

**Agreement between Circuit Events Local Organizing Committee  
and Circuit of the Americas  
(Formula 1 United States Grand Prix)**

Circuit Events Local Organizing Committee, a Texas non-profit corporation (CELOC) acting through its duly authorized director or officer, and Circuit of the Americas, L.L.C, a Delaware limited liability company (COTA) acting through its duly authorized agent or officer, enter into this Agreement (Agreement), upon the terms and conditions set forth below.

**RECITALS:**

1. Tex. Gov. Code Chapter 478 (Chapter 478) and the related rules found at 10 Tex. Admin. Code, Part 5, Chapter 184, as amended and supplemented (collectively, the Rules), were passed and enacted for the purpose of attracting and securing eligible events to Texas. The Office of the Governor, Economic Development and Tourism Department (OGEDT) is tasked with administering Chapter 478 and the Rules. Tex. Gov. Code (Government Code) § 478.0001(3) includes a Formula One automobile race as an eligible event. COTA has proposed the Formula 1 United States Grand Prix 2022 - 2026 Event (the Event) as an eligible event under Chapter 478. The site selection organization for the Event is Formula One Management Limited (FOML). The 2022 Event will be held October 21-23, 2022 at the racetrack facilities of Circuit of the Americas (COTA) in Austin, Texas.
2. Government Code § 478.0001(2) provides that a municipality that contains a site selected by a site selection organization for an event, such as the Circuit of the Americas racetrack located in the City, is an eligible "Endorsing Municipality" for purposes of establishing a Major Events Reimbursement Program (MERP) as authorized under Government Code §§ 478.0151 and 478.0152 thus making local and state funds available to attract, secure, and hold an eligible event, such as the Event.
3. On December \_\_\_\_\_, 2021, the City of Austin entered into an agreement (CELOC Agreement) with CELOC regarding establishment of the MERP, setting forth rights and responsibilities relating to the MERP, and referencing this Agreement.
4. COTA is the owner and operator of a racetrack and related facilities in Austin, Travis County, Texas which will host the Event.
5. On December \_\_\_\_\_, 2021, COTA entered into an agreement with the City of Austin regarding Sustainability Initiatives and Minority/Women Business Enterprises Initiatives (COTA Agreement). The CELOC Agreement and the COTA Agreement are referenced collectively as the "CELOC/COTA Agreements".

## **AGREEMENT**

6. Agreement Purpose. The purpose of this Agreement is (i) to establish the parties' authority, rights and responsibilities with respect to compliance with the Sustainability Initiatives referenced in the CELOC/COTA Agreements, and (ii) to satisfy the requirements of Section 22 of the CELOC Agreement. Capitalized terms not otherwise defined will have the meaning given those terms in the CELOC/COTA Agreements.
7. Term. If the OGEDT approves creation of the MERP for the Event, this Agreement is effective on the latest date that this Agreement is signed by both parties below (Effective Date) and shall remain in effect until 180 days after the 2026 Event, unless terminated sooner only in accordance with the terms of this Agreement.
8. COTA Responsibilities. COTA agrees to comply with the Sustainability Initiatives described in Section 9 below, as applicable to the Event and to timely provide information to CELOC, or directly to the City, and to assist CELOC in timely filing, or filing directly with the City, the report contemplated by Section 22.B of the CELOC Agreement.
9. Sustainability Initiatives. COTA will take such action as is necessary to accomplish and satisfy, as applicable, the Sustainability Initiatives specified in Exhibit A, as applicable to the Event.
10. Termination with Cause.
  - A. In the event of a default by a party to this Agreement, the other party shall have the right to terminate the Agreement for cause, but only after written notice of the default is delivered to the party in default via certified mail. The notice shall be effective 30 days after delivery, unless otherwise specified, or the default is cured, as provided below. During this time period, the party alleged to be in default shall have the right to and may cure the event of default, or may provide evidence sufficient to prove to the other party's reasonable satisfaction that the default does not exist or that it will be cured in a time satisfactory to the party alleging the default. Each party's rights and remedies under the Agreement are cumulative and are not exclusive of any other right or remedy provided by law.
  - B. Subject to and following the 30-day notice and opportunity to cure, there must also be 90 days' written notice of intent to terminate delivered to the State and the City pursuant to this Section (for a total 120-day notice period).
  - C. This Agreement may be terminated upon occurrence of any of the following events:
    - (1) Termination of the CELOC/COTA Agreements.

