrances.

3.3 Land Acquisition.

(a) Operator represents and warrants to the parties hereto that it has, prior to the execution hereof, made good faith efforts through reasonable negotiations to acquire from the owners thereof the "Out Parcels" (herein so called and defined) designated on the Master Site Plan at fair market prices. The City, the Sports Authority, and the Operator hereby acknowledge and agree that all of the Out Parcels contemplated in the Master Agreement are necessary to the operation of the public project. The City, the Sports Authority, and the Operator acknowledge that the Operator through the efforts of the Operator and the Sports Authority has succeeded in acquiring or contracting for the acquisition of numerous lots lying within the Country Lane Estate Subdivision in Denton

County, Texas (herein "Country Lane Out Parcels"). Some of these acquisitions resulted in a title transfer to the Operator or to its affiliated entities, and that additional Country Lane Out Parcels are currently under contract and will be conveyed in a direct title transfer to the Sports Authority. The City, the Sports Authority, and the Operator acknowledge and agree that all lot transfers to the Operator or its affiliated entities were done for the benefit of the Sports Authority in an effort to accelerate the completion of the Project. The City, the Sports Authority, and the Operator acknowledge and agree that to date, the acquisition of the Out Parcels contemplated by the Master Agreement has been financed by the Operator. The Operator is financing these transactions only with the intent to accelerate the completion of this public project, which public project has been contemplated for at least eighteen months. The Operator acknowledges and agrees it has not and shall not charge the Sports Authority any interest for its having financed the acquisition of the Out Parcels in an effort to expedite the completion of this public project and shall not charge the Sports Authority for any future financing in the acquisition of the Out Parcels, as described herein.

(b) The Sports Authority shall retain the services of legal counsel to handle all future acquisitions of the Out Parcels ("Consultant"), including acquisitions through eminent domain proceedings, of the Sports Authority's choice, after reasonable consultation with Operator as to the consultant to be retained. The Consultant shall engage, as needed, a real estate appraiser or real estate appraisers to determine the current fair market value of each of the Out Parcels, and the Consultant shall negotiate the terms and conditions of the purchase of the Out Parcels, subject to the qualifications and limitations set forth below. Within five (5) business days of the execution of this Agreement, Operator, pursuant to the terms of the Escrow Agreement attached hereto as Exhibit C ("Escrow Agreement"), shall deposit with Title Company, as escrow agent ("Escrow Agent") Three Million Two Hundred Fifty Thousand and no/100 Dollars (\$3,250,000.00) ("Escrow Funds"), to be used by the Sports Authority to acquire the remaining Out Parcels designated on the Site Plan and not already conveyed to the Sports Authority pursuant to Section 3.3(a) and to pay all costs associated therewith. If the Operator fails to deposit such amount, such failure shall constitute a breach hereof, and shall relieve all parties of any obligations to each other under this Agreement and all other commitments of any and all parties to each other relating to the Project including without limitation all resolutions, orders and communications from the Texas Department of Transportation and the Trinity River Authority of Texas. Promptly after such deposit, the Sports Authority through Consultant shall proceed to use its best efforts to acquire all of the Out Parcels by offering to the respective owners of the Out Parcels the fair market value thereof. If any of the owners of the Out Parcels rejects the fair market value offer and submits a higher counteroffer, the Sports Authority shall submit the counteroffer to Operator for Operator's approval. If Operator disapproves any counteroffer, the Sports Authority shall promptly proceed to use its best efforts to acquire the affected Out Parcel(s) by eminent domain proceedings. If the owner of an Out Parcel offers to settle outside of the eminent domain proceeding for an amount in excess of the fair market value offered to such owner, the Sports Authority shall not be authorized to settle without the

prior approval of Operator. If Operator disapproves of any proposed settlement, the Sports Authority shall continue with the eminent domain proceeding. Operator shall respond within five (5) business days to any counteroffer or settlement proposal submitted by the Sports Authority or the Consultant. Operator shall bear all costs incurred by the Sports Authority in negotiating and consummating the purchase of the Out Parcels and/or conducting such eminent domain proceedings, including legal fees and other acquisition costs, and all costs pertaining to the Consultant's services. The Sports Authority may make periodic draws of Escrow Funds to defray all costs incurred under this Section 3.3 in accordance with the terms of the Escrow Agreement, and Operator shall, upon request by the Sports Authority, deposit with the Escrow Agent or pay directly to the Sports Authority any amounts in excess of the Escrow Funds required to acquire the Out Parcels and to pay all costs associated therewith. The Sports Authority and the Operator hereby acknowledge and agree that all excess amounts deposited with Escrow Agent into the Escrow Account shall be returned to the Operator. In the event Operator fails to abide by any of the terms of this Agreement, in addition to the remedies that may be exercised by the Sports Authority upon such breach, including termination of all or any portion of its obligations under this Agreement, the Sports Authority shall be relieved of any obligation to acquire the Out Parcels whether by condemnation or otherwise.

3.4 Allocation of Assets Should the Public Project Fail. The City, the Sports Authority, and the Operator acknowledge and agree that should the public project contemplated by the parties fail because of legal intervention by third parties, because of economic impracticability, or because of any other event outside the control of the parties, the Sports Authority shall convey to the Operator title to all Out Parcels, the acquisition of which was financed by the Operator. Should such unlikely events occur, neither the Sports Authority nor the Operator shall owe each other any other compensation relating to the Out Parcels. All costs incurred in connection with this Agreement, including without limitation, costs incurred by the parties under this Section 3.5 shall be paid by the Operator.

#### IV.

#### PROJECT LEASE

4.1 Lease of Project. Subject to and upon satisfaction of the terms and conditions of this Agreement, Operator, as lessee, and the Sports Authority, as lessor, will enter into a lease of the Property and the Project (the "Lease") acceptable to the Sports Authority and Operator.

4.1.1 Lease Term. The Lease shall commence on the date of issuance of the Bonds and shall have a term expiring on the earlier of (i) 60 years from its date or (ii) the date the Bonds have been paid, discharged or defeased.

4.1.2 Rent. The rent payable under the Lease shall be equal to the total of the Sports Authority's then-current obligations to make principal and interest payments on the Bonds and the reasonable and necessary maintenance and operating expenses incurred by the Sports

Authority pursuant to periodic budgets approved by the Sports Authority and the Operator. The TIF Revenues and the Other Revenues may be credited against the rent payable by Operator.

4.1.3 Sublease and Development. The Lease shall provide Operator the right to sublease or develop portions of the Property for the Other Facilities which will be owned by Operator. All revenues generated by any such subleases or development shall belong to Operator. In this regard, the Lease shall provide that, with the consent of the Sports Authority, the Lease may be separated into counterpart leases covering individual tracts of land included in the Property. Further, Operator with the consent of the Sports Authority, shall be permitted to mortgage its leasehold interests under the Lease. Anything herein to the contrary notwithstanding, the obligation of Operator to pay rent shall be unconditional for so long as the Bonds are outstanding. Any such sublease or mortgage herein permitted shall be subordinate to the Bonds and shall not abrogate the duty of Operator to pay rent for so long as the Bonds are outstanding.

4.1.4 Operation. The Lease will provide that Operator agrees to maintain and operate the Project in a condition necessary to conduct NASCAR racing and Indy-type Car racing for the period during which any Bonds are outstanding.

4.1.5 Uses of the Property. Throughout the term of the Lease, the Project and the Property shall be used solely for the purposes of a racing facility, entertainment venue and other uses associated therewith including those outlined in Sections 1.1 and 2.3.2 above.

4.2 Option to Purchase. The Lease will provide that at the end of the Lease Term, as provided in Section 4.1.1, that the Operator shall have the following rights and options:

(a) Upon satisfaction of the condition stated in (b) below and at the end of the term of the Lease, the Operator may purchase the Property for the agreed depreciated value of the Property (as set forth in the Lease and agreed to by the Sports Authority and the Operator) at the end of the term of the Lease, less a credit equal to an agreed percentage of the rent payable under the Lease without reference to the credits of Other Revenues, but in no event shall the purchase price be greater than \$500,000.

(b) As a condition to the option to purchase provided in (a) above, any documents of transfer of the Property must contain a condition that the Operator, as owner of the Property, shall continue to operate the Property as a public coliseum, stadium or track for automobile racing and related purposes for a term of not less than fifteen (15) years.

4.3 Signage and Concessions. Subject to Sections 2.3.3 and 4.7 hereof, Operator shall collect and retain as income revenues from all concessions, parking, signage, sublease revenues, naming allowances, and any and all other revenue produced within the Project.

4.4 Triple Net Lease. The Lease shall provide that all operation, maintenance, repairs, and upkeep of the Property, the Project and the Other Facilities and all costs associated therewith shall be the obligation, responsibility and liability of Operator.

4.5 Lease Indemnification. The Lease shall contain indemnification in favor of the City and the Sports Authority satisfactory to the City and the Sports Authority, including, without limitation, indemnification against all risks of ownership of the Property and Project, including, without limitation, any environmental or operational risks, as well as to matters with respect to the issuance of Bonds and additional Bonds, and shall include insurance coverage against such risks (other than environmental insurance) as may be satisfactory to the City and the Sports Authority.

4.6 Suites and Tickets. Operator shall lease during the term of the Lease at \$1.00 per year to the Sports Authority one luxury spectator suite at the Project, for the exclusive use of the Sports Authority or its designee and its invited guests, the location of which will be selected by the Sports Authority after the selection by Operator of its suite but prior to the selection of any other luxury spectator suite at the Project, finished, furnished and maintained by Operator, at its cost, in a manner not less than the standard upfit package available to all other suite lessees, and having a seating capacity for not less than, together with tickets to all events for, 60 persons. Operator shall grant to the Sports Authority, for consideration of \$1.00 per year, a membership in the Texas Speedway Club, if any, during each year of the term of the Lease. The Sports Authority shall have the right to transfer, assign, sublease and/or convey its suite on terms and conditions acceptable to the Sports Authority in its sole discretion provided that Operator shall have a right of first refusal with respect to any proposed transfer, assignment or sublease (which sublease is for more than one year) of the Sports Authority's suite.

4.7 Festivals and Related Activities. The City anticipates creating a Texas nonprofit corporation (the "Festival Corporation"), the purpose of which, among others, will be to promote the City and events held within the Property and festivals and activities relating thereto. The Festival Corporation shall have the right to plan, organize and hold festivals and similar activities which relate to events held within the Property, and which may include television and broadcast rights relating thereto and the control of all products sold at such festivals and activities. All revenues generated from such festivals and related activities, including without limitation all product revenues, sponsor revenues and television and broadcast revenues, shall be paid to, and be the property of, the Festival Corporation. It is anticipated that the Festival Corporation will develop its own logotypes, trademarks, servicemarks, copyrights and trade names relating to festivals promoting the City and various events held at the Superspeedway. The Operator agrees to cooperate with the Festival Corporation to promote such festivals and related activities, including without limitation permitting the Festival Corporation to use Operator's logotypes, trademarks, servicemarks, copyrights, and trade names for non-commercial purposes in promoting festivals and related activities. The Festival Corporation shall not be entitled to sell any item bearing any mark owned by Operator without Operator's prior written consent and at a royalty rate no greater than the lowest rate charged to other users for such event. The Festival Corporation shall cooperate with the Operator and the Speedway's protected sponsors and vendors in such a manner as to provide the Speedway's protected sponsors and vendors the right of first refusal to participate in providing products at festival events.

4.8 Other Provisions. The Lease shall have such other provisions as may be acceptable to Operator and the Sports Authority.



4.9 **Reports.** Operator and all affiliates of Operator conducting business within the Property shall deliver concurrently with the filing with or receiving from any federal, state or local governmental entity or agency, two (2) copies of all notices, reports, disclosure statements, operating and/or revenue statements and all other documents filed by or on behalf of such person with, or received by such person from, any federal, state or local governmental entity or agency. In addition, to the extent Operator may reasonably secure same, all agreements between Operator or any affiliates of Operator and any person operating a business within the Property, including without limitation any concessionaires, shall provide that such person shall deliver to the City and the Sports Authority within ten (10) days of the end of each month, operating and revenue statements pertaining to the business conducted by such person within the Property and upon the filing thereof, verification of all sales taxes reported to the Texas Comptroller of Public Accounts as having been collected within the Property by such person. It is acknowledged by the Operator, the City and the Sports Authority that the City will use such reports and documents and other information available to it to determine the amount to be paid by the City to the TIF pursuant to Section 2.3.2(b)(ii) and (iii) hereof and the amount due the City under Section 2.3.3 above.

V.

**ADDITIONAL COVENANTS**

5.1 **Toll Roads, Taxes.** During the period that Operator is lessee of the Project and provided that Operator is not in material default under the terms of the Lease, the Collateral Agreements or any agreements related thereto, the parties agree not to support or take any action to (a) convert the thoroughfares shown on the Master Site Plan into toll roads or (b) impose an admission fee tax or seat tax surcharge on the Project or the use thereof.

5.2 **Expenses.** If this Agreement is consummated, then each party shall bear its own attorneys' fees and costs in connection with the negotiation and preparation hereof, but such fees and costs shall be part of the Costs of the Project, subject to the terms and conditions set forth in Section 2.1 above.

5.3 **Texas Department of Transportation.** The City, the Sports Authority, and Operator recognize that the participation of the Texas Department of Transportation ("**DOT**"), through its commitment to pay costs and to expedite construction of all highway improvements, is essential to the financing of the Project, and such parties agree to cooperate in seeking such participation. If DOT requests that the City pay a local share of highway improvements and the City elects not to pay such local share, then Operator may have the option to pay such costs on behalf of the City and include them in the Costs of the Project, to the extent such costs are allowable and to the extent such costs are incurred for improvements to roads located within either the corporate limits of the City or the City's exclusive extraterritorial jurisdiction.

5.4 **Indemnification.**

5.4.1 **Indemnity.** Operator shall indemnify, protect, defend and hold harmless the Sports Authority, the Sports Authority's officers, directors, affiliates, employees and agents, the City and the City's council members, affiliates, employees and agents (collectively, the

"Indemnatee" or "Indemnitees") from any and all damages, losses, liabilities (joint or several), payments, obligations, penalties, claims, litigation, demands, defenses, judgments, suits, proceedings, costs, disbursements or expenses (including, without limitation, fees, disbursements and reasonable expenses of attorneys, accountants, and other professional advisors and of expert witnesses and costs of investigation and preparation) of any kind or nature whatsoever (collectively, the "Damages"), directly or indirectly resulting from, relating to or arising out of:

(a) the annexation of the Out Parcels and the Property; the acquisition of the Out Parcels and the Property; the creation, organization, or operation of the TIF; the creation or organization of the Sports Authority; or the operation of the Sports Authority to the extent such operation relates, directly or indirectly, to the Out Parcels or the Property;

(b) the design, installation, construction, development, operation, use, occupancy, maintenance, or ownership of the Property, the Project or any Other Facilities or the business of SMI or Operator, including, without limitation, any Damages attributable to bodily injury, sickness, disease or death, to personal injury, or to injury or destruction of property including loss of use resulting therefrom;

(c) the formation, organization and operation of SMI or Operator;

(d) any breach of or inaccuracy in any representation or warranty made or given by SMI or Operator or any of their agents, officers, or employees contained in this Agreement, in any of the Collateral Agreements, or in any other writings relating thereto;

(e) the issuance, offering, sale or delivery by the Sports Authority of the Bonds or any documents or agreements executed in connection therewith that are approved by Operator;

(f) any breach or non-performance, partial or total, by SMI or Operator of any covenant or agreement of SMI or Operator contained in this Agreement or in any of the Collateral Agreements; or

(g) any actual or threatened violation of or non-compliance with, or remedial obligation arising under, any federal or state environmental laws arising from any event, condition, circumstance, activity, practice, incident, action or plan relating in any way to the Property, the Project, the Other Facilities or the business of SMI or Operator.

