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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

☒Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the fiscal year ended November 30, 2016

or

☐Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the transition period from _____ to _____

Commission File Number 000-02384

INTERNATIONAL SPEEDWAY CORPORATION
(Exact name of registrant as specified in its charter)

FLORIDA	**59-0709342**
(State or other jurisdiction of incorporation)	**(I.R.S. Employer Identification No.)**
ONE DAYTONA BOULEVARD, DAYTONA BEACH, FLORIDA	**32114**
(Address of principal executive offices)	**(Zip code)**

Registrant's telephone number, including area code: (386) 254-2700

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Name of each exchange on which registered**
Class A Common Stock — $.01 par value	NASDAQ/National Market System

Securities registered pursuant to Section 12 (g) of the Act:
Common Stock — $.10 par value
Class B Common Stock — $.01 par value
(Title of Class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES ☒ NO ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.
YES ☐ NO ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES ☒ NO ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES ☒ NO ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	❑ (Do not check if a smaller reporting company)	Smaller reporting company	☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
YES ☐ NO ☒

The aggregate market value of the voting stock held by nonaffiliates of the registrant as of May 31, 2016 was $901,001,669.53 based upon the last reported sale price of the Class A Common Stock on the NASDAQ National Market System on Thursday, May 31, 2016 and the assumption that all directors and

executive officers of the Company, and their families, are affiliates.

At December 31, 2016, there were outstanding: No shares of Common Stock, $.10 par value per share, 25,320,365 shares of Class A Common Stock, $.01 par value per share, and 19,759,469 shares of Class B Common Stock, $.01 par value per share.

DOCUMENTS INCORPORATED BY REFERENCE. The information required by Part III is to be incorporated by reference from the definitive information statement which involves the election of directors at our April 2017 Annual Meeting of Shareholders and which is to be filed with the Commission not later than 120 days after November 30, 2016.

EXCEPT AS EXPRESSLY INDICATED OR UNLESS THE CONTEXT OTHERWISE REQUIRES, “ISC,” “WE,” “OUR,” “COMPANY,” “US,” OR “INTERNATIONAL SPEEDWAY” MEAN INTERNATIONAL SPEEDWAY CORPORATION, A FLORIDA CORPORATION, AND ITS SUBSIDIARIES.

INTERNATIONAL SPEEDWAY CORPORATION
FORM 10-K
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2016

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PART I

ITEM 1. BUSINESS

GENERAL

We are a leading owner of major motorsports entertainment facilities and promoter of motorsports themed entertainment activities in the United States. Our motorsports themed event operations consist principally of racing events at our major motorsports entertainment facilities. We currently own and/or operate 13 of the nation's major motorsports entertainment facilities:

- Daytona International Speedway® ("Daytona") in Florida;
- Talladega Superspeedway® ("Talladega") in Alabama;
- Michigan International Speedway® ("Michigan") in Michigan;
- Auto Club Speedway of Southern California℠ ("Auto Club Speedway") in California;
- Kansas Speedway® ("Kansas") in Kansas;
- Richmond International Raceway® ("Richmond") in Virginia;
- Darlington Raceway® ("Darlington") in South Carolina;
- Chicagoland Speedway® ("Chicagoland") in Illinois;
- Martinsville Speedway® ("Martinsville") in Virginia;
- Phoenix International Raceway® ("Phoenix") in Arizona;
- Homestead-Miami Speedway℠ ("Homestead") in Florida;
- Watkins Glen International® ("Watkins Glen") in New York; and
- Route 66 Raceway℠ ("Route 66") in Illinois.

In 2016, these motorsports entertainment facilities promoted well over 100 stock car, open wheel, sports car, truck, motorcycle and other racing events, including:

- 21 National Association for Stock Car Auto Racing ("NASCAR") Monster Energy NASCAR Cup Series events;
- 14 NASCAR Xfinity Series events;
- 9 NASCAR Camping World Truck Series events;
- 2 International Motor Sports Association ("IMSA") Weather Tech SportsCar Championship Series events including the premier sports car endurance event in the United States, the Rolex 24 At DAYTONA;
- 5 ARCA Racing Series events;
- One National Hot Rod Association ("NHRA") Mello Yello Drag Racing Series event;
- 2 IndyCar ("IndyCar") Series events; and
- A number of other prestigious stock car, sports car, open wheel and motorcycle events.

Our business consists principally of promoting racing events at these major motorsports entertainment facilities, which, in total, currently have approximately 762,000 grandstand seats and 573 suites. We earn revenues and generate substantial cash flows primarily from admissions, television media rights fees, promotion and sponsorship fees, hospitality rentals (including luxury suites, chalets and the hospitality portion of club seating), advertising revenues, royalties from licenses of our trademarks, parking and camping, and track rentals. We own Americrown Service Corporation ("Americrown"), which provides catering, concessions and services at certain of our motorsports entertainment facilities. We also own and operate the Motor Racing Network, Inc. ("MRN") radio network, also doing business under the name "MRN Radio", the nation's largest independent motorsports radio network in terms of event programming. We also have an equity investment in a Hollywood Casino at Kansas Speedway that has generated substantial equity earnings and cash distributions to us since its opening in fiscal year 2012.

At the beginning of fiscal 2017, entitlement of NASCAR's premier series changed. The NASCAR Sprint Cup Series will become the Monster Energy NASCAR Cup Series. Throughout this document, the naming convention for this series is consistent with the branding in fiscal 2017 for prospective events and will be referred to as NASCAR Cup Series for retrospective discussion.

INCORPORATION

We were incorporated in 1953 under the laws of the State of Florida under the name "Bill France Racing, Inc." and changed our name to "Daytona International Speedway Corporation" in 1957. With the groundbreaking for Talladega Superspeedway in 1968, we changed our name to "International Speedway Corporation." Our principal executive offices are located at One

Daytona Boulevard, Daytona Beach, Florida 32114, and our telephone number is (386) 254-2700. We maintain a website at http://www.internationalspeedwaycorporation.com/. The information on our website is not part of this report.

OPERATIONS

The general nature of our business is a motorsports themed amusement enterprise, furnishing amusement to the public in the form of motorsports themed entertainment. Our motorsports themed event operations consist principally of racing events at our major motorsports entertainment facilities, which include providing catering, and food and beverage concessions at our motorsports entertainment facilities that host NASCAR Cup Series events except for catering, and food and beverage concessions at Chicagoland and Route 66 . Our other operations include MRN; our 50.0 percent equity investment in the joint venture Kansas Entertainment, LLC ("Kansas Entertainment"), which operates the Hollywood Casino at Kansas Speedway; and certain other activities including souvenir merchandising operations. We derived approximately 89.1 percent of our 2016 revenues from NASCAR-sanctioned racing events at our wholly owned motorsports entertainment facilities. In addition to events sanctioned by NASCAR, in fiscal 2016, we promoted other stock car, sports car, open wheel, motorcycle and go-kart racing events.

Food, Beverage and Merchandise Operations

We conduct, either through operations of the particular facility or through our wholly owned subsidiary, Americrown, food and beverage concession operations and catering services, both in suites and chalets, for customers at each of our motorsports entertainment facilities with the exception of food and beverage concessions and catering services at Chicagoland and Route 66. In January 2015, the Company entered into a 10-year agreement with Fanatics Retail Group Concessions, Inc. ("Fanatics") for Fanatics to have exclusive retail merchandise rights for its track trademarks and certain other intellectual property at all ISC tracks (see Merchandising Operations in Future Trends In Operating Results of MANAGEMENT'S DISCUSSION AND ANALYSIS).

Motor Racing Network, Inc.

Our wholly owned subsidiary, MRN, also does business under the name “MRN Radio”. While not a radio station, MRN creates motorsports-related programming content carried on radio stations around the country, as well as a national satellite radio service, Sirius XM Radio. MRN produces and syndicates to radio stations live coverage of the Monster Energy NASCAR Cup, Xfinity and Camping World Truck series races and certain other races conducted at our motorsports entertainment facilities, as well as some races conducted at motorsports entertainment facilities we do not own. Sirius XM Radio also compensates MRN for the contemporaneous re-airing of race broadcasts and certain other production services. MRN produces and provides unique content to its website, http://www.motorracingnetwork.com/, and derives revenue from the sale of advertising on such website. Each motorsports entertainment facility has the ability to separately contract for the rights to radio broadcasts of NASCAR and certain other events held at its location. In addition, MRN provides production services for the trackside large screen video display units, at NASCAR Cup Series event weekends that take place at our motorsports facilities, as well as at Dover International Speedway and Pocono Raceway. MRN also produces and syndicates daily and weekly NASCAR racing-themed programs. MRN derives revenue from the sale of national advertising contained in its syndicated programming, the sale of advertising and audio and video production services for trackside large screen video display units, as well as from rights fees paid by radio stations that broadcast the programming.

EQUITY INVESTMENTS

Hollywood Casino at Kansas Speedway

We have a 50/50 partnership with Penn Hollywood Kansas Inc. (“Penn”), a subsidiary of Penn National Gaming Inc., which operates a Hollywood-themed and branded destination entertainment facility, overlooking turn two at Kansas. Penn is the managing member of Kansas Entertainment and is responsible for the operation of the casino.

Fairfield Inn Hotel at ONE DAYTONA

We have a 33.25 percent equity interest in a partnership with Daytona Hospitality Group II, LLC ("DHGII"), a subsidiary of Prime-Shaner Groups, to construct and operate a Fairfield Inn hotel. DHGII is the managing member of the Fairfield and will be responsible for the development and operations of the hotel.

We have entered into additional joint ventures, which are structured similarly to the Fairfield Inn joint venture. These joint venture projects include The Daytona, a full service Marriott Autograph Collection hotel, and a residential component of the ONE DAYTONA project (see "Liquidity and Capital Resources - ONE DAYTONA").

Other Activities

From time to time, we use our motorsports entertainment facilities for testing for teams, driving schools, riding experiences, car shows, auto fairs, concerts, music festivals and settings for television commercials, print advertisements and motion pictures. We also rent "show cars" for promotional events.

Competition

We are among the largest owners of major motorsports themed entertainment facilities based on revenues, number of facilities owned and/or operated, number of motorsports themed events promoted and market capitalization. Racing events compete with other professional sports such as football, basketball, hockey and baseball, as well as other recreational events and activities. Our events also compete with other racing events sanctioned by various racing bodies such as NASCAR, the American Sportbike Racing Association — Championship Cup Series, United States Auto Club ("USAC"), Sports Car Club of America ("SCCA"), IMSA, IndyCar Series, Automobile Racing Club of America ("ARCA") and others, many of which are often held on the same dates at separate motorsports entertainment facilities. We believe that the type and caliber of promoted racing events, facility location, sight lines, pricing, variety of motorsports themed amusement options and level of customer conveniences and amenities are the principal factors that distinguish competing motorsports entertainment facilities.

Employees

As of November 30, 2016 we had over 792 full-time employees. We also engage a significant number of temporary personnel to assist during periods of peak attendance at our events, some of whom are volunteers. None of our employees are represented by a labor union. We believe that we enjoy a good relationship with our employees.

Company Website Access and SEC Filings

The Company's website may be accessed at http://www.internationalspeedwaycorporation.com/. Through a link on the Investor Relations portion of our internet website, you can access all of our filings with the Securities and Exchange Commission ("SEC"). However, in the event that the website is inaccessible our filings are available to the public over the internet at the SEC's website at http://www.sec.gov/. You may also read and copy any document we file with the SEC at its public reference facilities at 100 F Street, NE, Washington, D.C. 20549. You can also obtain copies of the documents at prescribed rates by writing to the Public Reference Room of the SEC at 100 F Street, NE, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference facilities. You can also obtain information about us at the offices of the National Association of Securities Dealers, 1735 K St., N.W., Washington, D.C. 20006.

ITEM 1A. RISK FACTORS

Forward-looking statements

This report contains forward-looking statements. The documents incorporated into this report by reference may also contain forward-looking statements. You can identify a forward-looking statement by our use of the words "anticipate," "estimate," "expect," "may," "believe," "objective," "projection," "forecast," "goal," and similar expressions. Forward-looking statements include our statements regarding the timing of future events, our anticipated future operations and our anticipated future financial position and cash requirements.

We believe that the expectations reflected in our forward-looking statements are reasonable. We do not know whether our expectations will ultimately prove correct.

In the section that follows below, in cautionary statements made elsewhere in this report, and in other filings we have made with the SEC, we list the important factors that could cause our actual results to differ from our expectations. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors described below and other factors set forth in or incorporated by reference in this report.

These factors and cautionary statements apply to all future forward-looking statements we make. Many of these factors are beyond our ability to control or predict. Do not put undue reliance on forward-looking statements or project any future results based on such statements or on present or prior earnings levels.

Additional information concerning these or other factors, which could cause the actual results to differ materially from those in our forward-looking statements is contained from time to time in our other SEC filings. Copies of those filings are available from us and/or the SEC.

Adverse changes in our relationships with NASCAR and other motorsports sanctioning bodies, or their sanctioning practices, could limit our future success

Our success has been, and is expected to remain, dependent on maintaining good working relationships with the organizations that sanction the races we promote at our facilities, particularly NASCAR. NASCAR-sanctioned races conducted at our wholly

owned motorsports entertainment facilities accounted for approximately 89.1 percent of our total revenues in fiscal 2016. Previously, each NASCAR sanctioning agreement (and the accompanying media rights fees revenue) was awarded on an annual basis. In 2015, we entered into sanctioning agreements with five year terms with NASCAR Event Management, Inc. ("NEM"), an affiliate of NASCAR, for the promotion of our inventory of NASCAR Cup, Xfinity and Camping World Truck Series events. NASCAR is not required to continue to enter into, renew or extend these five year sanctioning agreements with us to conduct any event. These agreements may be terminated by NASCAR due to a breach by us or should we be unable to comply with the terms thereof. Any adverse change in these sanctioning practices, or the economic structure of the NASCAR industry, could adversely impact our operations and revenue. Moreover, while we may pursue the possible development and/or acquisition of additional motorsports entertainment facilities in the future, we have no assurance that any sanctioning body, including NASCAR, will enter into sanctioning agreements with us to conduct races at any newly developed or acquired motorsports entertainment facilities. Failure to obtain a sanctioning agreement for a major NASCAR event could negatively affect us. Similarly, although NASCAR has in the past approved our requests for realignment of sanctioned events, NASCAR is not obligated to modify its race schedules to allow us to schedule our races more efficiently or profitably.

Changes to media rights revenues could adversely affect us

Domestic broadcast and certain ancillary media rights fees revenues derived from NASCAR's three national touring series -- the Monster Energy NASCAR Cup Series, Xfinity Series, and Camping World Truck Series -- are an important component of our revenue and earnings stream and any adverse changes to such rights fees revenues could adversely impact our results.

Any material changes in the media industry that could lead to differences in historical practices or decreases in the term and/or financial value of future broadcast agreements, such as a significant decrease in subscriber fees or advertising revenues due to changing consumer habits, could have a material adverse effect on our revenues and financial results.

Changes, declines and delays in consumer and corporate spending as well as illiquid credit markets could adversely affect us

Our financial results depend significantly upon a number of factors relating to discretionary consumer and corporate spending, including economic conditions affecting disposable consumer income and corporate budgets such as:

- Employment;
- Business conditions;
- Interest rates; and
- Taxation rates.

These factors can impact both attendance at our events and advertising and marketing dollars available from the motorsports industry’s principal sponsors and potential sponsors. Economic and other lifestyle conditions such as illiquid consumer and business credit markets adversely affect consumer and corporate spending thereby impacting our revenue, profitability and financial results. Further, changes in consumer behavior such as deferred purchasing decisions and decreased spending budgets adversely impact our cash flow visibility and revenues. For example, the significant economic deterioration that began in fiscal 2008 and the Great Recession significantly impacted these areas of our business and our revenues and financial results.

Unavailability of credit on favorable terms can adversely impact our growth, development and capital spending plans. General economic conditions may be significantly and negatively impacted by global events such as terrorist attacks, prospects of war, or global economic uncertainty. A weakened economic and business climate, as well as consumer uncertainty and the loss of consumer confidence created by such a climate, could adversely affect our financial results. Finally, our financial results could also be adversely impacted by a widespread outbreak of a severe epidemiological crisis.

Delay, postponement or cancellation of major motorsports events because of weather could adversely affect us

We promote outdoor motorsports entertainment events. Weather conditions affect sales of, among other things, tickets, food, drinks and merchandise at these events. Poor weather conditions prior to an event, or even the forecast of poor weather conditions, could have a negative impact on us, particularly for walk-up ticket sales to events which are not sold out in advance. If an event scheduled for one of our facilities is delayed or postponed because of weather, we could incur increased expenses associated with conducting the rescheduled event, as well as possible decreased revenues from tickets, food, drinks and merchandise at the rescheduled event. Moreover, the forecast of poor weather conditions and/or the delay or postponement of an event due to weather conditions could have a negative impact on renewals for the following year. If such an event is canceled, we would incur the expenses associated with preparing to conduct the event as well as losing the revenues, including any live broadcast revenues, associated with the event.

If a canceled event is part of the Monster Energy NASCAR Cup, Xfinity or Camping World Truck series, in the year of cancellation we could experience a reduction in the amount of money we expect to receive from television revenues for all of

our NASCAR-sanctioned events in the series that experienced the cancellation. This would occur if, as a result of the cancellation, and without regard to whether the canceled event was scheduled for one of our facilities, NASCAR experienced a reduction in television revenues greater than the amount scheduled to be paid to the promoter of the canceled event.

Terrorism and/or fear of violence or attacks at mass gatherings could adversely affect us

Acts of terrorism or violence at mass gatherings or sporting events, prospects of war, global economic uncertainty, or a widespread outbreak of a severe epidemiological crisis, resulting in public fears regarding attendance at sporting events or mass gatherings, could negatively impact attendance at our events. Any one of these items could increase our expenses related to insurance, security and other related matters. In addition, the delay, postponement or cancellation of major motorsports events could have an adverse impact on us such as increased expenses associated with conducting the rescheduled event, as well as possible decreased revenues from tickets, food, drinks and merchandise at the rescheduled event. If such an event is canceled, we would incur the expenses associated with preparing to conduct the event as well as losing the revenues, including any live broadcast revenues, associated with the event.

France Family Group control of NASCAR creates conflicts of interest

Members of the France Family Group own and control NASCAR. James C. France, our Chairman of the Board, and Lesa France Kennedy, our Vice Chairwoman and Chief Executive Officer, are both members of the France Family Group in addition to holding positions with NASCAR. Each of them, as well as our general counsel, spends part of his or her time on NASCAR's business. Because of these relationships, even though all related party transactions are approved by our Audit Committee, certain potential conflicts of interest between us and NASCAR exist with respect to, among other things:

- The terms of any sanctioning agreements that may be awarded to us by NASCAR;
- The amount of time the employees mentioned above and certain of our other employees devote to NASCAR's affairs; and
- The amounts charged or paid to NASCAR for office rental, transportation costs, shared executives, administrative expenses and similar items.

France Family Group members, together, beneficially own approximately 41.0 percent of our capital stock and control over 73.0 percent of the combined voting power of both classes of our common stock. Historically members of the France Family Group have voted their shares of common stock in the same manner. Accordingly, they can (without the approval of our other shareholders) elect our entire Board of Directors and determine the outcome of various matters submitted to shareholders for approval, including fundamental corporate transactions and have done so in the past. If holders of class B common stock other than the France Family Group elect to convert their beneficially owned shares of class B common stock into shares of class A common stock and members of the France Family Group do not convert their shares, the relative voting power of the France Family Group will increase. Voting control by the France Family Group may discourage certain types of transactions involving an actual or potential change in control of us, including transactions in which the holders of class A common stock might receive a premium for their shares over prevailing market prices.

Our success depends on the availability and performance of key personnel

Our continued success depends upon the availability and performance of our senior management team, which possesses unique and extensive industry knowledge and experience. Our inability to retain and attract key employees in the future, could have a negative effect on our operations and business plans.

Our capital allocation plan may not achieve anticipated results

Enhancing the live event experience for our guests by investing in our major motorsports facilities is a critical strategy for our growth, and our Board of Directors has endorsed a capital allocation plan for fiscal 2013 through fiscal 2017 related to this strategy, which includes DAYTONA Rising. In fiscal 2016, our Board endorsed a capital allocation plan for fiscal 2017 through fiscal 2021, which includes strategic reinvestment in our motorsports facilities and the development project ONE DAYTONA. This plan involves significant challenges and risks including that the projects do not advance our business strategy or that we do not realize a satisfactory return on our investment. It may take longer than expected to realize the full benefits from these projects, such as increased revenue, or the benefits may ultimately be smaller than anticipated or may not be realized. These events could harm our operating results or financial condition.

Future impairment or loss on disposal of goodwill and other intangible assets or long-lived assets by us or our equity investments and joint ventures could adversely affect our financial results

Our consolidated balance sheets include significant amounts of goodwill and other intangible assets and long-lived assets which could be subject to impairment or loss on retirement. During the fiscal years ended November 30, 2014, 2015 and 2016

we recorded before-tax charges as losses on retirements of long-lived assets primarily attributable to the removal of certain other long-lived assets located at our motorsports facilities totaling approximately $10.1 million, $16.0 million and $2.9 million, respectively. As part of our capital projects process, we identify existing assets that are impacted and require the acceleration of their remaining useful lives. During the fiscal years ended November 30, 2014, 2015, we recorded approximately $11.1 million and $6.8 million, respectively, of accelerated depreciation. There were no similar costs in fiscal 2016.

As of November 30, 2016, goodwill and other intangible assets and property and equipment accounts for approximately $1.8 billion, or 80.7 percent of our total assets. We account for our goodwill and other intangible assets in accordance with Accounting Standards Codification ("ASC") 350, "Intangibles — Goodwill and Other", and for our long-lived assets in accordance with ASC 360, "Property, Plant and Equipment." Both ASC 350 and 360 require testing goodwill and other intangible assets and long-lived assets for impairment based on assumptions regarding our future business outlook. While we continue to review and analyze many factors that can impact our business prospects in the future, our analyses are subjective and are based on conditions existing at and trends leading up to the time the assumptions are made. Actual results could differ materially from these assumptions. Our judgments with regard to our future business prospects could impact whether or not an impairment is deemed to have occurred, as well as the timing of the recognition of such an impairment charge. If future testing for impairment of goodwill and other intangible assets or long-lived assets results in a reduction in their carrying value, we will be required to take the amount of the reduction in such goodwill and other intangible assets or long-lived assets as a non-cash charge against operating income, which would also reduce shareholders' equity.

In addition, our growth strategy includes investing in certain joint venture opportunities. In these equity investments we exert significant influence on the investee but do not have effective control over the investee. These equity investments add an additional element of risk where they may not advance our business strategy or that we do not realize a satisfactory return on our investment. It may take longer than expected to realize the full benefits from these equity investments, or the benefits may ultimately be smaller than anticipated or may not be realized. These events could harm our operating results or financial condition. Our equity investments total approximately $92.4 million at November 30, 2016.

Personal injuries to spectators and participants could adversely affect financial results

Motorsports can be dangerous to participants and spectators. We maintain insurance policies that provide coverage within limits that we believe should generally be sufficient to protect us from a large financial loss due to liability for personal injuries sustained by persons on our property in the ordinary course of our business. There can be no assurance, however, that the insurance will be adequate or available at all times and in all circumstances. Our financial condition and results of operations could be affected negatively to the extent claims and expenses in connection with these injuries are greater than insurance recoveries or if insurance coverage for these exposures becomes unavailable or prohibitively expensive.

In addition, sanctioning bodies could impose more stringent rules and regulations for safety, security and operational activities. Such regulations include, for example, the improvements and additions of energy absorbing retaining walls at our facilities, which have increased our capital expenditures, and increased safety and security procedures, which have increased our operational expenses.

We operate in a highly competitive environment

As an entertainment company, our racing events face competition from other spectator-oriented sporting events and other leisure, entertainment and recreational activities, including professional football, basketball, hockey and baseball. As a result, our revenues are affected by the general popularity of motorsports, the availability of alternative forms of recreation and changing consumer preferences and habits, including how consumers consume entertainment. Our racing events also compete with other racing events sanctioned by various racing bodies such as NASCAR, USAC, NHRA, SCCA, IMSA, ARCA and others. Many sports and entertainment businesses have resources that exceed ours.

We are subject to changing governmental regulations and legal standards that could increase our expenses

While we believe that our operations are in material compliance with all applicable federal, state and local environmental, laws and regulations, if it is determined that damage to persons or property or contamination of the environment has been caused or exacerbated by the operation or conduct of our business or by pollutants, substances, contaminants or wastes used, generated or disposed of by us, or if pollutants, substances, contaminants or wastes are found on property currently or previously owned or operated by us, we may be held liable for such damage and may be required to pay the cost of investigation and/or remediation of such contamination or any related damage. The amount of such liability as to which we are self-insured could be material.

State and local laws relating to the protection of the environment also can include noise abatement laws that may be applicable to our racing events.

Our existing facilities continue to be used in situations where the standards for new facilities to comply with certain laws and regulations, including the Americans with Disabilities Act, are constantly evolving. Changes in the provisions or application of federal, state or local environmental, land use or other laws, regulations or requirements to our facilities or operations, or the discovery of previously unknown conditions, also could require us to make additional material expenditures to remediate or attain compliance.

Regulations governing the use and development of real estate may prevent us from advancing certain of our business strategies, such as real estate development, and could also substantially delay, complicate and/or increase the costs related to the process of improving existing facilities.

Our business is subject to, and regulated by certain federal, state and foreign privacy and data protection laws and regulations. Changes in regulations or regulatory activity related to the acquisition, storage and subsequent use of customer information and data may prevent us from advancing certain of our business strategies or can increase the costs necessary to comply with such regulations.

If we do not maintain the security of customer-related information, we could damage our reputation with customers, incur substantial additional costs and become subject to litigation

In the ordinary course of our business, we collect and store certain personal information in digital form, including but not limited to name, address and payment account information from individuals, such as our customers, employees and business partners. We also process customer payment card transactions. In addition, our on-line operations depend upon the secure transmission of confidential, personal and payment account information over public networks, including information permitting cashless payments. We limit the amount of payment information by using “tokens” which is an industry best practice that does not require the credit card number to be stored. Significant resources are dedicated both internally and with external experts to help us manage information security, network security, data encryption, and other security practices to protect our systems and data, but these security measures cannot provide absolute security. As with all companies, these security measures are costly, require ongoing monitoring and rapid change due to technology advances, and are subject to third-party security breaches, cyber terrorism, employee error or malfeasance, intrusion or other unanticipated situations. Such a compromise of our information systems that results in personal or payment network information being obtained by unauthorized persons could adversely affect our reputation with our customers, the credit card brands (such as VISA, MasterCard and American Express) and others. Such a compromise could also adversely affect our operations, results of operations, financial condition and liquidity, and could result in litigation against us, the imposition of penalties, restrictions or other requirements by regulatory bodies or the credit card brands. In addition, a security systems breach could require that we expend significant additional resources related to our information security systems and could result in a disruption of our operations, particularly our sales operations. While we maintain cyber liability insurance, not all losses would be covered by such insurance. Further, there can be no assurance that we will be able to maintain such insurance at commercially reasonable rates.

Our quarterly results are subject to seasonality and variability

We derive most of our income from a limited number of NASCAR-sanctioned races. As a result, our business has been, and is expected to remain, highly seasonal based on the timing of major racing events. Future schedule changes as determined by NASCAR or other sanctioning bodies, as well as the acquisition of additional, or divestiture of existing, motorsports entertainment facilities could impact the timing of our major events in comparison to prior or future periods.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None

ITEM 2. PROPERTIES

Motorsports Entertainment Facilities

The following table sets forth current information relating to each of our motorsports entertainment facilities as of November 30, 2016:

TRACK NAME	LOCATION	2016 YEAR END CAPACITY SEATS	2016 YEAR END CAPACITY SUITES	NASCAR CUP EVENTS	OTHER MAJOR EVENTS(1)		MARKETS SERVED	MEDIA MARKET RANK
Daytona International Speedway	Daytona Beach, Florida	101,000	124	4	6		Orlando/Central Florida	18
Talladega Superspeedway	Talladega, Alabama	78,000	30	2	3		Atlanta/ Birmingham	10/45
Michigan International Speedway	Brooklyn, Michigan	71,000	46	2	3		Detroit	13
Auto Club Speedway of Southern California	Fontana, California	67,000	80	1	1		Los Angeles	2
Kansas Speedway	Kansas City, Kansas	64,000	55	2	3		Kansas City	33
Richmond International Raceway	Richmond, Virginia	59,000	40	2	2		Washington D.C.	7
Darlington Raceway	Darlington, South Carolina	58,000	13	1	1		Columbia	77
Chicagoland Speedway	Joliet, Illinois	55,000	25	1	3		Chicago	3
Martinsville Speedway	Martinsville, Virginia	55,000	20	2	2		Greensboro/High Point	46
Phoenix International Raceway	Phoenix, Arizona	51,000	46	2	4		Phoenix	12
Homestead-Miami Speedway	Homestead, Florida	47,000	66	1	2		Miami	16
Watkins Glen International	Watkins Glen, New York	32,000	4	1	3		Buffalo/Rochester	53/76
Route 66 Raceway	Joliet, Illinois	24,000	24	—	1	(2)	Chicago	3

(1) Other major events include NASCAR Xfinity and Camping World Truck series; ARCA; IMSA; IndyCar; and, AMA Pro Racing.
(2) Route 66's other major event includes an NHRA Mello Yello Drag Racing Series event,

DAYTONA INTERNATIONAL SPEEDWAY. Daytona is a 2.5 mile high-banked, lighted, asphalt, tri-oval superspeedway that also includes a 3.6-mile road course. We lease the land on which Daytona International Speedway is located from the City of Daytona Beach. The lease on the property expires in 2054, including renewal options. The facility is situated on 440 acres and is located in Daytona Beach, Florida.

TALLADEGA SUPERSPEEDWAY. Talladega is a 2.7 mile high-banked, asphalt, tri-oval superspeedway with a 1.3-mile infield road course. The facility is situated on 1,435 acres and is located about 100 miles from Atlanta, Georgia and approximately 50 miles from Birmingham, Alabama.

MICHIGAN INTERNATIONAL SPEEDWAY. Michigan is a 2.0 mile moderately-banked, asphalt, tri-oval superspeedway. The facility is situated on 1,180 acres and is located in Brooklyn, Michigan, approximately 70 miles southwest of Detroit.

AUTO CLUB SPEEDWAY OF SOUTHERN CALIFORNIA. Auto Club Speedway is a 2.0 mile moderately-banked, lighted, asphalt, tri-oval superspeedway. The facility is situated on 566 acres and is located approximately 40 miles east of Los Angeles in Fontana, California. The facility also includes a quarter mile drag strip and a 2.8-mile road course.

KANSAS SPEEDWAY. Kansas is a 1.5 mile variable-degree banked, asphalt, tri-oval superspeedway with a 0.9-mile infield road course. The facility is situated on 1,000 acres and is located in Kansas City, Kansas. Overlooking turn two of Kansas is a Hollywood-themed and branded destination entertainment facility (see Equity Investments).

