

**FIRST AMENDMENT TO  
AUTO RACING AGREEMENT**

THIS FIRST AMENDMENT is made and entered into this 1<sup>ST</sup> day of MARCH, 2007, by and between the City of Las Vegas, a municipal corporation of the State of Nevada (herein the "City") and Vegas Grand Prix, LLC., doing business as "Vegas Grand Prix," a limited liability company organized under the laws of the State of Nevada (herein "VGP").

**WITNESSETH:**

WHEREAS, the parties hereto have entered into the Auto Racing Agreement dated July 20, 2006 (the "Agreement"), which sets forth each parties respective obligations concerning the inaugural Grand Prix auto racing event to be held on the public streets in downtown Las Vegas, and

WHEREAS, since the execution of the Agreement, the parties as a result of preparing for the first grand prix auto racing event recognize the need to modify the same of the obligation of VGP as set forth in the Agreement, and

WHEREAS, the parties hereto desire to enter into an amendment of the Agreement to modify the obligations of VGP as hereinafter set forth.

NOW, THEREFORE, in consideration of the above, the parties hereto agree to the following:

1. Section 1(h) of the Agreement is hereby amended to clarify that the costs, engineering design, construction management and project administration are part of the Annual Street Improvement costs to be reimbursed by the City.

Delete the following language: Section 1h in its entirety.

Add the following language: "Annual Street Improvements," means the pre-race improvements or modifications, temporary and permanent, which must be made to the City Streets on an annual basis after the first year in order to hold the Racing Event (including the engineering design, construction management and project administration related thereto), but does not include post-race Street Repairs.

2. Section 5(h) of the Agreement is hereby amended to provide the City with option to do the Street Repairs:

Delete the following language: "Perform, at its sole expense, the necessary Street Repairs within the Circuit Area."

Add the following language: "Perform, at its sole expense, the necessary Street Repairs within the Circuit Area unless the City elects to perform the repairs subject to reimbursement by VGP pursuant to Section 8."

3. Section 8, Street Improvement and Repair, is hereby amended to provide that the City will be reimbursed for the costs of the Initial Street Improvement, Annual Street Improvements and, if applicable, the Street Repairs and to require the procurement of a performance bond to ensure reimbursement of such costs to the City.

Delete the following language: Section 8 in its entirety.

Add the following language: "VGP agrees to reimburse the City for the costs of the design and construction (including project management and project administration) for (i) the Initial Street Improvements which is in excess of the City's contribution in the amount of \$500,000, (ii) the Annual Street Improvements which are necessary for each Race Event after the first year, and (iii) the Street Repairs for the first year and subsequent years thereafter, if the City elects to assume responsibility for performing the Street Repairs. The City shall be reimbursed such costs within thirty (30) calendar days of receipt by VGP of a written invoice, which invoice will be on a monthly basis during the course of the construction contract for the Initial Street Improvements, Annual Street Improvements or, if applicable, the Street Repairs.

The City will be responsible for construction of the Initial and Annual Street Improvements pursuant to the requirements of applicable state laws, and shall not enter into any construction contract for the Initial or Annual Street Improvements without the prior consent of VGP. For each Race Event after the first year, the City will provide VGP with an annual estimate of the cost to construct Annual Street Improvements within 270 days of completion of the last Race Event. However, in the event VGP determines, at any time after the first Race Event and prior to the City entering into any contract for the construction of the Annual Street Improvements, that the Race Event has become commercially unfeasible due to the costs of Annual Street Improvements, VGP shall have the right to terminate this Agreement without penalty, but subject to the indemnification obligation set forth Section 11 of this Agreement.

Within ten (10) days after written notice from the City, VGP agrees to make a deposit with the City in the amount of the engineering design agreement for the Initial Street Improvements. For each Race Event thereafter, within 30 days of receipt of a written invoice (such invoice not to be given earlier than 90 days after completion of the preceding Race Event), VGP agrees to make a deposit in the amount of the engineering design agreement for the Annual Street Improvements. The failure to deposit funds for the engineering design contract as required herein shall constitute a material breach of this Agreement.