**5.4.2 Indemnification Procedures.** In case any claim shall be brought or, to the knowledge of any Indemnatee, threatened against any Indemnatee in respect of which indemnity may be sought against Operator, such Indemnatee shall promptly notify Operator in writing; provided, however, that any failure so to notify shall not relieve Operator of its obligations under Section 5.4.1 unless (i) such failure so to notify precludes Operator's investigation and defense of such claim as a matter of law, and (ii) Operator does not otherwise have knowledge, either actual or constructive, of such claim. Operator shall have the right (and obligation,

subject to the terms below) to assume the investigation and defense of all claims, including the employment of counsel and the payment of all expenses. Each Indemnitee shall have the right to employ separate counsel in any such action and participate in the investigation and defense thereof, but the fees and expenses of such counsel shall be paid by such Indemnitee unless (i) the employment of such counsel has been specifically authorized by Operator, in writing, (ii) Operator has failed after receipt of notice of such claim to assume the defense and to employ counsel, or (iii) the named parties to any such action (including any impleaded parties) include both an Indemnitee and SMI or Operator, and the Indemnitee, after consultation with its counsel, reasonably believes that there may be one or more legal defenses available to it which are different from or additional to those available to Operator (in which case, if such Indemnitee notifies Operator in writing that it elects to employ separate counsel at Operator's expense, Operator shall not have the right to assume the defense of the action on behalf of such Indemnitee; provided, however, that Operator shall not, in connection with any one action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegation or circumstances, be liable for the reasonable fees and expenses of more than one separate firm of attorneys for the Indemnitee, which firm shall be designated in writing by the Indemnitees). Each Indemnitee shall cooperate with Operator in the defense of any action or claim. Operator shall not be liable for any settlement of any action or claim without Operator's consent, but if any such action or claim is settled with the consent of Operator or there be final judgment or agreement for the plaintiff in any such action or with respect to any such claim, Operator shall indemnify and hold harmless the Indemnitees from and against any Damages by reason of such settlement or judgment as provided in Section 5.4.1.

**5.4.3 Negligence of Indemnitee.** THIS INDEMNIFICATION REMAINS IN FULL FORCE AND EFFECT EVEN IF ANY CLAIM DIRECTLY OR INDIRECTLY RESULTS FROM, ARISES OUT OF, OR RELATES TO OR IS ASSERTED TO HAVE RESULTED FROM, ARISEN OUT OF, OR RELATED TO THE SOLE NEGLIGENCE OR CONCURRENT NEGLIGENCE OF AN INDEMNITEE. THE ONLY CIRCUMSTANCES UNDER WHICH THIS INDEMNITY SHALL NOT APPLY SHALL BE IN CONNECTION WITH LIABILITIES ATTRIBUTABLE TO THE WILLFUL MISCONDUCT OF AN INDEMNITEE.

**5.4.4 Project Insurance Coverages.** The Lease shall provide that on and as of the date of transfer of the Property and the Project to the Sports Authority, as herein required, Operator shall have obtained, and shall have in full force and effect, insurance coverages relating to the Project and its properties, and the ownership and operation thereof, of types and in amounts normally and customarily carried on or with respect to properties and activities of the types included as part of the Project and its operations and to secure the indemnity provided in Section 5.4 hereof, including without limitation, coverage insuring against fire, property and casualty damage and comprehensive general liability. Further, such insurance shall name the Sports Authority as owner and lessor of the Property and the Project, as an insured party, the Operator as lessee of the Property and the Project, and the City, and its offices and employees, as additional insureds.

**5.4.4.1 Operator's Personal Property Insurance.** The Lease shall provide that any insurance policy covering Operator's or its contractors' or subcontractors' equipment or personal property against loss by physical damage shall include an endorsement waiving the insurer's right of subrogation against the Indemnitees. Such insurance shall be Operator's and

its contractors' and/or subcontractors' sole and complete means of recovery for any such loss. SHOULD OPERATOR OR ITS CONTRACTORS OR SUBCONTRACTORS CHOOSE TO SELF INSURE THIS RISK, IT IS EXPRESSLY AGREED THAT OPERATOR AND ITS CONTRACTORS AND SUBCONTRACTORS HEREBY WAIVE ANY CLAIM FOR DAMAGE OR LOSS TO SAID EQUIPMENT OR PROPERTY IN FAVOR OF THE INDEMNITEES, EVEN IF SUCH DAMAGE OR LOSS IS CAUSED IN WHOLE OR IN PART BY THE NEGLIGENCE OF ANY INDEMNITEE.

5.4.4.2 Evidence of Insurance. The Lease shall require Operator to provide evidence of the insurance coverage required under this Section 5.4.4, represented by Certificates of Insurance issued by the insurance carrier, must be furnished to Sports Authority. Certificates of Insurance shall specify the additional insured status required above as well as the waivers of subrogation. Operator shall provide to Sports Authority a certified copy of any and all applicable insurance policies upon request of Sports Authority. Timely renewal certificates will be provided to Sports Authority as the coverage renews.

5.4.4.3 RELEASE AND WAIVER. OPERATOR HEREBY RELEASES, AND SHALL CAUSE ITS INSURERS, CONTRACTORS, THEIR SUBCONTRACTORS, AND EACH OF THEIR RESPECTIVE INSURERS TO RELEASE, THE INDEMNITEES FROM ANY AND ALL CLAIMS OR CAUSES OF ACTION WHATSOEVER THAT OPERATOR, ITS INSURERS, ITS CONTRACTORS, THEIR SUBCONTRACTORS, AND/OR ANY OF THEIR RESPECTIVE INSURERS MIGHT OTHERWISE POSSESS RESULTING IN OR FROM OR IN ANY WAY CONNECTED WITH ANY LOSS COVERED OR WHICH SHOULD HAVE BEEN COVERED BY INSURANCE, INCLUDING THE DEDUCTIBLE PORTION THEREOF, MAINTAINED AND/OR REQUIRED TO BE MAINTAINED BY OPERATOR AND/OR ITS CONTRACTORS OR THEIR SUBCONTRACTORS PURSUANT TO THIS AGREEMENT, EVEN IF SUCH CLAIMS OR CAUSES OF ACTION ARE CAUSED IN WHOLE OR IN PART BY THE NEGLIGENCE OF ANY INDEMNITEE.

5.4.5 Survival; Right to Enforce. The provisions of this Section 5.4 shall survive the termination of this Agreement. In the event of failure by Operator to observe the covenants, conditions and agreements contained in this Section 5.4, any Indemnitee may take any action at law or in equity to collect amounts then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of Operator under this Section 5.4. The obligations of Operator under this Section 5.4 shall not be affected by any assignment or other transfer by the Sports Authority or the City of their respective rights, titles or interests under this Agreement and will continue to inure to the benefit of the Indemnites after any such transfer. The provisions of this Section 5.4 shall be cumulative with and in addition to any other agreement by SMI and/or Operator to indemnify any Indemnitee.

5.5 Employment. To the extent permitted by law, Operator shall give preference to the residents of the City in employment at the Project and the Other Facilities.

5.6 M/WBE Policy. The Operator shall take reasonable steps to comply with the City's minority and women business enterprise policy as set forth in Ordinance No. 11923 adopted by the City Council of the City of Fort Worth on April 18, 1995 (the "Ordinance").

"Reasonable steps" shall include at a minimum a written policy by the Operator outlining the Operator's hiring policy, purchasing procedures, and affirmative outreach program, (i.e., publicly advertising or likewise making known the contracting opportunities). Said policy shall be filed with the Sports Authority Board prior to the issuance of Bonds by the Sports Authority and thereafter shall be updated annually to reflect changes in market circumstances throughout the life of the Lease. Upon Operator's failure to submit such reports or thereafter to adhere to this requirement, the Sports Authority may withhold revenues that may be available to the Operator under this Agreement until such time as the deficiencies are corrected.

5.7 Put. Operator shall grant to the Sports Authority an option to put the Project and the Property to Operator (the "Put Option") at a price of \$1.00 plus all outstanding obligations of the Sports Authority, and Operator shall be obligated to accept such conveyance upon (i) occurrence of a material breach under this Agreement, the Lease or any of the Collateral Agreements, (ii) the expiration of the Lease's term, or (iii) the payment or extinguishment of all obligations under the Bonds; provided, however, to exercise the Put Option, the Sports Authority must give notice of its exercise, as the case may be; (i) no later than ninety (90) days after having actual knowledge of such breach, (ii) at least ninety (90) days prior to the expiration of the Lease's term, or (iii) no later than ninety (90) days after the payment or extinguishment of all obligations under the Bonds. The Sports Authority's election not to exercise the Put Option upon the occurrence of one of the foregoing events shall not prejudice or constitute a waiver of its right to exercise the Put Option thereafter as set forth above.

5.8 North Texas Commission. The City shall reasonably cooperate with Operator in requesting that the North Texas Commission and its members utilize an aggregate of \$500,000 per year for five years of HOT as directed by Operator to advertise the Facilities and the City.

5.9 Sales Taxes on Construction. The City and the Sports Authority shall cooperate with Operator, at Operator's expense, to seek an advanced determination from the Comptroller of Public Accounts as to whether the cost of constructing and equipping the Project is exempt from state and local sales taxes.

5.10 Name. If the name of the Superspeedway is to contain the name of or reference to a County or to a City other than Fort Worth, then the City shall have the exclusive right to veto the use of such name.

5.11 Default. The Lease shall contain default provisions mutually acceptable to the Sports Authority and the Operator.

5.12 Guaranty by SMI. SMI hereby agrees to and does hereby guaranty each and every obligation of the Operator under the Master Agreement, as amended hereby, including without limitation Operator's obligations under Section 5.4 hereof.

## VI.

### MISCELLANEOUS

6.1 Further Agreements. The City, the Sports Authority, and Operator agree to complete as soon as practicable following the execution of this Agreement all documentation

## Appendix B

necessary, appropriate or desirable to carry out the transactions agreed to by the parties in this greement, including without limitation the Collateral Agreements.

6.2 Notices. Any notices or other communications required or desired to be given to the other party hereto shall be given in writing and delivered by courier, overnight delivery service, facsimile transaction or through the U.S. postal service, postage prepaid and by certified mail, return receipt requested, at the following addresses:

To the City: City of Fort Worth  
1000 Throckmorton  
Fort Worth, TX 76102  
Attention: Bob Terrell

With a copy to: Kelly, Hart & Hallman  
201 Main Street, Suite 2500  
Fort Worth, TX 76102  
Attention: Dan Settle, Jr.

McCall, Parkhurst & Horton L.L.P.  
717 North Harwood, 9th Floor  
Dallas, TX 75201  
Attention: Jeffrey A. Leuschel, Esq.

To the Sports Authority: FW Sports Authority  
1000 Throckmorton  
Fort Worth, TX 76102  
Attention: Tom Higgins

With copy to: Kelly, Hart & Hallman  
201 Main Street, Suite 2500  
Fort Worth, TX 76102  
Attention: Dan Settle, Jr.

McCall, Parkhurst & Horton L.P.  
717 North Harwood, 9th Floor  
Dallas, TX 75201  
Attention: Jeffrey A. Leuschel, Esq.

To Operator or to SMI: Texas Motor Speedway  
c/o Speedway Motor Sports, Inc.  
P.O. Box 18747  
Charlotte, North Carolina 28218  
Smith Tower, Highway 29  
Concord, North Carolina 28026  
Attention: O. Bruton Smith

## Appendix B

With copy to:

Vinson & Elkins L.L.P.  
2001 Ross Avenue, Suite 3700  
Dallas, Texas 75201-2975  
Attention: Mark M. Stetler

6.3 Binding Agreement. This Agreement is intended to be and shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Each party hereto is relying, as a material inducement to making the agreements made herein by the respective parties, on the representation by the other party that this is a binding and enforceable agreement.

6.4 Invalidity. Should any provision of this Agreement be held to be invalid, illegal or unenforceable for any reason, such invalidity, illegality or unenforceability shall in no way affect or diminish the other provisions of this Agreement.

6.5 Governing Law. This Agreement and substantially all of the transactions contemplated herein and to be consummated pursuant hereto are performable in Tarrant County, Texas, and shall be governed by the laws of the State of Texas, and the parties agree that venue for any proceedings brought to determine the rights of the parties hereunder shall be in a court of competent jurisdiction in Tarrant County, Texas.

6.6 Headings. The headings and captions in this Agreement are for convenience only and shall in no way amend, modify or in any way affect the substance of this Agreement.

6.7 No Joint Venture. Nothing contained in this Agreement or the Collateral Agreements between SMI, Operator, the City, or the Sports Authority is intended by the parties to create a partnership or joint venture between the parties, and any implication to the contrary is hereby expressly disavowed. It is understood and agreed that this Agreement does not create a joint enterprise, nor does it appoint either party as an agent of the other for any purpose whatsoever.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized representatives as of the day and year hereinabove written.

CITY OF FORT WORTH, TEXAS

By

  
City Manager

ATTEST:

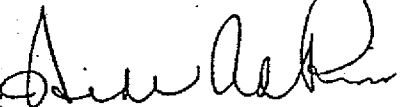
  
City Secretary

[SEAL]

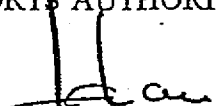
0-15420  
Contract Authorization

4-30-96  
Date

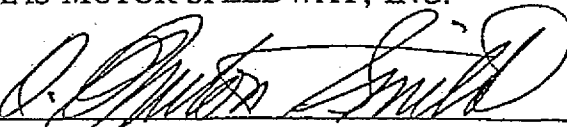
APPROVED AS TO FORM:

By:   
City Attorney  
7/26/96

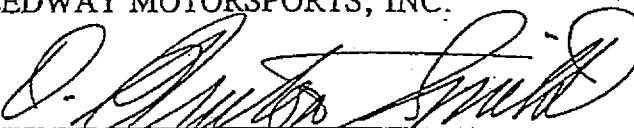
FW SPORTS AUTHORITY, INC.

By:   
President, Board of Directors

TEXAS MOTOR SPEEDWAY, INC.

By:   
O. Bruton Smith, President

SPEEDWAY MOTORSPORTS, INC.

By:   
O. Bruton Smith, President



## Appendix B

### EXHIBIT A TO MASTER AGREEMENT

#### PROPERTY DESCRIPTION

BEING a tract of land and being all of the C. HAYDEN SURVEY, Abstract No. 1662, and the N. PETERSON SURVEY, Abstract No. 1665, and being portions of the G. CARDINAS SURVEY, Abstract No. 215, the H. ANDERSON SURVEY, Abstract No. 25, the J. SMITH SURVEY Abstract No. 1149, the H. COOK SURVEY Abstract No. 310, the L.E. OLSON SURVEY, Abstract No. 1663, the J. ARNOLD SURVEY Abstract No. 1659, and the B.B.B. & C. RAILROAD CO. SURVEY, Abstract No. 189 all in Denton County, Texas and being all of those tracts designated as tracts III, IV, and VI, and parts of tracts I, II and V, as described in deed to Hillwood/114 & I-35 Ltd. recorded in Volume 2470 Page 696, Deed Records of Denton County, Texas and all being that same 950.00 acre tract of land as described in deed to Charlotte Motor Speedway by Document No. 95R0066168 dated October 20, 1995, Deed Records of Denton County Texas and being more particularly described by metes and bounds as follows:

BEGINNING at a 7/8 inch steel rod at the base of a leaning 7/8 inch steel rod, the Northeast corner of said Peterson Survey, and a re-entrant corner of said Olson Survey, also being an angle point in a North line of said tract I.

THENCE South 89 degrees 04 minutes 03 seconds East, and passing the Southwest Corner of the A.M. Gualtney Survey, Abstract No. 500, which is the Southwest corner of that certain First Tract deeded to Herman Mitchell by deed recorded in Volume 357 Page 214, Deed Records of Denton County, Texas and continuing with the South line of said Gualtney Survey and said Mitchell Tract and with a North line of said Olson Survey, passing at a distance 1696.93 a 7/8 inch steel rod, continuing in all a distance of 1746.93 feet to a 5/8 inch steel rod in asphalt in Harmonson Road, the Northeast corner of said Olson Survey, and said tract I and the Southeast corner of said Gualtney Survey and said Mitchell tract.

THENCE North 00 degrees 05 minutes 22 seconds West, with the common line between said Gualtney Survey and the before mentioned Cook Survey, and with Harmonson Road, a distance of 2671.59 feet to a 1/2 steel rod the Northwest corner of said tract II.