RICHMOND INTERNATIONAL RACEWAY. Richmond is a 0.8 mile moderately-banked, lighted, asphalt, oval, intermediate speedway. The facility is situated on 635 acres and is located approximately 10 miles from downtown Richmond, Virginia.

DARLINGTON RACEWAY. Darlington is a 1.3 mile high-banked, lighted, asphalt, egg-shaped superspeedway. The facility is situated on 230 acres and is located in Darlington, South Carolina.

CHICAGOLAND SPEEDWAY. Chicagoland is a 1.5 mile moderately-banked, lighted, asphalt, tri-oval superspeedway. The facility is situated on 930 acres and is located in Joliet, Illinois, approximately 35 miles from Chicago, Illinois.

MARTINSVILLE SPEEDWAY. Martinsville is a 0.5 mile moderately-banked, asphalt and concrete, oval speedway. The facility is situated on 250 acres and is located in Martinsville, Virginia, approximately 50 miles north of Winston-Salem, North Carolina.

PHOENIX INTERNATIONAL RACEWAY. Phoenix is a 1.0 mile low-banked, lighted, asphalt, oval superspeedway. The facility is situated on 598 acres that also includes a 1.5-mile road course located near Phoenix, Arizona.

HOMESTEAD-MIAMI SPEEDWAY. Homestead is a 1.5 mile variable-degree banked, lighted, asphalt, oval superspeedway. The facility is situated on 404 acres and is located in Homestead, Florida. Homestead is owned by the City of Homestead, however we operate Homestead under an agreement that expires in 2075, including renewal options.

WATKINS GLEN INTERNATIONAL. Watkins Glen includes 3.4-mile and 2.4-mile road course tracks. The facility is situated on 1,377 acres and is located near Watkins Glen, New York.

ROUTE 66 RACEWAY. Route 66 includes a quarter mile drag strip and dirt oval speedway. The facility, adjacent to Chicagoland, is situated on 240 acres and is located in Joliet, Illinois, approximately 35 miles from Chicago, Illinois.

OTHER FACILITIES: We own approximately 245 acres of real property near Daytona which is home to our corporate headquarters, ONE DAYTONA (see "Liquidity and Capital Resources - ONE DAYTONA") and other offices and facilities. We also own an additional approximate 3,800 acres, outside the location of the respective racing facilities, that are used for event parking, camping, other non-motorsport events and ancillary purposes. In addition, we lease real estate and office space in Talladega, Alabama, Watkins Glen, New York, Concord, North Carolina and Avondale, Arizona.

Intellectual Property

We have various registered and common law trademark rights, including, but not limited to, "California Speedway," "Chicagoland Speedway," "Darlington Raceway," "The Great American Race," "Southern 500," "Too Tough to Tame," "Daytona International Speedway," " Daytona 500 E*X*perience," the "DAYTONA 500," the "24 Hours of Daytona," "Acceleration Alley," "Daytona Dream Laps," "Speedweeks," "World Center of Racing," "Homestead-Miami Speedway," "Kansas Speedway," "Martinsville Speedway," "Michigan International Speedway," "Phoenix International Raceway," "Richmond International Raceway," "Route 66 Raceway," "The Action Track," "Talladega Superspeedway," "Watkins Glen International," "The Glen," "Americrown," "Motor Racing Network," "MRN," and related logos. We also have licenses from NASCAR, various drivers and other businesses to use names and logos for merchandising programs and product sales. Our policy is to protect our intellectual property rights vigorously, through litigation, if necessary, chiefly because of their proprietary value in merchandise and promotional sales.

ITEM 3. LEGAL PROCEEDINGS

From time to time, we are a party to routine litigation incidental to our business. We do not believe that the resolution of any or all of such litigation will have a material adverse effect on our financial condition or results of operations.

ITEM 4. MINE SAFETY DISCLOSURES

None

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

At November 30, 2016, we had two issued classes of capital stock: class A common stock, $.01 par value per share, and class B common stock, $.01 par value per share. The class A common stock is traded on the NASDAQ National Market System under the symbol "ISCA." The class B common stock is traded on the Over-The-Counter Bulletin Board under the symbol "ISCB.OB" and, at the option of the holder, is convertible to class A common stock at any time. As of November 30, 2016,

there were approximately 1,934 record holders of class A common stock and approximately 344 record holders of class B common stock.

The reported high and low sales prices or high and low bid information, as applicable, for each quarter indicated are as follows:

		ISCA		ISCB.OB(1)	
		High	Low	High	Low
Fiscal	2015				
First Quarter		$ 32.65	$ 28.54	$ 32.50	$ 30.75
Second Quarter		38.27	30.25	37.85	31.35
Third Quarter		38.06	28.96	37.23	31.52
Fourth Quarter		37.87	30.99	37.77	31.25
Fiscal	2016				
First Quarter		$ 36.40	$ 29.71	$ 37.77	$ 30.40
Second Quarter		37.80	31.75	37.00	32.08
Third Quarter		36.23	30.30	35.03	32.63
Fourth Quarter		38.05	30.05	37.43	31.23

(1) ISCB quotations were obtained from the OTC Bulletin Board and represent prices between dealers and do not include mark-up, mark-down or commission. Such quotations do not necessarily represent actual transactions.

Stock Purchase Plan

An important component of our capital allocation strategy is returning capital to shareholders. We have solid operating margins that generate substantial operating cash flow. Using these internally generated proceeds, we have returned a significant amount of capital to shareholders primarily through our share repurchase program.

The Company has a share repurchase program ("Stock Purchase Plan") under which it is authorized to purchase up to $330.0 million of its outstanding Class A common shares. In November 2016, the Company's Board of Directors expanded its Stock Purchase Plan by an incremental $200.0 million bringing its total current authorization to $530.0 million. The timing and amount of any shares repurchased under the Stock Purchase Plan will depend on a variety of factors, including price, corporate and regulatory requirements, capital availability and other market conditions. The Stock Purchase Plan may be suspended or discontinued at any time without prior notice. No shares have been or will be knowingly purchased from Company insiders or their affiliates.

Period	(a) Total number of shares purchased	(b) Average price paid per share	(c) Total number of shares purchased as part of publicly announced plans or Programs	(d) Maximum number of shares (or approximate dollar value of shares) that may yet be purchased under the plans or programs (in thousands)
December 1, 2015 — August 31, 2016				
Repurchase program(1)	1,098,525	$ 34.04	1,098,525	$ 24,346
Employee transactions(2)	17,130	33.49	—	
September 1, 2016 — September 30, 2016				
Repurchase program(1)	30,400	32.98	30,400	23,343
October 1, 2016 — October 31, 2016				
Repurchase program(1)	486,400	31.53	486,400	7,998
November 1, 2016 — November 30, 2016				
Repurchase program(1)	42,786	32.55	42,786	206,604
	1,675,241		1,658,111	

(1) Since inception of the Stock Purchase Plan through November 30, 2016, we have purchased 8,722,073 shares of our Class A common shares, for a total of approximately $323.4 million. There were no purchases, under the Stock Purchase Plan, of the Company's Class A common shares during fiscal 2014 or 2015. We purchased 1.7 million shares of our Class A common shares during fiscal 2016, at an average cost of approximately $33.25 per share (including commissions), for a total of approximately $55.1 million. At November 30, 2016, we have approximately $206.6 million remaining repurchase authority under the current Stock Purchase Plan.

(2) Represents shares of our common stock delivered to us in satisfaction of the minimum statutory tax withholding obligation of holders of restricted shares that vested during the period.

Dividends

Annual dividends were declared in the quarter ended in May and paid in June in the fiscal years reported below on all common stock that was issued at the time (amount per share):

Fiscal Year:	Annual Dividend
2012	$ 0.20
2013	0.22
2014	0.24
2015	0.26
2016	0.41

Securities Authorized For Issuance Under Equity Compensation Plans

Equity Compensation Plan Information

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	119,879	$ 37.23	314,221
Equity compensation plans not approved by security holders	—	—	—
Total	119,879	37.23	314,221

ITEM 6. SELECTED FINANCIAL DATA

The following table sets forth our selected financial data as of and for each of the last five fiscal years in the period ended November 30, 2016. The income statement data for the three fiscal years in the period ended November 30, 2016, and the balance sheet data as of November 30, 2015 and November 30, 2016, have been derived from our audited historical consolidated financial statements included elsewhere in this report. The balance sheet data as of November 30, 2014, and the income statement data and the balance sheet data as of and for the fiscal years ended November 30, 2013 and 2012, have been derived from our audited historical consolidated financial statements, which are available on our website. You should read the selected financial data set forth below in conjunction with “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and the accompanying notes included elsewhere in this report.

	For the Year Ended November 30,				
	2012	2013	2014	2015	2016
	(in thousands, except share and per share data)				
Income Statement Data:					
Revenues:					
Admissions, net	$ 136,099	$ 129,824	$ 129,688	$ 130,154	$ 123,521
Motorsports and other event related	416,699	425,530	433,738	451,838	477,197
Food, beverage and merchandise (1)	45,985	44,046	72,880	47,282	41,968
Other	13,584	13,240	15,630	16,096	18,330
Total revenues	612,367	612,640	651,936	645,370	661,016
Expenses:					
Direct:					
NASCAR event management fees	154,673	159,349	162,988	167,841	171,836
Motorsports and other event related	125,072	125,928	128,229	131,109	133,322
Food, beverage and merchandise (1)	35,642	33,150	58,265	38,484	30,142
General and administrative	102,958	104,925	108,563	111,617	110,828
Depreciation and amortization (2)	77,870	93,989	90,352	94,727	102,156
Impairments / losses on retirements of long-lived assets (3)	11,143	16,607	10,148	16,015	2,905
Total expenses	507,358	533,948	558,545	559,793	551,189
Operating income	105,009	78,692	93,391	85,577	109,827
Interest income (4)	102	96	2,107	157	270
Interest expense (5)	(13,501)	(15,221)	(9,182)	(9,582)	(13,837)
Loss on early redemption of debt (6)	(9,144)	—	—	—	—
Other (7)	1,008	75	5,380	730	12,896
Equity in net (loss) income from equity investments (8)	2,757	9,434	8,916	14,060	14,913
Income before income taxes	86,231	73,076	100,612	90,942	124,069
Income taxes	31,653	27,784	33,233	34,308	47,731
Net income	$ 54,578	$ 45,292	$ 67,379	$ 56,634	$ 76,338
Basic and diluted earnings per share	$ 1.18	$ 0.97	$ 1.45	$ 1.21	$ 1.66
Dividends per share	$ 0.20	$ 0.22	$ 0.24	$ 0.26	$ 0.41
Weighted average shares outstanding:					
Basic	46,386,355	46,470,647	46,559,232	46,621,211	45,981,471
Diluted	46,396,631	46,486,561	46,573,038	46,635,830	45,995,691
Balance Sheet Data (at end of period):					
Cash and cash equivalents	$ 78,379	$ 172,827	$ 158,847	$ 160,548	$ 263,727
Working capital	50,868	153,780	110,783	146,915	217,802
Total assets	1,941,741	2,017,506	2,077,651	2,119,663	2,172,660
Long-term debt	274,419	271,680	268,311	262,762	259,416
Total debt	276,932	274,487	271,746	265,836	262,820
Total shareholders' equity	1,248,810	1,287,155	1,346,432	1,393,215	1,400,360

(1) Fiscal year 2014 includes consolidated operations of Motorsports Authentics (“MA”) following Speedway Motorsports, Inc.'s ("SMI") abandonment of its interest and rights in SMISC, LLC on January 31, 2014. As a result, ISC recognized merchandise revenue and operating expenses totaling approximately $25.7 million and $24.7 million, respectively, for the 10-month period February 1, 2014 through November 30, 2014.

(2) Fiscal year 2013 includes accelerated depreciation that was recorded due to the shortening the service lives of certain assets associated with DAYTONA Rising and capacity management initiatives totaling approximately $15.4 million. Fiscal year 2014 includes accelerated depreciation that was recorded due to the shortening the service lives of certain assets associated with DAYTONA Rising totaling approximately $11.1 million. Fiscal year 2015 includes accelerated depreciation that was recorded due to the shortening the service lives of certain assets associated with DAYTONA Rising totaling approximately $6.8 million.

(3) Fiscal 2012 losses associated with the retirements of certain other long-lived assets is primarily attributable to the removal of certain assets in connection with the repaving of the track at Kansas, and certain other long-lived assets located at our motorsports facilities. Fiscal 2013 losses associated with the retirements of certain other long-lived assets is primarily attributable to the removal of assets not fully depreciated in connection with DAYTONA Rising, capacity management initiatives and other capital improvements. Fiscal 2014 losses associated with demolition costs in connection with DAYTONA Rising, capacity management initiatives and other capital improvements. Fiscal 2015 losses associated with demolition costs in connection with DAYTONA Rising and other capital improvements. Fiscal 2016 losses associated with asset retirements and demolition and/or asset relocation costs in connection with capacity management initiatives at Richmond and other facility capital improvements.

(4) Fiscal 2014 includes approximately $1.8 million related to settlement of interest income on a long-term receivable.

(5) Fiscal 2013, 2014 and 2015 include approximately $0.8 million $7.2 million, and $6.0 million, respectively, related to capitalized interest for DAYTONA Rising, (see DAYTONA Rising in Liquidity and Capital Resources of MANAGEMENT'S DISCUSSION AND ANALYSIS). Fiscal 2016 includes approximately $1.5 million related to capitalized interest for ONE DAYTONA, DAYTONA Rising, and other capital projects.

(6) In fiscal 2012, we recorded a loss on early redemption of debt related to the redemption of $87.0 million of outstanding senior notes maturing in 2014.

(7) Fiscal 2012 includes the net gain on sale of certain assets. Fiscal 2014 includes the valuation adjustment related to consolidation of MA, representing the fair value over the carrying value as of January 31, 2014. Fiscal 2016 includes the receipt of interest and other consideration, of approximately $11.7 million, related to the sale of the Staten Island property.

(8) Equity in net (loss) income from equity investments includes the Company’s 50.0 percent portion of Kansas Entertainment’s net income, more fully discussed in Management's Discussion and Analysis, Equity and Other Investments. Fiscal 2011 includes pre-development operating expenses not capitalized prior to commencement of operations in February 2012. Fiscal 2012 reflects a partial year of operations from the Casino opening in February 2012 through November 30, 2012. Included in the Company's equity income in fiscal 2013 is a one-time property tax refund of approximately $1.1 million.

GAAP to Non-GAAP Reconciliation

The following discussion and analysis of our financial condition and results of operations is presented below using other than U.S. generally accepted accounting principles (“non-GAAP”) and includes certain non-GAAP financial measures as identified in the reconciliation below. The non-GAAP financial measures disclosed herein do not have standard meaning and may vary from the non-GAAP financial measures used by other companies or how we may calculate those measures in other instances from time to time. Non-GAAP financial measures, such as EBITDA, which we interpret to be calculated as GAAP operating income, plus depreciation, amortization and other non-cash gain or losses, should not be considered a substitute for, or superior to, measures of financial performance prepared in accordance with U.S. generally accepted accounting principles ("GAAP"). Also, our “core” financial measures should not be construed as an inference by us that our future results will be unaffected by those items, which are excluded from our “core” financial measures.

We believe such non-GAAP information is useful and meaningful, and is used by investors to assess the performance of our core operations, which primarily consists of the ongoing promotions of racing events at our major motorsports entertainment facilities. Such non-GAAP information separately identifies, displays, and adjusts for items that are not considered to be reflective of our continuing core operations at our motorsports entertainment facilities. We believe that such non-GAAP information improves the comparability of the operating results and provides a better understanding of the performance of our core operations for the periods presented.

We use this non-GAAP information to analyze the current performance and trends and make decisions regarding future ongoing operations. This non-GAAP financial information may not be comparable to similarly titled measures used by other entities and should not be considered as an alternative to operating income, net income or diluted earnings per share, which are determined in accordance with GAAP. The presentation of this non-GAAP financial information is not intended to be considered independent of or as a substitute for results prepared in accordance with GAAP. Management uses both GAAP and non-GAAP information in evaluating and operating the business and as such deemed it important to provide such information to investors.

The following financial information is reconciled to comparable information presented using GAAP. Non-GAAP net income and diluted earnings per share below are derived by adjusting amounts determined in accordance with GAAP for certain items presented in the accompanying selected operating statement data.

The adjustments for 2012 relate to carrying costs of our Staten Island property, settlement of litigation, marketing and consulting costs incurred associated with DAYTONA Rising, losses associated with the retirements of certain other long-lived assets, loss on early redemption of debt, and net gain on sale of certain assets.

The adjustments for 2013 relate to carrying costs of our Staten Island property, legal judgment, marketing and consulting costs incurred associated with DAYTONA Rising, accelerated depreciation associated with DAYTONA Rising and capacity management initiatives, losses associated with the retirements of certain other long-lived assets, capitalized interest associated with DAYTONA Rising and net gain on sale of certain assets.

The adjustments for 2014 relate to legal settlement, marketing and consulting costs incurred associated with DAYTONA Rising, accelerated depreciation, losses associated with the retirements of certain other long-lived assets, impairment of MA long-lived intangible asset, settlement of interest income related to long-term receivable, DAYTONA Rising project capitalized interest, MA fair value adjustment and income tax benefits, and net loss on sale of certain assets.

The adjustments for 2015 relate to marketing and consulting costs incurred associated with DAYTONA Rising, accelerated depreciation, losses associated with the retirements of certain other long-lived assets, DAYTONA Rising project capitalized interest and net loss on sale of certain assets.

The adjustments for 2016 relate to a legal settlement, certain track redevelopment projects, non-recurring, pre-opening costs incurred associated with DAYTONA Rising, losses associated with the retirements of certain other long-lived assets related to capacity management initiatives (which predominately include the removal of grandstands at Richmond) and other facility capital improvements, capitalized interest related to DAYTONA Rising, ONE DAYTONA and the Phoenix redevelopment project, gain on sale of Staten Island property, non-cash gain related to the transition of merchandise operations, and net gain on sale of certain assets (predominately associated with the sale of trailers in association with the transition of merchandise operations).

	For The Year Ended November 30, 2012			
	Income Before Taxes	Income Tax Effect	Net Income	Earnings Per Share
GAAP	$ 86,231	$ 31,653	$ 54,578	$ 1.18
Adjustments:				
Carrying costs related to Staten Island	4,573	1,793	2,780	0.06
Legal settlement/judgment	1,175	461	714	0.01
DAYTONA Rising project	377	148	229	0.00
Losses on retirements of long-lived assets	11,143	4,368	6,775	0.15
Loss on early redemption of debt	9,144	3,584	5,560	0.12
Net (gain) loss on sale of certain assets	(931)	(365)	(566)	(0.01)
Non-GAAP	$ 111,712	$ 41,642	$ 70,070	$ 1.51

	For The Year Ended November 30, 2013			
	Income Before Taxes	Income Tax Effect	Net Income	Earnings Per Share
GAAP	$ 73,076	$ 27,784	$ 45,292	$ 0.97
Adjustments:				
Carrying costs related to Staten Island	2,840	1,112	1,728	0.04
Legal settlement/judgment	510	200	310	0.01
DAYTONA Rising project	1,501	588	913	0.02
Accelerated depreciation	15,392	6,034	9,358	0.20
Losses on retirements of long-lived assets	16,607	6,510	10,097	0.21
Capitalized interest	(768)	(301)	(467)	(0.01)
Net (gain) loss on sale of certain assets	(75)	(29)	(46)	0.00
Non-GAAP	$ 109,083	$ 41,898	$ 67,185	$ 1.44

	For the Year Ended November 30, 2014			
	Income Before Taxes	Income Tax Effect	Net Income	Earnings Per Share
GAAP	$ 100,612	$ 33,233	$ 67,379	$ 1.45
Adjustments:				
Legal settlement/judgment	(635)	(249)	(386)	(0.01)
DAYTONA Rising project	1,106	434	672	0.02
Accelerated depreciation	11,117	4,359	6,758	0.14
Losses on retirements of long-lived assets	9,543	3,741	5,802	0.12
Impairment of MA's long-lived intangible asset	605	—	605	0.01
Interest settlement on long-term receivable	(1,835)	(719)	(1,116)	(0.02)
Capitalized interest	(7,215)	(2,828)	(4,387)	(0.09)
MA fair value adjustment and income tax benefits	(5,447)	4,008	(9,455)	(0.20)
Net (gain) loss on sale of certain assets	67	26	41	0.00
Non-GAAP	$ 107,918	$ 42,005	$ 65,913	$ 1.42

	For the Year Ended November 30, 2015			
	Income Before Taxes	Income Tax Effect	Net Income	Earnings Per Share
GAAP	$ 90,942	$ 34,308	$ 56,634	$ 1.21
Adjustments:				
DAYTONA Rising project	1,393	546	847	0.02
Accelerated depreciation	6,830	2,677	4,153	0.09
Losses on retirements of long-lived assets	16,015	6,280	9,735	0.21
Capitalized interest	(6,006)	(2,354)	(3,652)	(0.08)
Net (gain) loss on sale of certain assets	(730)	(286)	(444)	(0.01)
Non-GAAP	$ 108,444	$ 41,171	$ 67,273	$ 1.44

	For the Year Ended November 30, 2016			
	Income Before Taxes	Income Tax Effect	Net Income	Earnings Per Share
GAAP	$ 124,069	$ 47,731	$ 76,338	$ 1.66
Adjustments:				
Legal settlement	(1,084)	(418)	(666)	(0.02)
Track redevelopment projects	240	93	147	0.01
DAYTONA Rising project	787	304	483	0.01
Losses on retirements of long-lived assets	2,905	1,122	1,783	0.04
Capitalized interest	(1,489)	(575)	(914)	(0.02)
Gain on sale of Staten Island	(13,631)	(5,262)	(8,369)	(0.18)
Gain on transition of merchandise operations	(797)	(308)	(489)	(0.01)
Net (gain) loss on sale of certain assets	(376)	(145)	(231)	(0.01)
Non-GAAP	$ 110,624	$ 42,542	$ 68,082	$ 1.48

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of Operations

General

The general nature of our business is a motorsports themed amusement enterprise, furnishing amusement to the public in the form of motorsports themed entertainment. We derive revenues primarily from (i) admissions to motorsports events and motorsports themed amusement activities held at our facilities, (ii) revenue generated in conjunction with or as a result of motorsports events and motorsports themed amusement activities conducted at our facilities, and (iii) catering, concession and merchandising services during or as a result of these events and amusement activities.

"Admissions, net" revenue includes ticket sales for all of our racing events and other motorsports activities and amusements, net of any applicable taxes.

"Motorsports and other event related" revenue primarily includes television and ancillary media rights fees, promotion and sponsorship fees, hospitality rentals (including luxury suites, chalets and the hospitality portion of club seating), advertising revenues, royalties from licenses of our trademarks, parking and camping revenues, track rental fees and fees paid by third party promoters for management of non-motorsports events.

"Food, beverage and merchandise" revenue includes revenues from concession stands, direct sales of souvenirs, hospitality catering, programs and other merchandise and fees paid by third party vendors for the right to occupy space to sell souvenirs and concessions at our motorsports entertainment facilities.

Direct expenses include (i) NASCAR event management fees, (ii) motorsports and other event related expenses, which include labor, advertising, costs of competition paid to sanctioning bodies other than NASCAR and other expenses associated with the promotion of all of our motorsports and other events and activities, and (iii) food, beverage and merchandise expenses, consisting primarily of labor and costs of goods sold.

We receive distributions from the operations of our 50/50 joint venture in Kansas Entertainment, LLC (see "Equity and Other Investments - Hollywood Casino at Kansas Speedway").

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. While our estimates and assumptions are based on conditions existing at and trends leading up to the time the estimates and assumptions are made, actual results could differ materially from those estimates and assumptions. We continually review our accounting policies, how they are applied and how they are reported and disclosed in the financial statements.

The following is a summary of our critical accounting policies and estimates and how they are applied in the preparation of the financial statements.

Basis of Presentation and Consolidation. We consolidate all entities we control by ownership of a majority voting interest and variable interest entities for which we have the power to direct activities and the obligation to absorb losses. Our judgment in determining if we consolidate a variable interest entity includes assessing which party, if any, has the power and benefits. Therefore, we evaluate which activities most significantly affect the variable interest entities economic performance and determine whether we, or another party, have the power to direct these activities.

We apply the equity method of accounting for our investments in joint ventures and other investees whenever we can exert significant influence on the investee but do not have effective control over the investee. Our consolidated net income includes our share of the net earnings or losses from these investees. Our judgment regarding the level of influence over each equity method investee includes considering factors such as our ownership interest, board representation and policy making decisions. We periodically evaluate these equity investments for potential impairment where a decline in value is determined to be other than temporary. We eliminate all significant intercompany transactions from financial results.

Revenue Recognition. Advance ticket sales and event-related revenues for future events are deferred until earned, which is generally once the events are conducted. The recognition of event-related expenses is matched with the recognition of event-related revenues.

NASCAR contracts directly with certain network providers for television rights to the entire Monster Energy NASCAR Cup, Xfinity and Camping World Truck series schedules. Event promoters share in the television rights fees in accordance with the provision of the sanction agreement for each NASCAR Cup, Xfinity and Camping World Truck series event. Under the terms of this arrangement, NASCAR retains 10.0 percent of the gross broadcast rights fees allocated to each Monster Energy NASCAR Cup, Xfinity and Camping World Truck series event as a component of its sanction fees. The promoter records 90.0 percent of the gross broadcast rights fees as revenue and then records 25.0 percent of the gross broadcast rights fees as part of its awards to the competitors. Ultimately, the promoter retains 65.0 percent of the net cash proceeds from the gross broadcast rights fees allocated to the event.

Our revenues from marketing partnerships are paid in accordance with negotiated contracts, with the identities of partners and the terms of sponsorship changing from time to time. Some of our marketing partnership agreements are for multiple facilities and/or events and include multiple specified elements, such as tickets, hospitality chalets, suites, display space and signage for each included event. The allocation of such marketing partnership revenues between the multiple elements, events and facilities is based on relative selling price. The sponsorship revenue allocated to an event is recognized when the event is conducted.

Revenues and related costs from the sale of merchandise to retail customers, internet sales and direct sales to dealers are recognized at the time of sale.

Business Combinations. All business combinations are accounted for under the acquisition method. Whether net assets or common stock is acquired, fair values are determined and assigned to the purchased assets and assumed liabilities of the acquired entity. The excess of the cost of the acquisition over fair value of the net assets acquired is recorded as goodwill. Business combinations involving existing motorsports entertainment facilities commonly result in a significant portion of the purchase price being allocated to the fair value of the contract-based intangible asset associated with long-term relationships manifest in the sanction agreements with sanctioning bodies, such as NASCAR and IMSA series. The continuity of sanction agreements with these bodies has historically enabled the facility operator to host motorsports events year after year. While some individual sanction agreements may be of terms as short as one year, sanction agreements with NASCAR's national touring series' are five years in length and sanction agreements with IMSA are for a three year period. A significant portion of the purchase price in excess of the fair value of acquired tangible assets is commonly paid to acquire anticipated future cash flows from events promoted pursuant to these agreements which are expected to continue for the foreseeable future and

therefore, in accordance with ASC 805-50, "Business Combinations," are recorded as indefinite-lived intangible assets recognized apart from goodwill.

Capitalization and Depreciation Policies. Property and equipment are stated at cost. Maintenance and repairs that neither materially add to the value of the property nor appreciably prolong its life are charged to expense as incurred. Depreciation and amortization for financial statement purposes are provided on a straight-line basis over the estimated useful lives of the assets. When we construct assets, we capitalize costs of the project, including, but not limited to, certain pre-acquisition costs, permitting costs, fees paid to architects and contractors, certain costs of our design and construction subsidiary, property taxes and interest.

We must make estimates and assumptions when accounting for capital expenditures. Whether an expenditure is considered an operating expense or a capital asset is a matter of judgment. When constructing or purchasing assets, we must determine whether existing assets are being replaced or otherwise impaired, which also is a matter of judgment. Our depreciation expense for financial statement purposes is highly dependent on the assumptions we make about our assets' estimated useful lives. We determine the estimated useful lives based upon our experience with similar assets, industry, legal and regulatory factors, and our expectations of the usage of the asset. Whenever events or circumstances occur which change the estimated useful life of an asset, we account for the change prospectively. Interest costs associated with major development and construction projects are capitalized as part of the cost of the project. Interest is typically capitalized on amounts expended using the weighted-average cost of our outstanding borrowings, since we typically do not borrow funds directly related to a development or construction project. We capitalize interest on a project when development or construction activities begin, and cease when such activities are substantially complete or are suspended for more than a brief period.

Impairments / Losses on Retirements of Long-Lived Assets, Goodwill and Other Intangible Assets. Our consolidated balance sheets include significant amounts of long-lived assets, goodwill and other intangible assets, which could be subject to impairments / losses on retirements. During the fiscal years ended November 30, 2014, 2015 and 2016 we recorded before-tax charges as losses on retirements of long-lived assets primarily attributable to costs to remove certain other long-lived assets located at our motorsports facilities totaling approximately $10.1 million, $16.0 million and $2.9 million, respectively.

As of November 30, 2016, goodwill and other intangible assets and property and equipment account for approximately $1.8 billion, or 80.7 percent of our total assets. We account for our goodwill and other intangible assets in accordance with ASC 350 and for our long-lived assets in accordance with ASC 360.

We follow applicable authoritative guidance on accounting for goodwill and other intangible assets which specifies, among other things, non-amortization of goodwill and other intangible assets with indefinite useful lives and requires testing for possible impairment, either upon the occurrence of an impairment indicator or at least annually. We complete our annual testing in our fiscal fourth quarter, based on assumptions regarding our future business outlook and expected future discounted cash flows attributable to such assets (using the fair value assessment provision of applicable authoritative guidance), supported by quoted market prices or comparable transactions where available or applicable.

While we continue to review and analyze many factors that can impact our business prospects in the future (as further described in "Risk Factors"), our analysis is subjective and is based on conditions existing at, and trends leading up to, the time the estimates and assumptions are made. Different conditions or assumptions, or changes in cash flows or profitability, if significant, could have a material adverse effect on the outcome of the impairment evaluation and our future condition or results of operations.

In connection with our fiscal 2016 assessment of goodwill and intangible assets for possible impairment we used the methodology described above. We believe our methods used to determine fair value and evaluate possible impairment were appropriate, relevant, and represent methods customarily available and used for such purposes. Our latest annual assessment of goodwill and other intangible assets in the fourth quarter of fiscal 2016 indicated there had been no impairment and the fair value substantially exceeded the carrying value for the respective reporting units.

In addition, our growth strategy includes investing in certain joint venture opportunities. In these equity investments we exert significant influence on the investee but do not have effective control over the investee, which adds an additional element of risk that could harm our operating results or financial condition. The carrying value of our equity investments were $92.4 million at November 30, 2016.