- (2) COTA fails to meet the Performance Measures set out below, provided, however, that both parties will first attempt non-binding arbitration to resolve any dispute between the parties with regard to the alleged failure of COTA to meet the Performance Standards. If non-binding arbitration is not successful, CELOC and COTA agree to resolve the dispute in the jurisdiction and venue set forth in Section 12 below prior to CELOC exercising any termination remedy due to such dispute.

11. Performance Measures. Reporting and compliance with the Sustainability Initiatives as set forth above and in Exhibit A, as applicable to the Event.
12. Jurisdiction and Venue. The parties agree that this Agreement is governed by the laws of the State of Texas and that venue for a dispute arising from this Agreement shall be in Austin, Travis County, Texas.
13. Severability. If a term or provision of this Agreement is determined to be void or unenforceable by a court of competent jurisdiction, the remainder of this Agreement remains effective to the extent permitted by law.
14. Notices. Any notice, request, or other communication required or appropriate to be given under this Agreement shall be in writing and shall be addressed to the person designated for receipt below. Legal notices shall be sent postage prepaid and Return Receipt Requested. Other notices and routine communications may be delivered by any other means (fax, e-mail, courier). These notices and communications shall be deemed delivered upon receipt of a successful fax, e-mail, or courier confirmation report by the addressee; provided, that the notice is specifically directed to the attention of the person designated for receipt of notices to CELOC or COTA. Notice shall be addressed as follows:

To CELOC:

Attn: Secretary  
9201 Circuit of the Americas Blvd.  
Austin, Texas 78617

TO COTA:

Attn: Chief Operating Officer  
9201 Circuit of The Americas Blvd.  
Austin, Texas 78617

Notices to the City will be in accordance with the CELOC/COTA Agreements.

15. Assignment. A party to this Agreement may not assign or transfer its interests under this Agreement except with the written consent of the other party to this Agreement. This consent will not be unreasonably withheld.
16. Amendment. This Agreement may not be amended in whole or in part except in a written amendment executed by all parties to this Agreement, with copy to the City.

17. Survival of Obligations. All provisions of this Agreement that impose continuing obligations on the parties shall survive the expiration or termination of this Agreement.
18. Business Days. Whenever action must be taken (including the giving of notice or the delivery of documents) under this Agreement during a certain period of time or by a particular date that ends or occurs on a non-business day (*i.e.*, Saturday, Sunday, or a holiday recognized by the U. S. federal government or the State of Texas), then such period or date will be extended until the immediately following business day.
19. No Implied Waiver. No waiver or consent, express or implied, by any party to or of any breach or default by any party in the performance by such party of its obligations under this Agreement, will be deemed or construed to be a consent or waiver to or of any other breach or default in the performance by such party of the same or any other obligations of such party under this Agreement. Failure on the part of a party to complain of any act or any party or to declare any party in default, irrespective of how long such failure continues, will not constitute a waiver by such party of its rights under this Agreement until the applicable statute of limitations period has run.
20. Estoppel Certificate/Lender Protection. Upon a written request from COTA or its lender, CELOC shall, within 10 business days after receipt of such request, execute and deliver to COTA and its lender and to any other party designated by COTA, an estoppel certificate in form reasonably approved by CELOC which certifies whether CELOC has knowledge of any default under this Agreement or COTA's Performance Measures. COTA may, from time to time, deliver a written notice to lender (Notice of Lender) executed by COTA and notifying CELOC of a lender for all or part of COTA's racetrack facilities and related development. The Notice of Lender must include the name and address of COTA's lender (Lender). Until CELOC receives a written release of the notice of default provided to the State and the City under Section 10(B) above and will provide Lender the same 90-day opportunity to cure such default.