THENCE South 89 degrees 27 minutes 24 seconds East, and passing the Southwest corner of that certain tract described in deed recorded in Volume 795, Page 834 Deed Records of Denton County, Texas. Continuing with its South line and the North line of said tract II, in all a distance of 1733.45 feet to a 5/8 inch Huitt-Zollars capped steel rod about 8 feet south of an old wire fence.

THENCE South 55 degrees 12 minutes 02 seconds East, a distance of 1901.02 feet to a 5/8 inch Huitt-Zollars capped steel rod in the Northwesterly right-of-way of Interstate Highway No. 35W, (a variable width public right-of-way).

## Appendix B

- THENCE with the Northwesterly right-of-way of Interstate 35W, and generally with a wire fence the following courses and distances:  
South 34 degrees 44 minutes 07 seconds West, a distance of 325.99 feet to a concrete highway monument.  
South 29 degrees 17 minutes 13 seconds West, a distance of 99.76 feet to a concrete monument.  
South 34 degrees 30 minutes 16 seconds West, a distance of 127.15 feet to a concrete monument.  
South 34 degrees 36 minutes 33 seconds West, a distance of 628.30 feet to a concrete monument.  
South 37 degrees 57 minutes 42 seconds West, passing at a distance of 1519.26 feet a concrete monument, the most Southerly corner of before mentioned tract II, 0.5 feet South of a railroad tie fence corner, the end of said fence, continuing in all a distance of 3036.33 feet to a 5/8 inch Huitt-Zollars capped steel rod.  
South 43 degrees 39 minutes 27 seconds West, a distance of 1006.48 feet to a 5/8 inch Huitt-Zollars capped steel rod.  
South 37 degrees 57 minutes 42 seconds West, a distance of 92.03 feet to a P.K. nail in asphalt, in Harmonson Road, the South corner of before mentioned tract III.
- THENCE leaving said right-of-way, North 00 degrees 10 minutes 05 seconds West, with Harmonson Road, a distance of 1505.94 feet to a 5/8 inch steel rod in asphalt, the Northeast corner of said J. Arnold Survey, the Southeast corner of said Olson Survey, in the West line of said B.B.& C. Railroad Co. Survey and being the most Easterly Southeast corner of said Tract I.
- THENCE North 89 degrees 10 minutes 56 seconds West, with the common line between said Olson and Arnold Surveys, and with a South line of said tract I, a distance of 22.83 feet to a point at or near the West line of said Road.
- THENCE South 00 degrees 10 minutes 05 seconds East, with or near the West line of Harmonson Road, 1535.41 feet to a 5/8 inch Huitt-Zollars capped steel rod at the Southeast base of a destroyed concrete highway monument in the Northwesterly right-of-way of Interstate Highway 35W.
- THENCE South 37 degrees 57 minutes 42 seconds West, with said right-of-way 1602.71 feet to a concrete highway monument at the intersection of the Northwesterly right-of-way of Interstate 35W with the North line of State Highway No. 114, (a 100 foot wide public right-of-way).
- THENCE North 89 degrees 12 minutes 43 seconds West, with the North line of Highway No. 114, a distance of 1456.54 feet to a 5/8 inch capped Huitt-Zollars capped steel rod, the Southwest corner of before mentioned tract IV, in the West line of Said Arnold Survey and the East line of the A.G. Peterson Survey Abstract No.1664.
- THENCE North 00 degrees 00 minutes 44 seconds East, with the common line between said Surveys a distance of 1388.16 feet to a 7/8 steel rod, the Northeast corner of said A.G. Peterson survey, the Southeast corner of said N. Peterson Survey and the most southerly Southeast corner of before mentioned Tract I.

## Appendix B

- THENCE North 89 degrees 11 minutes 25 seconds West, with the common line between said Peterson Surveys, a distance of 2458.80 feet to a 7/8 inch steel rod the Southwest corner of said N. Peterson Survey, the Northwest corner of said A.G. Peterson survey in an East line of the before mentioned Smith Survey, and a Southwest corner of said Tract I.
- THENCE North 00 degrees 33 minutes 21 seconds East, generally with a wire fence, a distance of 824.34 feet to a 7/8 inch steel rod at the base of a steel fence post, a re-entrant corner of said Tract I.
- THENCE North 89 degrees 13 minutes 39 seconds West, generally with a wire fence, a distance of 1064.23 feet to a 7/8 inch steel rod at the base of a steel fence post, a Southwest corner of said Tract I.
- THENCE North 00 degrees 20 minutes 44 seconds East, generally with a wire fence, a distance of 1083.48 feet to a 7/8 inch steel rod 0.6 feet North of an old wood fence corner, a re-entrant corner of said Tract I.
- THENCE North 89 degrees 21 minutes 10 seconds West, generally with a wire fence, a distance of 606.04 feet to a 7/8 inch steel rod 0.5 feet North of a steel fence corner, a Southwest corner of said Tract I.
- THENCE North 00 degrees 08 minutes 14 seconds East, generally with a wire fence, at a distance of 1193 feet an old wood fence corner bears east 2 feet, in all a distance of 2583.17 feet to a 7/8 inch steel rod at the East base of an old wood fence corner, a re-entrant corner of said Tract I.
- THENCE North 63 degrees 18 minutes 02 seconds East, a distance of 3201.84 feet to a 5/8 inch Huitt-Zollars steel capped rod at the beginning of a curve to the right whose radius is 900.00 feet and whose chord bears South 73 degrees 26 minutes 36 seconds East, 1233.47 feet.
- THENCE in an Easterly direction with said curve through a central angle of 86 degrees 30 minutes 45 seconds, an arc distance of 1358.93 feet to a 5/8 inch Huitt-Zollars capped steel rod at the beginning of a curve to the left whose radius is 900.00 feet and whose chord bears South 59 degrees 52 minutes 40 seconds East, 891.58 feet.
- THENCE in an Easterly direction with said curve through a central angle of 59 degrees 22 minutes 54 seconds, an arc distance of 932.77 feet to a 5/8 inch Huitt-Zollars capped steel rod at the South base of an old wood fence corner in the North line of the before mentioned Hayden Survey and the South line of said H. Anderson survey.
- THENCE South 89 degrees 34 minutes 07 seconds East, with said Survey line, and generally with an old wire fence, a distance of 75.19 feet to an old wood fence corner, the Northeast corner of said Hayden Survey, the Northwest corner of said Gualtney Survey in the South line of said Anderson Survey.

Appendix A

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**TAX INCREMENT REINVESTMENT ZONE PARTICIPATION AGREEMENT**

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by and between

**NORTHWEST INDEPENDENT SCHOOL DISTRICT**

and the

**THE CITY OF FORT WORTH, TEXAS**

**TAX INCREMENT REINVESTMENT ZONE NUMBER TWO, CITY OF  
FORT WORTH**

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dated as of

**AUGUST 10, 1999**

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CITY SECRETARY  
CONTRACT NO. 25242

STATE OF TEXAS       §  
                               §       TAX INCREMENT REINVESTMENT ZONE  
                               §       PARTICIPATION AGREEMENT  
 COUNTY OF TARRANT §

THIS TAX INCREMENT REINVESTMENT ZONE PARTICIPATION AGREEMENT (hereinafter referred to as the "Agreement") is executed and delivered by and between NORTHWEST INDEPENDENT SCHOOL DISTRICT (the "District"), a lawfully created independent school district of the State of Texas operating under and subject to "Applicable District Law," as herein defined, and the CITY OF FORT WORTH, TEXAS (the "City"), a municipality and a home-rule city in the State of Texas, relating to the District's participation in TAX INCREMENT REINVESTMENT ZONE NUMBER TWO, CITY OF FORT WORTH (the "Zone"), a reinvestment zone created by the City under and pursuant and subject to the "Zone Act," as herein defined;

## WITNESSETH:

WHEREAS, the City Council of the City, after due and proper notice and public hearing, adopted on December 19, 1995, the "Zone Creation Ordinance," as herein defined, pursuant to which the City Council created the Zone pursuant to the Zone Act; and

WHEREAS, on May 21, 1999, the City of Fort Worth received a petition from Northwest Independent School District and Beechwood Business Park Joint Venture, Beechwood Hospitality Development, L.P., Beechwood Golf Development, L.P., and Roanoke Ranch and Investment Company, property owners of, respectively, a 231.06-acre tract of land and a 281.872-acre tract of land contiguous to the present boundaries of Tax Increment Reinvestment Zone Number Two, Fort Worth, Texas, requesting that the Zone be expanded to include their tracts; and

WHEREAS, the Zone Board passed and approved Board Resolution No. 2 on July 15, 1999, recommending that the City Council approve by ordinance expansion of the boundaries of the Zone and adoption of the Amended Project and Financing Plans pursuant to Section 311.007 and 311.011 of the Zone Act; and

WHEREAS, Section 311.008 of the Zone Act authorizes the City to exercise any power necessary and convenient to carry out the provisions of the Zone Act, including, when consistent with the project plan required by the Zone Act, to acquire, construct, reconstruct, or install public works, facilities, or sites or other public improvements, including utilities, streets, street lights, water and sewer facilities, pedestrian malls and walkways, parks, flood and drainage facilities, parking facilities, or educational facilities that are used or intended to be used jointly by the City and the District in a reinvestment zone created on or before September 1, 1999; and

WHEREAS, the Amended Project and Financing Plans will provide that some of the "projects" to be constructed and equipped within and as a part of the Zone and the expansion thereof are educational facilities herein defined as the "Zone School Projects," the same to be

owned, maintained, and operated by the District, in accordance with and subject to the terms and provisions of this Agreement and Applicable District Law; and

WHEREAS, the Amended Financing Plan will require the Zone Board to make payments to the District in an agreed amount, not in excess of the "Tax Increment Payments," as herein defined, made by the District and deposited to the "Tax Increment Fund," as herein defined, for the purpose of paying the costs of constructing, equipping, maintaining, administering and/or operating one or more of the Zone School Projects, such funds being dedicated for that purpose to the District under and in accordance with this Agreement; and

WHEREAS, the District, as one of the "Taxing Units," as herein defined, and the City are authorized by Section 311.013 of the Zone Act to enter into an agreement pursuant to which the District agrees to make the Tax Increment Payments for the purpose of implementing the Plans;

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants and agreements herein contained, the parties hereto agree as follows:

## ARTICLE I

### Authority, Definitions, General Provisions

#### Section 1.1. Authority.

(a) This Agreement is executed by the District as its written agreement with the City pursuant to the provisions and authority granted to the District in Section 311.013 of the Zone Act, and as the District's written notification of its intention to retain: (i) all Tax Increments levied, assessed, and collected on taxable personal property taxed by it within the Zone; and (ii) all Tax Increments levied, assessed, and collected by the District which are withheld and retained pursuant to Section 2.1 of this Agreement, in response to the requirements of Section 311.013 of the Zone Act.

(b) This Agreement is executed by the City pursuant to the power and authority granted in Section 311.008 of the Zone Act, and other law applicable to the City and to this Agreement.

(c) This Agreement is binding on the Zone Board of Directors pursuant to Section 311.013 (k) of the Zone Act.

#### Section 1.2. Definitions.

Wherever used herein, the following terms shall have the following meanings, unless the context in which used clearly indicates another meaning, to-wit:

"Agreement" means this Agreement.

"Amended Financing Plan" means the amended financing plan adopted and recommended on July 15, 1999, by the Zone Board in its Resolution No. 2 for final approval by the City Council in conformity with the requirements of Sections 311.010 and 311.011 of the Zone Act, and as accepted by the District as required by Section 4.2 (a) of this Agreement, and as the same may be amended from time to time in accordance with the Zone Act and Section 4.3 of this Agreement.

"Amended Project Plan" means the amended project plan adopted and recommended on July 15, 1999, by the Zone Board in its Resolution No. 2 for final approval by the City Council in conformity with the requirements of Sections 311.010 and 311.011 of the Zone Act, and as accepted by the District as required by Section 4.2 (a) of this Agreement, and as the same may be amended from time to time in accordance with the Zone Act and Section 4.3 of this Agreement.

"Applicable District Law" means the Zone Act as applicable to the District as a Taxing Unit and the Constitution and general laws of the State applicable to the independent school districts of the State, including specifically, but not limited to, Section 403.302, Texas Government Code, and the applicable rules and regulations of the agencies of the State having jurisdiction over any matters relating to the public school systems and school districts of the State, or any interpretation, ruling, order, decree or court decision interpreting existing law or any law enacted during the term of this Agreement which is applicable to the District, provided such interpretation, ruling, order, decree or court decision is made administratively by the Comptroller of Public Accounts of the State of Texas, the Texas Attorney General, or any other State agency, or by a court of competent jurisdiction.

"Captured Appraised Value" means the total appraised value of real property in that portion of the Zone that is located in the District, as of January 1 of any year, less the Tax Increment Base of the Zone allocable to the District, as defined herein and contemplated in the Zone Act.

"City" means the City of Fort Worth, Texas.

"City Council" means the governing body of the City.

"County" means Denton County, Texas.

"District" means the Northwest Independent School District, a duly incorporated and operating independent school district in the State, having the power to levy, assess, and collect ad valorem taxes within its boundaries, including the Zone.

"District Bonds" means any bonds issued by the District for the purpose of paying the Project Costs incurred by the District in constructing and equipping a Zone School Project.

"Interlocal Agreement" means the Interlocal Cooperation Agreement between the Northwest Independent School District and the City of Fort Worth, Texas, regarding joint use of the Zone School Projects, attached to this Agreement as Exhibit "A."

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"Plans" mean, collectively, the Amended Project and Financing Plans.

"Project Costs" mean any and all of the items of "project costs" set forth and described in Section 311.002(1) and the other provisions of the Zone Act.

"State" means the State of Texas.

"Tax Increment" means the total amount of ad valorem taxes levied and collected each year by the District in the Zone on the Captured Appraised Value.

"Tax Increment Base" means where applicable either (1) the total taxable value for school tax purposes of all real property located in the original Zone boundaries as designated in the Zone Creation Ordinance and taxable by the District as of January 1, 1995, the year in which the Zone was designated as a reinvestment zone or (2) the total taxable value for school tax purposes of all real property located in the expanded Zone boundaries to be designated in the Zone Expansion Ordinance and taxable by the District as of January 1, 1999, the year in which the expansion of the Zone is to be designated.

"Tax Increment Fund" means the special fund bearing that name and created by the City Council in the Zone Creation Ordinance, into which all Tax Increment Payments are to be deposited in accordance with the requirements of the Zone Act.

"Tax Increment Payments" means that amount of the Tax Increment that the District agrees to deposit annually to the Tax Increment Fund in accordance with the requirements of Section 2.1 of this Agreement, the Amended Financing Plan, and the Zone Act.

"Taxing Units" mean the County, the District, and the City.

"Zone" means "Tax Increment Reinvestment Zone Number Two, City of Fort Worth," created by the City Council in the Zone Creation Ordinance, and to be amended to expand its boundaries, all done and to be done in accordance with Section 3.1 of this Agreement and with the Zone Act.

"Zone Act" means Chapter 311, Texas Tax Code, as amended.

"Zone Board" means the board of directors of the Zone.

"Zone Creation Ordinance" means Ordinance No. 12323, adopted by the City Council on December 19, 1995.

"Zone Expansion Ordinance" means Ordinance No. 13889, adopted by the City Council on August 10, 1999, designating the expanded boundaries of the Zone and approving the Plans.

"Zone Infrastructure Projects" means transportation, drainage and other public improvements (not including educational facilities) to be constructed, equipped, located,



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maintained and/or operated by the City or the FW Sports Authority, Inc. in the Zone as a project under the Plans and the Zone Act.

"Zone School Project" means any school district educational facilities to be constructed, equipped, located, maintained and/or operated by the District in the Zone as a project under the Plans and the Zone Act, and jointly used by the District and the City as set forth in Section 311.008 of the Zone Act, and in accordance with the Interlocal Agreement attached and fully incorporated into this Agreement as Exhibit "A."

"Zone School Project Costs" mean the costs of financing, constructing, equipping, maintaining, administering and/or operating one or more of the Zone School Projects, including any principal or interest on the District's debt issues applicable to such Zone School Projects.

"Zone School Site" means the land to be included within the Zone and on which a Zone School Project is to be located and constructed.