Income Taxes. The tax law requires that certain items be included in our tax return at different times than when these items are reflected in our consolidated financial statements. Some of these differences are permanent, such as expenses not deductible on our tax return. However, some differences reverse over time, such as depreciation expense, and these temporary differences create deferred tax assets and liabilities. Our estimates of deferred income taxes and the significant items giving rise to deferred tax assets and liabilities reflect our assessment of actual future taxes to be paid on items reflected in our financial statements,

giving consideration to both timing and probability of realization. Actual income taxes could vary significantly from these estimates due to future changes in income tax law or changes or adjustments resulting from final review of our tax returns by taxing authorities, which could also adversely impact our cash flow.

In the ordinary course of business, there are many transactions and calculations where the ultimate tax outcome is uncertain. Accruals for uncertain tax positions are provided for in accordance with the requirements of ASC 740, "Income Taxes." Under this guidance, we may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than 50.0 percent likelihood of being realized upon the ultimate settlement. This interpretation also provides guidance on de-recognition of income tax assets and liabilities, classification of current and deferred income tax assets and liabilities, accounting for interest and penalties associated with tax positions, and income tax disclosures. Judgment is required in assessing the future tax consequences of events that have been recognized in our financial statements or tax returns. Although we believe the estimates are reasonable, no assurance can be given that the final outcome of these matters will not be different than what is reflected in the historical income tax provisions and accruals. Such differences could have a material impact on the income tax provision and operating results in the period in which such determination is made.

Contingent Liabilities. Our determination of the treatment of contingent liabilities in the financial statements is based on our view of the expected outcome of the applicable contingency. In the ordinary course of business, we consult with legal counsel on matters related to litigation and other experts both within and outside our Company. We accrue a liability if the likelihood of an adverse outcome is probable and the amount of loss is reasonably estimable. We disclose the matter but do not accrue a liability if the likelihood of an adverse outcome is reasonably possible and an estimate of loss is not determinable. Legal and other costs incurred in conjunction with loss contingencies are expensed as incurred.

Equity and Other Investments

Hollywood Casino at Kansas Speedway

Kansas Entertainment, a 50/50 joint venture of Penn, a subsidiary of Penn National Gaming, Inc. and Kansas Speedway Development Corporation ("KSDC"), a wholly owned indirect subsidiary of ISC, operates the Hollywood-themed casino and branded destination entertainment facility, overlooking turn two at Kansas Speedway. Penn is the managing member of Kansas Entertainment and is responsible for the operations of the casino.

We have accounted for Kansas Entertainment as an equity investment in our financial statements as of November 30, 2016. Our 50.0 percent portion of Kansas Entertainment's net income was approximately $8.9 million, $14.1 million and $14.9 million for fiscal years 2014, 2015 and 2016, respectively, and is included in equity in net income from equity investments in our consolidated statements of operations.

Distributions from Kansas Entertainment, for the year ended November 30, 2016, totaling $25.9 million, consist of $16.1 million received as a distribution from its profits included in net cash provided by operating activities on our statement of cash flows; the remaining $9.8 million received was recognized as a return of capital from investing activities on our statement of cash flows. We received total distributions of approximately $32.1 million in fiscal 2015.

Fairfield Inn Hotel at ONE DAYTONA

Since June 2013, we have pursued development of ONE DAYTONA (see "Liquidity and Capital Resources - ONE DAYTONA"), the proposed premier mixed use and entertainment destination across from its Daytona International Speedway. Daytona Hotel Two, LLC ("Fairfield"), a joint venture of Daytona Hospitality Group II, LLC ("DHGII"), a subsidiary of Prime-Shaner Groups, and Daytona Beach Property Holdings Retail, LLC ("DBR"), a wholly owned indirect subsidiary of ISC, was formed to own, construct and operate a Fairfield Inn hotel. The hotel will be situated within the ONE DAYTONA development. As per the partnership agreement, our 33.25 percent share of equity will be limited to our non-cash land contribution and we will share in the profits and losses from the joint venture proportionately to our equity ownership.

In June 2016, DBR contributed land to the joint venture as per the agreement. Vertical construction of the hotel has commenced and is expected to open in third quarter of fiscal 2017. DHGII is the managing member of the Fairfield and will be responsible for the development and operations of the hotel. There were no operations as of November 30, 2016.

As part of the ONE DAYTONA project, we have entered into additional joint ventures, which are structured similarly to the Fairfield joint venture, where our share of equity will be limited to our non-cash land contribution and we will share in the profits and losses from the joint venture proportionately to our equity ownership. These joint venture projects include The Daytona, a full service Marriott Autograph Collection hotel, and a residential component of the ONE DAYTONA project.

Staten Island Property

On August 5, 2013, we announced that we sold our 676 acre parcel of property located in Staten Island, New York, to Staten Island Marine Development, LLC ("Marine Development"). Marine Development purchased 100 percent of the outstanding equity membership interests of 380 Development LLC ("380 Development"), a wholly owned indirect subsidiary of ISC and owner of the Staten Island property, for a total sales price of $80.0 million. In addition, we previously received approximately $4.2 million for an option provided to the purchaser that is nonrefundable and does not apply to the $80.0 million sales price.

We received $7.5 million, less closing and other administrative costs, of the sales price at closing. The remaining sales price was financed with us holding a secured mortgage interest in 380 Development as well as the underlying property. The mortgage balance bore interest at an annual rate of 7.0 percent. In accordance with the terms of the agreement, we have received a principal payment of approximately $6.1 million plus interest on the mortgage balance through February 29, 2016. The remaining purchase price of $66.4 million was due in March 2016. We have accounted for the transaction using the cost recovery method and have deferred the recognition of profit of approximately $1.9 million, and interest totaling approximately $11.4 million at May 31, 2016, until the carrying amount of the property was recovered, upon final payment.

In March 2016, we completed an assignment of all rights, title and interest in the mortgage and underlying promissory note to an affiliate of Matrix Development Group, a New York/New Jersey area developer, and received the remaining principal balance of $66.4 million, plus additional consideration of approximately $0.3 million. We have no further commitments or contingencies related to the property or its sale. As a result, in the second quarter of fiscal 2016, we recorded a gain of approximately $13.6 million. The deferred gain of $1.9 million is included in Other operating revenue in our consolidated statement of operations, and the interest, and additional consideration, received is included in Other in our consolidated statement of operations.

The net proceeds from the sale, combined with the mortgage interest and related cash tax benefits, has provided us with approximately $129.8 million in cash through the term of the mortgage.

Income Taxes

The principal causes of the decreased income tax rate for the fiscal year ended November 30, 2014 are the tax treatment related to the other income recognized as a result of SMI's abandonment of their interest in SMISC, LLC on January 31, 2014, including the related tax benefits associated with various operating loss and other carryforwards of MA and certain tax filing positions of SMISC, LLC totaling approximately $4.0 million along with certain state income tax adjustments. The principal causes of the decreased effective income tax rate as compared to the statutory income tax rate, for the fiscal year ended November 30, 2015 and 2016 are reductions in certain state tax rates.

As a result of the above items, the Company's effective income tax rate decreased from the statutory income rate to approximately 33.0 percent, 37.7 percent and 38.5 percent for the fiscal years ended November 30, 2014, 2015 and 2016, respectively.

In December 2015, Congress passed the Protecting Americans from Tax Hikes Act which included a retroactive renewal back to January 1, 2015 of the previously expired tax legislation. The Act extended accelerated depreciation on qualified capital investments placed into service. This bonus depreciation provision is 50% for qualifying assets placed into service from 2015 through 2017. The impact of this tax legislation did not affect the Company's fiscal 2016 effective tax rate, but correspondingly reduced the current income tax payable and increased the noncurrent deferred tax liability by $73.4 million.

Future Trends in Operating Results

International Speedway Corporation is the leading owner of major motorsports entertainment facilities and promoter of motorsports-themed entertainment activities in the United States. We compete for discretionary spending and leisure time with many other entertainment alternatives and are subject to factors that generally affect the recreation, leisure and sports industry, including general economic conditions. Our operations are also sensitive to factors that affect corporate budgets. Such factors include, but are not limited to, general economic conditions, employment and wage levels, business conditions, interest and taxation rates, relative commodity prices, and changes in consumer tastes and spending habits.

In 2008, an unprecedented global economic crisis began that significantly impacted consumer confidence and disproportionately affected key demographics of our target customers. Continuing economic uncertainty including the lack of a broad-based middle class recovery may continue to adversely impact our future attendance, guest spending, and our ability to grow corporate marketing partnerships all of which could negatively affect revenues and profitability. In fiscal 2009, we implemented sustainable cost containment initiatives to mitigate declines in certain revenue categories. We are sustaining the significant cost reductions implemented in previous years and continuously seek ways to improve our operating efficiency without negatively impacting the guest experience.

Looking to the future, we expect the continuing slow, but uneven, recovery in the broader U.S. economy to provide an environment for improved attendance-related and corporate partnership revenues. Our industry is also benefiting from NASCAR securing its broadcast rights through the 2024 season with the largest broadcast rights deal in the sport's 68-year

history. Consistent with major sports properties throughout the world, broadcast rights represent our company's largest revenue segment. Expanding and extending this contracted revenue will provide us unparalleled long-term cash flow visibility. We also believe the strategic initiatives and investments we and the motorsports industry have undertaken to grow the sport will continue to strengthen the long-term health of our Company.

The industry and its stakeholders have demonstrated their commitment to growing the sport by aligning with and executing upon growth initiatives supporting NASCAR's industry-wide strategic plan whose objective is to build upon NASCAR's appeal by enhancing the connection with existing fans, as well as attracting and engaging new Gen Y, youth and multicultural consumers in motorsports. Additional areas of focus include building greater product relevance, cultivating driver star power, growing social media activities and enhancing the event experience.

A few recent, successful innovations that resulted from NASCAR initiatives that have improved on-track competition and excitement, include the introduction of refined aerodynamic and downforce specifications providing the driver more control of the car, knockout group qualifying formats, and overtime rules and enhancements to the Chase for the Championship. In January 2014 NASCAR announced a new championship format that puts greater emphasis on winning races throughout the season and expands the current Chase field to 16 drivers. For 2016, the Chase format has been expanded to both Xfinity and Camping World Truck series events, qualifying 12 drivers and 8 drivers, respectively. The Chase implements a round-by-round advancement format that ultimately rewards a battle-tested, worthy champion. The format makes every race matter even more, diminishes points racing, puts a premium on winning races and concludes with a best-of-the-best, first-to-the-finish line showdown race – all of which is exactly what fans want. The new Chase structure has driven competition to a whole new level with a thrilling, easy to understand format that we believe translates into greater fan interest and revenue opportunities for these events. We anticipate continued favorable momentum at our Chase-related events as we move forward.

We support NASCAR's industry strategy on a number of fronts. We are committed to improving our major motorsports facilities to enhance guest experiences and create stronger fan engagement. Specifically, one of the most ambitious and important projects in our history is the redevelopment of the frontstretch of the Daytona International Speedway ("Daytona"), the Company's 57-year-old flagship motorsports facility. The new Daytona International Speedway is the world's first and only motorsports stadium featuring unique experiences for our guests and providing several new marketing platforms for corporate partners, broadcasters and industry stakeholders. Fan and stakeholder feedback, related to redevelopment at Daytona, has been overwhelmingly positive and we were pleased with the financial results after the first full year of events (See "DAYTONA Rising: Reimagining an American Icon"). We remain confident that elevating the experience at the most important and iconic motorsports facility in North America will drive further growth for the DAYTONA 500 brand, our 12 other major motorsports facilities' brands, and the NASCAR brand. We are also confident, that this strategic project will positively influence attendance trends, corporate involvement in the sport, and the long-term strength of future broadcast media rights revenues.

As part of our strategic plan and updated capital allocation strategy (See "Capital Improvements" and "Growth Strategies"), ISC recently announced that the Board of Directors approved a project to redevelop the grandstands and infield for Phoenix International Raceway ("Phoenix"). The project's cost is estimated to be approximately $178.0 million and addresses critical facility maintenance, enhances the fan experience, provides valuable marketing assets for new sponsorship opportunities, and creates updated infield amenities including a new 'fanzone'. Phoenix is an attractive asset in ISC's portfolio of tracks with a number of key attributes that include two major NASCAR Cup series weekends, including the second to the last NASCAR Cup Series event in the Chase, and a fan-favorite, unique racetrack configuration in the twelfth major media market. Phoenix exists in an attractive, but competitive marketplace with an exciting opportunity to grow its brand, enhance the facility and guest experience and provide a sustainable financial return.

Admissions

Driving event sellouts and creating excess demand is key to the optimal performance of our Monster Energy NASCAR Cup Series events. An important component of our operating strategy continues to be a long-standing focus on supply and demand when evaluating ticket pricing and adjusting capacity at our facilities. By effectively managing both ticket prices and seating capacity, we have historically shown the ability to stimulate ticket renewals and advance ticket sales.

Advance ticket sales provide us many benefits such as earlier cash inflow, and reducing the potential negative impact of actual or forecasted inclement weather. When evaluating ticketing initiatives, we first examine our ticket pricing structure for each segmented seating area and/or offering within our major motorsports entertainment facilities to ensure prices are on target with market demand. When determined necessary, we adjust ticket pricing. We believe our ticket pricing philosophy appropriately factors current demand and provides attractive price points for all income levels and desired fan experiences.

It is important that we maintain the integrity of our ticket pricing model by ensuring our customers who purchase tickets during the renewal period get preferential pricing. We do not adjust pricing downward inside of the sales cycle to avoid rewarding last-minute ticket buyers by discounting tickets. Further, we closely monitor and manage the availability of promotional tickets. Encouraging late cycle buying and offering excess promotional tickets could have a detrimental effect on our ticket pricing model and long-term value of our business. We believe it is more important to encourage advance ticket sales and maintain

price integrity to achieve long-term growth rather than to capture short-term incremental revenue at the expense of our customers who purchased tickets during the renewal period. We continue to implement innovative ticket pricing strategies to capture incremental admissions revenue including ticket price increases over time as the event nears and adjusting pricing of specific seats within a section or row with desirable attributes and greater demand.

To provide our guests with the best fan experience possible, we have improved fan amenities such as wider seating, increased the amount of social zones to promote greater fan interaction/engagement for our guests, and adjusted sight lines for better viewing. Based on our experience, and the continual evolution of modern sports facilities, ticket demand relies strongly on creating a more personal experience for the fans. Enhancing the live event experience to differentiate it from the at-home television viewing experience is a critical strategy for our future growth. Other benefits derived from capacity management include:

- improved pricing power for our events;
- enticing more customers to renew or purchase tickets earlier in the sales cycle;
- increasing customer retention;
- driving greater attendance to our lead-in events, such as NASCAR's Xfinity and Camping World Truck series events;
- generating stronger interest from corporate sponsors; and
- creating a more visually compelling event for the television audience.

Other key strategic focus areas designed to build fan engagement and augment the live-event experience include providing enhanced at-track audio and visual experiences, additional and improved concession and merchandise points-of-sale, creating more interactive social zones and offering greater wireless connectivity. We continuously monitor market demand, evaluate customer feedback, and explore next generation live-sports entertainment fan amenities, all of which could further impact how we manage capacity and spend capital at our major motorsports facilities.

Corporate Partnerships

NASCAR is a powerful brand with a loyal fan base that we believe is aware of, appreciates and supports corporate participation to a greater extent than fans of any other sports property. The combination of brand power and fan loyalty provides an attractive platform for robust corporate partnerships. The number of FORTUNE 500 companies invested in NASCAR remains higher than any other sport. More than one-in-four FORTUNE 500 companies, and nearly half of FORTUNE 100 companies, use NASCAR as part of their marketing strategy and the trend is increasing. The number of FORTUNE 500 companies investing in NASCAR has increased approximately 20.0 percent since fiscal 2008.

We believe that our presence in key metropolitan statistical areas, year-round event schedule, impressive portfolio of major motorsports events and attractive fan demographics are beneficial as we continue to pursue renewal and expansion of existing corporate marketing partnerships and establish new corporate relationships. Companies are demanding more quantifiable return on investment from their sports marketing strategies and our company is focused on delivering enhanced value through our strategic initiatives. This includes enhanced facilities, more frequent and diverse content at our facilities, and deeper understanding of and integration with our customers' business, among other things.

We are very encouraged by organic growth of corporate sales and new sales boosted by strong corporate demand from the grand opening of DAYTONA Rising. For DAYTONA Rising, we have secured five long-term founding partnerships with Toyota, Florida Hospital, Chevrolet, Sunoco, and most recently Axalta, all of them equal or exceed ten year relationships. We also continue to see longer deal terms that provide greater long-term income visibility, which allows our sales team to focus on incremental revenue generation, and more time for sponsor activation.

2017 marks the beginning of a new, exciting era for NASCAR's premiere racing series. The introduction of Monster Energy as the series entitlement sponsor for the NASCAR Cup Series establishes a new brand identity that is modern, yet embraces the heritage of NASCAR racing. NASCAR has expressed that Monster Energy will bring greater commitment and activation to the sponsorship platform including greater exposure to younger demographics.

It is important to note that 2016 was the last year our revenue included agreements between ISC and Sprint, previous series sponsor, for various inventory and activation rights at ISC racetracks. These agreements were originally formed in the mid-2000’s, pre-recession. While we currently expect to have similar agreements in place with Monster Energy, we anticipate the economics of the agreements will result in a one-time reset in 2017. Our current estimate for gross corporate sales is to decline approximately 1.0 percent in 2017 due to the reset of these agreements. Excluding this one-time reset, at this time, we expect an increase between 1.0 percent and 2.0 percent in 2017, with escalators in the low-to-mid single digits going forward.

As of January 2017, we have sold all but two Monster Energy NASCAR Cup race entitlements, all but three NASCAR Xfinity series entitlements, and all except one NASCAR Camping World Truck series entitlements. For fiscal 2017, we have agreements in place for approximately 76.0 percent of our gross marketing partnership revenue target. This is compared to fiscal 2016 at this time when we had approximately 75.0 percent of our gross marketing partnership revenue target sold and had

entitlements for one Monster Energy NASCAR Cup and four NASCAR Xfinity entitlements either open or not announced. With the vast majority of our event entitlements secured, we can focus more resources on official status categories, which will better position us to meet our gross marketing partnership revenue target for fiscal 2017.

We believe this demonstrates the value proposition for our corporate partners is stronger than ever.

Television Broadcast and Ancillary Media Rights

Domestic broadcast and ancillary media rights fees are ISC's largest revenue source, accounting for approximately 49.2 percent of 2016 total revenues.

In August 2013, NASCAR finalized multi-platform broadcast rights agreements with NBCUniversal (“NBC”) and FOX Broadcasting Company ("FOX") for 10 years, beginning in 2015 through the 2024 season, for the broadcast and related rights for NASCAR's three national touring series. Financial terms were not disclosed but leading industry sources estimate the combined agreements value at approximately $8.2 billion over the 10 years. The agreements include Spanish-language rights and the rights to stream authenticated NASCAR content over the broadcasters' affiliated digital platforms. The streaming and/or video-on-demand rights are often referred to as 'TV Everywhere' rights in the broadcast industry. These rights are important to the broadcasters, who can monetize alternative digital delivery methods of NASCAR content, and address the shifting ways people consume live sports content.

FOX has exclusive rights to the first 16 Monster Energy NASCAR Cup Series point races beginning each year with the prestigious DAYTONA 500. In addition, FOX retains the rights to the NASCAR Cup Series All-Star Race, The Advance Auto Parts Clash (formerly the Sprint Unlimited), Can-Am Duel, 14 NASCAR Xfinity Series events and the entire NASCAR Camping World Truck Series. NBC has exclusive rights to the final 20 Monster Energy NASCAR Cup Series points races including NASCAR’s playoffs, final 19 NASCAR Xfinity Series events, select NASCAR Regional & Touring Series events and other live content beginning in 2015. In 2017, NASCAR will have 17 Monster Energy Cup races on network television, the same as 2016.

NASCAR's solid ratings, the strong demand for live sports programming and the proliferation of on-demand content were significant factors for NASCAR signing the largest broadcast rights deal in the sport's 68-year history.

In August 2013, FOX debuted its 24-hour Fox Sports 1 network to compete with ESPN. Fox Sports 1 is available in approximately 86 million television households. In addition to NASCAR, Fox Sports 1 has deals for Major League Baseball, college football and basketball, Ultimate Fighting Championship, Major League Soccer, United States Golf Association, as well as other sports. Fox Sports 1 represents the latest in the long migration of marquee sports from broadcast television to cable/satellite, who generally can support a higher investment due to subscriber fees that are not available to traditional networks. In 2016, Fox Sports 1 broadcast seven live NASCAR Cup events and eleven NASCAR Xfinity events. NASCAR events and content are consistently among the highest rated programming on Fox Sports 1.

In January 2, 2012, NBC Sports Network (NBCSN) was re-branded to align NBC owned sports channels with its NBC sports division, which consists of a unique array of sports assets, including NBC Sports, NBC Olympics, NBC Sports Network ("NBCSN") , Golf Channel, 10 NBC Sports Regional Networks, NBC Sports Radio and NBC Sports Digital (Sports Live Extra). NBCSN is available in approximately 78 million pay television homes. NBC Sports Group possesses an unparalleled collection of television rights agreements, and in addition to NASCAR partners with some of the most prestigious sports properties in the world including the International Olympic Committee and United States Olympic Committee, the NFL, NHL, PGA TOUR, The R&A, PGA of America, Churchill Downs, Premier League, Tour de France, French Open, Formula One, IndyCar and many more. In 2016, NBCSN broadcast twelve NASCAR Cup events and thirteen NASCAR Xfinity events, which represented some of the highest rated programming for NBCSN.

Specific events, such as the impact of inclement weather for events in the current and/or prior year, and from media competition faced from the 2016 Summer Olympics and the 2016 Presidential campaign, impacts year over year comparability of television ratings.

NASCAR continues to deliver strong audiences in a changing media consumption environment. Even as fans of all sporting events choose to consume content through digital and social media alternatives in addition to television viewing, NASCAR's live television draw is powerful. NASCAR Cup events ranked as the number one or two sports broadcast of the weekend seventeen times during the 2016 season with the premier series events averaging approximately 4.6 million viewers per broadcast and approximately 58.0 million total unique television viewers.

During 2016, ratings on FOX declined versus prior year, paralleling the general trend in 2016 for sports viewership and media consumption. Notable other marquee sports events saw 2016 viewership declines including the Super Bowl, NCAA Final Four,

the Kentucky Derby and the Masters. However, Fox Sports 1 NASCAR ratings increased approximately 3.8% versus 2015 demonstrating that value the NASCAR product brings to the sports network.

In 2016, NASCAR Cup Races on NBC and NBCSN began with a successful kickoff in Daytona for the July NASCAR weekend resulting in the most-watched summer Daytona race since 2011, with 5.7 million viewers. Some significant 2016 season highlights for NBCSN include the number one most watched NBCSN telecast in record for the Brickyard 400 Cup event, and NASCAR Cup races now account for the five most watched telecasts ever on that network. Finally, the NASCAR Cup Championship race from Miami was the second most-watched NASCAR season championship since 2011 and at peak recorded 8.4 million viewers per minute.

Domestic broadcast media rights fees provide significant cash flow visibility to us, race teams and NASCAR over the contract term. Television broadcast and ancillary rights fees received from NASCAR for the NASCAR Cup, Xfinity and Camping World Truck series events conducted at our facilities under these agreements, and recorded as part of motorsports related revenue, were approximately $302.9 million, $314.5 million and $325.1 million for fiscal 2014, 2015 and 2016, respectively. Operating income generated by these media rights were approximately $220.1 million, $228.4 million and $236.7 million for fiscal 2014, 2015 and 2016, respectively.

As media rights revenues fluctuate so do the variable costs tied to the percentage of broadcast rights fees required to be paid to competitors as part of NASCAR Cup, Xfinity and Camping World Truck series sanction agreements. NASCAR event management fees ("NEM" or “NASCAR direct expenses”) are outlined in the sanction agreement for each event and are negotiated in advance of an event. As previously discussed, included in these NASCAR direct expenses are amounts equal to 25.0 percent of the gross domestic television broadcast rights fees allocated to our NASCAR Cup Cup, Xfinity and Camping World Truck series events, as part of NASCAR event management fees (See “Critical Accounting Policies and Estimates - Revenue Recognition”). The NASCAR event management fees are contracted from 2016 through 2020 under the five-year sanction agreements (see *Sanctioning Bodies*) and paid to NASCAR to contribute to the support and growth of the sport of NASCAR stock car racing through payments to the teams and sanction fees paid to NASCAR. As such, we do not expect these costs to materially decrease in the future as a percentage of admissions and motorsports related income.

Digital Media Content

A 2016 digital media study conducted by Deloitte confirmed that the current dynamic media landscape is transforming as a result of new technologies available and the evolving ways people choose to consume media content. A few of the study's key findings are as follows:

- The study evaluated the key segments of the U.S. adult population for technology and consumption preferences. Millennials, defined as adults born after 1983, now make up the largest single segment of generational consumers at 33% of the adult population.
- Across all generations, smart phones are the highest valued technology product device, far outweighing flat-screen TV's.
- Nearly a quarter of the U.S. population own a streaming media device, and nearly half of U.S. consumers subscribe to a streaming video service.
- Millennials spend approximately 50% of their time watching movies and TV shows on a device other than a television, with 20% watching on mobile devices.
- Checking social networks is a daily habit for more than half of all U.S. consumers, skewing much higher for younger demographics.
- Social media has surpassed television as the most popular source of news for millennials.

Even though the environment is changing, content is still in high-demand regardless of how it is consumed. However, these statistics point to the importance of providing content through multiple, alternative channels as the importance of digital and social delivery methods continues to progress.

A key plank of NASCAR's strategy is to continue developing rich content and ensuring its delivery through all of the potential ways that people consume media, whether through traditional television viewership, dynamic web/mobile content, and/or through social-media channels. In addition, NASCAR continuously measures content consumption with balanced metrics that track all the distribution channels to measure the effectiveness of television, digital channels, and social media interest and demand. On the digital front, NASCAR is continually enhancing NASCAR.com and NASCAR Mobile applications to strengthen the Industry's digital presence and drive fan engagement. And NASCAR continues to gain critical Industry insights from the Fan and Media Engagement Center to better understand digital conversations and optimize engagement with the social community.

Through the 2016 NASCAR season, NASCAR has experienced mostly positive results with its digital product offerings experiencing steady overall growth. Digital media held strong delivering approximately 55.0 million unique visitors to NASCAR.com, NASCAR Mobile web and NASCAR Mobile applications.

Two bright spots in the 2016 season are growth of fans using NASCAR related mobile applications, which is up approximately 8.0 percent year-over-year; and growth in the all-important male 18-34 year old demographic. In addition, as the NASCAR season concluded on NBC, consumption of NASCAR content on NBC Sports' digital properties (NBCSports.com, the NBC Sports app and connected devices) garnered 105 million live minutes and 873,000 unique devices this season, up +56% and +50%, respectively, compared to the 2015 NASCAR season. These reflect positive digital metric trends and demonstrate progress in NASCAR's key strategic focus areas. On the social media front NASCAR's platforms combined to generate over 4.0 billion social impressions and 256.0 million fan engagements in 2016. Overall, social media reach continues to increase this year with Facebook growing by almost 20.0 percent the prior year, and Twitter increased by more than 24.0 percent versus prior year. This tremendous growth in reach and engagement is a direct result of our Industry's strategic initiatives and a testament to the broader audience of NASCAR and what can be done with targeted activation. We expect these channels to continue to grow and believe the industry is well positioned to monetize these channels as our fans (mirroring society-at-large) consume more content.

Along with NASCAR, we closely monitor changes in the television and media landscape. As the media landscape continues to evolve we believe we are well positioned to navigate because of our long-term partnerships with industry leaders FOX and NBC, who own the rights to digital distribution of NASCAR content through our current broadcast agreement through 2024. Collectively we view the shifts in media consumption as positives for consumers and provides our sport the opportunity to develop and deliver compelling content in rich and diverse ways to interact with our fans. In addition, NASCAR continuously monitors the broadcast environment and seeks to maximize its return on content with our partners and for the industry stakeholders.

Sanctioning Bodies

Our success has been, and is expected to remain, dependent on maintaining good working relationships with the organizations that sanction events at our facilities, particularly with NASCAR, whose sanctioned events at our wholly owned facilities accounted for approximately 89.1 percent of our revenues in fiscal 2016. NASCAR continues to entertain and discuss proposals from track operators regarding potential realignment of their portfolio of NASCAR Cup series dates to more geographically diverse and potentially more desirable markets where there may be greater demand, resulting in an opportunity for increased revenues to the track operators. We believe that realignments have provided, and will continue to provide, incremental net positive revenue and earnings as well as further enhance the sport's exposure in highly desirable markets, which we believe benefits the sport's fans, teams, sponsors and television broadcast partners as well as promoters.

In October 2015, we entered into five year sanction agreements with NEM, an affiliate of NASCAR, for the promotion of the Company's inventory of NASCAR Cup, Xfinity and Camping World Truck Series events. In fiscal 2016, we conducted 21 NASCAR Cup Series events, 14 NASCAR Xfinity Series events, and 9 NASCAR Camping World Truck Series events. Each Sanction Agreement is for a term of five years. Other than the term, the Sanction Agreements are substantially similar to those entered into in previous years. The Sanction Agreements contain annual increases of between 3.0 percent and 4.0 percent in media rights fees for each sanctioned event conducted, and provide a specific percentage of media rights fees to be paid to competitors. The Sanction Agreements also provide for annual increases in sanction fees and non-media rights related prize and point fund monies (to be paid to competitors) of approximately 4.0 percent annually over the term of the Sanction Agreements. NASCAR and NEM are controlled by members of the France Family Group which controls approximately 73.4 percent of the combined voting power of the outstanding stock of the Company, as of November 30, 2016, and some members of which serve as directors and officers of International Speedway Corporation. The Company strives to ensure, and management believes that, the terms of the Sanction Agreements transactions are reasonable. Collectively, the media rights fees, sanction fees and non-media prize and point fund fees that we pay are referred to as NASCAR Event Management fees.

Merchandise Operations

In 2015, NASCAR and NASCAR Team Properties announced a 10-year agreement with Fanatics, to operate NASCAR's entire at-track merchandise business and deliver fans an enhanced, experiential at-track shopping environment. As part of the agreement, Fanatics became the exclusive retailer of NASCAR and driver merchandise at trackside for all 38 NASCAR Cup Series events. In addition, we also contracted with Fanatics for 10 years of exclusive retail merchandise rights for our track trademarks and certain other intellectual property at all of our tracks. The new trackside retail model operated by Fanatics has evolved from using solely haulers for each specific team or driver to displaying all merchandise in a superstore retail environment supported by, in instances, smaller satellite retail touch points around the track. The new model provides a more personal and convenient shopping experience for race fans. We believe this improved trackside merchandise model, combined with select brand name merchandise and an upgraded on-line and mobile experience, better positions us and the industry to maximize merchandise sales while delivering top quality experience to our fans. Consequently, our wholly owned subsidiaries,

Americrown and MA, no longer provide at track merchandise to fans at motorsports events and therefore no longer recognize related revenues and expenses. Instead, we receive a percentage of sales from Fanatics, recorded as part of Food, Beverage and Merchandise Revenue.