The Initial Street Improvements are estimated in the amount of \$1,866,849.00 as indicated on Exhibit B attached hereto. In the event the actual

construction bid for the Initial Street Improvements exceeds by 10% the cost estimate set forth in Exhibit B, VGP may terminate this Agreement for economic hardship without penalty, provided written notice thereof is given to the City prior to the award of the construction contract therefor. If the construction bids do not exceed by 10% the estimate costs of the Initial Street Improvements set forth in Exhibit B attached hereto, VGP shall provide a performance bond, in an amount and with a surety company reasonably acceptable to the City Manager and substantially in the form of Exhibit G attached hereto and incorporated herein as a part of this Agreement, ensuring the performance of VGP's reimbursement obligations set forth in this Section. The performance bond shall remain in effect for the term of this Agreement, or for such other shorter periods of time as may be agreed to by the City. The failure to provide the performance bond required herein shall constitute a material breach of this Agreement."

4. Section 11, Indemnification, of the Agreement is hereby amended to require the Company to procure a performance bond securing the performance of VGP obligation for the defense and payment of claims for the denial of access to and from private property resulting from any Racing Event.

Add the following language as the third paragraph to Section 11: "The Company agrees to provide a performance bond substantially in the form of Exhibit G attached hereto ensuring performance of the Company's obligations set forth herein concerning claims for the denial of access to and from private property resulting from any Racing Event."

5. Section 12, Insurance, of the Agreement is hereby amended to delete the requirement that the General Commercial Liability Coverage required by the Agreement be endorsed to cover claims for the denial of access to and from private property resulting from the Racing Event.

Delete the following language: The insurance coverage shall be specifically endorsed to cover claims for the denial of access from private property owners resulting from the Racing Event.

6. Exhibit D, Insurance Requirement, referenced in Section 12 of the Agreement is hereby amended to delete the requirement that the General Commercial Liability Coverage be endorsed to cover claims for the denial of access to and from private property.

Delete the following language: Specific endorsement of coverage for claims brought for the denial of access to private property as a result of the Race Event.

7. Within ten (10) days after the execution of this Amendment, VGP shall provide to the City an executed performance bond substantially in the form of Exhibit G attached hereto and incorporated as part of Agreement which is referenced in Sections 8 and Section 11 of the Agreement.

8. Exhibit G of the Agreement referenced in the new language above for Section 8 is attached hereto as Attachment 1 and incorporated herein as a part of this Amendment.

9. Pursuant to Section 36 of the Agreement, VGP is required to notify the City of any material change in the Certificate of Disclosure of Ownership/Principals within 15 days of such change. As of the date of its execution of this Amendment, VGP represents to the City that there has been no change in this Certificate previously provided to the City.

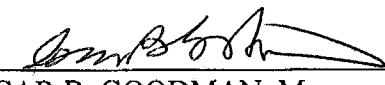
10. All other provisions of the Agreement shall remain in force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed as of the day and year first above written.

ATTEST:

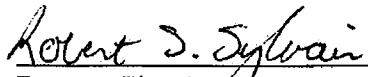
CITY OF LAS VEGAS

  
BEVERLY BRIDGES, Acting City Clerk

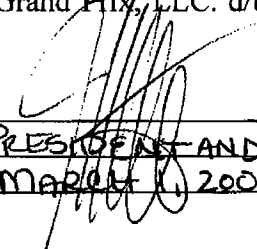
By   
OSCAR B. GOODMAN, Mayor Date

"City"

APPROVED AS TO FORM:

 2-28-07  
Deputy City Attorney Date

Vegas Grand Prix, LLC. d/b/a Vegas Grand Prix

By:   
Title: PRESIDENT AND CEO  
Date: MARCH 1, 2007

**ATTACHMENT 1 TO THE AMENDMENT**

**Exhibit G**

**Performance Bond**

**Performance Bond**

BOND NUMBER \_\_\_\_\_

**IMPORTANT: THIS BOND MUST BE ISSUED BY A SURETY COMPANY LICENSED BY THE STATE OF NEVADA PURSUANT TO NRS 683A.090 AND EXECUTED BY AN APPOINTED AGENT LICENSED PURSUANT TO NRS 683A.280. THE SURETIES (DEPARTMENT CIRCULAR 570) AS A COMPANY HOLDING A CERTIFICATE OF AUTHORITY AS AN ACCEPTABLE SURETY ON FEDERAL BONDS AND AS ACCEPTABLE REINSURING COMPANY. A SURETY BOND ISSUED BY AN INDIVIDUAL IS NOT ACCEPTABLE.**

**WHEREAS**, the Company named below and the City of Las Vegas, Nevada (the "City") have entered in a certain contract dated July 20, 2006, entitled, to wit: the AUTO RACING AGREEMENT (the "Agreement"), which provides for a grand prix auto racing event to be held on the certain public streets in downtown Las Vegas, and

**WHEREAS**, the Company is obligated to (i) reimburse the City for the costs of the initial street improvements (less the City's contribution of \$500,000) and the annual street improvements which are incurred by the City in order to conduct the grand prix auto racing event, (ii) reimburse the City for the cost of the post-race street repairs if the City elects to perform such repairs, (iii) defend, indemnify and hold the City harmless against claims as a result of the grand prix auto race, and (iv) perform the other obligations of the Agreement (collectively the "Obligations"), all of which is more fully set forth in the Agreement, and

**WHEREAS**, the Company is required to furnish a bond securing the faithful performance of the Obligations under the terms of the Agreement.

**KNOW ALL MEN BY THESE PRESENTS**, that we, the Company and Surety named below, for ourselves and our heirs, executors, administrators, successors and assigns, jointly and severally, are firmly held and bound unto the City in the penal sum of ONE MILLION DOLLARS (\$1,000,000), the payment of which sum will firmly and truly be made pursuant to this Bond.

**NOW, THEREFORE, THE CONDITIONS OF THE ABOVE OBLIGATION ARE SUCH** that if the Company shall well and truly perform all of the Obligations within the time and in the manner specified in the Agreement, then this obligation shall become null and void, otherwise it shall remain in full force and effect.

The Surety, for value received, hereby stipulates and agrees, if notified and requested to do so by the City, to perform and fully complete the Obligations pursuant to the requirements of the Agreement if the Company fails or neglects for any reason to perform any of the Obligations. The Surety further agrees to commence completion of the Obligation which the Company has failed or neglected to perform within twenty (20) days after written notice thereof from the City, and to fully complete with due diligence the same.

No change, alteration or other modifications (including extension of time) of the Agreement shall release or exonerate any Surety upon this Bond. It is expressly agreed and understood that this Bond is made and executed contemporaneously with the Agreement above mentioned, and in consideration for the terms, conditions, and covenants therein made and entered into on the part of the City.

**IN WITNESS WHEREOF** this instrument has been executed this 1<sup>st</sup> day of March, 2007.

To be countersigned by resident agent in Nevada pursuant to NRS 680A.300.

**RESIDENT AGENT**

By \_\_\_\_\_  
(Resident Agent Name)

\_\_\_\_\_  
(State of Nevada License Number)

By: \_\_\_\_\_  
(Resident Agent Signature to be notarized)

Address: \_\_\_\_\_

\_\_\_\_\_

Telephone: \_\_\_\_\_

(SEAL AND NOTARIAL ACKNOWLEDGEMENT OF SURETY)

**COMPANY:** DDB Ventures, LLC DBA Vegas Grand Prix, LLC

By: \_\_\_\_\_  
(Authorized Representative and Title)

**SURETY:** \_\_\_\_\_

\_\_\_\_\_  
(State of Nevada License Number)

\_\_\_\_\_  
(Appointed Agent Name)

By: \_\_\_\_\_  
(Appointed Agent Signature to be notarized)

Address: \_\_\_\_\_

\_\_\_\_\_

Telephone: \_\_\_\_\_

(SEAL AND NOTARIAL ACKNOWLEDGEMENT OF SURETY)