### Section 1.3. General Provisions.

(a) The City and the Zone Board, by the City's execution of this Agreement, do not assume, agree to pay, or guarantee the payment of any bond, note, or other financial obligation or undertaking of the District, whether in the form of securities or in other contractual forms, including the District Bonds.

(b) The Zone Board and the City hereby dedicate a portion of the Tax Increment Payments, in an amount as set forth in Section 3.2 of this Agreement for Zone School Project Costs, for the purpose of reimbursing and paying to the District all or a portion of the Project Costs incurred by the District in financing, constructing, equipping, maintaining, administering and/or operating one or more of the Zone School Projects, and the parties hereto expressly agree that such amounts are dedicated for such purpose in compliance with and in satisfaction of the requirements of Section 311.014 of the Zone Act.

(c) The Zone Board and the City hereby dedicate the remaining portion of the District's Tax Increment Payments, after payment of the Zone School Project Costs as set forth in Section 3.2 of this Agreement, to payment of the infrastructure and other public improvement projects specifically described and set forth in the Plans.

(d) The City and the Zone Board expressly agree that any funds which are paid to the District pursuant to Paragraph 3.2 of this Agreement which have not, in the year of receipt, been expended for Zone School Project Costs may be retained by the District in a separate reserve account maintained by the District for such purposes. Such funds may be budgeted and expended in any subsequent year following receipt for such purposes as are set forth in Paragraph 3.1 of this Agreement.

(e) The boundaries of the Zone are and shall be those boundaries described in the Zone Creation Ordinance and the Zone Expansion Ordinance. The parties to this Agreement expressly agree that the boundaries of the Zone and the current expansion thereof may not be

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reduced without the express authorization of the Board of Trustees of the District. The City agrees that the boundaries of the Zone shall not be changed to exclude any Zone School Projects which are located within the boundaries of the of Zone set forth in the Zone Creation Ordinance and Zone Expansion Ordinance unless the Board of Trustees of the District has first approved such boundary change.

(f) The parties to this Agreement expressly agree that the Plans shall not be changed to exclude any of the Zone School Projects and the Tax Increment Payments dedicated thereto without the express authorization of the Board of Trustees of the District.

(g) The City and the County are not required to contribute any tax increment generated from the areas added to the Zone by the Zone Expansion Ordinance.

### ARTICLE II

#### Participation in the Zone, Payments, Adjustments, and Retentions

##### Section 2.1. Participation in the Zone.

(a) Subject to the terms set forth in Sections 3.2 (a) and 4.3 (b) of this Agreement, the District agrees to participate in the Zone and to make Tax Increment Payments to the Tax Increment Fund annually in amounts calculated in accordance with this Section for the purpose of paying a portion of the Project Costs under the Plans.

(b) The District agrees to pay into the Tax Increment Fund an amount of money from the District's property taxes computed according to the methodology set forth below in the succeeding subparagraphs of this Subsection. The annual payment shall be calculated based upon funds generated pursuant to the District's total tax rate on the real property located in the Zone. Notwithstanding anything herein to the contrary, the District's annual tax increment payments shall not exceed the amount based upon the estimated Captured Appraised Value for each year as set forth in the Amended Financing Plan. No District revenues generated by District ad valorem taxation of personal property shall ever be used to calculate the District's deposit in the Tax Increment Fund.

- i. The calculation of the District's deposit in the Tax Increment Fund shall begin by the District determining the Captured Appraised Value in the Zone as defined in paragraph 1.2 of this Agreement.
- ii. The District will next calculate the difference between the current year values on the Zone real property and the Comptroller's State Property Division taxable values of real property located within the Zone. The District will determine the Comptroller's State Property Division taxable values of real property located within the Zone by multiplying the prior year's taxable value of real property located within the Zone by the appraisal ratios established pursuant to Tex. Gov't. Code § 403.302. This difference will be subtracted

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from the Captured Appraised Value. This product will be referred to as the Adjusted Captured Appraised Value.

If the Adjusted Captured Appraised Value is zero or a negative number, then the District will not owe any Tax Increment Payment for the year of the calculation. If the Adjusted Captured Appraised Value is a positive number, the District will multiply the Adjusted Captured Appraised Value times the District's current year total tax rate per One Hundred Dollars (\$100.00) of assessed valuation. The product of this calculation will be referred to as the preliminary sum, and will be further adjusted pursuant to subparagraphs *iii*, *iv*, and *v* below.

- iii*. The District will next subtract from the preliminary sum an additional amount equal to the uncollected portion of the total tax levy on the Captured Appraised Value for the current tax year. Where the District has received partial payments of taxes said partial payments shall be applied: first, to any penalty and interest due and owing to the District; then to the District's proportionate share of the taxes due on the parcel at issue; and, finally, to the sums owing to the Tax Increment Fund.
- iv*. The District will next subtract from the preliminary sum an additional amount equal to a proportionate share of any tax refunds repaid to taxpayers for real property in the Zone for years in which this Agreement is in effect. In computing the proportionate amount, the District shall retain an amount computed by multiplying the refund amount times the percentage created by dividing the Adjusted Captured Appraised Value calculated pursuant to subparagraph 2.1 (b) *ii* for the tax year for which the refund is paid, by the total real property taxable values in the Zone for the tax year for which the refund is paid.
- v*. The District will then add to the preliminary sum an amount equal to the uncollected taxes on the Captured Appraised Value that have been received by the District since its last payment to the Tax Increment Fund. In making such payments to the fund, only an amount equal to the collected delinquent taxes will be transferred to the Tax Increment Fund. Statutory penalties and interest and attorney's fees where applicable for delinquent taxes, shall be retained by the District. Any amounts received by the District pursuant to TEX. CONST. Art. VIII § 1-d(f) shall be retained by the District.
- vi*. The preliminary sum, as further adjusted pursuant to subparagraphs *iii*, *iv*, and *v*, above, and, if applicable, subsection (c) of this section, shall constitute the Tax Increment Payment for the year of calculation.

(c) The District shall, in its sole discretion, have the option to use the Captured Appraised Value described in Section 2.1 (b)(i), above, in place of the Adjusted Captured

## Appendix A

Appraised Value described in Section 2.1(b)(ii), above, in calculating its Tax Increment Payment pursuant to the formula in Section 2.1 (b), above.

(d) Notwithstanding any other provision in this Agreement, in the event that, by virtue of Applicable District Law, the District will receive less state funding, or will be required to increase its payment of funds to the State, or to another school district, or school districts, because of, or in any way related to, its participation in the Zone under this Agreement, including but not limited to that the District will not be allowed to deduct all or any part of its estimated Captured Appraised Value from its taxable value as set forth in Section 403.302 of the Texas Government Code, or the District is required to pay all or any part of the Tax Increment to the State or other school districts, the District may retain, from the amount of the payments agreed to be made under Subsection (b) of this Section, the amount necessary to secure for the District an amount equal to the loss of State funding or the increased amount of funds paid to the State or other school districts resulting from the District's participation in the Zone. The resulting amount each year shall constitute the "Tax Increment Payment" for such year and shall be made to the Tax Increment Fund in accordance with the requirements of the Zone Act. It is understood and agreed, however, that part of the consideration for the City's agreement to annex the District's main campus, expand the Zone and include participation by the District in the Zone is the District's agreement hereunder to dedicate 33 1/3% of its Tax Increment Payments to Zone Infrastructure Projects (the Infrastructure Payments). Therefore, in the event that the operation of this Section 2.1(d) results in the District having the right to retain the Infrastructure Payments (whether such right is exercised or not), the District agrees to pay to the City an annual amount equal to the operations and maintenance (non-debt) portion of the City's tax rate multiplied by the appraised market value of the District's property annexed by the City and included within the Zone boundaries as consideration for the extension of municipal services to the District's exempt property. In the alternative, at the District's option, the District may petition for disannexation of the property from the City. In the event of disannexation, the District shall be obligated to pay for water and sewer services provided by the City at the established out-of-city rates. The City and District agree to cooperate fully and in good faith with one another with regard to any and all necessary actions or legal requirements to implement either of these options.

For each year in which the District invokes this Subsection to reduce the amounts otherwise to be deposited to the Tax Increment Fund, the District shall serve written notice of the invocation of this paragraph and its calculations of the relevant amount upon the Zone Board and the City on or before the payment due date established under Section 311.103 of the Zone Act.

(e) The District may make a demand for reimbursement of funds previously deposited into the Tax Increment Fund, if by virtue of its previous payments into the fund under Subsection 2.1(b) above, Applicable District Law causes the District to receive a reduction in the combined revenues from both local and state sources that the District would have received, or was required to pay, had the District not participated in this Agreement. Any demand for reimbursement shall be accompanied by written explanation showing the calculations underlying the claim for reimbursement and a reference to any rule, statute, or administrative interpretation which explains the calculations. In the event that it receives a claim for reimbursement, the Tax Increment Fund shall, within seven days return the funds claimed for refund to the District. In the event that the City or Zone Board wishes to contest the claim for reimbursement, it may send

an objection to the reimbursement request along with the funds claimed for reimbursement to the District. The transmittal of an objection, however, does not relieve the Tax Increment Fund of its obligation to return the funds to the District. In the event that the City or the Zone Board files an objection, the District shall maintain the contested amounts in a reserve account pending the resolution of the dispute.

The obligation to reimburse the District for any amount in accordance with this Subsection is limited to, and payable only from, amounts available in the Tax Increment Fund, and if at the time any such payment becomes due there are insufficient funds in the Tax Increment Fund to make such payment in full, the District shall be reimbursed as soon as funds become available and shall have first priority among claims against the Tax Increment Fund.

In the event that there is an outstanding reimbursement obligation from the Tax Increment Fund to the District at the time that any Payment is due from the District to the Tax Increment Fund under this Agreement, the District may offset any reimbursement amount against its payment obligation.

Provided that notwithstanding the foregoing, in no event shall reimbursements made to the District exceed the actual amount of funds deposited by the District in the Fund. Provided further, that in the event that reimbursement hereunder involves the Infrastructure Payments [as defined in Section 2.1(d)], the District agrees to pay to the City, beginning the year of the reimbursement, an annual amount equal to the operations and maintenance (non-debt) portion of the City's tax rate multiplied by the appraised market value of the District's property annexed by the City and included within the Zone boundaries as consideration for the extension of municipal services to the District's exempt property. In the alternative, at the District's option, the District may petition for disannexation of the property from the City. In the event of disannexation, the District shall be obligated to pay for water and sewer services provided by the City at the established out-of-city rates. The City and District agree to cooperate fully and in good faith with one another with regard to any and all necessary actions or legal requirements to implement either of these options.

(f) The payment of Tax Increment Payments, in the amounts calculated and adjusted in accordance with this Section, shall commence during the 1999-2000 school year in accordance with the Plans and the Zone Act and shall continue until the termination of this Agreement in accordance with the provisions of Section 4.3 (b) of this Agreement.

(g) This Agreement is expressly conditioned on the approval of the Amended Project Plan, the Amended Financing Plan, the annexation of the Northwest ISD tract to be included in the expanded Zone boundaries and the Settlement Agreement and Mutual Release (Northwest ISD v. City of Fort Worth et al., Cause No. 97-20568-158) by all parties to such agreements or Plans.

ARTICLE III

Payment of Zone School Project Costs

Section 3.1. Constructing, Equipping, Financing, Administering and Operating a Zone School Project.

(a) The City agrees, as a precondition to any obligations of the District hereunder, to include in the Amended Project and Financing Plans in form and substance approved by the Board of Trustees of the District a listing of all matters relating to Zone School Projects as may be designated by the District as required by Section 311.011 of the Zone Act. The final description, size, scope, and design of such Zone School Projects shall be solely as determined by the District, provided that the Zone School Projects shall be consistent with the Plans and in accordance with the requirements of the Zone Act. All financing of Zone School Projects shall be provided by the District, and not by the City or County.

(b) The District agrees to use the proceeds of the payments defined under Section 3.2 of this Agreement solely for the purpose of paying Project Costs, as defined in the Zone Act, related to constructing, equipping, financing, maintaining, administering and/or operating such Zone School Projects as are designated under Section 3.1(a) of this Agreement.

(c) The District shall make annual reports to the Zone Board on the use and prospective use of the funds received hereunder for Zone School Projects.

Section 3.2. Payment and Use of Zone School Project Costs.

(a) The Parties to the Agreement agree that the District will paid out of the Tax Increment Fund sixty-six and two-thirds percent ( $66\frac{2}{3}\%$ ), of the Tax Increment Payments actually received by the Tax Increment Fund for the purpose of paying all or a portion of the Zone School Project Costs as specified in the definition of that term in Section 1.2 of this Agreement. It is specifically understood and agreed by the parties to this Agreement that even though additional or other projects may be included in the Plans, the funds paid to the District from the Tax Increment Fund pursuant to this Agreement shall and may only be used for the District's Zone School Projects. Except for the District's Tax Increment Payments, the District shall have no obligation for any costs or expenses associated with the operation of the Zone, including, without limitation, any obligation to pay or repay any debt issued by the City, the Zone, or the Zone Board relating to the Zone or any costs associated with the operation of Zone or any projects relating thereto. The District shall have no obligation to make contributions to the Tax Increment Fund in the event the City, for any reason during the term of this Agreement, does not contribute its tax increment in accordance with the terms of the Plans.

(b) To the extent that the District makes Tax Increment Payments to the Tax Increment Fund in accordance with Section 2.1 of this Agreement, the parties agree that the City shall be paid its  $33\frac{1}{3}\%$  of the Tax Increment Payments dedicated to Zone Infrastructure Projects prior to the District being reimbursed for  $66\frac{2}{3}\%$  of the Tax Increment Payments dedicated to Zone School Projects.

## Appendix A

(c) The amounts dedicated and required to be paid pursuant to Subsection (a) of this Section shall be paid to the District within seven (7) days of receipt by the Zone Board of the Tax Increment Payments. Such payments shall be made in such manner and to such account as may be designated from time to time by the District in writing.

(d) The payment of the amounts required to be paid to the District under Subsection (a) of this Section shall continue for each year in which the District makes a deposit into the Tax Increment Fund.

(e) Pursuant to Section 311.014 (d) of the Zone Act, after all project costs and all tax increment bonds or notes issued for the Zone have been paid, any money remaining in the tax increment fund shall be paid to the municipality and other taxing units levying taxes on the property in proportion to the municipality's and each unit's respective share of the total tax increments derived from taxable real property in the zone that were deposited in the fund during the fund's existence.

### ARTICLE IV

#### Miscellaneous Provisions

##### Section 4.1. Information Notices.

(a) The Zone Board shall provide periodic information concerning the status of the Zone and the Plans as may be reasonably requested in writing by the District.

(b) Whenever this Agreement requires or permits any consent, approval, notice, request, proposal or demand from one party to another, the consent, approval, notice, request, proposal or demand must be in writing to be effective and shall be deliverable to the party intended to receive it at the addresses shown below:

If intended to the District, to:

Superintendent of Schools  
Northwest Independent School District  
18501 State Hwy. 114  
Justin, Texas 76247-8700

If intended for the City, to:

City Manager  
City of Fort Worth  
1000 Throckmorton Street  
Fort Worth, Texas 76102

## **Appendix A**

### **Section 4.2. Effective Date, Termination of Agreement.**

(a) This Agreement shall be and become effective on and after the date on which the Plans are accepted by the District and approved by the City Council. Any of the District, the Zone Board, or the City may terminate this Agreement if the Plans have not been approved by the City and accepted by the District by August 31, 1999.

(b) Notwithstanding anything herein to the contrary, this Agreement and the District's obligations hereunder [except any obligations of the District to pay for municipal services pursuant to Sections 2.1 (d) and 2.1(e)] shall terminate and shall have no further force or effect on the earlier to occur of (i) December 31, 2025, (ii) an earlier termination date designated by an ordinance adopted subsequent to the Zone Creation Ordinance or (iii) the date on which the District's Zone School Project Costs have been paid in full from the Tax Increment Payments.

### **Section 4.3 Amendments to Plans.**

No amendments to the Plans involving Zone School Projects or modifying or altering the terms of this Agreement, directly or indirectly, shall be effective until the same are approved and accepted by the District. Other amendments to the Plans may be made in the manner provided by Section 311.011(e) of the Zone Act.