For fiscal 2015, we recognized the following non-recurring transactions associated with the transition:

- sales of merchandise inventory to Fanatics and wholesale transactions by MA totaling approximately $10.4 million recognized in food, beverage and merchandise revenue and associated expenses totaling approximately $11.0 million recognized in food, beverage and merchandise expense;
- general and administrative expenses associated with the transition totaling approximately $1.3 million.

There were no comparable transactions in fiscal 2016.

Comparable merchandise sales per capita utilizing the new superstore shopping model are, on average, approximately 6.0 percent greater than sales per capita using the 'hauler' model employed historically. We expect the new merchandising model will continue to enhance the event experience for our fans and grow the operating margin contribution from the merchandise line of business.

Capital Improvements

Enhancing the live event experience for our guests is a key strategic pillar to drive future growth. We compete for the consumers' discretionary dollar with other entertainment options such as concerts and other major sporting events not just motorsports events. In addition, fans continue to demonstrate willingness to pay for more unique, immersive, and segmented experiences that cannot be duplicated at-home. Today's consumer wants improved traffic flow, comfortable and wider seating, clean and available restroom facilities, more points of sale, enhanced audio and visual engagement, social zones and greater connectivity. Providing these enhancements often requires capital reinvestment.

We are confident that our focus on driving incremental earnings by improving the fan experience leads to increased ticket sales and better ticket pricing power, growth in sponsorship and hospitality sales, solidifying prospects for longer-term growth in broadcast media rights fees agreements, and greater potential to capture market share. We continue to be confident that by continuing to smartly reinvest to create memorable guest experiences, provide attractive pricing and fantastic racing, we will generate increased revenues and bottom-line results. This has most recently been evident in the success of our redevelopment of the frontstretch at Daytona International Speedway (see "Liquidity and Capital Resources - DAYTONA Rising").

While we focus on allocating our capital to generate returns in excess of our cost of capital, certain of our capital improvement investments may not provide immediate, directly traceable near term positive returns on invested capital but over the longer term will better enable us to effectively compete with other entertainment venues for consumer and corporate spending. See Capital Allocation in Liquidity and Capital Resources section of Management's Discussion and Analysis for a complete discussion of how capital improvements at existing facilities integrates into our overall capital allocation.

Growth Strategies

Our growth strategies also continuously explores ways to grow our businesses through acquisitions and external developments that offer attractive financial returns and leverage our core competencies. A prime example is our joint venture to develop and operate a Hollywood-themed and branded entertainment destination facility overlooking turn two of Kansas Speedway (see “Hollywood Casino at Kansas Speedway”).

The Hollywood Casino at Kansas Speedway provides positive cash flow to us and positive equity income in our consolidated statement of operations for fiscal 2014, 2015 and 2016. We expect for our 2017 fiscal year that our share of the cash flow from the casino's operations will be approximately $26.0 million to $27.0 million dollars.

Since June 2013, we have pursued development of ONE DAYTONA, a premier mixed use and entertainment destination across from the Daytona International Speedway. We have commenced site work on the property, completed construction of the Cobb Theater, and began vertical construction on other phases of the development. We are targeting phase one completion in late 2017 (see “Liquidity and Capital Resources - ONE DAYTONA”).

We remain interested in pursuing further ancillary developments at certain of our other motorsports facilities which enhance our core business, are market-driven, and provide a prudent return on investment.

Current Operations Comparison

The following table sets forth, for each of the indicated periods, certain selected statement of operations data as a percentage of total revenues:

	For the Year Ended		
	2014	2015	2016
Revenues:			
Admissions, net	19.9 %	20.2 %	18.7 %
Motorsports and other event related	66.5	70.0	72.2
Food, beverage and merchandise	11.2	7.3	6.3
Other	2.4	2.5	2.8
Total revenues	100.0	100.0	100.0
Expenses:			
Direct:			
NASCAR event management fees	25.0	26.0	26.0
Motorsports and other event related	19.7	20.3	20.2
Food, beverage and merchandise	8.9	6.0	4.6
General and administrative	16.7	17.3	16.7
Depreciation and amortization	13.9	14.7	15.5
Losses on retirements of long-lived assets	1.5	2.4	0.4
Total expenses	85.7	86.7	83.4
Operating income	14.3	13.3	16.6
Interest expense, net	(1.1)	(1.5)	(2.1)
Other	0.8	0.1	2.0
Equity in net income from equity investments	1.4	2.2	2.3
Income before income taxes	15.4	14.1	18.8
Income taxes	5.1	5.3	7.2
Net income	10.3 %	8.8 %	11.6 %

Comparison of Fiscal 2016 to Fiscal 2015

The comparison of fiscal 2016 to fiscal 2015 is impacted by the following factors:

- Year-over-year increases in operating revenues and expenses are significantly driven by the completion of the DAYTONA Rising project prior to the first quarter of fiscal 2016 events at Daytona International Speedway ("Daytona");
- In the second and third quarters of fiscal 2016 we hosted the Country 500 music festival at Daytona and HARD summer music festival at Auto Club Speedway, respectively. Comparatively, in the third quarter of fiscal 2015, we hosted the Phish Magnaball music festival at Watkins Glen. For these aforementioned music festivals we earned a facility rental and certain other fees, and recognized revenues and expenses from the sale of concession operations;
- For fiscal 2015, we recognized non-recurring revenue and expense related to the transition of merchandise operations of approximately $10.4 million and $12.3 million, respectively. Included in this amount is approximately $6.4 million for inventory sold to Fanatics and $4.0 million of wholesale transactions by MA. These revenues drove a total of approximately $12.3 million in expense including product costs associated with the non-recurring transactions, non-recurring costs related to the transition of trackside merchandise operations to Fanatics, as well as partial period operating expenses incurred prior to the transition of Americrown and MA merchandise operations, for which there was no related revenue(see "Future Trends in Operating Results, *Merchandise Operations"*). There were no comparable transactions in fiscal 2016;
- In fiscal 2016, we recognized approximately $0.8 million, or $0.01 per diluted share, in non-recurring, pre-opening costs that are included in general and administrative expense related to DAYTONA Rising. During fiscal 2015, we recognized approximately $1.4 million, or $0.02 per diluted share, of similar costs;
- During fiscal 2015, we recognized approximately $6.8 million, or $0.09 per diluted share, of accelerated depreciation that was recorded due to the shortening the service lives of certain assets associated with DAYTONA Rising and capacity management initiatives. There were no comparable costs during fiscal 2016;

- In fiscal 2016, we recognized approximately $2.9 million, or $0.04 per diluted share, of losses associated with asset retirements and demolition and/or asset relocation costs in connection with capacity management initiatives and other facility capital improvements. Included in these losses were approximately $0.5 million of expenditures related to demolition and/or asset relocation costs, the remaining charges were non-cash charges. During fiscal 2015, we recognized approximately $16.0 million, or $0.21 per diluted share, of similar charges, in connection with DAYTONA Rising and capacity management initiatives. Included in these losses were approximately $12.5 million of expenditures related to demolition and/or asset relocation costs, the remaining charges were non-cash charges;
- During fiscal 2016, we capitalized approximately $1.5 million, or $0.02 per diluted share, of interest related to ONE DAYTONA, DAYTONA Rising and the redevelopment at Phoenix. During fiscal 2015, we recognized approximately $6.0 million, or $0.08 per diluted share, of similar interest capitalization related to DAYTONA Rising;
- During fiscal 2016, we completed an assignment of all rights, title and interest in the mortgage and underlying promissory note of our Staten Island property. As a result, we recorded a gain of approximately $13.6 million, or 0.18 per diluted share, comprised of deferred gain, interest, and other consideration paid. The deferred gain of $1.9 million is included in Other operating revenue in our consolidated statement of operations, and the interest, and additional consideration, received is included in Other in our consolidated statement of operations (see "Equity and Other Investments"). There was no comparable transaction in the prior year;
- During fiscal 2016, we recognized a non-cash gain related to the transition of merchandise operations of approximately $0.8 million, or $0.01 per diluted share. There was no comparable transaction in the prior year; and
- During fiscal 2016, we received a favorable settlement relating to certain ancillary operations of approximately $1.1 million or $0.02 per diluted share. There was no comparable activity in the prior year.

Fiscal 2016 admissions revenue decreased approximately $6.6 million, or 5.1 percent compared to fiscal 2015. The decrease is predominately due to decreased attendance and/or admissions at NASCAR events held at certain of our locations. In addition, the NASCAR Cup event held at Richmond International Raceway ("Richmond") was moved from its traditional Saturday evening schedule to a Sunday afternoon time slot, and the threat of inclement weather during the NASCAR events held at Talladega Superspeedway ("Talladega") also contributed to the decrease. Partially offsetting these decreases were increased attendance and/or admissions related to DAYTONA Rising for events held during Daytona Speedweeks, including the Daytona 500, Bikeweek events, the Coke Zero 400 and the Rolex 24, as well as NASCAR and IMSA weekends at Watkins Glen.

Motorsports and other event related revenue increased approximately $25.4 million, or 5.6 percent, in fiscal 2016 as compared to fiscal 2015. The increase is largely attributable to increases in sponsorship and hospitality revenues of approximately $12.7 million, primarily related to DAYTONA Rising and the events held during Daytona Speedweeks. Also contributing to the increase were increases in television broadcast revenue of approximately $8.5 million, ancillary rights of approximately $2.2 million and other track related revenues totaling approximately $1.6 million, as well increased revenues from the aforementioned music festivals totaling approximately $1.0 million, as compared to the prior year.

Food, beverage and merchandise revenue decreased approximately $5.3 million, or 11.2 percent, in fiscal 2016 as compared to fiscal 2015. When excluding the aforementioned transition of merchandise operations of approximately $11.1 million, food, beverage and merchandise revenue increased approximately $5.8 million as compared to the prior year. This increase is attributed to increased non-motorsports related catering and concessions revenue related to the aforementioned HARD and Country 500 music festivals of approximately $3.6 million, approximately $1.5 million related to disaster relief efforts in the Daytona Beach area related to Hurricane Matthew, and increased motorsports related catering and concessions of approximately $2.5 million. Slightly offsetting the increase was approximately $1.8 million related to the aforementioned Phish Magnaball music festival held in fiscal 2015, for which the event was not held in fiscal 2016.

NASCAR event management fees increased by approximately $4.0 million, or 2.4 percent, in fiscal 2016 as compared to fiscal 2015. The increase includes approximately $5.6 million attributable to contracted NEM fees, of which approximately $2.7 million is attributable to the increase in television broadcast rights fees, as NASCAR sanction agreements require a specific percentage of television broadcast rights fees to be paid to competitors for the NASCAR Sprint Cup, Xfinity and Camping World Truck series. This increase is offset by the aforementioned Chicagoland Xfinity series held in 2015 for which there is no comparable events in 2016.

Motorsports and other event related expense increased by approximately $2.2 million, or 1.7 percent, in fiscal 2016 as compared to fiscal 2015. The increase is attributable to increased purchased services and personnel related expenses for other events of approximately $2.6 million, higher operating costs of approximately $1.5 million, associated with the opening of the world's first motorsports stadium at Daytona, and approximately $1.9 million of expenses related to the aforementioned IndyCar event held at Phoenix in fiscal 2016, which was not held in fiscal 2015. Partially offsetting the increase were

reductions in expenses of approximately $4.0 million, related to certain fiscal 2015 events held at Chicagoland and Auto Club Speedway which were not held in fiscal 2016. Motorsports and other event related expenses as a percentage of combined admissions and motorsports and other event related revenue remained consistent at approximately 22.2 percent for fiscal 2016, as compared to 22.5 percent for the same period in the prior year.

Food, beverage and merchandise expense decreased approximately $8.3 million, or 21.7 percent, in fiscal 2016 as compared to fiscal 2015. When excluding the aforementioned fiscal 2015 costs for transition of merchandise operations of approximately $10.5 million, food, beverage and merchandise expense increased by approximately $2.2 million, as compared to the prior year. The increase was primarily attributed to increased concession related expenses of approximately $3.2 million, attributed to the aforementioned HARD summer music festival at Auto Club Speedway and the Country 500 music festival at Daytona, for which these events were not held in fiscal 2015, and increased motorsports related concessions and catering expenses of approximately $0.8 million. Slightly offsetting the increase was approximately $1.6 million of concession expenses related to the aforementioned Phish Magnaball music festival at Watkins Glen for which this event was not held in fiscal 2016. Food, beverage and merchandise expense as a percentage of food, beverage and merchandise revenue decreased to approximately 71.8 percent for fiscal 2016, as compared to 81.4 percent for the same period in the prior year. The margin improvement is primarily a result of the aforementioned transition in merchandising operations in fiscal 2015, as well as lower cost of sales related to concessions and catering as compared to the same period in the prior year, driven by improvements in menu engineering and production strategy coupled with a modest per cap increase.

General and administrative expense decreased approximately $0.8 million, or 0.7 percent, in fiscal 2016 as compared to fiscal 2015, predominately due to a reduction of approximately $2.2 million in certain administrative costs, a decrease in certain land lease payments of approximately $1.1 million and approximately $0.5 million of costs related to building maintenance that occurred in fiscal 2015, for which there were no comparable costs in fiscal 2016. Partially offsetting the decrease were approximately $1.4 million of costs associated with the opening of the world's first motorsports stadium at Daytona, approximately $0.4 million of property taxes, approximately $0.7 million of lower reimbursed expenses related to the aforementioned transition in merchandising operations, and approximately $0.5 million in purchased services, as compared to prior year. General and administrative expenses as a percentage of total revenues decreased slightly to approximately 16.8 percent for fiscal 2016, as compared to 17.3 percent for fiscal 2015. The slight margin increase is predominately due to higher total revenues in fiscal 2016.

Depreciation and amortization expense increased approximately $7.4 million, or 7.8 percent, in fiscal 2016, as compared to fiscal 2015. Depreciation increased approximately $9.5 million due to new assets placed in service associated with DAYTONA Rising in fiscal 2016. Partially offsetting the increase is approximately $1.1 million attributable to the shortening of service lives of certain assets associated with the repaving of Watkins Glen, in fiscal 2015, for which there was no comparable event in the same periods of fiscal 2016 and approximately $1.0 million related to assets that have been fully depreciated, or removed from service.

Losses on retirements of long-lived assets decreased approximately $13.1 million, or 81.9 percent, in fiscal 2016, as compared to fiscal 2015. The decrease is primarily due to approximately $12.1 million of fiscal 2015 demolition costs in connection with DAYTONA Rising, for which there were no comparable cost in fiscal 2016.

Interest income, during fiscal 2016, of approximately $0.3 million, was comparable to the prior year.

Interest expense increased approximately $4.3 million, or 44.4 percent, in fiscal 2016, as compared to fiscal 2015. The increase was predominately due to lower capitalized interest associated with DAYTONA Rising. Partially offsetting the increase was capitalized interest of approximately $1.2 million related to ONE DAYTONA.

Equity in net income from equity investments in fiscal 2016 and 2015, respectively, substantially represents our 50.0 percent equity investments in Hollywood Casino at Kansas Speedway (see “Equity and Other Investments”).

Our effective income tax rate increased from approximately 37.7 percent to approximately 38.5 percent during fiscal 2016 compared to fiscal 2015 (see “Income Taxes”).

As a result of the foregoing, net income increased approximately $19.7 million, or $0.45 per diluted share, for fiscal 2016 as compared to fiscal 2015.

Comparison of Fiscal 2015 to Fiscal 2014

The comparison of fiscal 2015 to fiscal 2014 is impacted by the following factors:

- In the third quarter of fiscal 2015, we hosted the Phish Magnaball music festival at Watkins Glen, for which there was no comparable event in the prior year. Also in the third quarter of fiscal 2015, we hosted the third annual Faster Horses music festival at Michigan.

- During fiscal 2014, we received a favorable settlement relating to a legal judgment of litigation involving certain ancillary operations of approximately $0.6 million, or $0.01 per diluted share. There was no comparable activity during fiscal 2015.
- On January 31, 2014, SMI abandoned its interest and rights in our 50/50 partnership MA, consequently bringing our ownership of MA to 100.0 percent. MA's operations are included in our consolidated operations subsequent to the date of SMI's abandonment. Prior to January 31, 2014, MA was accounted for as an equity investment in our financial statements. As a result of SMI's abandonment of their interest in MA, we recorded other income of approximately $5.4 million representing the fair value of MA, over the carrying value, as of January 31, 2014. In addition we recognized tax benefits relating to MA of approximately $4.0 million for fiscal 2014 (see “Equity and Other Investments and "Income Taxes”). There was no comparable event in the same period of fiscal 2015;
- For fiscal 2015, we recognized revenue and expense related to merchandise operations of approximately $16.5 million and $12.3 million, respectively. Included in this amount are $5.1 million of commission from third party merchandise sales, predominately from Fanatics, non-recurring transactions of approximately $10.4 million, which includes approximately $6.4 million for inventory sold to Fanatics and $4.0 million of wholesale transactions by MA. These revenues drove a total of approximately $12.3 million in expense including product costs associated with the non-recurring transactions, non-recurring costs related to the transition of trackside merchandise operations to Fanatics, as well as partial period operating expenses incurred prior to the transition of Americrown and MA merchandise operations, for which there was no related revenue. This compares to fiscal 2014, where we recognized revenue and expense related to merchandise operations of approximately $44.1 million and $35.5 million, respectively, which included direct sales of trackside merchandise and excluded the partial period pre-consolidation operation of MA prior to SMI’s abandonment of its MA interest (see "Future Trends in Operating Results, *Merchandise Operations"*);
- In fiscal 2015, we recognized approximately $1.4 million, or $0.02 per diluted share, in marketing and consulting costs that are included in general and administrative expense related to DAYTONA Rising. During fiscal 2014, we recognized approximately $1.1 million, or $0.02 per diluted share, of similar costs;
- During fiscal 2015, we recognized approximately $6.8 million, or $0.09 per diluted share, of accelerated depreciation that was recorded due to the shortening the service lives of certain assets associated with DAYTONA Rising and other projects. During fiscal 2014, we recognized approximately $11.1 million, or $0.14 per diluted share, of accelerated depreciation that was recorded due to the shortening the service lives of certain assets associated with DAYTONA Rising and capacity management initiatives;
- In fiscal 2015, we recognized approximately $16.0 million, or $0.21 per diluted share, of losses associated with asset retirements of losses primarily attributable to demolition and/or asset relocation costs in connection with DAYTONA Rising, capacity management initiatives and other capital improvements. Included in these losses were approximately $12.5 million of expenditures related to demolition and/or asset relocation costs, the remaining charges were non-cash charges. During fiscal 2014, we recognized approximately $10.1 million, or $0.12 per diluted share, of similar charges, of which approximately $7.5 million of expenditures related to demolition and/or asset relocation costs, the remaining charges were non-cash, which included an impairment of a long-lived intangible asset related to MA, discussed above; and
- During fiscal 2015, we capitalized approximately $6.0 million, or $0.08 per diluted share, of interest related to DAYTONA Rising. During fiscal 2014, we recognized approximately $7.2 million, or $0.09 per diluted share, of similar interest capitalization.

Fiscal 2015 admissions revenue of $130.2 million was comparable to fiscal 2014. Factors driving attendance increases and higher average ticket prices include:

- Increases in attendance and admissions at the DAYTONA 500, Talladega, Martinsville, Auto Club Speedway, Darlington, Phoenix, Watkins Glen and Homestead;
- Increased attendance and admissions for NASCAR's Cup Chase for the Championship events at Chicagoland and Talladega as well as sold out events for the Fall Phoenix and Homestead Cup races; and
- Certain non-NASCAR events new to the Company’s event schedule in 2015.

Several factors contributed to attendance decreases which offset the noted increases, including:

- The reduced number of seats available at Daytona for the July NASCAR Cup and Xfinity series events as a result of the construction cycle related to DAYTONA Rising (see *Liquidity and Capital Resources - DAYTONA Rising: Reimagining an American Icon)*;
- Inclement weather and the threat of inclement weather during Speedweeks events preceding the DAYTONA 500;
- Inclement weather impacting major events at Michigan, Richmond and Kansas; and

- Other decreases in certain markets.

Motorsports and other event related revenue increased approximately $18.1 million, or 4.2 percent, in fiscal 2015 as compared to fiscal 2014. The increase is largely attributable to increases in television broadcast revenue of approximately $11.6 million. Also contributing to the increase were advertising, hospitality and sponsorship revenues of approximately $4.2 million, other ancillary motorsports revenue totaling approximately $1.5 million, as well as the aforementioned music festivals totaling approximately $0.8 million.

Food, beverage and merchandise revenue decreased approximately $25.6 million, or 35.1 percent, in fiscal 2015 as compared to fiscal 2014. The decrease is primarily due to the aforementioned transition of merchandise operations of approximately $27.5 million. Slightly offsetting the decrease were concession sales of approximately $1.8 million related to the aforementioned Phish Magnaball music festival held in the third quarter of fiscal 2015, for which there was no comparable event in fiscal 2014.

NASCAR event management fees increased by approximately $4.9 million, or 3.0 percent, in fiscal 2015 as compared to fiscal 2014. The increase includes approximately $3.0 million attributable to increases in television broadcast rights fees, for the NASCAR Cup, Xfinity and Camping World Truck series events held during the period as standard NASCAR sanctioning agreements require a specific percentage of television broadcast rights fees to be paid to competitors. The remaining increase is attributable to higher contracted NEM fees.

Motorsports and other event related expense increased by approximately $2.9 million, or 2.2 percent, in fiscal 2015 as compared to fiscal 2014. The increase is primarily due to personnel related expenses, incremental costs for certain events largely driven by inclement weather, as well as other purchased services. Motorsports and other event related expenses as a percentage of combined admissions and motorsports and other event related revenue remained consistent at approximately 22.5 percent for fiscal 2015, as compared to 22.8 percent for the same period in the prior year.

Food, beverage and merchandise expense decreased approximately $19.8 million, or 34.0 percent, in fiscal 2015 as compared to fiscal 2014. The decrease is predominately attributable to the aforementioned transition of merchandise operations of approximately $22.0 million. Slightly offsetting the decrease were concession related expenses of approximately $1.6 million attributed to the aforementioned Phish Magnaball music festival held in the third quarter of fiscal 2015, for which there was no comparable event in fiscal 2014. In addition, motorsports related concessions and catering yielded an increase of approximately $0.6 million. Food, beverage and merchandise expense as a percentage of food, beverage and merchandise revenue increased to approximately 81.4 percent for fiscal 2015, as compared to 79.9 percent for the same period in the prior year. The decrease in margin is primarily a result of the aforementioned transition in merchandising operations, however, excluding this activity, food, beverage and merchandise expense as a percentage of food, beverage and merchandise sales decreased compared to the same period in 2014 due to increased catering revenues driven by an approximate 3.0 percent increase in prices, slightly offset by increased spoilage due to inclement weather affecting certain events.

General and administrative expense increased approximately $3.1 million, or 2.8 percent, in fiscal 2015 as compared to fiscal 2014, due to approximately $3.6 million of certain administrative costs and ancillary facility operations, as well as a net decrease to our general liability insurance reserve in the prior year period of approximately $1.1 million, for which there is no comparable reduction in the current period. Slightly offsetting the increase was approximately $0.9 million of costs related to real and tangible property taxes and $0.7 million of non-recurring costs related to the aforementioned transition in merchandising operations. General and administrative expenses as a percentage of total revenues decreased slightly to approximately 17.3 percent for fiscal 2015, as compared to 16.7 percent for fiscal 2014. The margin decrease for the period is primarily due one-time, non-recurring administrative costs related to DAYTONA Rising and to adjustments in our general liability insurance reserves in the 2014 period.

Depreciation and amortization expense increased approximately $4.4 million, or 4.8 percent, in fiscal 2015 as compared to fiscal 2014. Approximately $11.9 million of the increase relates to new assets placed in service associated with DAYTONA Rising, and approximately $5.5 million is attributable to the continued shortening of the service lives of certain assets that will eventually be retired associated with DAYTONA Rising. Also contributing to the increase is approximately $1.3 million is attributable to the shortening of service lives of certain assets associated with the repaving of Watkins Glen. Offsetting these increases are approximately $14.3 million related to assets that have been fully depreciated, or removed from service.

Losses on retirements of long-lived assets of approximately $16.0 million during fiscal 2015 is primarily due to demolition costs in connection with DAYTONA Rising and other capital improvements.

Interest income during fiscal 2015 decreased approximately $2.0 million as compared to fiscal 2014. The decrease is predominately due to a settlement reached in fiscal 2014 related to prior years interest associated with a long-term receivable. There was no comparable event in fiscal 2015.

Interest expense increased approximately $0.4 million, or 4.4 percent, in fiscal 2015, as compared to fiscal 2014. The increase was predominately due to slightly lower capitalized interest associated with DAYTONA Rising.

Equity in net income from equity investments in fiscal 2015 and 2014, respectively, represents our 50.0 percent equity investments in Hollywood Casino at Kansas Speedway (see “Equity and Other Investments”).

Our effective income tax rate increased from approximately 33.0 percent to approximately 37.7 percent during fiscal 2015 compared to fiscal 2014 (see “Income Taxes”).

As a result of the foregoing, net income decreased approximately $10.7 million, or $0.24 per diluted share, for fiscal 2015 as compared to fiscal 2014.

Liquidity and Capital Resources

General

We have historically generated sufficient cash flow from operations to fund our working capital needs, capital expenditures at existing facilities, and return of capital through payments of an annual cash dividend and repurchase of our shares under our Stock Purchase Plan. In addition, we have used the proceeds from offerings of our Class A Common Stock, the net proceeds from the issuance of long-term debt, borrowings under our credit facilities and state and local mechanisms to fund acquisitions and development projects. The following table sets forth certain selected financial information as of November 30, (in thousands):

	2014	2015	2016
Cash and cash equivalents	$ 158,847	$ 160,548	$ 263,727
Working capital	110,783	146,915	217,802
Total debt	271,746	265,836	262,820

At November 30, 2016, our working capital was primarily supported by our cash and cash equivalents totaling approximately $263.7 million. The increase in working capital at November 30, 2016, as compared to the prior period, is predominantly attributable to the refund received, of approximately $50.8 million, in February 2016 of all of the Federal income tax estimated payments made in fiscal year 2015. This was a result of the Protecting Americans from Tax Hikes Act, passed by Congress in December 2015, which renewed previously expired tax legislation that included a retroactive renewal back to January 1, 2015 (see "Capital Allocation"). Also contributing to the increase in working capital were the cash proceeds from the sale of the Staten Island property (see "Equity and Other Investments - Staten Island Property").

Significant cash flow items during fiscal the fiscal years ended November 30 are as follows (in thousands):

	2014	2015	2016
Net cash provided by operating activities [1]	$ 162,847	$ 151,987	$ 245,888
Capital expenditures [2]	(183,936)	(155,016)	(140,793)
Distribution from equity investee and affiliate [3]	22,000	32,050	25,900
Proceeds from sale of Staten Island property [4]	11,187	4,648	67,890
Equity investments and advances to affiliate [5]	(1,322)	—	(130)
Net proceeds (payments) related to long-term debt	(2,807)	(3,437)	(3,408)
Dividends paid and reacquisitions of previously issued common stock	(11,504)	(13,111)	(74,571)

(1) Variances in net cash provided by operating activities were predominately due to the amount and timing of cash payments for income taxes (see "Income Taxes"). The increase in net cash provided by operating activities, during the period ended November 30, 2016, as compared to the same period in the prior year, is driven primarily by the aforementioned Federal income tax refund received in February 2016

(2) Activity in capital expenditures is predominately due to DAYTONA Rising (see "Capital Expenditures") and ONE DAYTONA (see "ONE DAYTONA")

(3) Distributions from equity investee and affiliates, consist of amounts received as distribution from their profits and returns of capital as detailed in our statement of cash flows

(4) Proceeds from sale of Staten Island property consist of interest and principle amounts received as detailed in our statement of cash flows

(5) Amounts relate to Hollywood Casino at Kansas Speedway (see “Equity and Other Investments”) and ONE DAYTONA (see "ONE DAYTONA"), respectively

(6) Amounts relate to dividends paid and reacquisition of previously issued common stock (see "Item 2. Unregistered Sales of Equity Securities and Use of Proceeds")

Our liquidity is primarily generated from our ongoing motorsports operations, and we expect our strong operating cash flow to continue in the future. In addition, as of November 30, 2016, we have approximately $294.0 million available to draw upon under our 2016 Credit Facility, if needed. See “Future Liquidity” for additional disclosures relating to our credit facility and certain risks that may affect our near term operating results and liquidity.

Allocation of capital is driven by our long-term strategic planning and initiatives that encompass our mission, vision and values. Our primary uses of capital are to maintain modest debt levels that are consistent with our current investment grade debt rating from Standard and Poor’s. We will invest in our facilities to improve the guest experience and we will make investments in strategic projects that complement our core business and provide value for our shareholders, all of which is balanced with returning capital to our shareholders through share repurchases and dividends.

Capital Allocation

We have established a long-term capital allocation plan to ensure we generate sufficient cash flow from operations to fund our working capital needs, capital expenditures at existing facilities, and return of capital through payments of an annual cash dividend and repurchase of our shares under our Stock Purchase Plan. In addition, we have used the proceeds from offerings of our Class A Common Stock, the net proceeds from the issuance of long-term debt, borrowings under our credit facilities and state and local mechanisms to fund acquisitions and development projects.

Since 2013, we have operated under a capital expenditure plan totaling $600.0 million for reinvestment in existing facilities, which included capital expenditures related to DAYTONA Rising (see “DAYTONA Rising - Reimagining an American Icon”). This plan was adopted by the Board of Directors in 2013 and established a multi-year capital facility reinvestment plan through 2017. At November 30, 2016, there was approximately $58.7 million remaining for capital expenditures in approved and/or planned projects under this plan.

In 2016, our working capital position was further strengthened by the following events:

- Federal tax legislation passed in December 2015 providing for extension of 7-year depreciation for tax purposes on certain motorsports facility assets placed in service during fiscal 2015 through 2016, and bonus depreciation on capital expenditures placed in service fiscal 2015 through 2019. While the tax legislation does not impact our overall tax liability, it does impact the timing of the annual payment of cash taxes. Cash taxes paid for federal and state taxes in fiscal 2015 was approximately $45.0 million. As a result of this legislation, which was passed subsequent to our fiscal 2015 year-end, but retroactive for all assets placed in service during 2015, we received a tax refund of approximately $50.8 million in fiscal 2016 related to overpayment of estimated taxes in prior years, primarily attributable to depreciation for assets placed in service related to DAYTONA Rising. Cash tax payments for fiscal 2016 were approximately $24.4 million. Cash tax payments for fiscal 2017 are currently estimated to be between $50.0 million to $55.0 million; and
- In March 2016, we completed an assignment of all rights, title and interest in the mortgage and underlying promissory note to an affiliate of Matrix Development Group, a New York/New Jersey area developer, and received the remaining principal balance of $66.4 million, plus additional consideration of approximately $0.3 million. We have no further commitments or contingencies related to the property or its sale. As a result, in the second quarter of fiscal 2016, we recorded a gain of approximately $13.6 million. The deferred gain of $1.9 million is included in Other operating revenue in our consolidated statement of operations, and the interest and additional consideration received is included in Other below Operating Income in our consolidated statement of operations.