EXECUTED by the undersigned on the dates set out below, in Austin, Travis County, Texas.

CIRCUIT EVENTS LOCAL ORGANIZING COMMITTEE

By: \_\_\_\_\_

Name: Anna Panossian

Title: Authorized Director, CELOC Secretary

Date: \_\_\_\_\_

CIRCUIT OF THE AMERICAS

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

DRAFT

DRAFT

# Amended Exhibit A

**1. *The following items are CELOC responsibilities under the Agreement between the City and CELOC:***

**A. *Air quality and environmental initiatives***

- (1) Purchase carbon offsets to achieve carbon neutrality for the net carbon emissions associated with all fuel use and energy demands associated with the Formula One race, to include race operations during the event and temporary generation. Cost of offsets are not to exceed \$15,000 annually. Carbon impacts and neutrality methodology shall be approved by the City of Austin Office of Sustainability. Possible tools include GreenSports.org OR the Green Sports Alliance.
- (2) A minimum of 50% of carbon offsets will be local, if feasible, and may include options for local tree planting, including on-site trees, and land conservation grants, as carbon offset options.
- (3) Investigate holding the F1 race outside of the Central Texas ozone season (April 1-October 31).
- (4) If the event is held between April 1 and October 31, develop and submit a plan prior to the first US Grand Prix event that is held between these dates, to reduce emissions of Particulate MatterNOx (nitrogen oxides) and CO<sub>2</sub> (carbon dioxide) from the event. The plan should include an estimate of emissions associated with the event, to the extent practical. During subsequent years, submit a plan update only if the US Grand Prix is held between these dates.
- (5) Establish an Event recycling and composting program for any major event held at the site. At minimum, include Paper, Plastic grades 1 (PETE) and 2 (HDPE), aluminum, glass, and compostables. (Same as Universal Recycling Ordinance, plus organics).
- (6) Require Event food and drink vendors to use recycled and/or compostable materials to the extent available.

---

<sup>1</sup>For the purpose of this agreement, a major event is defined as any event with more than 40,000 attendees, exclusive of employees.

<sup>2</sup>New EPA standards include hydrocarbon and nitrogen oxides exhaust emission standards of 10 g/kW-hr for Class I engines starting in the 2012 model year and 8 g/kW-hr for Class II engines starting in the 2011 model year.

<sup>3</sup>For the purpose of this agreement, a major event is defined as any event with more than 40,000 attendees exclusive of employees.

## ***B. Transportation initiatives***

- (1) Coordinate Event-specific parking and transportation efforts for major events<sup>1</sup> with City of Austin Special Events Offices located in the Austin Transportation Department and Aviation, TXDOT, and Travis County.
- (2) Develop an Event-specific Transportation Management Plan for major events. Submit plan by July 31<sup>st</sup> 2011 to City of Austin Transportation Department Director for review and comment. Plan should be updated annually.
- (3) Obtain a Special Event Permit from City of Austin for any special off-site events, such as event-associated parades or festivals, located within the City limits.
- (4) Provide Event-specific satellite parking locations and sufficient mass transportation options for major events.
- (5) Limit Event-specific parking on-site to 25,000 parking spots and monitor on-site parking; work toward establishing plans for increasing transit share annually for major events.
- (6) Manage the majority of Event-specific parking sales with coordination through a designated single organization for major events.
- (7) Where possible, pre-sell and manage all Event-specific parking through the ticket sales process, in order to ease traffic flow tied to major events. Sell assigned parking for major events that are aligned with trip origination locations. Provide parking purchasers for major events with maps guiding them to their parking location.
- (8) Commit to seeking a transportation partner for the Formula One Event that provides low emission mass transit vehicles for the shuttle operation, and give contracting preference to the lowest available emissions rapid transit vehicles available that reasonably satisfy the needs of the Event, such as those powered by hybrid electric propulsion equipment, natural gas or propane, or low emission diesel engines that meet tier 3 or 4 standards, so long as such provider is at a reasonable incremental cost compared to other providers that do not meet these standards. Analysis of this item shall be included in the Transportation Management Plan referenced in item B(2).