### **Section 4.4. Amendments and Modifications.**

This Agreement may be modified and amended by written mutual agreement of the District and the City.

### **Section 4.5. No Personal Liability for Zone Board**

The obligations under this Agreement are binding on the Zone Board in its corporate capacity, and no present or future member or officer of the Zone Board shall have any liability, obligation, or responsibility in their individual capacities for such obligations or failure of the Zone Board to perform such obligations.

### **Section 4.6. Severability.**

The provisions of this Agreement are severable and the invalidity or unenforceability of any provision hereof shall not affect the validity or enforceability of any other provision. It is the intention of the parties that each provision hereof be construed in a manner designed to effectuate the purposes of such provision to the maximum extent enforceable under applicable law.

### **Section 4.7. Strict Performance**

Failure of any party hereto to insist on the strict performance of any of the covenants or agreements herein contained or to exercise any rights or remedies accruing hereunder upon default or failure of performance shall not be considered a waiver of the right to insist on, and to



enforce by any appropriate remedy, strict compliance with any other obligation hereunder or to exercise any right or remedy occurring as a result of any future default or failure of performance.

Section 4.8. Immunity

No party hereto waives or relinquishes any immunity or defense on behalf of itself, its trustees, officers, employees or agents as a result of its execution of this Agreement and performance of the covenants contained herein.

IN WITNESS WHEREOF, this Agreement has been executed by the District and the City, in duplicate originals on this 11<sup>th</sup> day of ~~August~~<sup>September</sup>, 1999.

NORTHWEST INDEPENDENT  
SCHOOL DISTRICT

By: *Abbie Thomas*  
President, Board of Trustees

ATTEST:

*Brenda Mithras*  
Secretary, Board of Trustees

CITY OF FORT WORTH, TEXAS

By: *Bob Tenell*  
City Manager

ATTEST:

*Gloria Perea*  
City Secretary

APPROVED AS TO FORM:

*David H. Gerts*  
for City Attorney

G-12628  
Contract Authorization  
8-10-99  
Date

STATE OF TEXAS

§

§

COUNTY OF TARRANT

§

EXHIBIT "A"  
INTERLOCAL COOPERATION AGREEMENT BETWEEN  
NORTHWEST INDEPENDENT SCHOOL DISTRICT  
AND THE CITY OF FORT WORTH, TEXAS

THIS INTERLOCAL COOPERATION AGREEMENT is made and entered into by the Northwest Independent School District ("District"), acting by and through its Board of Trustees, and the City of Fort Worth ("City"), acting by and through its City Council.

WITNESSETH:

WHEREAS, the Texas State Legislature has authorized the use of interlocal cooperation agreements between and among governmental entities; and

WHEREAS, this Interlocal Cooperation Agreement ("Interlocal Agreement") is made under the authority granted by and pursuant to the Interlocal Cooperation Act, Texas Government Code, Chapter 791, and as otherwise provided herein, relative to the joint authorization by the District and City to jointly use educational facilities (the "Zone School Projects") to be located in Tax Increment Reinvestment Zone No. Two, City of Fort Worth, Texas (the "Zone") in accordance with Chapter 311 of the Texas Tax Code (the "Zone Act"); and

WHEREAS, the governing bodies find that the performance of this Interlocal Agreement is in the common public interest of both parties, that their joint use will be in accordance with Section 311.008 of the Zone Act and of mutual benefit to the District and the City of Fort Worth; and

WHEREAS, the parties, in paying for the performance of governmental functions or in performing such governmental functions, shall make payments therefore only from current revenues legally available to each party; and

WHEREAS, the District and the City agree that the District's Zone School Projects shall be jointly used by the City for educational, recreational and civic opportunities for its citizens as set out herein.

## Appendix A

NOW THEREFORE, for and in consideration of the mutual agreements contained herein, the parties do hereby agree as follows:

### I. RESPONSIBILITIES

A. In consideration of the mutual covenants of this Interlocal Agreement and other good and valuable consideration, and in accordance with Section 311.008 of the Zone Act, the District shall permit the City to jointly use the Zone School Projects located in the Zone pursuant to the terms of this Agreement.

B. The District's Zone School Projects proposed in the Amended Project and Financing Plans include (1) an athletic complex with a football stadium, coliseum, natatorium, baseball, softball, and track facilities, tennis center, multi-purpose building (basketball, gymnastics, wrestling), and related infrastructure; (2) an automotive training complex; (3) additions and renovations/remodeling of the District's Core Campus Facilities and (4) planned new schools.

The construction of Zone School Projects is dependent on development in the Zone, the tax increment generated, and the needs of the District. Nothing in this Interlocal Agreement shall be construed as a representation that the District will construct a certain type of facility for joint use by the City. The District and City agree to determine the appropriate joint use of the Zone School Projects described in the Plans. Subject to approval by the District's Board of Trustees, potential joint use of the Zone School Projects by the City include but are not limited to the following: City sports leagues, City meetings and elections, City parks and recreation activities, adult and vocational education, and City performance events.

C. The Zone School Projects shall be owned and operated by the District for use as educational facilities and will be primarily used to service the educational needs of the District's students.

The scheduling of City use of the Zone School Projects shall be subject to approval by the District's Board of Trustees or its authorized representative. The District and the City shall cooperate in scheduling the joint use of the Zone School Projects by the City. However, in the event of an irreconcilable conflict between the District and City's joint use of the Zone School Projects, the District's use of the Zone School Projects shall prevail.

## Appendix A

The City shall be responsible for all additional costs associated with its joint use of the Zone School Projects as set forth herein, including but not limited to, utilities, maintenance, labor, and security.

D. Security shall be the responsibility of each party during its joint use of the Zone School Projects. The City and the District shall perform and exercise all rights, duties and functions and services in compliance with all valid and applicable laws, statutes, codes, regulations and ordinances of the United States, the State of Texas, the County of Tarrant, the Northwest Independent School District, the City of Fort Worth, or other lawful authority with jurisdiction over the premises.

E. During the term of this Agreement, the District agrees to obtain at its sole expense liability insurance for school sponsored events and/or activities on the Zone School Projects which the District determines, in its sole discretion, is appropriate.

During the term of this Agreement, the City agrees to obtain at its sole expense general liability insurance for City sponsored events and/or activities on the Zone School Projects, or provide evidence of self-insurance programs acceptable to the District.

F. Each party shall be responsible for defending and/or disposing of all causes of action arising against the respective party as a result of its use or occupation of the Zone School Projects. It is expressly understood and agreed that in the execution of this contract, neither the District nor the City waives, nor shall be deemed to waive, any immunity or defense that would otherwise be available to each against claims arising in the exercise of governmental powers or functions.

## II. TERM

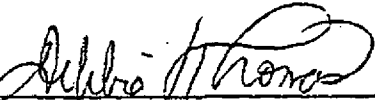
The term and the termination of this Interlocal Agreement shall be in accordance with the Tax Increment Reinvestment Participation Zone Agreement to which this Interlocal Agreement is attached as Exhibit "A."

Appendix A

IN WITNESS WHEREOF, this Interlocal Agreement has been executed by the District and the City in duplicate originals on this 16th day of September, 1999.


NORTHWEST INDEPENDENT  
SCHOOL DISTRICT

CITY OF FORT WORTH, TEXAS

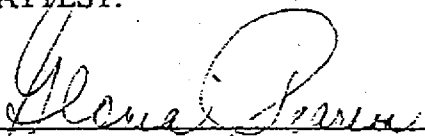
By:   
President, Board of Trustees

By:   
City Manager

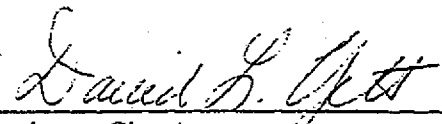
ATTEST:

  
Secretary, Board of Trustees

ATTEST:

  
City Secretary

APPROVED AS TO FORM:

  
Assistant City Attorney

G-12628  
Contract Authorization  
8-10-99  
Date

Appendix B

Master Agreement and  
Amendments for Texas  
Motor Speedway

MASTER AGREEMENT REGARDING SUPERSPEEDWAY  
COMPLEX DEVELOPMENT

WLG

This Master Agreement Regarding Superspeedway Complex Development (this "Agreement") is entered into as of the 31<sup>st</sup> day of July, 1996, by and among the City of Fort Worth, Texas, a municipal corporation of the State of Texas and a home rule city (the "City"), FW Sports Authority, Inc., a Texas industrial development corporation (the "Sports Authority"), and Texas Motor Speedway, Inc., a Texas corporation (the "Operator").

RECITALS:

- I. Operator is a major developer and operator of motor racing facilities.
- II. Operator proposes to construct a superspeedway (the "Superspeedway") and related facilities as described in Section 1.1 below (the "Project") on the land described in Exhibit A hereto (the "Property").
- III. The City, Denton County, Texas (the "County"), and Speedway Motorsports, Inc., a Delaware corporation ("SMI") have executed a Memorandum of Understanding dated June 14, 1995 (the "Memorandum of Understanding") setting forth the agreement in principle among SMI, the City and the County with respect to the financing and construction of the Project and with respect to SMI's construction of certain other facilities, all as identified on the Master Site Plan attached hereto as Exhibit B (the "Master Site Plan").
- IV. The Memorandum of Understanding contemplated the execution of a definitive agreement pertaining to the financing and construction of the Project and other matters relating to the Project including the operation thereof. Subsequent to the execution of the Memorandum of Understanding, the County, with the consent of the City, the Sports Authority, SMI and the Operator, withdrew from participating in any such definitive agreement.
- V. In accordance with the Memorandum of Understanding, the City has caused the creation of the Sports Authority pursuant to Section 4B of article 5190.6 of the Texas Revised Civil Statutes, as amended for the purpose, among others, of facilitating and supporting the construction and development of the Project.
- VI. Operator is the wholly-owned subsidiary of SMI that will develop and operate the Project and lease the Property and the Project from the Sports Authority.
- VII. The Sports Authority, the Operator and the City desire to set forth in this Agreement the general terms and conditions of the construction, development and lease of the Project, which terms and conditions will be more particularly described to the mutual satisfaction of the parties thereto in certain documents to be entered into subsequent to the date hereof, including, without limitation, the Lease, the Guaranty, and any and all other documents related hereto or thereto, including without limitation the documents relating to the issuance of the Bonds (collectively, the "Collateral Agreements").

## Appendix B

VIII. The parties hereby declare and agree that this Agreement supersedes the Memorandum of Understanding.

IX. The parties recognize that all agreements of the parties hereto and all terms and provisions hereof are subject to the laws of the State of Texas and all rules, regulations and interpretations of any agency or subdivision thereof then governing the subject matters hereof.

### AGREEMENT

In consideration of the premises and the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged and confessed by each of the parties hereto, the parties hereto have agreed and do hereby agree as follows:

#### I.

#### DEVELOPMENT

1.1 Development of Superspeedway Complex. The Operator agrees to cause, at its cost and expense, the Project to be constructed and developed on the Property as contemplated in this Agreement. The Project will include a one and one-half mile oval speedway, grandstand and other spectator seating, luxury suites, parking facilities, and such other facilities as may be directly related to the operation of the Superspeedway. The parties contemplate that the Project will be developed in two phases. The first phase ("Phase I") shall consist of the superspeedway facility described above along with seating for approximately 150,000 spectators (as well as luxury boxes and related facilities). The subsequent phase of the construction of the Project ("Phase II") shall expand the existing Project to accommodate approximately 280,000 spectators along with appropriate improvements to the remaining portion of the Project required to accommodate such additional spectators. Phase I of the Project shall be financed in accordance with the terms of Article II hereof. Phase II of the Project shall be financed by the issuance of additional Bonds substantially in the manner the Bonds for Phase I are to be issued, with such changes to such terms and conditions as are acceptable to the City, the Sports Authority, and Operator.

1.2 Design and Construction of Project. The Project shall be provided, constructed, and equipped in accordance with designs, plans and specifications prepared by or under the direction of Operator. All costs of preparation of designs, plans and specifications for all the Project shall be included in the Costs of the Project (defined below) payable or reimbursable, to the extent permitted by law, from the proceeds of the Bonds. Construction of the Project shall be accomplished in accordance with applicable law. Unless otherwise required by law, rule, regulation or interpretation by an agency of the State of Texas, Operator will negotiate and will not competitively bid construction contracts for the Project.

#### 1.3 Other Improvements.

1.3.1 Road Improvements. Subject to Sections 1.3.3 and 3.3(b) below, the City and Operator shall construct a ring road, a connecting road westerly to Highway 156, and a



connecting road easterly to Interstate 35 as dedicated public thoroughfares (including the acquisition of needed right-of-way and drainage, some of which may be off site) as shown on the Master Site Plan. The design, location and construction of the road improvements shall be coordinated with the design and construction of the Project, subject to the prior mutual approval of the City, the Sports Authority, and Operator, in order to provide the optimum functional access to and from the Property. All costs of the road improvements referenced in this Section 1.3.1 are herein called the "Road Costs." The City shall not be required to spend more than \$7 million on the Road Costs. The City and the Operator shall share the Road Costs on a pro rata basis with the City bearing \$7.00 of such costs for every \$5.00 of costs that the Operator bears up to \$12 million. Anything to the contrary notwithstanding, Operator shall bear all Road Costs in excess of \$12 million. Such costs borne by Operator may be included in the Costs of the Project, to the extent permitted by law; provided, however, that the first \$5 million in Road Costs borne by Operator may not be financed by the proceeds of any obligations issued by the Sports Authority which are secured by or payable from, in whole or in part, directly or indirectly, any TIF Revenues. The City shall pay its share of the Road Costs (subject to the limitations set forth above) periodically in accordance with the terms of a community facilities agreement and/or interlocal cooperative agreement, as applicable, in form and substance acceptable to the City.

1.3.2 Water and Sewer Improvements. Subject to Sections 1.3.3 and 3.3(b) below, the City shall construct and maintain water and sewer improvements described on the Master Site Plan so that water and sewer services are delivered to the property line of the Property. The design, location, and construction of the water and sewer improvements shall be coordinated with the design and construction of the Project. The water and sewer improvements shall have a capacity of at least one million gallons of water service and one million gallons of sewer service provided for the Project to the property line of the Property. All costs of the utility improvements referenced in this Section 1.3.2 are herein called the "Utility Costs." The City shall not be required to spend more than \$4 million on the Utility Costs. Operator shall bear all Utility Costs in excess of \$4 million, and such costs borne by Operator may be included in the Costs of the Project, to the extent permitted by law. Construction of utilities shall be in accordance with the attached Schedule 1.3.2 subject to the City's right to amend the schedule, if necessary.

1.3.3 Master Site Plan. The Master Site Plan, including the uses set forth thereon, may not be materially changed without the prior written approval of the City, the Sports Authority, and Operator, such approval not to be unreasonably withheld. Operator's submission of a final version of the Master Site Plan, and the approval thereof by the City and the Sports Authority, are conditions precedent to the obligations of the City to finance and construct the road improvements and water and sewer improvements set forth in Section 1.3.1 and 1.3.2.

1.4 Annexation. Promptly after the execution hereof, the City shall use all reasonable efforts to annex into the City, to the extent permitted by law, those portions of the Property owned by the Sports Authority and Operator and located within the exclusive extraterritorial jurisdiction of the City (the "Annexed Property"). Further, the City will use its good faith efforts to secure appropriate adjustment of any extraterritorial jurisdiction boundaries in order to accomplish development of the Speedway in accordance with the Master Site Plan.

II.