Following the successful completion of DAYTONA Rising (delivering the project on time, on budget and achieving incremental $15.0 million EBITDA), along with the aforementioned events strengthening working capital, the Board of Directors transitioned the remaining commitments under the 2013 $600.0 million plan as of November 30, 2016 and adopted the following capital allocation plan covering fiscal years 2017 through 2021:

- Capital expenditures for existing facilities up to $500.0 million from fiscal 2017 through fiscal 2021, which includes approximately $58.7 million for 2017 carried over from the 2013 $600 million plan. This allocation will fund a reinvestment at Phoenix, the first phase of redevelopment at Richmond, as well as all other maintenance and guest experience capital expenditures for the remaining existing facilities. In 2017 we will begin the redevelopment of Phoenix (see “Phoenix Redevelopment”) with completion targeted in late 2018, therefore, we expect spending to be somewhat front-loaded. While many components of these expected projects will exceed weighted average cost of

capital, considerable maintenance capital expenditures, approximately $40.0 million to $60.0 million annually, will likely result in a blended return of this invested capital in the mid to low single digits;

- In addition to the aforementioned $500.0 million in capital expenditures for existing facilities, we expect we will have an additional $95.0 million of capital expenditures in fiscal 2016 through 2018 related to phase one of ONE DAYTONA. We expect this investment to exceed our weighted average cost of capital (see "ONE DAYTONA");
- Return of capital to shareholders is a significant pillar of our capital allocation. In fiscal 2016 we increased our dividend approximately 58.0 percent to $0.41 per share. We expect dividends to increase in 2017, and beyond, by approximately four to five percent annually. For the year ended November 30, 2016, we repurchased 1.7 million shares of ISCA on the open market at a weighted average share price of $33.25 for a total of approximately $55.1 million. In November 2016, our Board of Directors expanded the Stock Purchase Plan by an incremental $200.0 million bringing its total current authorization to $530.0 million. For 2017 through 2021 we expect our return of capital program will be approximately $280.0 million, comprised of close to $100.0 million in total annual dividends and the balance being open market repurchase of ISCA shares over the five year period. At this time we expect this spending to be evenly allocated per year, although we will scale the repurchase program to buy opportunistically; and
- We will continue to explore development and/or acquisition opportunities beyond the initiatives discussed above that build shareholder value and exceed our weighted average cost of capital. Should additional development and/or acquisitions be pursued, we will provide discrete information on timing, scope, cost and expected returns of such opportunities.

The aforementioned represents certain components of our capital allocation plan for fiscal 2017 and beyond. This capital allocation plan is reviewed annually, or more frequently, and can be revised, if necessary, based on changes in business conditions.

Capital Expenditures

As discussed in “Future Trends in Operating Results,” an important strategy for our future growth will come from investing in our major motorsports facilities to enhance the live event experience and better enable us to effectively compete with other entertainment venues for consumer and corporate spending.

Capital expenditures for fiscal 2016 total approximately $140.8 million, inclusive of capitalized interest and labor. In comparison, the Company spent approximately $155.0 million on capital expenditures for projects at its existing facilities in fiscal 2015, including DAYTONA Rising. For fiscal 2017, we expect capital expenditures associated with the $500.0 million capital expenditure plan to range between $100.0 million and $115.0 million, which includes commencement of construction for the Phoenix Redevelopment project. Incremental to this is approximately $50.0 million to $60.0 million in capital expenditures related to construction for ONE DAYTONA.

We review the capital expenditure program periodically and modify it as required to meet current business needs.

Future Liquidity

General

As discussed in “Future Trends in Operating Results,” we compete for discretionary spending and leisure time with many other entertainment alternatives and are subject to factors that generally affect the recreation, leisure and sports industry, including general economic conditions. Our operations are also sensitive to factors that affect corporate budgets. Such factors include, but are not limited to, general economic conditions, employment levels, business conditions, interest and taxation rates, relative commodity prices, and changes in consumer tastes and spending habits. These factors may negatively impact year-over-year comparability for our revenue categories for the full year, with the exception of domestic broadcast media rights fees. While we are sustaining the significant cost reductions implemented subsequent to the unprecedented adverse economic conditions that began in 2008, we do not expect further significant cost reductions.

Our cash flow from operations consists primarily of ticket, hospitality, merchandise, catering and concession sales and contracted revenues arising from television broadcast rights and marketing partnerships. We believe that cash flows from operations, along with existing cash, cash equivalents and available borrowings under our credit facility, will be sufficient to fund:

- operations of our major motorsports facilities for the foreseeable future;
- ONE DAYTONA (see "ONE DAYTONA");
- the previously discussed capital allocation plans for our existing facilities;

- payments required in connection with the funding of the Unified Government's debt service requirements related to the TIF bonds;
- payments related to our other existing debt service commitments;
- contributions in connection with any future expansion of the Hollywood Casino at Kansas Speedway; and
- our annual dividend payment and share repurchases under our Stock Purchase Plan.

We remain interested in pursuing acquisition and/or development opportunities that would increase shareholder value, of which the timing, size, success and associated potential capital commitments, are unknown at this time. Accordingly, a material acceleration of our growth strategy could require us to obtain additional capital through debt and/or equity financings. Although there can be no assurance, we believe that adequate debt and equity financing will be available on satisfactory terms.

While we expect our strong cash flows to continue in the future, our financial results depend significantly on a number of factors. In addition to local, national, and global economic and financial market conditions, consumer and corporate spending could be adversely affected by security and other lifestyle conditions resulting in lower than expected future cash flows. See "Future Trends in Operating Results - Postponement and/or Cancellation of Major Motorsports Events" for further discussion of items that could have a singular or compounded material adverse effect on our financial success and future cash flow.

Long-Term Obligations and Commitments

Our $65.0 million principal amount of senior unsecured notes (“4.63 percent Senior Notes”) bear interest at 4.63 percent and are due January 2021, require semi-annual interest payments on January 18 and July 18 through their maturity. The 4.63 percent Senior Notes may be redeemed in whole or in part, at our option, at any time or from time to time at redemption prices as defined in the indenture. Certain of our wholly owned domestic subsidiaries are guarantors of the 4.63 percent Senior Notes. Certain restrictive covenants of the 4.63 percent Senior Notes require that the Company's ratio of its Consolidated Funded Indebtedness to its Consolidated EBITDA ("leverage ratio") does not exceed 3.50 to 1.0, and its Consolidated EBITDA to Consolidated Interest Expense ("interest coverage ratio") is not less than 2.0 to 1.0. In addition the Company may not permit the aggregate of certain Priority Debt to exceed 15.0 percent of its Consolidated Net Worth. The 4.63 percent Senior Notes contain various other affirmative and negative restrictive covenants including, among others, limitations on liens, sales of assets, mergers and consolidations and certain transactions with affiliates. As of November 30, 2016, the Company was in compliance with its various restrictive covenants. At November 30, 2016, outstanding principal on the 4.63 percent Senior Notes was approximately $65.0 million.

Our $100.0 million principal amount of senior unsecured notes (“3.95 percent Senior Notes”) bear interest at 3.95 percent and are due September 2024. The 3.95 percent Senior Notes require semi-annual interest payments on March 13 and September 13 through their maturity. The 3.95 percent Senior Notes may be redeemed in whole or in part, at our option, at any time or from time to time at redemption prices as defined in the indenture. Certain of our wholly owned domestic subsidiaries are guarantors of the 3.95 percent Senior Notes. Certain restrictive covenants of the 3.95 percent Senior Notes require that the Company's leverage ratio does not exceed 3.50 to 1.0, and its interest coverage ratio is not less than 2.0 to 1.0. In addition the Company may not permit the aggregate of certain Priority Debt to exceed 15.0 percent of its Consolidated Net Worth. The 3.95 percent Senior Notes contain various other affirmative and negative restrictive covenants including, among others, limitations on liens, sales of assets, mergers and consolidations and certain transactions with affiliates. As of November 30, 2016, the Company was in compliance with its various restrictive covenants. At November 30, 2016, outstanding principal on the 3.95 percent Senior Notes was approximately $100.0 million.

The term loan (“6.25 percent Term Loan”), related to our International Motorsports Center, has a 25 year term due October 2034, an interest rate of 6.25 percent, and a current monthly payment of approximately $323,000 principal and interest. At November 30, 2016, the outstanding principal on the 6.25 percent Term Loan was approximately $47.9 million.

At November 30, 2016, outstanding TIF bonds totaled approximately $52.1 million, net of the unamortized discount, which is comprised of a $2.8 million principal amount, 6.15 percent term bond due December 1, 2017 and a $49.7 million principal amount, 6.75 percent term bond due December 1, 2027. The TIF bonds are repaid by the Unified Government with payments made in lieu of property taxes (“Funding Commitment”) by our wholly owned subsidiary, Kansas Speedway Corporation (“KSC”). Principal (mandatory redemption) payments per the Funding Commitment are payable by KSC on October 1 of each year. The semi-annual interest component of the Funding Commitment is payable on April 1 and October 1 of each year. KSC granted a mortgage and security interest in the Kansas project for its Funding Commitment obligation.

In October 2002, the Unified Government issued subordinate sales tax special obligation revenue bonds (“2002 STAR Bonds”) totaling approximately $6.3 million to reimburse us for certain construction already completed on the second phase of the Kansas Speedway project and to fund certain additional construction. The 2002 STAR Bonds, which require annual debt service payments and are due December 1, 2022, will be retired with state and local taxes generated within the Kansas Speedway’s boundaries and are not our obligation. KSC has agreed to guarantee the payment of principal, any required

premium and interest on the 2002 STAR Bonds. At November 30, 2016, the Unified Government had approximately $0.9 million in 2002 STAR Bonds outstanding. Under a keepwell agreement, we have agreed to provide financial assistance to KSC, if necessary, to support its guarantee of the 2002 STAR Bonds.

On September 27, 2016, we amended and extended our existing $300.0 million credit facility, maturing November 2017, and entered into a new $300.0 million revolving credit facility ("2016 Credit Facility"). The 2016 Credit Facility contains a feature that allows us to increase the credit facility to a total of $500.0 million, subject to certain conditions, provides for separate sub-limits of $25.0 million for standby letters of credit and $10.0 million for swing line loans. The 2016 Credit Facility is scheduled to mature five years from the date of inception, with two 1-year extension options. Interest accrues, at our option, at either LIBOR plus 100.0 — 162.5 basis points or a base rate loan at the highest of i) Wells Fargo Bank's prime lending rate, ii) the Federal Funds rate, as in effect from time to time, plus 0.5 percent, and iii) one month LIBOR plus 1.0 percent. The 2016 Credit Facility also contains a commitment fee ranging from 0.125 percent to 0.225 percent of unused amounts available for borrowing. The interest rate margin on the LIBOR borrowings and commitment fee are variable depending on the better of our debt rating as determined by specified rating agencies or its leverage ratio. Certain of our wholly owned domestic subsidiaries are guarantors on the 2016 Credit Facility. The 2016 Credit Facility requires that our leverage ratio does not exceed 3.50 to 1.0 (4.0 to 1.0 for the four quarters ending after any Permitted Acquisition), and our interest coverage ratio is not less than 2.5 to 1.0. The 2016 Credit Facility also contains various other affirmative and negative restrictive covenants including, among others, limitations on indebtedness, investments, sales of assets, certain transactions with affiliates, entering into certain restrictive agreements and making certain restricted payments as detailed in the agreement. As of November 30, 2016, we were in compliance with the various restrictive covenants contained in the credit facility agreement. At November 30, 2016, we had no outstanding borrowings under our credit facility.

At November 30, 2016 we had contractual cash obligations to repay debt and to make payments under operating agreements, leases and commercial commitments in the form of guarantees and unused lines of credit. Payments due under these long-term obligations are as follows as of November 30, 2016 (in thousands):

		Obligations Due by Period			
	Total	Less Than One Year	2-3 Years	4-5 Years	After 5 Years
Long-term debt	$ 265,418	$ 3,738	$ 8,613	$ 76,134	$ 176,933
Interest	104,686	13,967	27,185	23,320	40,214
Motorsports entertainment facility operating agreement	16,968	1,055	2,110	2,110	11,693
Other operating leases	41,896	4,570	4,942	2,066	30,318
Total Contractual Cash Obligations	$ 428,968	$ 23,330	$ 42,850	$ 103,630	$ 259,158

Commercial commitment expirations are as follows as of November 30, 2016 (in thousands):

		Commitment Expiration by Period			
	Total	Less Than One Year	2-3 Years	4-5 Years	After 5 Years
Guarantees	$ 940	$ 205	$ 275	$ 255	$ 205
Unused credit facilities	300,000	2,000	—	298,000	—
Total Commercial Commitments	$ 300,940	$ 2,205	$ 275	$ 298,255	$ 205

DAYTONA Rising: Reimagining an American Icon

DAYTONA Rising is the redevelopment of the frontstretch at Daytona, ISC's 57-year-old flagship motorsports facility, to enhance the event experience for our fans, marketing partners, broadcasters and the motorsports industry.

In May 2016, Axalta joined Toyota, Florida Hospital, Chevrolet and Sunoco as Founding Partners at Daytona International Speedway's new motorsports stadium. With each partnership extending over 10 years, the Founding partners received sponsorship rights for a dedicated injector, as well as innovative fan engagement space, and interior and exterior branding space, that will enhance the overall guest experience.

By providing our fans with a better experience as well as an expansive platform for our marketing partners, including an elevated hospitality experience, we expected, upon completion of DAYTONA Rising, to provide an immediate incremental lift in Daytona's revenues of approximately $20.0 million, and earnings before interest, taxes, depreciation and amortization ("EBITDA") lift of approximately $15.0 million. For the year ended November 30, 2016, we slightly exceeded these expectations. We also currently anticipate the project to be accretive to our net income per share within three years of

completion. While these forward-looking amounts are management's projections and we believe they are reasonable, our actual results may vary from these estimates due to unanticipated changes in projected attendance, lower than expected ticket prices, and/or lower than forecasted corporate sponsorships. We do not know whether these expectations will ultimately continue as actual revenues and operating results may differ materially from these estimates.

Despite not anticipating the need for additional long-term debt to fund this project, accounting rules dictate that we capitalize a portion of the interest on existing outstanding debt during the construction period. Through November 30, 2016, we recorded approximately $14.6 million of capitalized interest associated with the DAYTONA Rising project since inception.

Total spending incurred, exclusive of capitalized interest, relating to DAYTONA Rising was approximately$65.9 million for fiscal 2016, and is approximately $398.7 million since the inception of the project.

We have identified existing assets that were expected to be impacted by the redevelopment and that those assets required accelerated depreciation, certain removal costs and losses on asset retirements, over the approximate 31-month project time span. Total accelerated depreciation, certain removal costs and losses on retirements of assets recognized, since the inception of the project, was approximately $45.4 million. There were no similar costs related to the DAYTONA Rising project in fiscal 2016.

In addition, our depreciation expense, related directly to DAYTONA Rising, increased incrementally by approximately $11.9 million in fiscal 2015, and an additional $16.4 million in fiscal 2016. The incremental increase in depreciation expense for fiscal 2015 is based on the opening of approximately 40.0 percent of the new stadium's seating capacity for Budweiser Speedweeks 2015 and an additional approximate 10.0 percent of the new stadium's seating capacity for the 2015 Coke Zero 400.

As a result, our total depreciation expense for fiscal 2016 is approximately $102.2 million, and is estimated to be between approximately $100.0 million to $105.0 million in fiscal 2017.

ONE DAYTONA

Since June 2013, we have pursued development of ONE DAYTONA, a premier mixed use and entertainment destination across from the Daytona International Speedway.

We have crafted a strategy that will create synergy with the Speedway, enhance customer and partner experiences, monetize real estate on International Speedway Blvd and leverage our real estate on year-round basis.

We have approved land use entitlements for ONE DAYTONA to allow for up to 1.4 million square feet of retail/dining/entertainment, a 2,500 seat movie theater, 660 hotel rooms, 1,350 residential units, 567,000 square feet of additional office space and 500,000 square feet of commercial/industrial space.

A Community Development District ("CDD") has been established for the purpose of installing and maintaining public infrastructure at ONE DAYTONA. The CDD is a local, special purpose government framework authorized by Chapter 190 of the Florida Statutes for managing and financing infrastructure to support community development.

The CDD has negotiated agreements with the City of Daytona Beach and Volusia County for a total of $40.0 million in incentives to finance a portion of the estimated $53.0 million in infrastructure required to move forward with the ONE DAYTONA project.

In March 2015, we announced Legacy Development, a leading national development group, as development consultant for ONE DAYTONA. Intensely focused on innovative destination retail and mixed-use projects, Legacy Development is working closely with ISC's development staff on the project. The Legacy Development team is a natural fit for the project, having served as the developer for Legends Outlets Kansas City, a mixed-use retail destination across from our Kansas Speedway.

We have completed the design for the first phase of ONE DAYTONA. This first phase will be comprised of three components: retail, dining and entertainment ("RD&E"); hotels; and residential.

The RD&E component of phase one will be owned and managed 100.0 percent by us. The expected total square footage for the RD&E first phase is approximately 300,000 square feet. We expect to spend approximately $95.0 million in fiscal 2016 through 2017 on the RD&E component of ONE DAYTONA's first phase. Other sources of funds will include the public incentives discussed above and land to be contributed to the project. In September 2016, we announced VCC has been selected as general contractor to oversee construction of the RD&E component of phase one including Victory Circle and the parking garage. VCC has an outstanding national reputation for quality and a proven track record leading and managing the development and construction of some of the country's most engaging mixed-use developments.

Lease agreements have been executed with Bass Pro Shops®, America's most popular outdoor store, and Cobb Theatres, the highly respected Southeastern-based exhibitor, as anchor tenants of ONE DAYTONA. Other announced tenants include P.F. Chang's, Hy's Toggery, Kilwins Confections, Guitar Center, Tervis, IT'SUGAR, Jeremiah's Italian Ice, Venetian Nail Spa, Sunglass World, Oklahoma Joe's BBQ, Rock Bottom Restaurant & Brewery, MidiCi: The Neapolitan Pizza Company, Lindbergh, Designers Market, and GameTime. Leasing remains strong and we are exceeding our leasing goals for the project.

Shaner Hotels and Prime Hospitality Group ("PHG") have been selected as hotel partners. They have executed a franchise agreement with Marriott International for an exclusive 145-room full service Autograph Collection hotel at ONE DAYTONA that will be known as The DAYTONA. They are also building a 105-room select-service Fairfield Inn & Suites by Marriott that is currently under vertical construction. As part of the partnership agreement, our portion of equity will be limited to our land contribution and we will share proportionately in the profits from the joint venture.

Prime Group has been selected as the partner for ONE DAYTONA's residential development. Following an extensive request for proposal process, ONE DAYTONA chose the Florida developer based on their command of market demographics, development experience and expert property management systems. Prime Group is proceeding with the development in ONE DAYTONA for approximately 276 luxury apartment rental units that will add critical mass to the overall ONE DAYTONA campus. Similar to the hotel partnership, our portion of equity will be limited to our land contribution and we will share proportionately in the profits from the joint venture.

Cobb Daytona Luxury Theatres opened in December 2016 and Bass Pro Shops is planning a February 2017 opening, followed by the Fairfield Inn & Suites later in fiscal 2017. We are targeting phase one completion in late fiscal 2017. At stabilization we expect this first phase on ONE DAYTONA to deliver annual revenue and EBITDA of approximately $12.0 million and approximately $9.0 million, respectively, and deliver an unlevered return above our weighted average cost of capital. We expect to add leverage to ONE DAYTONA's phase one post-stabilization.

Total capital expenditures for ONE DAYTONA, excluding capitalized interest and net of capital incentives, are expected to be approximately $95.0 million. Through November 30, 2016 capital expenditures totaled approximately $22.0 million, exclusive of capitalized interest and labor. At this time, there is no project specific financing in place for ONE DAYTONA. Ultimately, we expect to secure financing for the project upon stabilization. However, accounting rules dictate that we capitalize a portion of the interest on existing outstanding debt during the construction period. Through November 30, 2016, we recorded approximately $1.6 million of capitalized interest related to ONE DAYTONA, since inception, and expect approximately $3.5 million to $4.0 million to be recorded by completion of construction.

Any future phases will be subject to prudent business considerations for which we will provide discrete cost and return disclosures.

Phoenix Redevelopment

On November 30, 2016, we announced our Board of Directors had approved a multi-year redevelopment project to elevate the fan and spectator experience at Phoenix, the company's 52-year-old motorsports venue. The redevelopment is expected to focus on new and upgraded seating areas, vertical transportation options, new concourses, enhanced hospitality offerings and an intimate infield experience with greater accessibility to pre-race activities.

The redevelopment of Phoenix is included in our aforementioned $500.0 million capital allocation covering fiscal years 2017 through 2021. The redevelopment project at Phoenix is expected to cost approximately $178.0 million, including maintenance capital, before capitalized interest. Okland Construction ("Okland") has been selected as general contractor of the project. Effective November 30, 2016, Phoenix entered into a Design-Build Agreement with Okland. The Design-Build Agreement obligates Phoenix to pay Okland approximately $136.0 million for the completion of the work described in the Design-Build Agreement. This amount is a guaranteed maximum price to be paid for the work, which may not change absent a requested change in the scope of work by Phoenix.

Based on the Company's current plans for Phoenix, it has identified existing assets that are expected to be impacted by the redevelopment and will require accelerated depreciation, or losses on asset retirements, totaling approximately $3.4 million, non-cash charges, over the approximate 22-month project time span. Upon completion, the redevelopment is expected to provide an immediate incremental lift in Phoenix's EBITDA between approximately $8.5 million and $9.0 million. The project is expected to commence in early 2017 and be complete in late 2018.

Despite the Company not anticipating the need for additional long-term debt to fund this project, accounting rules dictate that the Company capitalize a portion of the interest on existing outstanding debt during the construction period. The Company estimates it will record approximately $4.0 million to $4.5 million of capitalized interest from fiscal 2017 through fiscal 2018.

For fiscal 2017, we expect capital expenditures related to the redevelopment of Phoenix to total approximately $70.0 million to $75.0 million and capitalized interest of approximately $1.2 million.

Speedway Developments

In light of NASCAR's publicly announced position regarding additional potential realignment of the Monster Energy NASCAR Cup Series schedule, we believe there are still potential development opportunities for public/private partnerships in new, underserved markets across the country that would create value for our shareholders. However, we are not currently pursuing any new speedway development opportunities.

Inflation

We do not believe that inflation has had a material impact on our operating costs and earnings.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB"), in conjunction with the International Accounting Standards Board ("IASB"), issued Accounting Standards Update ("ASU") No. 2014-09, "Revenue from Contracts with Customers". The objective of this Update is to significantly enhance comparability and clarify principles of revenue recognition practices across entities, industries, jurisdictions, and capital markets. On July 9, 2015, the FASB approved a one-year deferral of the effective date, while permitting entities to elect to adopt one year earlier on the original effective date. As a result, for a public entity, the amendments in this Update are effective for annual reporting periods beginning after December 15, 2017, including interim periods within that reporting period. The standard can be adopted either retrospectively to each prior reporting period presented or as a cumulative effect adjustment as of the date of adoption. We are currently in the process of analyzing the information necessary to determine the impact of adopting this new guidance on our financial position, results of operations, and cash flows. We will adopt the provisions of this statement in the first quarter of fiscal 2019.

In April 2015, the FASB, in conjunction with the IASB, issued ASU No. 2015-03, "Interest - Imputation of Interest". The objective of this Update is to simplify the presentation of debt issuance costs. The amendments in this Update require that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct reduction from the carrying amount of that debt liability, consistent with debt discounts. The recognition and measurement guidance for debt issuance costs are not affected by the amendments in this Update. We have adopted the provisions of this statement in the first quarter of fiscal 2016 and prior periods have been retrospectively adjusted (see "Note 6. Long-Term Debt").

In August 2015, the FASB issued ASU No. 2015-15, "Interest - Imputation of Interest (Sub-Topic 835-30): Presentation and Subsequent Measurement of Debt Issuance Costs Associated with Line-of-Credit Arrangements". Given the absence of authoritative guidance within Update 2015-03 for debt issuance costs related to line-of-credit arrangements, the SEC staff would not object to an entity deferring and presenting debt issuance costs as an asset and subsequently amortizing the deferred debt issuance costs ratably over the term of the line-of-credit arrangement, regardless of whether there are any outstanding borrowings on the line-of-credit arrangement. We have adopted the provisions of this statement in the first quarter of fiscal 2016 and prior periods have been retrospectively adjusted.

In November 2015, the FASB issued ASU No. 2015-17, "Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes". The objective of this Update is to simplify the presentation of deferred income taxes. The amendments in this Update require that deferred assets and liabilities be classified as long-term on the balance sheet instead of separating the deferred taxes into current and noncurrent amounts. For a public entity, the amendments in this Update are effective for annual reporting periods beginning after December 15, 2016, including interim periods within that reporting period. Early application is permitted for financial statements that have not been previously issued. We believe that this treatment of deferred taxes reduces the complexity of financial reporting while improving the usefulness of the information provided to users of the financial statements. As a result the Company elected to early adopt this Update prospectively as of November 30, 2015.

In February 2016, the FASB issued ASU No. 2016-02, "Leases (Topic 842): "Leases". The objective of this Update is to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. To meet that objective, the FASB is amending the FASB Accounting Standards Codification and creating Topic 842, Leases. This Update, along with IFRS 16, Leases, are the results of the FASB’s and the International Accounting Standards Board’s (IASB’s) efforts to meet that objective and improve financial reporting. For a public entity, the amendments in this Update are effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. Early adoption of the amendments in this Update is permitted for all entities. In transition, lessees and lessors are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. The Company is currently evaluating the impact of adopting this new guidance on its financial position, results of operations, and cash flows, and will adopt the provisions of this statement in the first quarter of fiscal 2020.

Factors That May Affect Operating Results

This report and the documents incorporated by reference may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. You can identify a forward-looking statement by our use of the words "anticipate," "estimate," "expect," "may," "believe," "objective," "projection," "forecast," "goal," and similar expressions. These forward-looking statements include our statements regarding the timing of future events, our anticipated future operations and our anticipated future financial position and cash requirements. Although we believe that the expectations reflected in our forward-looking statements are reasonable, we do not know whether our expectations will prove correct. We disclose the important factors that could cause our actual results to differ from our expectations in cautionary statements made in this report and in other filings we have made with the SEC. All subsequent written and oral forward-looking statements attributable to us or to persons acting on our behalf are expressly qualified in their entirety by these cautionary statements. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors described in this report and other factors set forth in or incorporated by reference in this report.

Many of these factors are beyond our ability to control or predict. We caution you not to put undue reliance on forward-looking statements or to project any future results based on such statements or on present or prior earnings levels. Additional information concerning these, or other factors, which could cause the actual results to differ materially from those in the forward-looking statements is contained from time to time in our other SEC filings. Copies of those filings are available from us and/or the SEC.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risk from changes in interest rates in the normal course of business. Our interest income and expense are most sensitive to changes in the general level of U.S. interest rates and the LIBOR rate. In order to manage this exposure, from time to time we use a combination of debt instruments, including the use of derivatives in the form of interest rate swap and lock agreements. We do not enter into any derivatives for trading purposes.

The objective of our asset management activities is to provide an adequate level of interest income and liquidity to fund operations and capital expansion, while minimizing market risk. We utilize overnight sweep accounts and short-term investments to minimize the interest rate risk. We do not believe that our interest rate risk related to our cash equivalents and short-term investments is material due to the nature of the investments.

Our objective in managing our interest rate risk on our debt is to negotiate the most favorable interest rate structures that we can and, as market conditions evolve, adjust our balance of fixed and variable rate debt to optimize our overall borrowing costs within reasonable risk parameters. Interest rate swaps and locks are used from time to time to convert a portion of our debt portfolio from a variable rate to a fixed rate or from a fixed rate to a variable rate as well as to lock in certain rates for future debt issuances.

The following analysis provides quantitative information regarding our exposure to interest rate risk. We utilize valuation models to evaluate the sensitivity of the fair value of financial instruments with exposure to market risk that assume instantaneous, parallel shifts in interest rate yield curves. There are certain limitations inherent in the sensitivity analyses presented, primarily due to the assumption that interest rates change instantaneously. In addition, the analyses are unable to reflect the complex market reactions that normally would arise from the market shifts modeled.

We have various debt instruments that are issued at fixed rates. These financial instruments, which have a fixed rate of interest, are exposed to fluctuations in fair value resulting from changes in market interest rates. The fair values of long-term debt are based on quoted market prices at the date of measurement. Our credit facilities approximate fair value as they bear interest rates that approximate market. At November 30, 2016, we had no variable debt outstanding.

At November 30, 2016, the fair value of our total long-term debt as determined by quotes from financial institutions was approximately $278.2 million. The potential decrease in fair value resulting from a hypothetical 10.0 percent shift in interest rates would be approximately $5.2 million at November 30, 2016.