## ***2. The following items are Circuit of the Americas responsibilities under the Agreement between the City and Circuit of the Americas:***

### ***A. Air quality and environmental initiatives***

---

<sup>1</sup>For the purpose of this agreement, a major event is defined as any event with more than 40,000 attendees, exclusive of employees.

<sup>2</sup>New EPA standards include hydrocarbon and nitrogen oxides exhaust emission standards of 10 g/kW-hr for Class I engines starting in the 2012 model year and 8 g/kW-hr for Class II engines starting in the 2011 model year.

<sup>3</sup>For the purpose of this agreement, a major event is defined as any event with more than 40,000 attendees exclusive of employees.



- (1) Work with CAPCOG and other relevant governmental entities to establish, by May 1<sup>st</sup>, 2012, an Air Quality analysis and inventory, modeling, and a mitigation strategy to resolve air quality issues related to major events held between April 1 - October 31. Commit to securing data that allows assessment of emissions specific to the COTA site, subject to an annual cost cap of \$50,000.
- (2) Utilize a combination of subscription to Austin Energy's GreenChoice program (or its successor) and on-site renewable energy generation to reach at least 50% of all non-event energy demands. At least 5% of the demands can be met by on-site renewable energy generation.
- (3) Land preservation and restoration of all disturbed areas, including implementing a combination of xeriscaping, integrated pest management, and water quality controls.
- (4) The majority of new plantings will use naturally drought-tolerant native and adaptive landscaping to promote water conservation.
- (5) Make a minimum of 5 acres in the floodplain available for a community garden or farm. Make reasonable efforts to locate the site as close to an available water source as possible.
- (6) Follow Environmental Board recommendations:
  - a) Comply with new commercial landscape standards.
  - b) Comply with parking lot shading areas.
  - c) Investigate the restoration of riparian of Dry Creek.
  - d) Demonstrate a black land prairie land restoration.
  - e) Perform restoration of Dry Creek Riparian Corridor and Blackland Prairie Corridor, by working with partners such as Texas A&M.
  - f) Establish a monitoring program of any pervious pavement used on site.
- (8) Achieve a minimum of 2 Stars in the Sustainable Sites Initiative by the end of 2013, or develop and submit a sustainable site operations and maintenance plan by the end of 2013 that is consistent with the principles of the SITES initiative. Plan shall be mutually approved by the City of Austin Office of Sustainability and COTA.
- (9) Plant at least 800 trees on-site and establish a maintenance program.
- (10) Establish a Facility recycling and composting program for any major event held at the site. At minimum, include Paper, Plastic grades 1 (PETE) and 2 (HDPE), aluminum, glass, and compostables. (Same as Universal Recycling Ordinance, plus organics).

---

<sup>1</sup>For the purpose of this agreement, a major event is defined as any event with more than 40,000 attendees, exclusive of employees.

<sup>2</sup>New EPA standards include hydrocarbon and nitrogen oxides exhaust emission standards of 10 g/kW-hr for Class I engines starting in the 2012 model year and 8 g/kW-hr for Class II engines starting in the 2011 model year.

<sup>3</sup>For the purpose of this agreement, a major event is defined as any event with more than 40,000 attendees exclusive of employees.