FINANCING

2.1 Costs of the Project. It is understood and agreed that the costs of the Project (the "Costs of the Project") will include the following: (i) land acquisition costs, (ii) the architectural and engineering costs for preparation of plans, specifications and designs for the Project, (iii) costs of construction, equipment, furniture, and furnishings of the Project in order to make them usable for the purposes intended, (iv) financing costs, including underwriting costs, fees, and expenses, and the fees and expenses of attorneys, market analysts, consultants, and the costs of credit enhancement, if any, (v) capitalized interest during construction and reserve fund requirements attendant to the financing, (vi) direct out-of-pocket costs, including, without limitation, fifty percent (50%) of all attorneys' fees (not to exceed \$50,000) of the City and the Sports Authority paid out or incurred prior to the financing stage for the Project for any of the foregoing purposes, and (vii) such other costs and expenses as the City, the Sports Authority, and Operator shall mutually approve. It is agreed by the City, the Sports Authority, and Operator that the Project will be of such design and quality as will cause the Costs of the Project for Phase I not to exceed an estimated cost, as of the date this Agreement is executed, of \$115,000,000.00 (the "Phase I Amount"). Operator shall have architectural, engineering and construction control and discretion over the Project and the Costs of the Project related hereto. It is further agreed, however, that Operator may enhance the design and quality of the Project above the stated maximum costs at its sole cost and expense.

2.2 Issuance of Bonds; Purchase of Property and Project. Subject to construction of the Project having been certified to be complete and operational by Operator, the issuance of a Certificate of Occupancy by the City, and the Project being acceptable to the Sports Authority, and further subject to execution of the Collateral Agreements, the Sports Authority shall use its best efforts to issue its "Lease and Contract Revenue Bonds" (the "Bonds") in an aggregate principal amount not exceeding the Phase I Amount for the purpose of purchasing the Project and the Annexed Property from Operator and to reimburse Operator for funds advanced pursuant to Section 3.3 hereof. The structure, maturities, interest rates, provisions and specific terms of the Bonds shall be as mutually approved by the Sports Authority, the City, and Operator, and shall be, subject to then prevailing market conditions and applicable laws, payable over a term of 30 years with level debt service. The Bonds shall never be paid or payable from the general credit or taxing power of the City. SMI shall execute a guaranty acceptable to the City and Sports Authority (the "Guaranty") pursuant to which SMI will guaranty all obligations of Operator under the Lease and hereunder. In addition, Operator and SMI may be required to provide credit enhancement for the Bonds to assure their marketability.

2.3 Repayment of Bonds and Incremental Funding.

2.3.1 Sources of Repayment of Bonds. Subject to Section 2.3.4 below, the City, the Sports Authority, and Operator agree that the rental under the Lease (defined below) shall be applied to the repayment of the principal of and interest on the Bonds when due. Subject to the terms and conditions of Sections 2.3.2 below, the TIF Revenues and Other Revenues (each as defined below) may be applied as a credit to the rent payable by the Operator, as lessee.

2.3.2 Tax Increment District.

(a) Promptly after annexation of the Annexed Property pursuant to Section 1.4 above, a Tax Increment Financing District (the "TIF") shall be created over the Annexed Property pursuant to the provisions of Chapter 311 of the Texas Tax Code. The City shall contribute 100% of the incremental taxes related to the TIF into the tax increment fund of the TIF. The TIF shall, to the extent now or hereafter permitted by law, pay to the Sports Authority and the City moneys on deposit in the tax increment fund for the purpose of discharging obligations arising out of the Bonds and other costs, expenses, and obligations incurred by the Sports Authority and the City. The TIF will terminate on the earlier of (i) 40 years from the date of its creation or (ii) payment, discharge, or defeasance of all Bonds and other TIF obligations, if any. Nothing in this Section 2.3.2 shall limit or restrict the use of any land outside of the TIF for any purpose or restrict the use of the land within the TIF for being used for the following uses: (i) office and condominium complexes, (ii) private club facilities and amenities, (iii) warehouse industrial facilities, (iv) facilities used for the purpose of furnishing products and/or services utilized in conducting driving schools, motor vehicle racing events, or other entertainment events, and (v) facilities for the manufacture and assembly of vehicles (collectively, the "Other Facilities"). TIF Revenues and Other Revenues, however, shall not be made available for the acquisition, construction, improvement or equipping of any of the Other Facilities, unless the Sports Authority determines, in its sole judgment, that the Other Facilities are an integral part of Phase I or Phase II.

(b) All local sales taxes (other than the transit authority and crime district taxes collected within the City), hotel occupancy taxes, and ad valorem taxes (to the extent contributed to the TIF by the taxing units) generated within the TIF in excess of those generated as of the date of the TIF's creation shall, to the extent now or hereafter permitted by law, be paid to the Sports Authority to be used by the Sports Authority in accordance with the terms hereof (respectively "ST", "HOT" and "AVT" and collectively, the "TIF Revenues"). In addition Operator, may seek to capture ST, HOT, and AVT generated within the Project's sphere of influence but outside the corporate limits of the City under the terms of interlocal contracts which will provide for the payment of such funds to the Sports Authority. Such ST, HOT and AVT are herein collectively called "Other Revenues." Operator shall be responsible for initiating and coordinating the pursuit of Other Revenues.

(c) After payment of unreimbursed costs and expenses (other than Utility Costs and Road Costs) incurred by the City and Sports Authority in connection with their activities and operations relative to the Project, to the extent permitted by law, and subject to Sections 2.3.4 and 4.1.2, TIF Revenues and Other Revenues will be applied as follows:

(i) All AVT generated within the TIF will be credited to the rent payable as provided in Section 4.1.2;

## Appendix B

(ii) All ST and HOT generated within the TIF up to \$500,000 annually (the "Threshold Amount") will be used for the payment of eligible TIF costs and expenses; and

(iii) all ST and HOT generated within the TIF in excess of the Threshold Amount, together with all Other Revenues, will be shared by the City and the Sports Authority, with the Sports Authority receiving 50% of such amounts, to be used for the payment of amounts due with respect to or incurred in connection with the Bonds, and the City receiving the remaining 50% of such revenues.

(d) The Bonds shall be subject to the approval of the Attorney General of Texas, as required by Texas law.

**2.3.3 State Tax Rebate.** The City and the Sports Authority shall cooperate with Operator (at Operator's expense and at no expense or loss of revenue to the City or the Sports Authority) to secure a State rebate to the Sports Authority (to the extent permitted by law) of all or a part of the State's portion of all mixed beverage taxes and any other taxes related to alcoholic beverages, ST, and HOT generated from the Project for the term of the Bonds. Fifty percent of any rebated amounts shall be retained by the Sports Authority and the remaining 50% shall be refunded to the City. The portion of such funds retained by the Sports Authority shall be used to pay amounts due in connection with the Bonds or to commence Phase II of the Project. Any amounts remaining in the Sports Authority after payment of all obligations of the Sports Authority shall be paid to the City. Operator shall have primary responsibility for seeking any rebate from the State. If the State rebate is paid to the Sports Authority as provided above but the Sports Authority is precluded from making a payment to the City as contemplated in this Section, then the Sports Authority and Operator shall pay to the City its portion of the State rebate contemplated herein, such amount to be derived from additional payments under the Lease.

**2.3.4 Liquidated Damages.** In consideration of the City contributing its TIF Revenues as described above, in the event a major motor racing event has not been held at the Speedway or a major NASCAR event has not been sanctioned to be held at the Speedway by January 1, 2000, the Operator shall pay to the City the amounts set forth on Schedule 2.3.4, at the times set forth in such schedule and an amount equal to the TIF Revenues captured to date from the City, and TIF Revenues will no longer be contributed or paid to the Sports Authority or the Project.

### III.

#### PROPERTY

**3.1 Transfers.** As contemplated by Section 2.2 hereof, concurrently with the issuance of the Bonds, Operator shall transfer to the Sports Authority the Project and the Property owned it, and the Sports Authority shall reimburse Operator for the Out Parcels (defined below) acquired by the Sports Authority with funds advanced by Operator.

3.2 Title and Effect of Transfers. The properties transferred pursuant to this Article III will be transferred by special warranty deed in a condition reasonably acceptable to the Sports Authority and free and clear of all liens, claims, easements, rights-of-way, reservations, reversionary interests, restrictions, encroachments, tenancies, oil, gas or mineral leases and any other encumbrances on the mineral estate and any other encumbrances of whatsoever nature (collectively, "Encumbrances") except the Permitted Encumbrances (hereinafter defined). Within thirty (30) days after the completion of construction of all improvements comprising the Project, Operator shall, at Operator's sole cost and expense, deliver to the Sports Authority an Owner's Commitment for Title Insurance ("Title Commitment") from Rattikin Title Company, 611 Throckmorton Street, Fort Worth, Texas 76102 (the "Title Company"), which Title Commitment shall set forth the status of the title of the Property and shall show all Encumbrances and other matters, if any, relating to the Property. Within thirty (30) days after the completion of construction of all improvements comprising the Project, Operator shall, at Operator's sole cost and expense, deliver to the Sports Authority a survey ("Survey"), certified to the Sports Authority and the City, describing the Property, showing the location of all improvements constructed thereon, showing the location of all Encumbrances located (identified by appropriate recording information), and reflecting the total number of acres within the Property, prepared by Huitt Zollers, Inc. If the Title Commitment or Survey fails to show good, marketable, and indefeasible fee simple title to the Property to be in the Operator, free and clear of all Encumbrances that, in the Sports Authority's judgment, materially and adversely affect the ownership, use, or operation of the Property, then the Sports Authority may give the Operator written notice thereof ("Objections"). If the Sports Authority gives such notice to the Operator, the Operator may cure the Objections. If the Sports Authority gives notice of Objections and the Operator does not cure the Objections so that the Title Commitment and Survey can be amended to give effect to matters that are cured, and give the Sports Authority written notice thereof within thirty (30) days prior to the date on which the Property will be purchased by and transferred to the Sports Authority, the Sports Authority shall have the right to either (i) waive the Objections by written notice to the Operator and consummate the purchase of the Property subject to the Objections, which shall be deemed to be "Permitted Encumbrances," or (ii) this Master Agreement shall be deemed terminated, whereupon neither party shall have any further rights or obligations to the other hereunder. If the parties proceed to closing, the Operator shall deliver to the Sports Authority an Owner Policy of Title Insurance issued by the Title Company to the Sports Authority in the amount of the indebtedness evidenced by Bonds, insuring that, after the completion of the closing, the Sports Authority is the owner of indefeasible fee simple title to the Property, subject only to the Permitted Encumbrances.

3.3 Land Acquisition.

(a) Operator represents and warrants to the parties hereto that it has, prior to the execution hereof, made good faith efforts through reasonable negotiations to acquire from the owners thereof the "Out Parcels" (herein so called and defined) designated on the Master Site Plan at fair market prices. The City, the Sports Authority, and the Operator hereby acknowledge and agree that all of the Out Parcels contemplated in the Master Agreement are necessary to the operation of the public project. The City, the Sports Authority, and the Operator acknowledge that the Operator through the efforts of the Operator and the Sports Authority has succeeded in acquiring or contracting for the acquisition of numerous lots lying within the Country Lane Estate Subdivision in Denton

County, Texas (herein "Country Lane Out Parcels"). Some of these acquisitions resulted in a title transfer to the Operator or to its affiliated entities, and that additional Country Lane Out Parcels are currently under contract and will be conveyed in a direct title transfer to the Sports Authority. The City, the Sports Authority, and the Operator acknowledge and agree that all lot transfers to the Operator or its affiliated entities were done for the benefit of the Sports Authority in an effort to accelerate the completion of the Project. The City, the Sports Authority, and the Operator acknowledge and agree that to date, the acquisition of the Out Parcels contemplated by the Master Agreement has been financed by the Operator. The Operator is financing these transactions only with the intent to accelerate the completion of this public project, which public project has been contemplated for at least eighteen months. The Operator acknowledges and agrees it has not and shall not charge the Sports Authority any interest for its having financed the acquisition of the Out Parcels in an effort to expedite the completion of this public project and shall not charge the Sports Authority for any future financing in the acquisition of the Out Parcels, as described herein.

(b) The Sports Authority shall retain the services of legal counsel to handle all future acquisitions of the Out Parcels ("Consultant"), including acquisitions through eminent domain proceedings, of the Sports Authority's choice, after reasonable consultation with Operator as to the consultant to be retained. The Consultant shall engage, as needed, a real estate appraiser or real estate appraisers to determine the current fair market value of each of the Out Parcels, and the Consultant shall negotiate the terms and conditions of the purchase of the Out Parcels, subject to the qualifications and limitations set forth below. Within five (5) business days of the execution of this Agreement, Operator, pursuant to the terms of the Escrow Agreement attached hereto as Exhibit C ("Escrow Agreement"), shall deposit with Title Company, as escrow agent ("Escrow Agent") Three Million Two Hundred Fifty Thousand and no/100 Dollars (\$3,250,000.00) ("Escrow Funds"), to be used by the Sports Authority to acquire the remaining Out Parcels designated on the Site Plan and not already conveyed to the Sports Authority pursuant to Section 3.3(a) and to pay all costs associated therewith. If the Operator fails to deposit such amount, such failure shall constitute a breach hereof, and shall relieve all parties of any obligations to each other under this Agreement and all other commitments of any and all parties to each other relating to the Project including without limitation all resolutions, orders and communications from the Texas Department of Transportation and the Trinity River Authority of Texas. Promptly after such deposit, the Sports Authority through Consultant shall proceed to use its best efforts to acquire all of the Out Parcels by offering to the respective owners of the Out Parcels the fair market value thereof. If any of the owners of the Out Parcels rejects the fair market value offer and submits a higher counteroffer, the Sports Authority shall submit the counteroffer to Operator for Operator's approval. If Operator disapproves any counteroffer, the Sports Authority shall promptly proceed to use its best efforts to acquire the affected Out Parcel(s) by eminent domain proceedings. If the owner of an Out Parcel offers to settle outside of the eminent domain proceeding for an amount in excess of the fair market value offered to such owner, the Sports Authority shall not be authorized to settle without the

prior approval of Operator. If Operator disapproves of any proposed settlement, the Sports Authority shall continue with the eminent domain proceeding. Operator shall respond within five (5) business days to any counteroffer or settlement proposal submitted by the Sports Authority or the Consultant. Operator shall bear all costs incurred by the Sports Authority in negotiating and consummating the purchase of the Out Parcels and/or conducting such eminent domain proceedings, including legal fees and other acquisition costs, and all costs pertaining to the Consultant's services. The Sports Authority may make periodic draws of Escrow Funds to defray all costs incurred under this Section 3.3 in accordance with the terms of the Escrow Agreement, and Operator shall, upon request by the Sports Authority, deposit with the Escrow Agent or pay directly to the Sports Authority any amounts in excess of the Escrow Funds required to acquire the Out Parcels and to pay all costs associated therewith. The Sports Authority and the Operator hereby acknowledge and agree that all excess amounts deposited with Escrow Agent into the Escrow Account shall be returned to the Operator. In the event Operator fails to abide by any of the terms of this Agreement, in addition to the remedies that may be exercised by the Sports Authority upon such breach, including termination of all or any portion of its obligations under this Agreement, the Sports Authority shall be relieved of any obligation to acquire the Out Parcels whether by condemnation or otherwise.

3.4 Allocation of Assets Should the Public Project Fail. The City, the Sports Authority, and the Operator acknowledge and agree that should the public project contemplated by the parties fail because of legal intervention by third parties, because of economic impracticability, or because of any other event outside the control of the parties, the Sports Authority shall convey to the Operator title to all Out Parcels, the acquisition of which was financed by the Operator. Should such unlikely events occur, neither the Sports Authority nor the Operator shall owe each other any other compensation relating to the Out Parcels. All costs incurred in connection with this Agreement, including without limitation, costs incurred by the parties under this Section 3.5 shall be paid by the Operator.

#### IV.

#### PROJECT LEASE

4.1 Lease of Project. Subject to and upon satisfaction of the terms and conditions of this Agreement, Operator, as lessee, and the Sports Authority, as lessor, will enter into a lease of the Property and the Project (the "Lease") acceptable to the Sports Authority and Operator.

4.1.1 Lease Term. The Lease shall commence on the date of issuance of the Bonds and shall have a term expiring on the earlier of (i) 60 years from its date or (ii) the date the Bonds have been paid, discharged or defeased.

4.1.2 Rent. The rent payable under the Lease shall be equal to the total of the Sports Authority's then-current obligations to make principal and interest payments on the Bonds and the reasonable and necessary maintenance and operating expenses incurred by the Sports

Authority pursuant to periodic budgets approved by the Sports Authority and the Operator. The TIF Revenues and the Other Revenues may be credited against the rent payable by Operator.