Credit risk arises from the possible inability of counterparties to meet the terms of their contracts on a net basis. However, we minimize such risk exposures for these instruments by limiting counterparties to large banks and financial institutions that meet established credit guidelines. We do not expect to incur any losses as a result of counterparty default.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders
International Speedway Corporation

We have audited the accompanying consolidated balance sheets of International Speedway Corporation (the "Company") as of November 30, 2016 and 2015, and the related consolidated statements of operations, comprehensive income, changes in shareholders' equity and cash flows for each of the three years in the period ended November 30, 2016. Our audits also included the financial statement schedule listed in the Index at Item 15(a). These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of International Speedway Corporation at November 30, 2016 and 2015, and the consolidated results of its operations and its cash flows for each of the three years in the period ended November 30, 2016, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), International Speedway Corporation's internal control over financial reporting as of November 30, 2016, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated January 27, 2017, expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP
Certified Public Accountants

Tampa, Florida
January 27, 2017

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders
International Speedway Corporation

We have audited International Speedway Corporation's internal control over financial reporting as of November 30, 2016, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). International Speedway Corporation's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Report of Management on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, International Speedway Corporation maintained, in all material respects, effective internal control over financial reporting as of November 30, 2016, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of International Speedway Corporation as of November 30, 2016 and 2015, and the related consolidated statements of operations, comprehensive income, changes in shareholders' equity and cash flows for each of the three years in the period ended November 30, 2016 of International Speedway Corporation and our report dated January 27, 2017 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP
Certified Public Accountants

Tampa, Florida
January 27, 2017

INTERNATIONAL SPEEDWAY CORPORATION
Consolidated Balance Sheets

	November 30, 2015	2016
	(in thousands, except share and per share amounts)	
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 160,548	$ 263,727
Receivables, less allowance of $1,000 in 2015 and 2016, respectively	42,112	35,445
Income taxes receivable	572	189
Prepaid expenses and other current assets	62,312	13,759
Total Current Assets	265,544	313,120
Property and Equipment, net	1,448,964	1,455,506
Other Assets:		
Equity investments	103,249	92,392
Intangible assets, net	178,626	178,629
Goodwill	118,791	118,791
Other	4,489	14,222
	405,155	404,034
Total Assets	$ 2,119,663	$ 2,172,660
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Current portion of long-term debt	$ 3,074	$ 3,404
Accounts payable	56,968	29,770
Deferred income	38,243	39,416
Other current liabilities	20,344	22,728
Total Current Liabilities	118,629	95,318
Long-Term Debt	262,762	259,416
Deferred Income Taxes	336,232	409,585
Long-Term Deferred Income	6,969	5,988
Other Long-Term Liabilities	1,856	1,993
Commitments and Contingencies	—	—
Shareholders' Equity:		
Class A Common Stock, $.01 par value, 80,000,000 shares authorized; 26,348,051 and 24,922,561 issued and outstanding in 2015 and 2016, respectively	263	249
Class B Common Stock, $.01 par value, 40,000,000 shares authorized; 19,942,136 and 19,767,280 issued and outstanding in 2015 and 2016, respectively	199	197
Additional paid-in capital	449,136	437,292
Retained earnings	946,940	965,281
Accumulated other comprehensive loss	(3,323)	(2,659)
Total Shareholders' Equity	1,393,215	1,400,360
Total Liabilities and Shareholders' Equity	$ 2,119,663	$ 2,172,660

See accompanying notes

INTERNATIONAL SPEEDWAY CORPORATION
Consolidated Statements of Operations

	Year Ended November 30,		
	2014	2015	2016
	(in thousands, except share and per share amounts)		
REVENUES:			
Admissions, net	$ 129,688	$ 130,154	$ 123,521
Motorsports and other event related	433,738	451,838	477,197
Food, beverage and merchandise	72,880	47,282	41,968
Other	15,630	16,096	18,330
	651,936	645,370	661,016
EXPENSES:			
Direct:			
NASCAR event management fees	162,988	167,841	171,836
Motorsports and other event related	128,229	131,109	133,322
Food, beverage and merchandise	58,265	38,484	30,142
General and administrative	108,563	111,617	110,828
Depreciation and amortization	90,352	94,727	102,156
Losses on retirements of long-lived assets	10,148	16,015	2,905
	558,545	559,793	551,189
Operating income	93,391	85,577	109,827
Interest income	2,107	157	270
Interest expense	(9,182)	(9,582)	(13,837)
Other	5,380	730	12,896
Equity in net income from equity investments	8,916	14,060	14,913
Income before income taxes	100,612	90,942	124,069
Income taxes	33,233	34,308	47,731
Net income	$ 67,379	$ 56,634	$ 76,338
Earnings per share:			
Basic and diluted	$ 1.45	$ 1.21	$ 1.66
Dividends per share	$ 0.24	$ 0.26	$ 0.41
Basic weighted average shares outstanding	46,559,232	46,621,211	45,981,471
Diluted weighted average shares outstanding	46,573,038	46,635,830	45,995,691

See accompanying notes

INTERNATIONAL SPEEDWAY CORPORATION
Consolidated Statements of Comprehensive Income

	Year Ended November 30,		
	2014	2015	2016
	(in thousands)		
Net income	$ 67,379	$ 56,634	$ 76,338
Other comprehensive income:			
Amortization of interest rate swap, net of tax benefit of $425, $424 and $418, respectively	657	658	664
Comprehensive income	$ 68,036	$ 57,292	$ 77,002

See accompanying notes

INTERNATIONAL SPEEDWAY CORPORATION
Consolidated Statements of Changes in Shareholders' Equity
(in thousands)

	Class A Common Stock $.01 Par Value	Class B Common Stock $.01 Par Value	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Total Shareholders' Equity
Balance at November 30, 2013	$ 261	$ 200	$ 445,097	$ 846,235	$ (4,638)	$ 1,287,155
Net income	—	—	—	67,379	—	67,379
Other comprehensive income	—	—	—	—	657	657
Cash dividends ($.24 per share)	—	—	—	(11,181)	—	(11,181)
Reacquisition of previously issued common stock	—	—	(323)	—	—	(323)
Other	1	—	(82)	—	—	(81)
Stock-based compensation	—	—	2,826	—	—	2,826
Balance at November 30, 2014	262	200	447,518	902,433	(3,981)	1,346,432
Net income	—	—	—	56,634	—	56,634
Other comprehensive income	—	—	—	—	658	658
Cash dividends ($.26 per share)	—	—	—	(12,127)	—	(12,127)
Reacquisition of previously issued common stock	—	—	(984)	—	—	(984)
Conversion of Class B Common Stock to Class A Common Stock	1	(1)	—	—	—	—
Other	—	—	(342)	—	—	(342)
Stock-based compensation	—	—	2,944	—	—	2,944
Balance at November 30, 2015	263	199	449,136	946,940	(3,323)	1,393,215
Net income	—	—	—	76,338	—	76,338
Other comprehensive income	—	—	—	—	664	664
Exercise of stock options	—	—	136	—	—	136
Cash dividends ($.41 per share)	—	—	—	(18,859)	—	(18,859)
Reacquisition of previously issued common stock	(16)	—	(16,558)	(39,138)	—	(55,712)
Conversion of Class B Common Stock to Class A Common Stock	2	(2)	—	—	—	0
Other	—	—	872	—	—	872
Stock-based compensation	—	—	3,706	—	—	3,706
Balance at November 30, 2016	$ 249	$ 197	$ 437,292	$ 965,281	$ (2,659)	$ 1,400,360

See accompanying notes

INTERNATIONAL SPEEDWAY CORPORATION
Consolidated Statements of Cash Flows

	Year Ended November 30,		
	2014	2015	2016
	(in thousands)		
OPERATING ACTIVITIES			
Net income	$ 67,379	$ 56,634	$ 76,338
Adjustments to reconcile net income to net cash provided by operating activities:			
Gain on sale of Staten Island property	—	—	(13,631)
Gain on assumption of controlling interest in equity investee	(5,447)	—	—
Depreciation and amortization	90,352	94,727	102,156
Stock-based compensation	2,826	2,944	3,706
Amortization of financing costs	1,779	1,787	1,745
Interest received on Staten Island note receivable	5,087	4,648	1,162
Deferred income taxes	(12,346)	(15,678)	72,936
Income from equity investments	(8,916)	(14,060)	(14,913)
Distribution from equity investee	10,076	15,209	16,067
Losses on retirements of long-lived assets, non-cash	2,644	3,490	2,399
Other, net	380	(702)	(277)
Changes in operating assets and liabilities			
Receivables, net	(1,776)	(14,514)	6,667
Prepaid expenses and other assets	1,977	4,466	(14,751)
Accounts payable and other liabilities	(517)	5,128	4,837
Deferred income	(1,692)	2,621	192
Income taxes	11,041	5,287	1,255
Net cash provided by operating activities	162,847	151,987	245,888
INVESTING ACTIVITIES			
Capital expenditures	(183,936)	(155,016)	(140,793)
Distribution from equity investee and affiliate	11,924	16,841	9,833
Equity investments and advances to affiliate	(1,322)	—	(130)
Proceeds from sale of Staten Island property	6,100	—	66,728
Proceeds from sale of assets	—	4,442	560
Cash included in assumption of ownership interest in equity investee	4,686	—	—
Other, net	32	(5)	(6)
Net cash used in investing activities	(162,516)	(133,738)	(63,808)
FINANCING ACTIVITIES			
Payment of long-term debt	(2,807)	(3,437)	(3,408)
Deferred financing fees	—	—	(1,058)
Exercise of Class A common stock options	—	—	136
Cash dividends paid	(11,181)	(12,127)	(18,859)
Reacquisition of previously issued common stock	(323)	(984)	(55,712)
Net cash used in financing activities	(14,311)	(16,548)	(78,901)
Net increase (decrease) in cash and cash equivalents	(13,980)	1,701	103,179
Cash and cash equivalents at beginning of year	172,827	158,847	160,548
Cash and cash equivalents at end of year	$ 158,847	$ 160,548	$ 263,727

See accompanying notes

INTERNATIONAL SPEEDWAY CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOVEMBER 30, 2016

NOTE 1 — DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

DESCRIPTION OF BUSINESS: International Speedway Corporation ("ISC"), including its wholly owned subsidiaries (collectively the "Company"), is a leading promoter of motorsports themed entertainment activities in the United States. As of November 30, 2016, the Company owned and/or operated 13 of the nation's major motorsports entertainment facilities as follows:

Track Name	Location	Track Length
Daytona International Speedway	Daytona Beach, Florida	2.5 miles
Talladega Superspeedway	Talladega, Alabama	2.7 miles
Michigan International Speedway	Brooklyn, Michigan	2.0 miles
Auto Club Speedway of Southern California	Fontana, California	2.0 miles
Kansas Speedway	Kansas City, Kansas	1.5 miles
Richmond International Raceway	Richmond, Virginia	0.8 miles
Darlington Raceway	Darlington, South Carolina	1.3 miles
Chicagoland Speedway	Joliet, Illinois	1.5 miles
Martinsville Speedway	Martinsville, Virginia	0.5 miles
Phoenix International Raceway	Phoenix, Arizona	1.0 miles
Homestead-Miami Speedway	Homestead, Florida	1.5 miles
Watkins Glen International	Watkins Glen, New York	3.4 miles
Route 66 Raceway	Joliet, Illinois	0.25 miles

In 2016, these motorsports entertainment facilities promoted well over 100 stock car, open wheel, sports car, truck, motorcycle and other racing events, including:

- 21 National Association for Stock Car Auto Racing ("NASCAR") NASCAR Cup Series events;
- 14 NASCAR Xfinity Series events;
- 9 NASCAR Camping World Truck Series events;
- 2 International Motor Sports Association ("IMSA") Weather Tech SportsCar Championship Series events including the premier sports car endurance event in the United States, the Rolex 24 At DAYTONA;
- 5 ARCA Racing Series events;
- One National Hot Rod Association ("NHRA") Mello Yello Drag Racing Series event;
- Two IndyCar ("IndyCar") Series event; and
- A number of other prestigious stock car, sports car, open wheel and motorcycle events.

The general nature of the Company's business is a motorsports themed amusement enterprise, furnishing amusement to the public in the form of motorsports themed entertainment. The Company's motorsports themed event operations consist principally of racing events at these major motorsports entertainment facilities, which, in total, currently have approximately 762,000 grandstand seats and 573 suites. The Company also conducts, either through operations of the particular facility or through certain wholly owned subsidiaries operating under the name "Americrown," food and beverage concession operations and catering services, both in suites and chalets, for customers at its motorsports entertainment facilities.

At the beginning of fiscal 2017, entitlement of NASCAR's premier series changed. The NASCAR Sprint Cup Series will become the Monster Energy NASCAR Cup Series. Throughout this document, the naming convention for this series is consistent with the branding in fiscal 2017 for prospective events and will be referred to as NASCAR Cup Series for retrospective discussion.

Motor Racing Network, Inc. ("MRN"), the Company's proprietary radio network, produces and syndicates to radio stations live coverage of the Monster Energy NASCAR Cup, Xfinity and Camping World Truck series races and certain other races conducted at the Company's motorsports entertainment facilities, as well as some races from motorsports entertainment facilities the Company does not own. In addition, MRN provides production services for the trackside large screen video

display units, at NASCAR Cup Series event weekends that take place at the Company's motorsports facilities. MRN also produces and syndicates daily and weekly NASCAR racing-themed programs.

SIGNIFICANT ACCOUNTING POLICIES:

PRINCIPLES OF CONSOLIDATION: The accompanying consolidated financial statements include the accounts of International Speedway Corporation, and its wholly owned subsidiaries. All material intercompany accounts and transactions have been eliminated in consolidation.

CASH AND CASH EQUIVALENTS: For purposes of reporting cash flows, cash and cash equivalents include cash on hand, bank demand deposit accounts and overnight sweep accounts used in the Company's cash management program. All highly liquid investments with stated maturities of three months or less from the date of purchase are classified as cash equivalents.

The Company maintained its cash and cash equivalents with a limited number of financial institutions at November 30, 2016.

RECEIVABLES: Receivables are stated at their estimated collectible amounts. The allowance for doubtful accounts is estimated based on historical experience of write offs and current expectations of conditions that might impact the collectability of accounts.

PROPERTY AND EQUIPMENT: Property and equipment, including improvements to existing facilities, are stated at cost. Depreciation is provided for financial reporting purposes using the straight-line method over the estimated useful lives as follows:

Buildings, grandstands and motorsports entertainment facilities	10-30 years
Furniture and equipment	3-8 years

Leasehold improvements are depreciated over the shorter of the related lease term or their estimated useful lives. The Company evaluates the carrying value of property and equipment and if there are indicators of potential impairment. If events or circumstances indicate that the carrying value of an asset may not be recoverable, an impairment loss would be recognized equal to the difference between the carrying value of the asset and its fair value.

EQUITY INVESTMENTS: The Company's investments in joint ventures and other investees where it can exert significant influence on the investee, but does not have effective control over the investee, are accounted for using the equity method of accounting. The Company's equity in the net income (loss) from equity method investments is recorded as income (loss) with a corresponding increase (decrease) in the investment. Distributions received from the equity investees reduce the investment. Distributions from equity investees representing the Company's share of the equity investee's earnings are treated as cash proceeds from operations while distributions in excess of the equity investee's earnings are considered a return of capital and treated as cash proceeds from investing activities in the Company's consolidated statement of cash flows.

GOODWILL AND INTANGIBLE ASSETS: All business combinations are accounted for under the purchase method. The excess of the cost of the acquisition over fair value of the net assets acquired (including recognized intangibles) is recorded as goodwill. Business combinations involving existing motorsports entertainment facilities commonly result in a significant portion of the purchase price being allocated to the fair value of the contract-based intangible asset associated with long-term relationships manifest in the sanction agreements with sanctioning bodies, such as NASCAR and IMSA. The continuity of sanction agreements with these bodies has historically enabled the Company to host these motorsports events year after year. While individual sanction agreements may be of terms as short as one year, a significant portion of the purchase price in excess of the fair value of acquired tangible assets is commonly paid to acquire anticipated future cash flows from events promoted pursuant to these agreements which are expected to continue for the foreseeable future and therefore, in accordance with Accounting Standards Codification ("ASC") 805, are recorded as indefinite-lived intangible assets recognized apart from goodwill. The Company's goodwill and other intangible assets are all associated with our Motorsports Event segment.

The Company follows applicable authoritative guidance on accounting for goodwill and other intangible assets which specifies, among other things, non-amortization of goodwill and other intangible assets with indefinite useful lives and requires testing for possible impairment, either upon the occurrence of an impairment indicator or at least annually. The Company completes its annual testing in its fiscal fourth quarter, based on assumptions regarding the Company's future business outlook and expected future discounted cash flows attributable to such assets (using the fair value assessment provision of applicable authoritative guidance), supported by quoted market prices or comparable transactions where available or applicable.

In connection with the Company's fiscal 2016 assessment of goodwill and intangible assets for possible impairment, the Company used the future discounted cash flows / income approach based on Level 3 Fair Value hierarchy. The Company believes its methods used to determine fair value and evaluate possible impairment were appropriate, relevant, and represent

methods customarily available and used for such purposes. The Company's latest annual assessment of goodwill and other intangible assets in the fourth quarter of fiscal 2016 indicated there had been no impairment and the fair value exceeded the carrying value for the respective reporting units.

During fiscal 2016, the Company believes there has been no significant change in the long-term fundamentals of its ongoing motorsports event business. The Company believes its present operational and cash flow outlook further support its conclusion. While the Company continues to review and analyze many factors that can impact its business prospects in the future, its analysis is subjective and is based on conditions existing at, and trends leading up to, the time the estimates and assumptions are made. Different conditions or assumptions, or changes in cash flows or profitability, if significant, could have a material adverse effect on the outcome of the impairment evaluation and the Company's future condition or results of operations.

FAIR VALUE OF FINANCIAL INSTRUMENTS

In accordance with the "Financial Instruments" Topic, ASC 825-10 and in accordance with the "Fair Value Measurements and Disclosures" Topic, ASC 820-10, these topics discuss key considerations in determining fair value in such markets, and expanding disclosures on recurring fair value measurements using unobservable inputs (Level 3), clarification and additional disclosure is required about the use of fair value measurements.

Various inputs are considered when determining the carrying values of cash and cash equivalents, accounts receivable, accounts payable, and accrued liabilities. These items approximate fair value due to the short-term maturities of these assets and liabilities. These inputs are summarized in the three broad levels listed below:

- Level 1 — observable market inputs that are unadjusted quoted prices for identical assets or liabilities in active markets
- Level 2 — other significant observable inputs (including quoted prices for similar securities, interest rates, credit risk, etc.)
- Level 3 — significant unobservable inputs (including the Company's own assumptions in determining the fair value of investments)

DEFERRED FINANCING FEES: Deferred financing fees are amortized over the term of the related debt and are included in other non-current assets.

COMPREHENSIVE INCOME: Comprehensive income is the changes in equity of an enterprise except those resulting from shareholder transactions.

INCOME TAXES: Income taxes have been provided using the asset and liability method. Under this method the Company's estimates of deferred income taxes and the significant items giving rise to deferred tax assets and liabilities reflect its assessment of actual future taxes to be paid on items reflected in its financial statements, giving consideration to both timing and probability of realization.

The Company establishes tax reserves related to certain matters, including penalties and interest, in the period when it is determined that it is probable that additional taxes, penalties and interest will be paid, and the amount is reasonably estimable. Such tax reserves are adjusted, as needed, in light of changing circumstances, such as statute of limitations expirations and other developments relating to uncertain tax positions and current tax items under examination, appeal or litigation.

REVENUE RECOGNITION: Advance ticket sales and event-related revenues for future events are deferred until earned, which is generally once the events are conducted. The recognition of event-related expenses is matched with the recognition of event-related revenues.

NASCAR contracts directly with certain network providers for television rights to the entire Monster Energy NASCAR Cup, Xfinity and Camping World Truck series schedules. Event promoters share in the television rights fees in accordance with the provision of the sanction agreement for each Monster Energy NASCAR Cup, Xfinity and Camping World Truck series event. Under the terms of this arrangement, NASCAR retains 10.0 percent of the gross broadcast rights fees allocated to each Monster Energy NASCAR Cup, Xfinity and Camping World Truck series event as a component of its sanction fees. The promoter records 90.0 percent of the gross broadcast rights fees as revenue and then records 25.0 percent of the gross broadcast rights fees as part of its awards to the competitors. Ultimately, the promoter retains 65.0 percent of the net cash proceeds from the gross broadcast rights fees allocated to the event.

The Company's revenues from marketing partnerships are paid in accordance with negotiated contracts, with the identities of partners and the terms of sponsorship changing from time to time. Some of our marketing partnership agreements are for multiple facilities and/or events and include multiple specified elements, such as tickets, hospitality chalets, suites, display space and signage for each included event. The allocation of such marketing partnership revenues between the multiple

elements, events and facilities is based on relative selling price. The sponsorship revenue allocated to an event is recognized when the event is conducted.

Revenues and related costs from the sale of food, beverage and merchandise to retail customers are recognized at the time of sale.

Kansas Speedway ("Kansas") and Chicagoland Speedway ("Chicagoland") offer Preferred Access Speedway Seating (“PASS”) agreements, which give purchasers the exclusive right and obligation to purchase season-ticket packages for certain sanctioned racing events annually, under specified terms and conditions. Among the conditions, licensees are required to purchase all season-ticket packages when and as offered each year. PASS agreements automatically terminate without refund should owners not purchase any offered season tickets.

Net fees received under PASS agreements are deferred and are amortized into income over the term of the agreements. Long-term deferred income under the PASS agreements totals approximately $4.6 million and $3.8 million at November 30, 2015 and 2016, respectively.

ADVERTISING EXPENSE: Advertising costs are expensed as incurred. Advertising expense was approximately $16.5 million, $17.1 million and $17.7 million for the years ended November 30, 2014, 2015 and 2016, respectively.

LOSS CONTINGENCIES: Legal and other costs incurred in conjunction with loss contingencies are expensed as incurred.

USE OF ESTIMATES: The preparation of the consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

RECLASSIFICATIONS: Certain prior year amounts in the Consolidated Balance Sheets have been reclassified to conform with the current year presentation.

NEW ACCOUNTING PRONOUNCEMENTS: In May 2014, the Financial Accounting Standards Board ("FASB"), in conjunction with the International Accounting Standards Board ("IASB"), issued Accounting Standards Update ("ASU") No. 2014-09, "Revenue from Contracts with Customers". The objective of this Update is to significantly enhance comparability and clarify principles of revenue recognition practices across entities, industries, jurisdictions, and capital markets. On July 9, 2015, the FASB approved a one-year deferral of the effective date, while permitting entities to elect to adopt one year earlier on the original effective date. As a result, for a public entity, the amendments in this Update are effective for annual reporting periods beginning after December 15, 2017, including interim periods within that reporting period. The standard can be adopted either retrospectively to each prior reporting period presented or as a cumulative effect adjustment as of the date of adoption. The Company is currently in the process of analyzing the information necessary to determine the impact of adopting this new guidance on its financial position, results of operations, and cash flows. The Company will adopt the provisions of this statement in the first quarter of fiscal 2019.

In April 2015, the FASB, in conjunction with the IASB, issued ASU No. 2015-03, "Interest - Imputation of Interest". The objective of this Update is to simplify the presentation of debt issuance costs. The amendments in this Update require that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct reduction from the carrying amount of that debt liability, consistent with debt discounts. The recognition and measurement guidance for debt issuance costs are not affected by the amendments in this Update. The Company has adopted the provisions of this statement in the first quarter of fiscal 2016 and prior periods have been retrospectively adjusted (see "Note 6. Long-Term Debt").

In August 2015, the FASB issued ASU No. 2015-15, "Interest - Imputation of Interest (Sub-Topic 835-30): Presentation and Subsequent Measurement of Debt Issuance Costs Associated with Line-of-Credit Arrangements". Given the absence of authoritative guidance within Update 2015-03 for debt issuance costs related to line-of-credit arrangements, the SEC staff would not object to an entity deferring and presenting debt issuance costs as an asset and subsequently amortizing the deferred debt issuance costs ratably over the term of the line-of-credit arrangement, regardless of whether there are any outstanding borrowings on the line-of-credit arrangement. The Company has adopted the provisions of this statement in the first quarter of fiscal 2016 and prior periods have been retrospectively adjusted.

In November 2015, the Financial Accounting Standards Board issued ASU No. 2015-17, "Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes". The objective of this Update is to simplify the presentation of deferred income taxes. The amendments in this Update require that deferred assets and liabilities be classified as long-term on the balance sheet instead of separating the deferred taxes into current and noncurrent amounts. For a public entity, the amendments in this Update are effective for annual reporting periods beginning after December 15, 2016, including interim periods within that reporting period. Early application is permitted for financial statements that have not been previously issued. The Company believes that

this treatment of deferred taxes reduces the complexity of financial reporting while improving the usefulness of the information provided to users of the financial statements. As a result the Company elected to early adopt this Update prospectively as of November 30, 2015.

In February 2016, the FASB issued ASU No. 2016-02, "Leases (Topic 842): "Leases". The objective of this Update is to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. To meet that objective, the FASB is amending the FASB Accounting Standards Codification and creating Topic 842, Leases. This Update, along with IFRS 16, Leases, are the results of the FASB's and the International Accounting Standards Board's (IASB's) efforts to meet that objective and improve financial reporting. For a public entity, the amendments in this Update are effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. Early adoption of the amendments in this Update is permitted for all entities. In transition, lessees and lessors are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. The Company is currently evaluating the impact of adopting this new guidance on its financial position, results of operations, and cash flows, and will adopt the provisions of this statement in the first quarter of fiscal 2020.

NOTE 2 — EARNINGS PER SHARE

The following table sets forth the computation of basic and diluted earnings per share for the years ended November 30, (in thousands, except share and per share amounts):

	2014	2015	2016
Numerator:			
Net income	$ 67,379	$ 56,634	$ 76,338
Basic earnings per share denominator:			
Weighted average shares outstanding	46,559,232	46,621,211	45,981,471
Basic earnings per share:			
Income from continuing operations	$ 1.45	$ 1.21	$ 1.66
Loss from discontinued operations			
Net income	$ 1.45	$ 1.21	$ 1.66
Denominator:			
Weighted average shares outstanding	46,559,232	46,621,211	45,981,471
Common stock options	13,806	14,619	14,220
Diluted weighted average shares outstanding	46,573,038	46,635,830	45,995,691
Basic and diluted earnings per share	$ 1.45	$ 1.21	$ 1.66
Anti-dilutive shares excluded in the computation of diluted earnings per share	121,462	98,928	81,292

NOTE 3 — PROPERTY AND EQUIPMENT

Property and equipment consists of the following as of November 30, (in thousands):

	2015	2016
Land and leasehold improvements	$ 244,496	$ 244,337
Buildings, grandstands and motorsports entertainment facilities	1,695,682	1,831,804
Furniture and equipment	215,928	258,510
Construction in progress	131,897	55,011
	2,288,003	2,389,662
Less accumulated depreciation	839,039	934,156
	$ 1,448,964	$ 1,455,506

Depreciation expense was approximately $90.2 million, $94.7 million and $102.2 million for the years ended November 30, 2014, 2015 and 2016, respectively. The depreciation expense for the year ended November 30, 2015, includes approximately

$6.8 million of accelerated depreciation that was recorded due to the shortening of the service lives of certain assets associated with DAYTONA Rising and capacity management initiatives. There were no similar costs in fiscal 2016.

NOTE 4 — RETIREMENTS OF LONG-LIVED ASSETS

The Company recorded before-tax charges relating to retirements of long-lived assets during the fiscal years ending November 30, as follows (in thousands):

	2014	2015	2016
Losses on retirements of long-lived assets	$ 10,148	$ 16,015	$ 2,905
Less: cash portion of losses on asset retirements	7,504	12,525	506
Non-cash losses on retirements of long-lived assets	$ 2,644	$ 3,490	$ 2,399

The fiscal 2014 retirements are primarily attributable to the ongoing removal of certain assets in connection with the track repaving at Kansas, as well as guest enhancements at Talladega Superspeedway (“Talladega”), Richmond International Raceway (“Richmond”) and certain of the Company's other facilities.

The fiscal 2015 retirements are primarily attributable to the removal of assets not fully depreciated in connection with DAYTONA Rising, capacity management initiatives and other capital improvements.

The fiscal 2016 retirements are primarily attributable to the removal of assets not fully depreciated in connection with DAYTONA Rising and other capital improvements.

NOTE 5 — EQUITY AND OTHER INVESTMENTS

Hollywood Casino at Kansas Speedway

Kansas Entertainment, LLC, (“Kansas Entertainment”) a 50/50 joint venture of Penn Hollywood Kansas, Inc. (“Penn”), a subsidiary of Penn National Gaming, Inc. and Kansas Speedway Development Corporation (“KSDC”), a wholly owned indirect subsidiary of ISC, operates the Hollywood-themed casino and branded destination entertainment facility, overlooking turn two at Kansas Speedway. Penn is the managing member of Kansas Entertainment and is responsible for the operations of the casino.

The Company has accounted for Kansas Entertainment as an equity investment in its consolidated financial statements as of November 30, 2014, 2015 and 2016, respectively. The Company’s 50.0 percent portion of Kansas Entertainment’s net income was approximately $8.9 million, $14.1 million and $14.9 million for fiscal years 2014, 2015 and 2016, respectively, and is included in equity in net income from equity investments in the Company's consolidated statements of operations.

Distributions from Kansas Entertainment, for the years ended November 30, are as follows (in thousands):

	2014	2015	2016
Distribution from profits	$ 10,076	$ 15,209	$ 16,067
Distribution in excess of profits	11,924	16,841	9,833
Total Distributions	$ 22,000	$ 32,050	$ 25,900

Fairfield Inn at ONE DAYTONA

Since June 2013, the Company has pursued development of ONE DAYTONA, the proposed premier mixed use and entertainment destination across from its Daytona International Speedway. Daytona Hotel Two, LLC ("Fairfield"), a joint venture of Daytona Hospitality Group II, LLC ("DHGII"), a subsidiary of Prime-Shaner Groups, and Daytona Beach Property Holdings Retail, LLC ("DBR"), a wholly owned indirect subsidiary of the Company, was formed to own, construct and operate a Fairfield Inn Hotel. The Fairfield will be situated within the ONE DAYTONA development. As per the partnership agreement, the Company's 33.25 percent share of equity will be limited to its non-cash land contribution and it will share in the profits from the joint venture proportionately to its equity ownership.

In June 2016, DBR contributed land to the joint venture as per the agreement. Vertical construction of the hotel has commenced and is expected to open in the third quarter of fiscal 2017. DHGII is the managing member of the Fairfield and will be responsible for the development and operations of the hotel. There were no operations during the year ended November 30, 2016.

Staten Island Property

On August 5, 2013, the Company announced that it sold its 676 acre parcel of property located in Staten Island, New York, to Staten Island Marine Development, LLC (“Marine Development”). Marine Development purchased 100 percent of the outstanding equity membership interests of 380 Development LLC (“380 Development”), a wholly owned indirect subsidiary of ISC and owner of the Staten Island property, for a total sales price of $80.0 million. In addition, the Company previously received approximately $4.2 million for an option provided to the purchaser that is nonrefundable and does not apply to the $80.0 million sales price.

The Company received $7.5 million, less closing and other administrative costs, of the sales price at closing. The remaining sales price was financed with the Company holding a secured mortgage interest in 380 Development as well as the underlying property. The mortgage balance bore interest at an annual rate of 7.0 percent. In accordance with the terms of the agreement, the Company received a principal payment of approximately $6.1 million plus interest on this mortgage balance through February 29, 2016. The remaining purchase price of $66.4 million, was due in March 2016.

In March 2016, the Company completed an assignment of all rights, title and interest in the mortgage and underlying promissory note to an affiliate of Matrix Development Group, a New York/New Jersey area developer, and received the remaining principal balance of $66.4 million, plus additional consideration of approximately $0.3 million. The Company has no further commitments or contingencies related to the property or its sale. As a result, in the second quarter of fiscal 2016, the Company recorded a gain of approximately $13.6 million, comprised of recognition of profit of approximately $1.9 million, interest totaling approximately $11.4 million, and other consideration paid. The deferred gain of $1.9 million is included in Other operating revenue in the Company's consolidated statement of operations, and the interest, and additional consideration received, is included in Other Revenue in the Company's consolidated statement of operations.

The net proceeds from the sale, combined with the mortgage interest and related total cash tax benefit, has provided the Company with approximately $129.8 million in incremental cash flow through the aforementioned assignment of all rights.