- (11) Require Facility year round food and beverage vendors to use recycled and/or compostable materials to the extent-available.
- (12) Protect existing wetlands and Critical Environmental Features.
- (13) Strive to reduce emissions of Particulate Matter NOx (nitrogen oxides) and CO2 (carbon dioxide) from construction, transit and maintenance vehicles for all construction activities and major events to occur after the first US Grand Prix Event.
  - a) Give preference to contractors using lowest emission transit, construction, maintenance and generation equipment in future or renewed contracts, so long as such provider is at a reasonable incremental cost compared to other providers that do not meet these standards.
  - b) Give preference to contractors using the lowest emissions diesel engines available, so long as such provider is at a reasonable incremental cost compared to other providers that do not meet these standards . Specify use of Tier 3 or Tier 4 emission equipment and ultra low sulfur fuels, where feasible. Use as many of the suggested measures as feasible from the COA Construction Equipment Emission Reduction Toolkit:  
<http://www.dieselnet.com/standards/us/nonroad.php#tier4>. Do an inventory and report to the City of Austin annually.
  - c) Use reasonable efforts to use cleanest equipment available, such as electric, four cycle or propane-fueled lawnmowers, line trimmers and electric hand-held equipment or landscape maintenance.<sup>2</sup>

## ***B. Transportation***

- (1) Develop a Transportation Management Plan for all major events.<sup>3</sup> Submit plan to City of Austin Transportation Department Director for review and comment. Plan should be updated annually.
- (2) Coordinate parking and transportation efforts for major events with City of Austin Special Events Offices located in the Austin Transportation Department and Aviation, TXDOT, and Travis County.
- (3) For any special off-site events such as event-associated parades or festivals located within the City of Austin, require the event-sponsor to obtain a Special Event Permit from City of Austin.
- (4) Require all major events held at the COTA to provide satellite parking locations and sufficient mass transportation options.

---

<sup>1</sup>For the purpose of this agreement, a major event is defined as any event with more than 40,000 attendees, exclusive of employees.

<sup>2</sup>New EPA standards include hydrocarbon and nitrogen oxides exhaust emission standards of 10 g/kW-hr for Class I engines starting in the 2012 model year and 8 g/kW-hr for Class II engines starting in the 2011 model year.

<sup>3</sup>For the purpose of this agreement, a major event is defined as any event with more than 40,000 attendees exclusive of employees.

- (5) Limit parking on-site to 25,000 parking spots and monitor on-site parking; work toward increasing transit share annually for major events.
- (6) Manage the majority of all parking sales and coordination through a designated single organization for major events.
- (7) Where possible, pre-sell and manage all parking through the ticket sales process, in order to ease traffic flow tied to major events. Sell assigned parking for major events that are aligned with trip origination locations. Provide parking purchasers for major events with maps guiding them to their parking location.
- (8) Commit to seeking a transportation partner that provides low emission mass transit vehicles for the shuttle operation, and give contracting preference to the lowest available emissions rapid transit vehicles available that reasonably satisfy the needs of the event, such as those powered by hybrid electric propulsion equipment, natural gas or propane, or low emission diesel engines that meet tier 3 or 4 standards, so long as such provider is at a reasonable incremental cost compared to other providers that do not meet these standards.
- (9) Post a policy and undertake reasonable enforcement to limit unnecessary idling of vehicles being used to supply heat or air conditioning necessary for passenger comfort and safety, in vehicles intended for commercial or public passenger transportation, or passenger transit operations, to a maximum of 30 minutes.
- (10) Commit to working with relevant governmental entities to dedicate traffic lanes on all appropriate roads entering the site to mass transit for major events.
- (11) Work with relevant governmental entities to establish a dedicated bike facility by the first major event, that would provide direct access to the site; provide public showers for major events.
- (12) Explore partnerships with Austin Energy to provide on-site charging stations (110/240 volt) for electric, hybrid/electric vehicles, electric scooters, pony packs, and electric landscaping equipment, to facilitate charging.