4.1.3 Sublease and Development. The Lease shall provide Operator the right to sublease or develop portions of the Property for the Other Facilities which will be owned by Operator. All revenues generated by any such subleases or development shall belong to Operator. In this regard, the Lease shall provide that, with the consent of the Sports Authority, the Lease may be separated into counterpart leases covering individual tracts of land included in the Property. Further, Operator with the consent of the Sports Authority, shall be permitted to mortgage its leasehold interests under the Lease. Anything herein to the contrary notwithstanding, the obligation of Operator to pay rent shall be unconditional for so long as the Bonds are outstanding. Any such sublease or mortgage herein permitted shall be subordinate to the Bonds and shall not abrogate the duty of Operator to pay rent for so long as the Bonds are outstanding.

4.1.4 Operation. The Lease will provide that Operator agrees to maintain and operate the Project in a condition necessary to conduct NASCAR racing and Indy-type Car racing for the period during which any Bonds are outstanding.

4.1.5 Uses of the Property. Throughout the term of the Lease, the Project and the Property shall be used solely for the purposes of a racing facility, entertainment venue and other uses associated therewith including those outlined in Sections 1.1 and 2.3.2 above.

4.2 Option to Purchase. The Lease will provide that at the end of the Lease Term, as provided in Section 4.1.1, that the Operator shall have the following rights and options:

(a) Upon satisfaction of the condition stated in (b) below and at the end of the term of the Lease, the Operator may purchase the Property for the agreed depreciated value of the Property (as set forth in the Lease and agreed to by the Sports Authority and the Operator) at the end of the term of the Lease, less a credit equal to an agreed percentage of the rent payable under the Lease without reference to the credits of Other Revenues, but in no event shall the purchase price be greater than \$500,000.

(b) As a condition to the option to purchase provided in (a) above, any documents of transfer of the Property must contain a condition that the Operator, as owner of the Property, shall continue to operate the Property as a public coliseum, stadium or track for automobile racing and related purposes for a term of not less than fifteen (15) years.

4.3 Signage and Concessions. Subject to Sections 2.3.3 and 4.7 hereof, Operator shall collect and retain as income revenues from all concessions, parking, signage, sublease revenues, naming allowances, and any and all other revenue produced within the Project.

4.4 Triple Net Lease. The Lease shall provide that all operation, maintenance, repairs, and upkeep of the Property, the Project and the Other Facilities and all costs associated therewith shall be the obligation, responsibility and liability of Operator.



4.5 Lease Indemnification. The Lease shall contain indemnification in favor of the City and the Sports Authority satisfactory to the City and the Sports Authority, including, without limitation, indemnification against all risks of ownership of the Property and Project, including, without limitation, any environmental or operational risks, as well as to matters with respect to the issuance of Bonds and additional Bonds, and shall include insurance coverage against such risks (other than environmental insurance) as may be satisfactory to the City and the Sports Authority.

4.6 Suites and Tickets. Operator shall lease during the term of the Lease at \$1.00 per year to the Sports Authority one luxury spectator suite at the Project, for the exclusive use of the Sports Authority or its designee and its invited guests, the location of which will be selected by the Sports Authority after the selection by Operator of its suite but prior to the selection of any other luxury spectator suite at the Project, finished, furnished and maintained by Operator, at its cost, in a manner not less than the standard upfit package available to all other suite lessees, and having a seating capacity for not less than, together with tickets to all events for, 60 persons. Operator shall grant to the Sports Authority, for consideration of \$1.00 per year, a membership in the Texas Speedway Club, if any, during each year of the term of the Lease. The Sports Authority shall have the right to transfer, assign, sublease and/or convey its suite on terms and conditions acceptable to the Sports Authority in its sole discretion provided that Operator shall have a right of first refusal with respect to any proposed transfer, assignment or sublease (which sublease is for more than one year) of the Sports Authority's suite.

4.7 Festivals and Related Activities. The City anticipates creating a Texas nonprofit corporation (the "Festival Corporation"), the purpose of which, among others, will be to promote the City and events held within the Property and festivals and activities relating thereto. The Festival Corporation shall have the right to plan, organize and hold festivals and similar activities which relate to events held within the Property, and which may include television and broadcast rights relating thereto and the control of all products sold at such festivals and activities. All revenues generated from such festivals and related activities, including without limitation all product revenues, sponsor revenues and television and broadcast revenues, shall be paid to, and be the property of, the Festival Corporation. It is anticipated that the Festival Corporation will develop its own logotypes, trademarks, servicemarks, copyrights and trade names relating to festivals promoting the City and various events held at the Superspeedway. The Operator agrees to cooperate with the Festival Corporation to promote such festivals and related activities, including without limitation permitting the Festival Corporation to use Operator's logotypes, trademarks, servicemarks, copyrights, and trade names for non-commercial purposes in promoting festivals and related activities. The Festival Corporation shall not be entitled to sell any item bearing any mark owned by Operator without Operator's prior written consent and at a royalty rate no greater than the lowest rate charged to other users for such event. The Festival Corporation shall cooperate with the Operator and the Speedway's protected sponsors and vendors in such a manner as to provide the Speedway's protected sponsors and vendors the right of first refusal to participate in providing products at festival events.

4.8 Other Provisions. The Lease shall have such other provisions as may be acceptable to Operator and the Sports Authority.

4.9 **Reports.** Operator and all affiliates of Operator conducting business within the Property shall deliver concurrently with the filing with or receiving from any federal, state or local governmental entity or agency, two (2) copies of all notices, reports, disclosure statements, operating and/or revenue statements and all other documents filed by or on behalf of such person with, or received by such person from, any federal, state or local governmental entity or agency. In addition, to the extent Operator may reasonably secure same, all agreements between Operator or any affiliates of Operator and any person operating a business within the Property, including without limitation any concessionaires, shall provide that such person shall deliver to the City and the Sports Authority within ten (10) days of the end of each month, operating and revenue statements pertaining to the business conducted by such person within the Property and upon the filing thereof, verification of all sales taxes reported to the Texas Comptroller of Public Accounts as having been collected within the Property by such person. It is acknowledged by the Operator, the City and the Sports Authority that the City will use such reports and documents and other information available to it to determine the amount to be paid by the City to the TIF pursuant to Section 2.3.2(b)(ii) and (iii) hereof and the amount due the City under Section 2.3.3 above.

V.

**ADDITIONAL COVENANTS**

5.1 **Toll Roads, Taxes.** During the period that Operator is lessee of the Project and provided that Operator is not in material default under the terms of the Lease, the Collateral Agreements or any agreements related thereto, the parties agree not to support or take any action to (a) convert the thoroughfares shown on the Master Site Plan into toll roads or (b) impose an admission fee tax or seat tax surcharge on the Project or the use thereof.

5.2 **Expenses.** If this Agreement is consummated, then each party shall bear its own attorneys' fees and costs in connection with the negotiation and preparation hereof, but such fees and costs shall be part of the Costs of the Project, subject to the terms and conditions set forth in Section 2.1 above.

5.3 **Texas Department of Transportation.** The City, the Sports Authority, and Operator recognize that the participation of the Texas Department of Transportation ("**DOT**"), through its commitment to pay costs and to expedite construction of all highway improvements, is essential to the financing of the Project, and such parties agree to cooperate in seeking such participation. If DOT requests that the City pay a local share of highway improvements and the City elects not to pay such local share, then Operator may have the option to pay such costs on behalf of the City and include them in the Costs of the Project, to the extent such costs are allowable and to the extent such costs are incurred for improvements to roads located within either the corporate limits of the City or the City's exclusive extraterritorial jurisdiction.

5.4 **Indemnification.**

5.4.1 **Indemnity.** Operator shall indemnify, protect, defend and hold harmless the Sports Authority, the Sports Authority's officers, directors, affiliates, employees and agents, the City and the City's council members, affiliates, employees and agents (collectively, the

"Indemnatee" or "Indemnitees") from any and all damages, losses, liabilities (joint or several), payments, obligations, penalties, claims, litigation, demands, defenses, judgments, suits, proceedings, costs, disbursements or expenses (including, without limitation, fees, disbursements and reasonable expenses of attorneys, accountants, and other professional advisors and of expert witnesses and costs of investigation and preparation) of any kind or nature whatsoever (collectively, the "Damages"), directly or indirectly resulting from, relating to or arising out of:

(a) the annexation of the Out Parcels and the Property; the acquisition of the Out Parcels and the Property; the creation, organization, or operation of the TIF; the creation or organization of the Sports Authority; or the operation of the Sports Authority to the extent such operation relates, directly or indirectly, to the Out Parcels or the Property;

(b) the design, installation, construction, development, operation, use, occupancy, maintenance, or ownership of the Property, the Project or any Other Facilities or the business of SMI or Operator, including, without limitation, any Damages attributable to bodily injury, sickness, disease or death, to personal injury, or to injury or destruction of property including loss of use resulting therefrom;

(c) the formation, organization and operation of SMI or Operator;

(d) any breach of or inaccuracy in any representation or warranty made or given by SMI or Operator or any of their agents, officers, or employees contained in this Agreement, in any of the Collateral Agreements, or in any other writings relating thereto;

(e) the issuance, offering, sale or delivery by the Sports Authority of the Bonds or any documents or agreements executed in connection therewith that are approved by Operator;

(f) any breach or non-performance, partial or total, by SMI or Operator of any covenant or agreement of SMI or Operator contained in this Agreement or in any of the Collateral Agreements; or

(g) any actual or threatened violation of or non-compliance with, or remedial obligation arising under, any federal or state environmental laws arising from any event, condition, circumstance, activity, practice, incident, action or plan relating in any way to the Property, the Project, the Other Facilities or the business of SMI or Operator.

**5.4.2 Indemnification Procedures.** In case any claim shall be brought or, to the knowledge of any Indemnatee, threatened against any Indemnatee in respect of which indemnity may be sought against Operator, such Indemnatee shall promptly notify Operator in writing; provided, however, that any failure so to notify shall not relieve Operator of its obligations under Section 5.4.1 unless (i) such failure so to notify precludes Operator's investigation and defense of such claim as a matter of law, and (ii) Operator does not otherwise have knowledge, either actual or constructive, of such claim. Operator shall have the right (and obligation,

subject to the terms below) to assume the investigation and defense of all claims, including the employment of counsel and the payment of all expenses. Each Indemnitee shall have the right to employ separate counsel in any such action and participate in the investigation and defense thereof, but the fees and expenses of such counsel shall be paid by such Indemnitee unless (i) the employment of such counsel has been specifically authorized by Operator, in writing, (ii) Operator has failed after receipt of notice of such claim to assume the defense and to employ counsel, or (iii) the named parties to any such action (including any impleaded parties) include both an Indemnitee and SMI or Operator, and the Indemnitee, after consultation with its counsel, reasonably believes that there may be one or more legal defenses available to it which are different from or additional to those available to Operator (in which case, if such Indemnitee notifies Operator in writing that it elects to employ separate counsel at Operator's expense, Operator shall not have the right to assume the defense of the action on behalf of such Indemnitee; provided, however, that Operator shall not, in connection with any one action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegation or circumstances, be liable for the reasonable fees and expenses of more than one separate firm of attorneys for the Indemnitee, which firm shall be designated in writing by the Indemnitees). Each Indemnitee shall cooperate with Operator in the defense of any action or claim. Operator shall not be liable for any settlement of any action or claim without Operator's consent, but if any such action or claim is settled with the consent of Operator or there be final judgment or agreement for the plaintiff in any such action or with respect to any such claim, Operator shall indemnify and hold harmless the Indemnitees from and against any Damages by reason of such settlement or judgment as provided in Section 5.4.1.

**5.4.3 Negligence of Indemnitee.** THIS INDEMNIFICATION REMAINS IN FULL FORCE AND EFFECT EVEN IF ANY CLAIM DIRECTLY OR INDIRECTLY RESULTS FROM, ARISES OUT OF, OR RELATES TO OR IS ASSERTED TO HAVE RESULTED FROM, ARISEN OUT OF, OR RELATED TO THE SOLE NEGLIGENCE OR CONCURRENT NEGLIGENCE OF AN INDEMNITEE. THE ONLY CIRCUMSTANCES UNDER WHICH THIS INDEMNITY SHALL NOT APPLY SHALL BE IN CONNECTION WITH LIABILITIES ATTRIBUTABLE TO THE WILLFUL MISCONDUCT OF AN INDEMNITEE.

**5.4.4 Project Insurance Coverages.** The Lease shall provide that on and as of the date of transfer of the Property and the Project to the Sports Authority, as herein required, Operator shall have obtained, and shall have in full force and effect, insurance coverages relating to the Project and its properties, and the ownership and operation thereof, of types and in amounts normally and customarily carried on or with respect to properties and activities of the types included as part of the Project and its operations and to secure the indemnity provided in Section 5.4 hereof, including without limitation, coverage insuring against fire, property and casualty damage and comprehensive general liability. Further, such insurance shall name the Sports Authority as owner and lessor of the Property and the Project, as an insured party, the Operator as lessee of the Property and the Project, and the City, and its offices and employees, as additional insureds.

**5.4.4.1 Operator's Personal Property Insurance.** The Lease shall provide that any insurance policy covering Operator's or its contractors' or subcontractors' equipment or personal property against loss by physical damage shall include an endorsement waiving the insurer's right of subrogation against the Indemnitees. Such insurance shall be Operator's and

its contractors' and/or subcontractors' sole and complete means of recovery for any such loss. SHOULD OPERATOR OR ITS CONTRACTORS OR SUBCONTRACTORS CHOOSE TO SELF INSURE THIS RISK, IT IS EXPRESSLY AGREED THAT OPERATOR AND ITS CONTRACTORS AND SUBCONTRACTORS HEREBY WAIVE ANY CLAIM FOR DAMAGE OR LOSS TO SAID EQUIPMENT OR PROPERTY IN FAVOR OF THE INDEMNITEES, EVEN IF SUCH DAMAGE OR LOSS IS CAUSED IN WHOLE OR IN PART BY THE NEGLIGENCE OF ANY INDEMNITEE.

5.4.4.2 Evidence of Insurance. The Lease shall require Operator to provide evidence of the insurance coverage required under this Section 5.4.4, represented by Certificates of Insurance issued by the insurance carrier, must be furnished to Sports Authority. Certificates of Insurance shall specify the additional insured status required above as well as the waivers of subrogation. Operator shall provide to Sports Authority a certified copy of any and all applicable insurance policies upon request of Sports Authority. Timely renewal certificates will be provided to Sports Authority as the coverage renews.

5.4.4.3 RELEASE AND WAIVER. OPERATOR HEREBY RELEASES, AND SHALL CAUSE ITS INSURERS, CONTRACTORS, THEIR SUBCONTRACTORS, AND EACH OF THEIR RESPECTIVE INSURERS TO RELEASE, THE INDEMNITEES FROM ANY AND ALL CLAIMS OR CAUSES OF ACTION WHATSOEVER THAT OPERATOR, ITS INSURERS, ITS CONTRACTORS, THEIR SUBCONTRACTORS, AND/OR ANY OF THEIR RESPECTIVE INSURERS MIGHT OTHERWISE POSSESS RESULTING IN OR FROM OR IN ANY WAY CONNECTED WITH ANY LOSS COVERED OR WHICH SHOULD HAVE BEEN COVERED BY INSURANCE, INCLUDING THE DEDUCTIBLE PORTION THEREOF, MAINTAINED AND/OR REQUIRED TO BE MAINTAINED BY OPERATOR AND/OR ITS CONTRACTORS OR THEIR SUBCONTRACTORS PURSUANT TO THIS AGREEMENT, EVEN IF SUCH CLAIMS OR CAUSES OF ACTION ARE CAUSED IN WHOLE OR IN PART BY THE NEGLIGENCE OF ANY INDEMNITEE.

5.4.5 Survival; Right to Enforce. The provisions of this Section 5.4 shall survive the termination of this Agreement. In the event of failure by Operator to observe the covenants, conditions and agreements contained in this Section 5.4, any Indemnitee may take any action at law or in equity to collect amounts then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of Operator under this Section 5.4. The obligations of Operator under this Section 5.4 shall not be affected by any assignment or other transfer by the Sports Authority or the City of their respective rights, titles or interests under this Agreement and will continue to inure to the benefit of the Indemnites after any such transfer. The provisions of this Section 5.4 shall be cumulative with and in addition to any other agreement by SMI and/or Operator to indemnify any Indemnitee.