Motorsports Authentics

Prior to January 31, 2014, the Company was partners with Speedway Motorsports, Inc. ("SMI") in a 50/50 joint venture, SMISC, LLC, which, through its wholly owned subsidiary Motorsports Authentics, LLC conducts business under the name Motorsports Authentics (“MA”). MA designs, promotes, markets and distributes motorsports licensed merchandise. On January 31, 2014, SMI abandoned its interest and rights in SMISC, LLC, consequently bringing the Company's ownership to 100.0 percent. MA's operations are included in the Company's consolidated operations subsequent to the date of SMI's abandonment. Prior to January 31, 2014, MA was accounted for as an equity investment in the Company's consolidated financial statements.

As a result of SMI's abandonment of their interest in SMISC, LLC, the Company recorded other income of approximately $5.4 million, representing the fair value of MA, over the carrying value, as of January 31, 2014. The fair value was based on a discounted cash flow analysis using level 3 inputs. Most of the fair value represented the value of MA's working capital and the fair value was not sensitive to assumptions used in the discounted cash flow analysis. In addition, the Company recognized tax benefits of approximately $4.0 million, representing the tax benefit associated with various operating loss carryforwards of MA that are expected to be realized in its consolidated tax filings in the future and certain other tax filing positions of SMISC, LLC. In November 2014, the Company recognized an impairment of a long-lived intangible asset of approximately $0.6 million, which is included in non-cash losses on retirements of long-lived assets. MA's operating income contribution, subsequent to consolidation, was immaterial, and is included in the Motorsports Event segment.

Summarized financial information of the Company's equity investments as of and for the years ended November 30, are as follows (in thousands):

	2014	2015	2016
Current assets	$ 33,349	$ 17,204	$ 15,856
Noncurrent assets	215,226	196,164	177,479
Current liabilities	19,273	17,749	17,380
Noncurrent liabilities	—	—	—
Net sales	141,849	153,183	153,276
Gross profit	72,031	80,691	82,087
Operating income	20,153	30,417	32,136
Net income	20,153	30,417	32,136

NOTE 6 — GOODWILL AND INTANGIBLE ASSETS

The gross carrying value and accumulated amortization of the major classes of intangible assets as of November 30, are as follows (in thousands):

	2015		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Amortized intangible assets:			
Food, beverage and merchandise contracts	$ 10	$ 10	$ —
Other	114	94	20
Total amortized intangible assets	124	104	20
Non-amortized intangible assets:			
NASCAR — sanction agreements	177,813	—	177,813
Other	793	—	793
Total non-amortized intangible assets	178,606	—	178,606
Total intangible assets	$ 178,730	$ 104	$ 178,626

	2016		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Amortized intangible assets:			
Food, beverage and merchandise contracts	$ 10	$ 10	$ —
Other	120	97	23
Total amortized intangible assets	130	107	23
Non-amortized intangible assets:			
NASCAR — sanction agreements	177,813	—	177,813
Other	793	—	793
Total non-amortized intangible assets	178,606	—	178,606
Total intangible assets	$ 178,736	$ 107	$ 178,629

The following table presents current and expected amortization expense of the existing intangible assets as of November 30, for each of the following periods (in thousands):

Amortization expense for the year ended November 30, 2016	$ 3
Estimated amortization expense for the year ending November 30:	
2017	2
2018	2
2019	2
2020	2
2021	15

There were no changes in the carrying value of goodwill during fiscal 2015 and 2016.

NOTE 7 — LONG-TERM DEBT

Long-term debt consists of the following as of November 30, (in thousands):

	2015		2016	
	Principal	Unamortized Discount and Debt Issuance Costs	Principal	Unamortized Discount and Debt Issuance Costs
4.63 percent Senior Notes	$ 65,000	$ (261)	$ 65,000	$ (210)
3.95 percent Senior Notes	100,000	(370)	100,000	(328)
6.25 percent Term Loan	48,726	—	47,878	—
TIF bond debt service funding commitment	54,646	(1,905)	52,145	(1,665)
Revolving Credit Facility	—	—	—	—
	268,372	(2,536)	265,023	(2,203)
Less: current portion	3,408	(334)	3,738	(334)
	$ 264,964	$ (2,202)	$ 261,285	$ (1,869)

Schedule of Payments (in thousands)

For the year ending November 30:	
2017	$ 3,738
2018	4,091
2019	4,522
2020	5,326
2021	70,808
Thereafter	176,933
	265,418
Net premium	(395)
Total	$ 265,023

The Company's $65.0 million principal amount of senior unsecured notes (“4.63 percent Senior Notes”) bear interest at 4.63 percent and are due January 2021, require semi-annual interest payments on January 18 and July 18 through their maturity. The 4.63 percent Senior Notes may be redeemed in whole or in part, at the Company’s option, at any time or from time to time at redemption prices as defined in the indenture. Certain of the Company’s wholly owned domestic subsidiaries are guarantors of the 4.63 percent Senior Notes. Certain restrictive covenants of the 4.63 percent Senior Notes require that the Company's ratio of its Consolidated Funded Indebtedness to its Consolidated EBITDA ("leverage ratio") does not exceed 3.50 to 1.0, and its Consolidated EBITDA to Consolidated Interest Expense ("interest coverage ratio") is not less than 2.0 to 1.0. In addition the

Company may not permit the aggregate of certain Priority Debt to exceed 15.0 percent of its Consolidated Net Worth. The 4.63 percent Senior Notes contain various other affirmative and negative restrictive covenants including, among others, limitations on liens, sales of assets, mergers and consolidations and certain transactions with affiliates. As of November 30, 2016, the Company was in compliance with its various restrictive covenants. At November 30, 2016, outstanding principal on the 4.63 percent Senior Notes was approximately $65.0 million.

The Company's $100.0 million principal amount of senior unsecured notes (“3.95 percent Senior Notes”) bear interest at 3.95 percent and are due September 2024. The 3.95 percent Senior Notes require semi-annual interest payments on March 13 and September 13 through their maturity. The 3.95 percent Senior Notes may be redeemed in whole or in part, at our option, at any time or from time to time at redemption prices as defined in the indenture. Certain of the Company's wholly owned domestic subsidiaries are guarantors of the 3.95 percent Senior Notes. Certain restrictive covenants of the 3.95 percent Senior Notes require that the Company's leverage ratio does not exceed 3.50 to 1.0, and its interest coverage ratio is not less than 2.0 to 1.0. In addition the Company may not permit the aggregate of certain Priority Debt to exceed 15.0 percent of its Consolidated Net Worth. The 3.95 percent Senior Notes contain various other affirmative and negative restrictive covenants including, among others, limitations on liens, sales of assets, mergers and consolidations and certain transactions with affiliates. As of November 30, 2016, the Company was in compliance with its various restrictive covenants. At November 30, 2016, outstanding principal on the 3.95 percent Senior Notes was approximately $100.0 million.

Debt associated with the Company's wholly owned subsidiary, Chicagoland Speedway, LLC, which owns and operates Chicagoland and Route 66 Raceway, consisted of revenue bonds payable (“4.82 percent Revenue Bonds”) consisting of economic development revenue bonds issued by the City of Joliet, Illinois to finance certain land improvements. The 4.82 percent Revenue Bonds had an interest rate of 4.82 percent and a monthly payment of approximately $29,000 principal and interest. The principal on the 4.82 percent Revenue Bonds was paid in full in November 2015.

The term loan (“6.25 percent Term Loan”), related to the Company’s International Motorsports Center, has a 25 year term due October 2034, an interest rate of 6.25 percent, and a current monthly payment of approximately $323,000 principal and interest. At November 30, 2016, the outstanding principal on the 6.25 percent Term Loan was approximately $47.9 million.

At November 30, 2016, in connection with the financing of Kansas Speedway, totaled approximately $52.1 million, net of the unamortized discount, which is comprised of a $2.8 million principal amount, 6.15 percent term bond due December 1, 2017 and a $49.7 million principal amount, 6.75 percent term bond due December 1, 2027. The TIF bonds are repaid by the Unified Government of Wyandotte County/Kansas City, Kansas (“Unified Government”) with payments made in lieu of property taxes (“Funding Commitment”) by the Company’s wholly owned subsidiary, Kansas Speedway Corporation (“KSC”). Principal (mandatory redemption) payments per the Funding Commitment are payable by KSC on October 1 of each year. The semi-annual interest component of the Funding Commitment is payable on April 1 and October 1 of each year. KSC granted a mortgage and security interest in the Kansas project for its Funding Commitment obligation.

On September 27, 2016, the Company amended and extended its existing $300.0 million credit facility, maturing November 2017, and entered into a new $300.0 million revolving credit facility (“2016 Credit Facility”). The 2016 Credit Facility contains a feature that allows the Company to increase the credit facility to a total of $500.0 million, subject to certain conditions, provides for separate sub-limits of $25.0 million for standby letters of credit and $10.0 million for swing line loans. The 2016 Credit Facility is scheduled to mature five years from the date of inception, with two 1-year extension options. Interest accrues, at the Company's option, at either LIBOR plus 100.0 — 162.5 basis points or a base rate loan at the highest of i) Wells Fargo Bank's prime lending rate, ii) the Federal Funds rate, as in effect from time to time, plus 0.5 percent, and iii) one month LIBOR plus 1.0 percent. The 2016 Credit Facility also contains a commitment fee ranging from 0.125 percent to 0.225 percent of unused amounts available for borrowing. The interest rate margin on the LIBOR borrowings and commitment fee are variable depending on the better of the Company's debt rating as determined by specified rating agencies or its leverage ratio. Certain of the Company's wholly owned domestic subsidiaries are guarantors on the 2016 Credit Facility. The 2016 Credit Facility requires that the Company's leverage ratio does not exceed 3.50 to 1.0 (4.0 to 1.0 for the four quarters ending after any Permitted Acquisition), and its interest coverage ratio is not less than 2.5 to 1.0. The 2016 Credit Facility also contains various other affirmative and negative restrictive covenants including, among others, limitations on indebtedness, investments, sales of assets, certain transactions with affiliates, entering into certain restrictive agreements and making certain restricted payments as detailed in the agreement. As of November 30, 2016, the Company was in compliance with its various restrictive covenants. At November 30, 2016, the Company had no outstanding borrowings under the 2016 Credit Facility.

At November 30, 2016, the Company has approximately $2.7 million, net of tax, deferred in accumulated other comprehensive loss associated with a terminated interest rate swap which is being amortized as interest expense over life of the 4.63 percent Senior Notes (see above).

Total interest expense incurred by the Company for the years ended November 30, are as follows (in thousands):

	2014	2015	2016
Interest expense	$ 16,479	$ 16,286	$ 16,038
Less: capitalized interest	7,297	6,704	2,201
Net interest expense	$ 9,182	$ 9,582	$ 13,837

At November 30, 2015 and 2016, the Company recorded deferred financing costs of approximately $3.1 million and $3.6 million, respectively, net of accumulated amortization. These costs are being amortized on a straight line method, which approximates the effective yield method, over the life of the related financing.

NOTE 8 — FEDERAL AND STATE INCOME TAXES

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

Significant components of the provision for income taxes for the years ended November 30, are as follows (in thousands):

	2014	2015	2016
Current tax expense (benefit):			
Federal	$ 42,243	$ 46,095	$ (27,061)
State	3,336	3,891	1,856
Deferred tax expense (benefit):			
Federal	(13,450)	(15,164)	70,186
State	1,104	(514)	2,750
Provision for income taxes	$ 33,233	$ 34,308	$ 47,731

The reconciliation of income tax expense computed at the federal statutory tax rates to income tax expense for the years ended November 30, is as follows (percent of pre-tax income):

	2014	2015	2016
Income tax computed at federal statutory rates	35.0 %	35.0%	35.0%
State income taxes, net of federal tax benefit	3.8	2.5	3.2
MA abandonment benefit	(5.9)	—	—
Other, net	0.1	0.2	0.3
	33.0 %	37.7%	38.5%

The principal causes of the decreased income tax rate for the fiscal year ended November 30, 2014 are the tax treatment related to the other income recognized as a result of SMI's abandonment of their interest in SMISC, LLC on January 31, 2014, including the related tax benefits associated with various operating loss and other carryforwards of MA and certain tax filing positions of SMISC, LLC totaling approximately $4.0 million along with certain state income tax adjustments. The principal causes of the decreased effective income tax rate as compared to the statutory income tax rate, for the fiscal year ended November 30, 2015 and 2016 are reductions in certain state tax rates.

As a result of the above items, the Company’s effective income tax rate decreased from the statutory income rate to approximately 33.0 percent, 37.7 percent and 38.5 percent for the fiscal years ended November 30, 2014, 2015 and 2016, respectively.

The components of the net deferred tax assets (liabilities) at November 30, are as follows (in thousands):

	2015	2016
Loss carryforwards	$ 13,918	$ 15,477
Deferred revenues	2,609	1,529
Accruals	7,204	2,946
Compensation related	3,509	4,065
Interest	3,406	2,740
Deferred tax assets	30,646	26,757
Valuation allowance	(7,893)	(7,031)
Deferred tax assets, net of valuation allowance	22,753	19,726
Amortization and depreciation	(357,389)	(428,828)
Equity investment	(1,273)	(180)
Other	(323)	(303)
Deferred tax liabilities	(358,985)	(429,311)
Net deferred tax liabilities	$ (336,232)	$ (409,585)

Deferred tax assets — current	$ —	$ —
Deferred tax liabilities — noncurrent	(336,232)	(409,585)
Net deferred tax liabilities	$ (336,232)	$ (409,585)

At November 30, 2016 the Company has deferred tax assets related to various state loss carryforwards totaling approximately $13.2 million that expire in varying amounts beginning in fiscal 2019. The Company also has deferred tax assets related to federal loss carryforwards subject to limitations under IRC 382 related to MA totaling approximately $2.3 million that expire beginning in fiscal 2032. The valuation allowance at November 30, 2015 and 2016 was primarily related to state loss carryforwards that, in the judgment of management, are not more likely to be realized. In evaluating the Company's ability to recover its deferred income tax assets it considers all available positive and negative evidence, including operating results, ongoing tax planning and forecasts of future taxable income on a jurisdiction by jurisdiction basis.

Federal returns for fiscal years 2012 through 2015 remain open and subject to examination by the Internal Revenue Service. The Company files and remits state income taxes in various states where the Company has determined it is required to file state income taxes. The Company's filings with those states remain open for audit for the fiscal years 2011 through 2015.

A reconciliation of the beginning and ending amount of unrecognized tax liability is as follows (in thousands):

Balance at December 1, 2015	$ 356
Reductions for tax positions of prior years	(45)
Balance at November 30, 2016	$ 311

In December 2015, Congress passed the Protecting Americans from Tax Hikes Act which included a retroactive renewal back to January 1, 2015 of the previously expired tax legislation. The Act extended accelerated depreciation on qualified capital investments placed into service. This bonus depreciation provision is 50% for qualifying assets placed into service from 2015 through 2017, 40% for qualifying assets placed into service in 2018 and 30% for qualifying assets placed into service in 2019. The impact of this tax legislation did not affect the Company's fiscal 2016 effective tax rate, but correspondingly reduced the current income tax payable and increased the noncurrent deferred tax liability by $73.4 million.

NOTE 9 — CAPITAL STOCK

The Company's authorized capital includes 80.0 million shares of Class A Common Stock, par value $.01 ("Class A Common Stock"), 40.0 million shares of Class B Common Stock, par value $.01 ("Class B Common Stock"), and 1.0 million shares of Preferred Stock, par value $.01 ("Preferred Stock"). The shares of Class A Common Stock and Class B Common Stock are identical in all respects, except for voting rights and conversion rights as described below. Each share of Class A Common Stock entitles the holder to one-fifth (1/5) vote on each matter submitted to a vote of the Company's shareholders and each share of Class B Common Stock entitles the holder to one (1) vote on each such matter, in each case including the election of directors. Holders of Class A Common Stock and Class B Common Stock are entitled to receive dividends at the same rate if and when declared by the Board of Directors out of funds legally available there from, subject to the dividend and liquidation rights of any Preferred Stock that may be issued and outstanding. Class A Common Stock has no conversion rights. Class B Common Stock is convertible into Class A Common Stock, in whole or in part, at any time at the option of the holder on the basis of one share of Class A Common Stock for each share of Class B Common Stock converted. Each share of Class B Common Stock will also automatically convert into one share of Class A Common Stock if, on the record date of any meeting of the shareholders, the number of shares of Class B Common Stock then outstanding is less than 10.0 percent of the aggregate number of shares of Class A Common Stock and Class B Common Stock then outstanding.

The Board of Directors of the Company is authorized, without further shareholder action, to divide any or all shares of the authorized Preferred Stock into series and fix and determine the designations, preferences and relative rights and qualifications, limitations, or restrictions thereon of any series so established, including voting powers, dividend rights, liquidation preferences, redemption rights and conversion privileges. No shares of Preferred Stock are outstanding. The Board of Directors has not authorized any series of Preferred Stock, and there are no plans, agreements or understandings for the authorization or issuance of any shares of Preferred Stock.

Stock Purchase Plan

The Company has a share repurchase program ("Stock Purchase Plan") under which it is authorized to purchase up to $330.0 million of its outstanding Class A common shares. In November 2016, the Company's Board of Directors expanded its Stock Purchase Plan by an incremental $200.0 million, bringing its total current authorization to $530.0 million. The timing and amount of any shares repurchased under the Stock Purchase Plan will depend on a variety of factors, including price, corporate and regulatory requirements, capital availability and other market conditions. The Stock Purchase Plan may be suspended or discontinued at any time without prior notice. No shares have been or will be knowingly purchased from Company insiders or their affiliates.

Since inception of the Stock Purchase Plan through November 30, 2016, the Company has purchased 8,722,073 shares of its Class A common shares, for a total of approximately $323.4 million. There were no purchases of the Company's Class A shares during fiscal 2014 or 2015. In fiscal 2016 the Company purchased 1.7 million shares of our Class A common shares, at an average cost of approximately $33.25 per share (including commissions), for a total of approximately $55.1 million. Transactions occur in open market purchases and pursuant to a trading plan under Rule 10b5-1. At November 30, 2016, the Company has approximately $206.6 million remaining repurchase authority under the current Stock Purchase Plan.

NOTE 10 — COMMITMENTS AND CONTINGENCIES

International Speedway Corporation has a salary incentive plan (the "ISC Plan") designed to qualify under Section 401(k) of the Internal Revenue Code. Employees of International Speedway Corporation and certain participating subsidiaries who have completed one month of continuous service are eligible to participate in the ISC Plan. After twelve months of continuous service, matching contributions are made to a savings trust (subject to certain limits) concurrent with employees' contributions. The level of the matching contribution depends upon the amount of the employee contribution. Employees become 100 percent vested upon entrance to the ISC Plan. The contribution expense for the ISC Plan was approximately $1.6 million, $1.7 million and $1.7 million for the years ended November 30, 2014, 2015 and 2016, respectively.

The estimated cost to complete approved projects and current construction in progress at November 30, 2016 at the Company's existing facilities is approximately $247.2 million. Included in Other current liabilities on the Company's Consolidated Balance Sheets are approximately $6.5 million and $4.1 million, of certain administrative costs as of November 30, 2015 and 2016, respectively.

In October 2002, the Unified Government issued subordinate sales tax special obligation revenue bonds ("2002 STAR Bonds") totaling approximately $6.3 million to reimburse the Company for certain construction already completed on the second phase of the Kansas Speedway project and to fund certain additional construction. The 2002 STAR Bonds, which require annual debt service payments and are due December 1, 2022, will be retired with state and local taxes generated within the speedway's boundaries and are not the Company's obligation. KSC has agreed to guarantee the payment of principal, any required

premium and interest on the 2002 STAR Bonds. At November 30, 2016, the Unified Government had approximately $0.9 million outstanding on 2002 STAR Bonds. Under a keepwell agreement, the Company has agreed to provide financial assistance to KSC, if necessary, to support KSC's guarantee of the 2002 STAR Bonds.

The Company operates Homestead-Miami Speedway under an operating agreement which expires December 31, 2032 and provides for subsequent renewal terms through December 31, 2075. The Company operates Daytona International Speedway under an operating lease agreement which expires November 7, 2054. The Company also has various operating leases for office space and equipment. The future minimum payments under the operating agreement and leases utilized by the Company having initial or remaining non-cancelable terms in excess of one year at November 30, 2016, are as follows (in thousands):

For the year ending November 30:	Operating Agreement	Operating Leases
2017	$ 1,055	$ 4,570
2018	1,055	2,995
2019	1,055	1,947
2020	1,055	1,123
2021	1,055	943
Thereafter	11,693	30,318
Total	$ 16,968	$ 41,896

Total expenses incurred under the track operating agreement, these operating leases and all other short-term rentals during the years ended November 30, 2014, 2015 and 2016 were approximately $14.7 million, $14.4 million, and $13.7 million, respectively.

In connection with the Company's automobile and workers' compensation insurance coverages and certain construction contracts, the Company has standby letter of credit agreements in favor of third parties totaling approximately $6.0 million at November 30, 2016. At November 30, 2016, there were no amounts drawn on the standby letters of credit.

Current Litigation

The Company is from time to time a party to routine litigation incidental to its business. Management does not believe that the resolution of any or all of such litigation will have a material adverse effect on the Company's financial condition or results of operations.

NOTE 11 — RELATED PARTY DISCLOSURES AND TRANSACTIONS

All of the racing events that take place during the Company's fiscal year are sanctioned by various racing organizations such as the American Historic Racing Motorcycle Association, the American Motorcyclist Association, the Automobile Racing Club of America, the American Sportbike Racing Association — Championship Cup Series, the Federation Internationale de L'Automobile, the Federation Internationale Motocycliste, IMSA, Historic Sportscar Racing, IndyCar Series, NASCAR, NHRA, the Porsche Club of America, the Sports Car Club of America, the Sportscar Vintage Racing Association, the United States Auto Club and the World Karting Association. NASCAR, which sanctions many of the Company's principal racing events, is a member of the France Family Group which controls over 73.0 percent of the combined voting power of the outstanding stock of the Company, as of November 30, 2016, and some members of which serve as directors and officers of the Company.

Under current agreements, NASCAR contracts directly with certain network providers for television rights to the entire Monster Energy NASCAR Cup, Xfinity and Camping World Truck series schedules. Under the terms of this arrangement, NASCAR retains 10.0 percent of the gross broadcast rights fees allocated to each NASCAR Cup, Xfinity and Camping World Truck series event as a component of its sanction fees. The promoter records 90.0 percent of the gross broadcast rights fees as revenue and then records 25.0 percent of the gross broadcast rights fees as part of its awards to the competitors, included in NASCAR event management fees (discussed below). Ultimately, the promoter retains 65.0 percent of the net cash proceeds from the gross broadcast rights fees allocated to the event. The Company's television broadcast and ancillary rights fees received from NASCAR for the NASCAR Cup, Xfinity and Camping World Truck series events conducted at its wholly owned facilities were approximately $302.9 million, $314.5 million and $325.1 million in fiscal years 2014, 2015 and 2016, respectively. The Company recorded prize money of approximately $84.0 million, $87.2 million and $89.6 million in fiscal years 2014, 2015 and 2016, respectively, included in NASCAR event management fees (discussed below) related to the aforementioned 25.0 percent of gross broadcast rights fees ultimately paid to competitors.

Standard NASCAR and IMSA sanction agreements require racetrack operators to pay event management fees (collectively "NASCAR event management or NEM fees"), which include prize and point fund monies for each sanctioned event conducted. The prize and point fund monies are distributed by NASCAR to participants in the events. Total NEM fees paid by the Company were approximately $163.0 million, $167.8 million and $171.8 million, for the fiscal years ended November 30, 2014, 2015 and 2016, respectively. The Company has outstanding receivables related to NASCAR and its affiliates of approximately $29.8 million and $21.3 million at November 30, 2015 and 2016, respectively.

The Company and NASCAR, along with certain NASCAR affiliates, share a variety of expenses in the ordinary course of business. NASCAR pays rent, as well as a related maintenance fee (allocated based on square footage), to the Company for office space in Daytona Beach, Florida. NASCAR pays the Company for radio, program and strategic initiative advertising, hospitality and suite rentals, various tickets and credentials, catering services, participation in a NASCAR racing event banquet, and track and other equipment rentals. The Company pays NASCAR for certain advertising, participation in NASCAR racing series banquets, the use of NASCAR trademarks and intellectual images and production space on trackside large screen video display units. The Company's payments to NASCAR for MRN's broadcast rights to NASCAR Camping World Truck races represent an agreed-upon percentage of the Company's advertising revenues attributable to such race broadcasts. NASCAR also reimburses the Company for 50.0 percent of the compensation paid to certain personnel working in the Company's legal, risk management and transportation departments, as well as 50.0 percent of the compensation expense associated with certain receptionists. The Company reimburses NASCAR for 50.0 percent of the compensation paid to certain personnel working in NASCAR's legal department. NASCAR's reimbursement for use of the Company's mailroom, janitorial services, security services, catering, graphic arts, photo and publishing services, telephone system and the Company's reimbursement of NASCAR for use of corporate aircraft is based on actual usage or an allocation of total actual usage. The aggregate amount received and receivable from NASCAR for shared expenses, net of amounts paid by the Company for shared expenses, totaled approximately $10.5 million, $10.2 million and $10.2 million during fiscal 2014, 2015 and 2016, respectively. We believe the amounts earned from or charged by us under each of the aforementioned transactions are commercially reasonable.

IMSA, a wholly owned subsidiary of NASCAR, sanctions various events at certain of the Company's facilities. Standard IMSA sanction agreements require racetrack operators to pay event management fees, which include prize and point fund monies for each sanctioned event conducted. The prize and point fund monies are distributed by IMSA to participants in the events. Event management fees paid by the Company to IMSA totaled approximately $1.3 million, $1.3 million and $1.3 million for the years ended November 30, 2014, 2015 and 2016, respectively.

AMA Pro Racing, an entity controlled by a member of the France Family Group, sanctions various events at certain of the Company's facilities. Standard AMA Pro Racing sanction agreements require racetrack operators to pay event management fees, which include prize and point fund monies for each sanctioned event conducted. The prize and point fund monies are distributed by AMA Pro Racing to participants in the events. Event management fees paid by the Company to AMA Pro Racing totaled approximately $0.5 million, $0.1 million and $0.1 million during fiscal 2014, 2015 and 2016, respectively. Furthermore, the Company and AMA Pro Racing share a variety of expenses in the ordinary course of business. The aggregate amount received from AMA Pro Racing by the Company for shared expenses, net of amounts paid by the Company for shared expenses, totaled approximately $0.2 million.

The Company strives to ensure, and management believes that, the terms of the Company's transactions with NASCAR, IMSA and AMA Pro Racing are commercially reasonable.

Other Related Party Transactions

Certain members of the France Family Group paid the Company for the utilization of security services, event planning, event tickets, purchase of catering services, maintenance services, and certain equipment. The amounts paid for these items were based on actual costs incurred, similar prices paid by unrelated third party purchasers of similar items or estimated fair market values. The net amount received by the Company for these items, totaled approximately $320,000, $456,000 and $306,000 during fiscal 2014, 2015 and 2016, respectively.

Crotty, Bartlett & Kelly, P.A. ("Crotty, Bartlett & Kelly"), is a law firm controlled by family members of W. Garrett Crotty, one of the Company's executive officers. The Company engages Crotty, Bartlett & Kelly for certain legal and consulting services. The aggregate amount paid to Crotty, Bartlett & Kelly by the Company for legal and consulting services totaled approximately $31,000, $39,000 and $36,000 during fiscal 2014, 2015 and 2016, respectively.

J. Hyatt Brown, one of the Company's directors, serves as Chairman of Brown & Brown, Inc. ("Brown & Brown"). Brown & Brown has received commissions for serving as the Company's insurance broker for several of the Company's insurance policies, including the Company's property and casualty policy and certain employee benefit programs. The aggregate commissions received by Brown & Brown in connection with the Company's policies were approximately $492,000, $517,000

and $555,000 during fiscal 2014, 2015 and 2016, respectively. In fiscal 2014 , Brown & Brown paid the Company approximately $100,000 for the purchase of tickets. There were no comparable transactions in fiscal 2015 or 2016.

One of the Company's directors, Christy F. Harris, is Of Counsel to Kinsey, Vincent Pyle, L.C., a law firm that provided legal services to the Company during fiscal 2014, 2015 and 2016. The Company paid approximately $78,000, $35,000 and $97,000 for these services in fiscal 2014, 2015 and 2016, respectively.

We believe the amounts earned from or charged by us under each of the aforementioned transactions are commercially reasonable.

NOTE 12 — SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash paid for income taxes and interest for the years ended November 30, is summarized as follows (in thousands):

	2014	2015	2016
Income taxes paid	$ 51,314	$ 44,989	$ 24,392
Interest paid	$ 14,429	$ 14,504	$ 14,199

NOTE 13 — LONG-TERM STOCK INCENTIVE PLAN

On November 30, 2016, the Company has two share-based compensation plans, which are described below. Compensation cost included in operating expenses in the accompanying consolidated statements of operations for those plans was $2.8 million, $2.9 million, and $3.7 million for the years ended November 30, 2014, 2015 and 2016, respectively. The total income tax benefit recognized in the consolidated statements of operations for share-based compensation arrangements was approximately $1.2 million, $1.2 million and $1.5 million for the years ended November 30, 2014, 2015 and 2016, respectively.

The Company's 1996 Long-Term Stock Incentive Plan (the "1996 Plan") authorized the grant of stock options (incentive and nonqualified), stock appreciation rights and restricted stock. The Company reserved an aggregate of 1,000,000 shares (subject to adjustment for stock splits and similar capital changes) of the Company's Class A Common Stock for grants under the 1996 Plan. The 1996 Plan terminated in September 2006. All unvested stock options and restricted stock granted prior to the termination will continue to vest and will continue to be exercisable in accordance with their original terms.

In April, 2006, the Company's shareholders' approved the 2006 Long-Term Incentive Plan (the "2006 Plan") which authorizes the grant of stock options (incentive and non-qualified), stock appreciation rights, restricted and unrestricted stock, cash awards and Performance Units (as defined in the 2006 Plan) to employees, consultants and advisers of the Company capable of contributing to the Company's performance. The Company has reserved an aggregate of 1,000,000 shares (subject to adjustment for stock splits and similar capital changes) of the Company's Class A Common Stock for grants under the 2006 Plan. Incentive Stock Options may be granted only to employees eligible to receive them under the Internal Revenue Code of 1996, as amended. The 2006 Plan approved by the shareholders appoints the Compensation Committee (the "Committee") to administer the 2006 Plan. Awards under the 2006 Plan will contain such terms and conditions not inconsistent with the 2006 Plan as the Committee in its discretion approves. The Committee has discretion to administer the 2006 Plan in the manner which it determines, from time to time, is in the best interest of the Company.