### ***C. Future On-site Development***

- (1) Any future buildings (i.e. buildings not currently under construction or in review) of over 2000 Square Feet will achieve a minimum 2 Star rating in Austin Energy's Green Building program OR achieve Silver LEED certification. Work with Office of Sustainability and Austin Energy Green Building with the goal of achieving higher levels of green building certification, including leveraging all available incentives.
- (2) Building design and window placement to maximize natural light and passive solar design.

---

<sup>1</sup>For the purpose of this agreement, a major event is defined as any event with more than 40,000 attendees, exclusive of employees.

<sup>2</sup>New EPA standards include hydrocarbon and nitrogen oxides exhaust emission standards of 10 g/kW-hr for Class I engines starting in the 2012 model year and 8 g/kW-hr for Class II engines starting in the 2011 model year.

<sup>3</sup>For the purpose of this agreement, a major event is defined as any event with more than 40,000 attendees exclusive of employees.

- (3) All new toilets and urinals meet or exceed low flow requirements, as defined by the Austin Uniform Plumbing Code, to achieve water reduction.

#### ***D. Ongoing Collaboration on Sustainability Efforts***

- (1) Establish an ongoing partnership with the City's Sustainability Office to implement best practices on site-specific sustainability efforts and collaborate on educational tours and demonstrations at the site.
- (2) Designate a single point-of-contact for the facility's sustainability efforts.

#### ***E. Green Technology R&D***

- (1) Coordinate with partners including UT, Texas State, Huston-Tillotson, Texas A&M, and Austin Technology Incubator to support the establishment of a Green Racing and Transportation Research, Education, and Testing Center or similar low carbon transportation technology incubator at the site.
- (2) Allow reasonable access to the track facilities for electric vehicle research and testing.
- (3) COTA shall make good faith efforts in partnership with other interested parties to raise, within 18 months from the date on which the contract is signed between the City and COT A, \$5 million to fund on-site green technology and research & development projects, in one or more of the following categories: solar power, automotive fuel efficiency, electric vehicles, biofuels, geothermal, or wind power. COTA shall cooperate with the City to seek US Department of Energy funds to support any resulting green technology R&D projects.

#### ***F. Alternative Energy Events***

- (1) Commit to hosting alternative energy, energy-efficient car races such as:
  - a) F-zero Race
  - b) Go Green Auto Rally
  - c) SAE Solar Races
- (2) Commit to hosting bicycle and foot races at the track.
- (3) Publicly advocate for electric vehicle research and testing, including the pursuit of business partnerships.
- (4) Agree to host public awareness event to advance community knowledge of the available options for green energy or transportation.

---

<sup>1</sup>For the purpose of this agreement, a major event is defined as any event with more than 40,000 attendees, exclusive of employees.

<sup>2</sup>New EPA standards include hydrocarbon and nitrogen oxides exhaust emission standards of 10 g/kW-hr for Class I engines starting in the 2012 model year and 8 g/kW-hr for Class II engines starting in the 2011 model year.

<sup>3</sup>For the purpose of this agreement, a major event is defined as any event with more than 40,000 attendees exclusive of employees.

***G. Community Sustainability***

- (1) Make good faith efforts to comply with the standards and principles of the City's MBE/WBE ordinance per Section 12 of the Agreement between the City and Circuit of the Americas.
- (2) Reporting as required by Agreement between CELOC and City and Agreement between COTA and City, respectively. Commit to recruiting local hires through job fairs and local media outreach.
- (3) Continue educational partnerships with area schools and universities on sustainability and technology issues.

---

<sup>1</sup>For the purpose of this agreement, a major event is defined as any event with more than 40,000 attendees, exclusive of employees.

<sup>2</sup>New EPA standards include hydrocarbon and nitrogen oxides exhaust emission standards of 10 g/kW-hr for Class I engines starting in the 2012 model year and 8 g/kW-hr for Class II engines starting in the 2011 model year.

<sup>3</sup>For the purpose of this agreement, a major event is defined as any event with more than 40,000 attendees exclusive of employees.