5.5 Employment. To the extent permitted by law, Operator shall give preference to the residents of the City in employment at the Project and the Other Facilities.

5.6 M/WBE Policy. The Operator shall take reasonable steps to comply with the City's minority and women business enterprise policy as set forth in Ordinance No. 11923 adopted by the City Council of the City of Fort Worth on April 18, 1995 (the "Ordinance").

"Reasonable steps" shall include at a minimum a written policy by the Operator outlining the Operator's hiring policy, purchasing procedures, and affirmative outreach program, (i.e., publicly advertising or likewise making known the contracting opportunities). Said policy shall be filed with the Sports Authority Board prior to the issuance of Bonds by the Sports Authority and thereafter shall be updated annually to reflect changes in market circumstances throughout the life of the Lease. Upon Operator's failure to submit such reports or thereafter to adhere to this requirement, the Sports Authority may withhold revenues that may be available to the Operator under this Agreement until such time as the deficiencies are corrected.

5.7 Put. Operator shall grant to the Sports Authority an option to put the Project and the Property to Operator (the "Put Option") at a price of \$1.00 plus all outstanding obligations of the Sports Authority, and Operator shall be obligated to accept such conveyance upon (i) occurrence of a material breach under this Agreement, the Lease or any of the Collateral Agreements, (ii) the expiration of the Lease's term, or (iii) the payment or extinguishment of all obligations under the Bonds; provided, however, to exercise the Put Option, the Sports Authority must give notice of its exercise, as the case may be; (i) no later than ninety (90) days after having actual knowledge of such breach, (ii) at least ninety (90) days prior to the expiration of the Lease's term, or (iii) no later than ninety (90) days after the payment or extinguishment of all obligations under the Bonds. The Sports Authority's election not to exercise the Put Option upon the occurrence of one of the foregoing events shall not prejudice or constitute a waiver of its right to exercise the Put Option thereafter as set forth above.

5.8 North Texas Commission. The City shall reasonably cooperate with Operator in requesting that the North Texas Commission and its members utilize an aggregate of \$500,000 per year for five years of HOT as directed by Operator to advertise the Facilities and the City.

5.9 Sales Taxes on Construction. The City and the Sports Authority shall cooperate with Operator, at Operator's expense, to seek an advanced determination from the Comptroller of Public Accounts as to whether the cost of constructing and equipping the Project is exempt from state and local sales taxes.

5.10 Name. If the name of the Superspeedway is to contain the name of or reference to a County or to a City other than Fort Worth, then the City shall have the exclusive right to veto the use of such name.

5.11 Default. The Lease shall contain default provisions mutually acceptable to the Sports Authority and the Operator.

5.12 Guaranty by SMI. SMI hereby agrees to and does hereby guaranty each and every obligation of the Operator under the Master Agreement, as amended hereby, including without limitation Operator's obligations under Section 5.4 hereof.

## VI.

### MISCELLANEOUS

6.1 Further Agreements. The City, the Sports Authority, and Operator agree to complete as soon as practicable following the execution of this Agreement all documentation

## Appendix B

necessary, appropriate or desirable to carry out the transactions agreed to by the parties in this greement, including without limitation the Collateral Agreements.

6.2 Notices. Any notices or other communications required or desired to be given to the other party hereto shall be given in writing and delivered by courier, overnight delivery service, facsimile transaction or through the U.S. postal service, postage prepaid and by certified mail, return receipt requested, at the following addresses:

To the City: City of Fort Worth  
1000 Throckmorton  
Fort Worth, TX 76102  
Attention: Bob Terrell

With a copy to: Kelly, Hart & Hallman  
201 Main Street, Suite 2500  
Fort Worth, TX 76102  
Attention: Dan Settle, Jr.

McCall, Parkhurst & Horton L.L.P.  
717 North Harwood, 9th Floor  
Dallas, TX 75201  
Attention: Jeffrey A. Leuschel, Esq.

To the Sports Authority: FW Sports Authority  
1000 Throckmorton  
Fort Worth, TX 76102  
Attention: Tom Higgins

With copy to: Kelly, Hart & Hallman  
201 Main Street, Suite 2500  
Fort Worth, TX 76102  
Attention: Dan Settle, Jr.

McCall, Parkhurst & Horton L.P.  
717 North Harwood, 9th Floor  
Dallas, TX 75201  
Attention: Jeffrey A. Leuschel, Esq.

To Operator or to SMI: Texas Motor Speedway  
c/o Speedway Motor Sports, Inc.  
P.O. Box 18747  
Charlotte, North Carolina 28218  
Smith Tower, Highway 29  
Concord, North Carolina 28026  
Attention: O. Bruton Smith

## Appendix B

With copy to:

Vinson & Elkins L.L.P.  
2001 Ross Avenue, Suite 3700  
Dallas, Texas 75201-2975  
Attention: Mark M. Stetler

6.3 Binding Agreement. This Agreement is intended to be and shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Each party hereto is relying, as a material inducement to making the agreements made herein by the respective parties, on the representation by the other party that this is a binding and enforceable agreement.

6.4 Invalidity. Should any provision of this Agreement be held to be invalid, illegal or unenforceable for any reason, such invalidity, illegality or unenforceability shall in no way affect or diminish the other provisions of this Agreement.

6.5 Governing Law. This Agreement and substantially all of the transactions contemplated herein and to be consummated pursuant hereto are performable in Tarrant County, Texas, and shall be governed by the laws of the State of Texas, and the parties agree that venue for any proceedings brought to determine the rights of the parties hereunder shall be in a court of competent jurisdiction in Tarrant County, Texas.

6.6 Headings. The headings and captions in this Agreement are for convenience only and shall in no way amend, modify or in any way affect the substance of this Agreement.

6.7 No Joint Venture. Nothing contained in this Agreement or the Collateral Agreements between SMI, Operator, the City, or the Sports Authority is intended by the parties to create a partnership or joint venture between the parties, and any implication to the contrary is hereby expressly disavowed. It is understood and agreed that this Agreement does not create a joint enterprise, nor does it appoint either party as an agent of the other for any purpose whatsoever.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized representatives as of the day and year hereinabove written.

CITY OF FORT WORTH, TEXAS

By

  
City Manager

ATTEST:

  
City Secretary

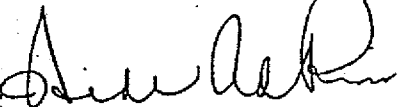
[SEAL]

0-15420  
Contract Authorization

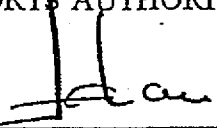
4-30-96  
Date



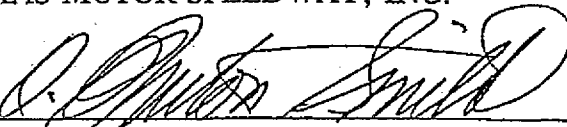
APPROVED AS TO FORM:

By:   
City Attorney  
7/26/96

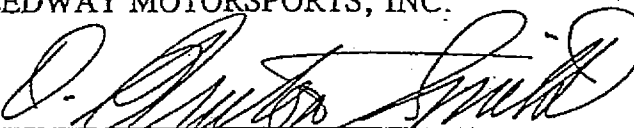
FW SPORTS AUTHORITY, INC.

By:   
President, Board of Directors

TEXAS MOTOR SPEEDWAY, INC.

By:   
O. Bruton Smith, President

SPEEDWAY MOTORSPORTS, INC.

By:   
O. Bruton Smith, President

## Appendix B

### EXHIBIT A TO MASTER AGREEMENT

#### PROPERTY DESCRIPTION

BEING a tract of land and being all of the C. HAYDEN SURVEY, Abstract No. 1662, and the N. PETERSON SURVEY, Abstract No. 1665, and being portions of the G. CARDINAS SURVEY, Abstract No. 215, the H. ANDERSON SURVEY, Abstract No. 25, the J. SMITH SURVEY Abstract No. 1149, the H. COOK SURVEY Abstract No. 310, the L.E. OLSON SURVEY, Abstract No. 1663, the J. ARNOLD SURVEY Abstract No. 1659, and the B.B.B. & C. RAILROAD CO. SURVEY, Abstract No. 189 all in Denton County, Texas and being all of those tracts designated as tracts III, IV, and VI, and parts of tracts I, II and V, as described in deed to Hillwood/114 & I-35 Ltd. recorded in Volume 2470 Page 696, Deed Records of Denton County, Texas and all being that same 950.00 acre tract of land as described in deed to Charlotte Motor Speedway by Document No. 95R0066168 dated October 20, 1995, Deed Records of Denton County Texas and being more particularly described by metes and bounds as follows:

BEGINNING at a 7/8 inch steel rod at the base of a leaning 7/8 inch steel rod, the Northeast corner of said Peterson Survey, and a re-entrant corner of said Olson Survey, also being an angle point in a North line of said tract I.

THENCE South 89 degrees 04 minutes 03 seconds East, and passing the Southwest Corner of the A.M. Gualtney Survey, Abstract No. 500, which is the Southwest corner of that certain First Tract deeded to Herman Mitchell by deed recorded in Volume 357 Page 214, Deed Records of Denton County, Texas and continuing with the South line of said Gualtney Survey and said Mitchell Tract and with a North line of said Olson Survey, passing at a distance 1696.93 a 7/8 inch steel rod, continuing in all a distance of 1746.93 feet to a 5/8 inch steel rod in asphalt in Harmonson Road, the Northeast corner of said Olson Survey, and said tract I and the Southeast corner of said Gualtney Survey and said Mitchell tract.

THENCE North 00 degrees 05 minutes 22 seconds West, with the common line between said Gualtney Survey and the before mentioned Cook Survey, and with Harmonson Road, a distance of 2671.59 feet to a 1/2 steel rod the Northwest corner of said tract II.

THENCE South 89 degrees 27 minutes 24 seconds East, and passing the Southwest corner of that certain tract described in deed recorded in Volume 795, Page 834 Deed Records of Denton County, Texas. Continuing with its South line and the North line of said tract II, in all a distance of 1733.45 feet to a 5/8 inch Huitt-Zollars capped steel rod about 8 feet south of an old wire fence.

THENCE South 55 degrees 12 minutes 02 seconds East, a distance of 1901.02 feet to a 5/8 inch Huitt-Zollars capped steel rod in the Northwesterly right-of-way of Interstate Highway No. 35W, (a variable width public right-of-way).

## Appendix B

- THENCE with the Northwestern right-of-way of Interstate 35W, and generally with a wire fence the following courses and distances:  
South 34 degrees 44 minutes 07 seconds West, a distance of 325.99 feet to a concrete highway monument.  
South 29 degrees 17 minutes 13 seconds West, a distance of 99.76 feet to a concrete monument.  
South 34 degrees 30 minutes 16 seconds West, a distance of 127.15 feet to a concrete monument.  
South 34 degrees 36 minutes 33 seconds West, a distance of 628.30 feet to a concrete monument.  
South 37 degrees 57 minutes 42 seconds West, passing at a distance of 1519.26 feet a concrete monument, the most Southerly corner of before mentioned tract II, 0.5 feet South of a railroad tie fence corner, the end of said fence, continuing in all a distance of 3036.33 feet to a 5/8 inch Huitt-Zollars capped steel rod.  
South 43 degrees 39 minutes 27 seconds West, a distance of 1006.48 feet to a 5/8 inch Huitt-Zollars capped steel rod.  
South 37 degrees 57 minutes 42 seconds West, a distance of 92.03 feet to a P.K. nail in asphalt, in Harmonson Road, the South corner of before mentioned tract III.
- THENCE leaving said right-of-way, North 00 degrees 10 minutes 05 seconds West, with Harmonson Road, a distance of 1505.94 feet to a 5/8 inch steel rod in asphalt, the Northeast corner of said J. Arnold Survey, the Southeast corner of said Olson Survey, in the West line of said B.B.& C. Railroad Co. Survey and being the most Easterly Southeast corner of said Tract I.
- THENCE North 89 degrees 10 minutes 56 seconds West, with the common line between said Olson and Arnold Surveys, and with a South line of said tract I, a distance of 22.83 feet to a point at or near the West line of said Road.
- THENCE South 00 degrees 10 minutes 05 seconds East, with or near the West line of Harmonson Road, 1535.41 feet to a 5/8 inch Huitt-Zollars capped steel rod at the Southeast base of a destroyed concrete highway monument in the Northwestern right-of-way of Interstate Highway 35W.
- THENCE South 37 degrees 57 minutes 42 seconds West, with said right-of-way 1602.71 feet to a concrete highway monument at the intersection of the Northwestern right-of-way of Interstate 35W with the North line of State Highway No. 114, (a 100 foot wide public right-of-way).
- THENCE North 89 degrees 12 minutes 43 seconds West, with the North line of Highway No. 114, a distance of 1456.54 feet to a 5/8 inch capped Huitt-Zollars capped steel rod, the Southwest corner of before mentioned tract IV, in the West line of Said Arnold Survey and the East line of the A.G. Peterson Survey Abstract No.1664.
- THENCE North 00 degrees 00 minutes 44 seconds East, with the common line between said Surveys a distance of 1388.16 feet to a 7/8 steel rod, the Northeast corner of said A.G. Peterson survey, the Southeast corner of said N. Peterson Survey and the most southerly Southeast corner of before mentioned Tract I.

## Appendix B

- THENCE North 89 degrees 11 minutes 25 seconds West, with the common line between said Peterson Surveys, a distance of 2458.80 feet to a 7/8 inch steel rod the Southwest corner of said N. Peterson Survey, the Northwest corner of said A.G. Peterson survey in an East line of the before mentioned Smith Survey, and a Southwest corner of said Tract I.
- THENCE North 00 degrees 33 minutes 21 seconds East, generally with a wire fence, a distance of 824.34 feet to a 7/8 inch steel rod at the base of a steel fence post, a re-entrant corner of said Tract I.
- THENCE North 89 degrees 13 minutes 39 seconds West, generally with a wire fence, a distance of 1064.23 feet to a 7/8 inch steel rod at the base of a steel fence post, a Southwest corner of said Tract I.
- THENCE North 00 degrees 20 minutes 44 seconds East, generally with a wire fence, a distance of 1083.48 feet to a 7/8 inch steel rod 0.6 feet North of an old wood fence corner, a re-entrant corner of said Tract I.
- THENCE North 89 degrees 21 minutes 10 seconds West, generally with a wire fence, a distance of 606.04 feet to a 7/8 inch steel rod 0.5 feet North of a steel fence corner, a Southwest corner of said Tract I.
- THENCE North 00 degrees 08 minutes 14 seconds East, generally with a wire fence, at a distance of 1193 feet an old wood fence corner bears east 2 feet, in all a distance of 2583.17 feet to a 7/8 inch steel rod at the East base of an old wood fence corner, a re-entrant corner of said Tract I.
- THENCE North 63 degrees 18 minutes 02 seconds East, a distance of 3201.84 feet to a 5/8 inch Huitt-Zollars steel capped rod at the beginning of a curve to the right whose radius is 900.00 feet and whose chord bears South 73 degrees 26 minutes 36 seconds East, 1233.47 feet.
- THENCE in an Easterly direction with said curve through a central angle of 86 degrees 30 minutes 45 seconds, an arc distance of 1358.93 feet to a 5/8 inch Huitt-Zollars capped steel rod at the beginning of a curve to the left whose radius is 900.00 feet and whose chord bears South 59 degrees 52 minutes 40 seconds East, 891.58 feet.
- THENCE in an Easterly direction with said curve through a central angle of 59 degrees 22 minutes 54 seconds, an arc distance of 932.77 feet to a 5/8 inch Huitt-Zollars capped steel rod at the South base of an old wood fence corner in the North line of the before mentioned Hayden Survey and the South line of said H. Anderson survey.
- THENCE South 89 degrees 34 minutes 07 seconds East, with said Survey line, and generally with an old wire fence, a distance of 75.19 feet to an old wood fence corner, the Northeast corner of said Hayden Survey, the Northwest corner of said Gualtney Survey in the South line of said Anderson Survey.