Restricted Stock Awards

Restricted stock awarded under the 1996 Plan and 2006 Plan (collectively the "Plans") generally is subject to forfeiture in the event of termination of employment prior to vesting dates. Prior to vesting, the Plans participants own the shares and may vote and receive dividends, but are subject to certain restrictions. Restrictions include the prohibition of the sale or transfer of the shares during the period prior to vesting of the shares. The Company also has the right of first refusal to purchase any shares of stock issued under the Plans which are offered for sale subsequent to vesting. In accordance with ASC 718, "Compensation - Stock Compensation" the Company is recognizing stock-based compensation on these restricted shares awarded on the accelerated method over the requisite service period. The fair value of nonvested restricted stock is determined based on the opening trading price of the Company's Class A Common Stock on the grant date.

The Company granted 91,076, 89,343 and 92,583 shares of restricted stock awards of the Company's Class A Common Stock during the fiscal years ended November 30, 2014, 2015 and 2016, respectively, to certain officers, managers, and other employees under the Plans. The shares of restricted stock awarded vest at the rate of 50.0 percent on the third anniversary of the award date and the remaining 50.0 percent on the fifth anniversary of the award date. The weighted average grant date fair value of these restricted stock awards was $31.44, $36.36 and $33.49 per share, respectively.

The Company granted 8,118, 8,190 and 8,073 shares of restricted stock awards of the Company's Class A Common Stock during the fiscal years ended November 30, 2014, 2015 and 2016, respectively, to non-employee directors as partial compensation for their service as a director. The shares of restricted stock awarded vest at the rate of 100.0 percent on the one year anniversary after the date of grant. The weighted average grant date fair value of these restricted share awards was $33.28, $36.67 and $33.45 per share, respectively.

A summary of the status of the Company's restricted stock as of November 30, 2016, and changes during the fiscal year ended November 30, 2016, is presented as follows:

	Restricted Shares	Weighted-Average Grant-Date Fair Value (Per Share)	Weighted-Average Remaining Contractual Term (Years)
Unvested at November 30, 2015	359,793	$ 32.03	
Granted	100,656	33.49	
Vested	(69,574)	32.55	
Forfeited	(882)	26.69	
Unvested at November 30, 2016	389,993	32.32	3.5

As of November 30, 2016, there was approximately $5.4 million of total unrecognized compensation cost related to unvested restricted stock awards granted under the Stock Plans. This cost is expected to be recognized over a weighted-average period of approximately 3.5 years. The total fair value of restricted stock awards vested during the fiscal years ended November 30, 2014, 2015 and 2016, was approximately $1.5 million, $3.7 million and $2.3 million, respectively.

Nonqualified and Incentive Stock Options

In fiscal 2010 a portion of each non-employee director's compensation for their service as a director is through awards of options to acquire shares of the Company's Class A Common Stock under the Plans. These options become exercisable one year after the date of grant and expire on the tenth anniversary of the date of grant. The Company also grants options to certain non-officer managers to purchase the Company's Class A Common Stock under the Plans. These options generally vest over a two and one-half year period and expire on the tenth anniversary of the date of grant. The Company records stock-based compensation cost on its stock options awarded on the straight-line method over the requisite service period.

The fair value of each option granted is estimated on the grant date using the Black-Scholes-Merton option-pricing valuation model that uses the assumptions noted in the following table. Expected volatilities are based on implied volatilities from historical volatility of the Company's stock and other factors. The Company uses historical data to estimate option exercises and employee terminations within the valuation model. Separate groups of employees that have similar historical exercise behavior are considered separately for valuation purposes. The expected term of options granted is estimated based on historical exercise behavior and represents the period of time that options granted are expected to be outstanding. The risk-free rate for periods within the contractual life of the option is based on the U.S. Treasury yield curve in effect at the time of grant.

A summary of option activity under the Stock Plan as of November 30, 2016, and changes during the year then ended is presented as follows:

Options	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Outstanding at November 30, 2015	148,951	$ 38.31		
Expired	(23,751)	46.59		
Exercised	(5,321)	25.65		
Forfeited	—	—		
Outstanding at November 30, 2016	119,879	37.23	1.9	$ 598,489
Vested and Exercisable at November 30, 2016	119,879	$ 37.23	1.9	$ 598,489

There were no options granted in fiscal years 2014, 2015 and 2016. There were no options exercised during fiscal years 2014, 2015 and there were 5,321 options exercised during fiscal year 2016. The total intrinsic value of options exercised during the fiscal year ended November 30, 2016, was approximately $0.6 million. The actual tax benefit realized for the tax deductions from exercise of the stock options totaled approximately $20,251 for the fiscal year ended November 30, 2016.

As of November 30, 2016, there was no unrecognized compensation cost related to unvested stock options granted under the Stock Plan.

NOTE 14 — FINANCIAL INSTRUMENTS

In accordance with the “Financial Instruments” Topic, ASC 825-10 and in accordance with the “Fair Value Measurements and Disclosures” Topic, ASC 820-10, these topics discuss key considerations in determining fair value in such markets, and expanding disclosures on recurring fair value measurements using unobservable inputs (Level 3), clarification and additional disclosure is required about the use of fair value measurements.

Various inputs are considered when determining the carrying values of cash and cash equivalents, accounts receivable, accounts payable, and accrued liabilities. These items approximate fair value due to the short-term maturities of these assets and liabilities. These inputs are summarized in the three broad levels listed below:

- Level 1 — observable market inputs that are unadjusted quoted prices for identical assets or liabilities in active markets
- Level 2 — other significant observable inputs (including quoted prices for similar securities, interest rates, credit risk, etc.)
- Level 3 — significant unobservable inputs (including the Company’s own assumptions in determining the fair value of investments)

At November 30, 2016, the Company had money market funds totaling approximately $68.4 million and are included in cash and cash equivalents in the consolidated balance sheets. All inputs used to determine fair value are considered level 1 inputs.

Fair values of long-term debt are based on quoted market prices at the date of measurement. The Company’s credit facilities approximate fair value as they bear interest rates that approximate market. These inputs used to determine fair value are considered level 2 inputs. At November 30, 2016, the fair value of the long-term debt, as determined by quotes from financial institutions, was approximately $278.2 million compared to the carrying amount of approximately $265.0 million.

The Company had no level 3 inputs as of November 30, 2016.

NOTE 15 — QUARTERLY DATA (UNAUDITED)

The Company derives most of its income from a limited number of NASCAR-sanctioned races. As a result, the Company’s business has been, and is expected to remain, highly seasonal based on the timing of major events.

The following table presents certain unaudited financial data for each quarter of fiscal 2015 and 2016 (in thousands, except per share amounts):

	Fiscal Quarter Ended			
	February 28, 2015	May 31, 2015	August 31, 2015	November 30, 2015
Total revenue	$ 136,552	$ 164,010	$ 125,490	$ 219,318
Operating income (loss)	21,591	19,217	(7,138)	51,907
Net income (loss)	14,953	13,355	(3,956)	32,282
Basic and diluted earnings (loss) per share	0.32	0.29	(0.08)	0.69

	Fiscal Quarter Ended			
	February 29, 2016	May 31, 2016	August 31, 2016	November 30, 2016
Total revenue	$ 142,630	$ 167,561	$ 128,986	$ 221,839
Operating income	31,166	23,679	3,737	51,245
Net income	19,831	21,898	2,173	32,436
Basic and diluted earnings per share	0.43	0.47	0.05	0.72

NOTE 16 — SEGMENT REPORTING

The general nature of the Company's business is a motorsports themed amusement enterprise, furnishing amusement to the public in the form of motorsports themed entertainment. The Company's motorsports event operations consist principally of racing events at its major motorsports entertainment facilities. The reporting units within the motorsports segment portfolio are reviewed together as the nature of the products and services, the production processes used, the type or class of customer using our products and services, and the methods used to distribute our products or provide their services are consistent in objectives and principles, and predominately uniform and centralized throughout the Company. The Company's remaining business units, which are comprised of the radio network production and syndication of numerous racing events and programs, certain souvenir merchandising operations not associated with the promotion of motorsports events at the Company's facilities, construction management services, leasing operations, and financing and licensing operations are included in the "All Other" segment. The Company evaluates financial performance of the business units on operating profit after allocation of corporate general and administrative ("G&A") expenses. Corporate G&A expenses are allocated to business units based on each business unit's net revenues to total net revenues.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. Intersegment sales are accounted for at prices comparable to unaffiliated customers. Intersegment revenues were approximately $2.0 million, $2.1 million and $2.2 million for the years ended November 30, 2014, 2015 and 2016, respectively. The following table shows information by operating segment (in thousands):

	For the Year Ended November 30, 2014		
	Motorsports Event	All Other	Total
Revenues	$ 609,973	$ 43,981	$ 653,954
Depreciation and amortization	84,614	5,738	90,352
Operating income (loss)	99,332	(5,941)	93,391
Equity investments income	—	8,916	8,916
Capital expenditures	177,318	6,618	183,936
Total assets	1,621,726	455,925	2,077,651
Equity investments	—	122,565	122,565

	For the Year Ended November 30, 2015		
	Motorsports Event	All Other	Total
Revenues	$ 607,483	$ 39,986	$ 647,469
Depreciation and amortization	89,823	4,904	94,727
Operating income (loss)	89,395	(3,818)	85,577
Equity investments income	—	14,060	14,060
Capital expenditures	144,641	10,375	155,016
Total assets	1,682,700	439,499	2,122,199
Equity investments	—	103,249	103,249

	For the Year Ended November 30, 2016		
	Motorsports Event	All Other	Total
Revenues	$ 630,213	$ 32,953	$ 663,166
Depreciation and amortization	97,816	4,340	102,156
Operating income (loss)	107,690	2,137	109,827
Equity investments income	—	14,913	14,913
Capital expenditures	100,644	40,149	140,793
Total assets	1,651,845	520,815	2,172,660
Equity investments	—	92,392	92,392

Schedule II — Valuation and Qualifying Accounts (in thousands)

Description	Balance beginning of period	Additions charged to costs and expenses	Deductions (A)	Balance at end of period
For the year ended November 30, 2014 Allowance for doubtful accounts	$ 1,000	$ 101	$ 101	$ 1,000
For the year ended November 30, 2015 Allowance for doubtful accounts	1,000	260	260	1,000
For the year ended November 30, 2016 Allowance for doubtful accounts	1,000	94	94	1,000

(A) Uncollectible accounts written off, net of recoveries.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

We conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as such term is defined under Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934, as amended (Exchange Act), under the supervision of and with the participation of our management, including the Chief Executive Officer and Chief Financial Officer. Based on that evaluation, our management, including the Chief Executive Officer and Chief Financial Officer, concluded that our disclosure controls and procedures, subject to limitations as noted below, were effective at November 30, 2016, and during the period prior to and including the date of this report.

Because of its inherent limitations, our disclosure controls and procedures may not prevent or detect misstatements. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected.

Report of Management on Internal Control Over Financial Reporting

January 27, 2017

We, as members of management of International Speedway Corporation, are responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f). Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles. Internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, our disclosure controls and procedures may not prevent or detect misstatements. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

We, under the supervision of and with the participation of our management, including the Chief Executive Officer and Chief Financial Officer, assessed the Company's internal control over financial reporting as of November 30, 2016, based on criteria for effective internal control over financial reporting described in "Internal Control-Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework). Based on this assessment, we concluded that we maintained effective internal control over financial reporting as of November 30, 2016, based on the specified criteria. There were no changes in our internal control over financial reporting during the quarter ended November 30, 2016, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

The effectiveness of our internal control over financial reporting has been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in their report which is included herein.

ITEM 9B. OTHER INFORMATION

None

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by this Item is set forth under the headings "Directors, Nominees, and Officers " and under the subheading "Section 16(a) Beneficial Ownership Reporting Compliance" in the Company's 2017 Proxy Statement to be filed with the U.S. Securities and Exchange Commission ("SEC") within 120 days after November 30, 2016 in connection with the solicitation of proxies for the Company's 2017 annual meeting of shareholders and is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this Item is set forth under the heading “Executive Compensation” and under the heading “Directors, Nominees and Officers” in the Company’s 2017 Proxy Statement to be filed with the SEC within 120 days after November 30, 2016 and is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by this Item is set forth under the headings “Voting Securities and Principal Holders” and under the heading “Directors, Nominees and Officers” in the Company’s 2017 Proxy Statement to be filed with the SEC within 120 days after November 30, 2016 and is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

The information required by this Item is set forth under the heading under the subheading "Compensation Committee Interlocks and Insider Participation" under the heading "Executive Compensation" and under the subheadings "Directors Holding Office Until 2015 Annual Meeting", "Board Leadership" and “Certain Relationships and Related Transactions” under the heading “Directors, Nominees and Officers” in the Company’s 2017 Proxy Statement to be filed with the SEC within 120 days after November 30, 2016 and is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by this Item is set forth under the heading "Registered Independent Public Accounting Firm" and subheading “Policy on Audit Committee Pre-Approval Policies and Procedures” under the heading “Registered Independent Public Accounting Firm” in the Company’s 2017 Proxy Statement to be filed with the SEC within 120 days after November 30, 2016 and is incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) Documents filed as a part of this report

1. Consolidated Financial Statements listed below:

International Speedway Corporation

Consolidated Balance Sheets

— November 30, 2015 and 2016

Consolidated Statements of Operations

— Years ended November 30, 2014, 2015, and 2016

Consolidated Statements of Comprehensive Income

— Years ended November 30, 2014, 2015, and 2016

Consolidated Statements of Changes in Shareholders’ Equity

— Years ended November 30, 2014, 2015, and 2016

Consolidated Statements of Cash Flows

— Years ended November 30, 2014, 2015, and 2016

Notes to Consolidated Financial Statements

2. Consolidated Financial Statement Schedules listed below:

II — Valuation and qualifying accounts

All other schedules are omitted since the required information is not present or is not present in amounts sufficient to require submission of the schedule, or because the information required is included in the financial statements and notes thereto.

3. Exhibits:

Exhibit Number		Description of Exhibit
3.1	—	Articles of Amendment of the Restated and Amended Articles of Incorporation of the Company, as filed with the Florida Department of State on July 26, 1999. (3.1)*
3.2	—	Conformed Copy of Amended and Restated Articles of Incorporation of the Company, as amended as of July 26, 1999. (3.2)*
3.3	—	Conformed Copy of Amended and Restated By-Laws of the Company. (3)(ii)**
4.1	—	Note Purchase Agreement, dated as of September 13, 2012, among the Company and purchasers party thereto. (4.2)***
4.2	—	Form of Series 2012A Note due 2024 (included in Exhibit 4.1). (4.2)***
4.3	—	Amended and Restated Revolving Credit Agreement, dated as of November 15, 2012, among the Company, certain subsidiaries and the lenders party thereto. (10.1)****
4.4	—	Note Purchase Agreement, dated as of January 18, 2011, among the Company and purchasers party thereto. (10.1)*****
4.5	—	Form of Series 2011A Note due 2021 (included in Exhibit 10.1). (10.1)*****
10.1	—	Daytona Property Lease. (10.4)******
10.2	—	1996 Long-Term Incentive Plan. (10.6)******
10.3	—	2006 Long-Term Incentive Plan. (4)*******
10.4	—	Design-Build Agreement. (10.1) ********
10.5.1	—	Design-Build Agreement, by and between Phoenix Speedway, LLC and Okland Construction Company, Inc. (Part 1), dated as of November 30, 2016 — filed herewith.
10.5.2	—	Design-Build Agreement, by and between Phoenix Speedway, LLC and Okland Construction Company, Inc. (Part 2), dated as of November 30, 2016 — filed herewith.
21	—	Subsidiaries of the Registrant — filed herewith.
23.1	—	Consent of Ernst &Young LLP — filed herewith.
31.1	—	Rule 13a-14(a) / 15d-14(a) Certification of Chief Executive Officer — filed herewith
31.2	—	Rule 13a-14(a) / 15d-14(a) Certification of Chief Financial Officer — filed herewith.
32	—	Section 1350 Certification — filed herewith.
101.INS	—	XBRL Instance Document
101.SCH	—	XBRL Taxonomy Extension Schema
101.CAL	—	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	—	XBRL Taxonomy Extension Definition Linkbase
101.LAB	—	XBRL Taxonomy Extension Label Linkbase
101.PRE	—	XBRL Taxonomy Extension Presentation Linkbase

*	Incorporated by reference to the exhibit shown in parentheses and filed with the Company's Report on Form 8-K dated July 26, 1999.
**	Incorporated by reference to the exhibit shown in parentheses and filed with the Company's report on Form 10-Q for the quarter ended February 28, 2003.
***	Incorporated by reference to the exhibit shown in parentheses and filed with the Company's report on Form 8-K filed on September 18, 2012.
****	Incorporated by reference to the exhibit shown in parentheses and filed with the Company's report on Form 8-K filed on November 19, 2012.
*****	Incorporated by reference to the exhibit shown in parentheses and filed with the Company's report on Form 8-K filed on January 20, 2011.
******	Incorporated by reference to the exhibit shown in parentheses and filed with the Company's Report on Form 10-K for the year ended November 30, 1998.
*******	Incorporated by reference to the exhibit shown in parentheses and filed with the Company's Registration Statement on Form S-8 as filed on February 11, 2010.
********	Incorporated by reference to the exhibit shown in parentheses and filed with the Company's Amended Form 10-Q for the quarter ended May 31, 2013.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

International Speedway Corporation

By: /s/ Gregory S. Motto
Gregory S. Motto
Chief Financial Officer

Dated: January 27, 2017

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Lesa France Kennedy Lesa France Kennedy	Chief Executive Officer and Vice Chairman of the Board (Principal Executive Officer)	January 26, 2017
/s/ Gregory S. Motto Gregory S. Motto	Vice President, Chief Financial Officer and Treasurer	January 26, 2017
/s/ James C. France James C. France	Chairman of the Board	January 26, 2017
/s/ Brian Z. France Brian Z. France	Director	January 26, 2017
/s/ Larry Aiello, Jr. Larry Aiello, Jr.	Director	January 26, 2017
/s/ J. Hyatt Brown J. Hyatt Brown	Director	January 26, 2017
/s/ William P. Graves William P. Graves	Director	January 26, 2017
/s/ Christy F. Harris Christy F. Harris	Director	January 26, 2017
/s/ Morteza Hosseini – Kargar Morteza Hosseini – Kargar	Director	January 26, 2017
/s/ Sonia M. Green Sonia M. Green	Director	January 26, 2017
/s/ Larree M. Renda Larree M. Renda	Director	January 26, 2017
/s/ Larry Woodard Larry Woodard	Director	January 26, 2017

AIA DocumentA14f'"-2014

Standard Form of Agreement Between Owner and Design-Builder

PART 2 AGREEMENT

AGREEMENT made as of the 30th day of November, in the year of
Two Thousand Sixteen
(In words, indicate day, month and year)

BETWEEN the Owner:

PHOENIX SPEEDWAY CORP.
125 South Avondale Boulevard, Suite 200
Avondale, Arizona 85323

and the
(Name, address and other information)

Design-Builder:
(Name, address and other information)

OKLAND CONSTRUCTION COMPANY, INC.
1700 N. McClintock Drive
Tempe, Arizona 85281

For the following Project:

Phoenix Tomorrow Project Part 2
at Phoenix International Raceway
Avondale,Arizona

The Owner and Design-Builder agree as follows.
(Name, location and detailed description)

This Part 2 Agreement Between Owner and Design-Builder includes the Work called for and described in this Part 2 Agreement. Throughout this Part 2 Agreement, the terms "Part 2 Agreement", "the Agreement", "this Agreement" and "Design-Build Contract" are used interchangeably.

ADDITIONS AND DELETIONS: The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes added information as well as revisions to the standard form text is available from the author and should be reviewed. A vertical line in the left margin of this document indicates where the author has added necessary information and where the author has added to or deleted from the original AIA text.

This document has important legal consequences. Consultation with an attorney Is encouraged with respect to its completion or modification.

Consultation with an attorney is also encouraged with respect to professional licensing requirements

in the jurisdiction where the Project is located.

by

TABLE OF ARTICLES

Init.

#1·D- ROOM FINISH SCHEDULE
#1·E- GMP COST SUMMARY AND DETAIL
#1·F- OWNER/CONTRACTOR COST OF WORK MATRIX

Init.

ARTICLE 1 THE DESIGN-BUILD DOCUMENTS

(Paragraphs deleted)

§ 1.1 The Design-Build Documents form the Design-Build Contract. The Design-Build Documents consist of this Agreement between Owner and Design-Builder (hereinafter, the "Agreement" or "Part 2 Agreement") and its attached Exhibits listed in Section 8.1.10 below, and written Modifications issued after execution of this Agreement. The Design-Build Documents shall not be construed to create a contractual relationship of any kind (1) between the Architect and Owner, except between the Owner and a Contractor or Subcontractor, except obligations to the Owner from Contractors and Subcontractors provided for in this Agreement or (2) between any persons or entities other than the Owner and Design-Builder, including but not limited to any consultant retained by the Owner.

§ 1.2 This Part 2 Agreement represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations or agreements, either written or oral, except for the rights and obligations of the Part 1 Agreement between the parties not inconsistent with the Part 2 Agreement which rights and obligations in the Part I Agreement not inconsistent with the Part 2 Agreement shall remain in full force and effect.

(Paragraphs deleted)

§ 1.3 The Design-Build Contract may be amended or modified only by a Modification. A Modification is (1) a written amendment to the Design-Build Contract signed by both parties, (2) a Change Order, (3) a Construction Change Directive or (4) a written order for a minor change in the Work issued by the Owner.

(Paragraphs deleted)

ARTICLE 2 THE WORK OF THE DESIGN-BUILD CONTRACT

(Paragraphs deleted)
§ 2.1 The Design-Builder shall fully execute the Work described in the Design-Build Documents, except to the extent specifically indicated in the Design-Build Documents to be the responsibility of others. The Work includes all design services and construction required by the Design-Builder in this Agreement, including without limitation the anticipated demobilization and remobilization sequencing of the Work described in Section 3.3 below.

(Paragraphs deleted)
ARTICLE 3 DATE OF COMMENCEMENT,PARTIAL COMPLETION AND SUBSTANTIAL COMPLETION
(Paragraphs deleted)
§ 3.1 The date of commencement of the Work shall be no later than November II , 2016 subject to and as more specifically set forth in attached Exhibit "B".

The Sales Tax Certificate in Section 7.7.7 below shall be provided to the Owner prior to commencement of the Work.

(Paragraphs deleted)
§ 3.2 The Contract Time shall be measured from the date of commencement, subject to adjustments of this Contract Time as orovided in the Desi -Build Documents.

(Paragraphs deleted)
§ 3.3 The Contractor shall achieve Substantial Completion of the Work not later than October 19, 2018 and Final Completion not later than December 31, 2018.

It is understood by the parties that throughout the course of the Work, Owner will continue utilizing the Project site to host various racing and other public events, the names and dates of such events being set forth and identified in attached Exhibit "L-1" (each such event being referred to herein as an "Event"). Prior to the commencement of each Event, Design-Builder shall be required to complete certain portions of the Work as more specifically identified and set forth in attached Exhibit "B". No less than five (5) days prior to the commencement of each Event, Design-Builder will be required to temporarily demobilize and take all actions·necessary to ensure the Project site is safe and clean before turning the Project site over to the Owner for such Event. Within five (5) days after the conclusion of each Event, Design-Builder shall remobilize and continue its performance of the Work. Design-Builder acknowledges and agrees that it has taken into account the cost and expense of such demobilization and remobilization and that all costs and expenses associated with doing so are included in the Contract Sum and Contract Time. Therefore, Design-Builder shall not be entitled to any adjustment to the Contract Sum or Contract Time by reason of such

demobilization and remobilization requirements. The portion of the Work to be completed prior to each Event is referred to herein as a "Phase."

Design-Builder shall achieve Partial Completion of Each Phase and the Work on or before the dates identified and set forth in attached Exhibit "B." Notwithstanding anything in the Design-Build Documents to the contrary, Partial Completion of Each Phase shall mean completion of the number of seats, suites, restrooms and concessions required for each Event as specifically identified in attached Exhibit "B" so that such seats, suites, restrooms and concessions (along with other areas normally used by spectators and others attending the Events) can be utilized, including reasonable and legal access (both ingress and egress) thereto, by Owner's guests and invitees during each Event. Additionally, as a condition precedent to Partial Completion of Each Phase, Design-Builder must receive approval from all governmental authorities having jurisdiction over the Work with respect to such Phase.

It is mutually agreed by and between the parties that time is of the essence and that should Design-Builder fail to substantially complete any of the designated Work on or before the required date prior to the corresponding Event, the Owner will be damaged thereby and will suffer financial losses including but not limited to the following: (1) ticket sales; (2) suite rentals; (3) hospitality sponsorship and rentals; (4) sponsorship sales; (5) food and beverage catering, concessions and other sales; (6) merchandise sales; (7) reimbursements by the Owner of off-property expenses borne by patrons and others attending the Events; and (8) losses of use, income and profit. The parties agree that it will be difficult to calculate with precision the actual damages the Owner may suffer as a result of such failure and therefore the parties agree that, subject to the limitation described below on the total amount of Liquidated Damages that may be assessed by the Owner, Design-Builder shall pay Owner the amounts set forth below for each of the specific improvements not available and/or not substantially completed on or before the required date of the correspondmg Event:

Liquidated Damages will be assessed based on each uncompleted or unavailable improvement for each Event as follows:

Spectator Seats ** for each uncompleted seat in the upper and middle bowl sections
(November 2018 NASCAR Race Event)
** for each uncompleted seat in the lower bowl grandstand section
(November 2018 NASCAR Race Event)

Suites:

18 Person New Grandstand Suites ** per each uncompleted suite
(Available November 2018
NASCAR Event)

30 Person Suites in Existing Bobby Allison

48 Person Suites in Existing Bobby Allison

40 Person Double Suites in New Grandstand

Infield Garage Suites

The Club in Existing Allison

** per each uncompleted suite
(Available November 2017 NASCAR Event)
** per each uncompleted suites
(Available November 2017 NASCAR Event)
** per each uncompleted suite
(Available November 2018 NASCAR Event)
** per each uncompleted suite
(Available Fall2018 NASCAR Event)

** for each event this is unavailable

(Available for November 2017 NASCAR Event)

Canyon Entry ** for uncompleted canyon 1 entry
(Canyon Entry I -March 2018 NASCAR Race Event)
** for uncompleted canyon 2 entry
(Canyon Entry 2 -November 2018 NASCAR Race Event)

Fan zone
(Infield and Midway)

** for uncompleted Fanzone (November 2018 NASCAR Race Event)

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Concessions ** per each uncompleted concessions building
(November 2018 NASCAR Race Event)

As to delay related damages, provided that the Liquidated Damages provisions of this Agreement are not determined by a court of law to be invalid or unenforceable, the Liquidated Damages set forth in this Agreement are the Owner's sole and absolute remedy for all delay related damages incurred by Owner at law and in equity for Design-Builder's failure to achieve Partial Completion of Each Phase by the required date or the entire Work within the Contract Time.

Notwithstanding the amount of Liquidated Damages that may be assessed by Owner as set forth in this Section 3.3, Owner agrees to limit the total amount of Liquidated Damages to Four Million Dollars ($4,000,000) in the aggregate for all Liquidated Damages to be assessed for failure to timely complete the entire Work within the Contract Time or any designated portion of the Work by the time required before the corresponding Event. Liquidated Damages in excess of Four Million Dollars ($4,000,000) shall be waived by Owner.

(Paragraphs deleted)

ARTICLE 4 CONTRACT SUM

(Paragraphs deleted)
§ **4.1** The Owner shall pay the Design-Builder the Contract Sum in current funds for the Design-Builder's performance of the Design-Build Contract. The Contract Sum shall be the following:
(Check the appropriate box.)

[X] Cost of the Work Plus Design-Builder's Fee with a Guaranteed Maximum Price in accordance with Section 4.4 below.

The General Conditions shall be a Lump Sum amount of Four Million Six Hundred Fifty-one Thousand Nine Hundred Twenty-four Dollars and Zero Cents ($4,651,924.00). The General Conditions Lump Sum of$4,651,924.00 includes the items included in the General Conditions entitled General Conditions/General Requirements/Cost of Work Matrix, attached hereto as Exhibit "A-I". In the event of a conflict between the General Conditions described in this Part 2 Agreement and the General Conditions described in Exhibit "A-1" , then in such event the General Conditions described in Exhibit "A-1" shall control.

(Paragraphs deleted)
§ **4.2** (Intentionally omitted.)
(Paragraphs deleted)
(Table deleted) (Paragraphs deleted)
§ **4.2.1** (Intentionally omitted.)
§ **4.2.2**
(Paragraphs deleted)
(Intentionally omitted.)
§ **4.2.3** (futentionally omitted.)
(Paragraphs deleted)
§ **4.2.4** (Intentionally omitted.)
§ **4.2.5** (Intentionally omitted.)

§ 4.2.6 OWNER'S RIGHT TO MAKE DIRECT PURCHASES The Owner reserves the right to make direct purchases of any materials and equipment which the Owner desires to incorporate into the completed construction. Owner shall coordinate such purchases with Design-Builder. To the extent requested by the Owner, the Design-Builder will be responsible for coordinating the delivery, safekeeping, protection, insuring (as to those items that will be installed by Design-Builder), inspection, installation and testing of any materials and equipment directly purchased by the Owner, and for the management and administration of any warranty claims pertaining to such materials and equipment. Furthermore, to the extent that any furnished and installed materials and equipment directly purchased by the Owner were included in the Design-Builder's Guaranteed Maximum Price, the Guaranteed Maximum Price will be reduced by the amount included in Design-Builder's Contract Sum for each such item, if any, or otherwise as agreed to by the parties.

§ 4.3 (Intentionally omitted.)

§ 4.4 COST OF THE WORK PLUS DESIGN-BUILDER'S FEE WITH A GUARANTEED MAXIMUM PRICE *(use only if "Cost of the Work Plus Design-Builder's Fee with a Guaranteed Maximum Price" box is checked in§ 4.1 above)*

§ 4.4.1

(Paragraphs deleted)
The Cost of the Work is as defined in Exhibit K, plus the Design-Builder's Fee.

The Design-Builder shall review with the Owner alternative approaches to design and construction of the Project. Design-Builder shall obtain a minimum of three competitive bids for all construction subcontracts and major suppliers where the sum of each is anticipated to exceed $100,000. Owner has the right in its sole discretion (a) to add its preferred bidders to Design-Builder's bid lists (b) to waive this requirement if Design-Builder demonstrates that it has made reasonable efforts to obtain three bids but has not been able to obtain same and (c) to review and approve all bids received. The Design-Builder shall have the right to submit bids to self perform construction provided that such bids are subject to the same bidding process as bids from other bidders, are opened in the presence of the Owner simultaneously with all other bids and are subject to approval or rejection in Owner's sole discretion. Owner reserves the right, in its sole discretion, to reject any and all bids from Design-Builder irrespective of the amount of such bid.

§ 4.4.2 The Design-Builder's Fee is:
(State a lump sum, percentage of Cost of the Work or other provision for determining the Design-Builder 's Fee and the method of adjustment to the Fee for changes in the Work.)

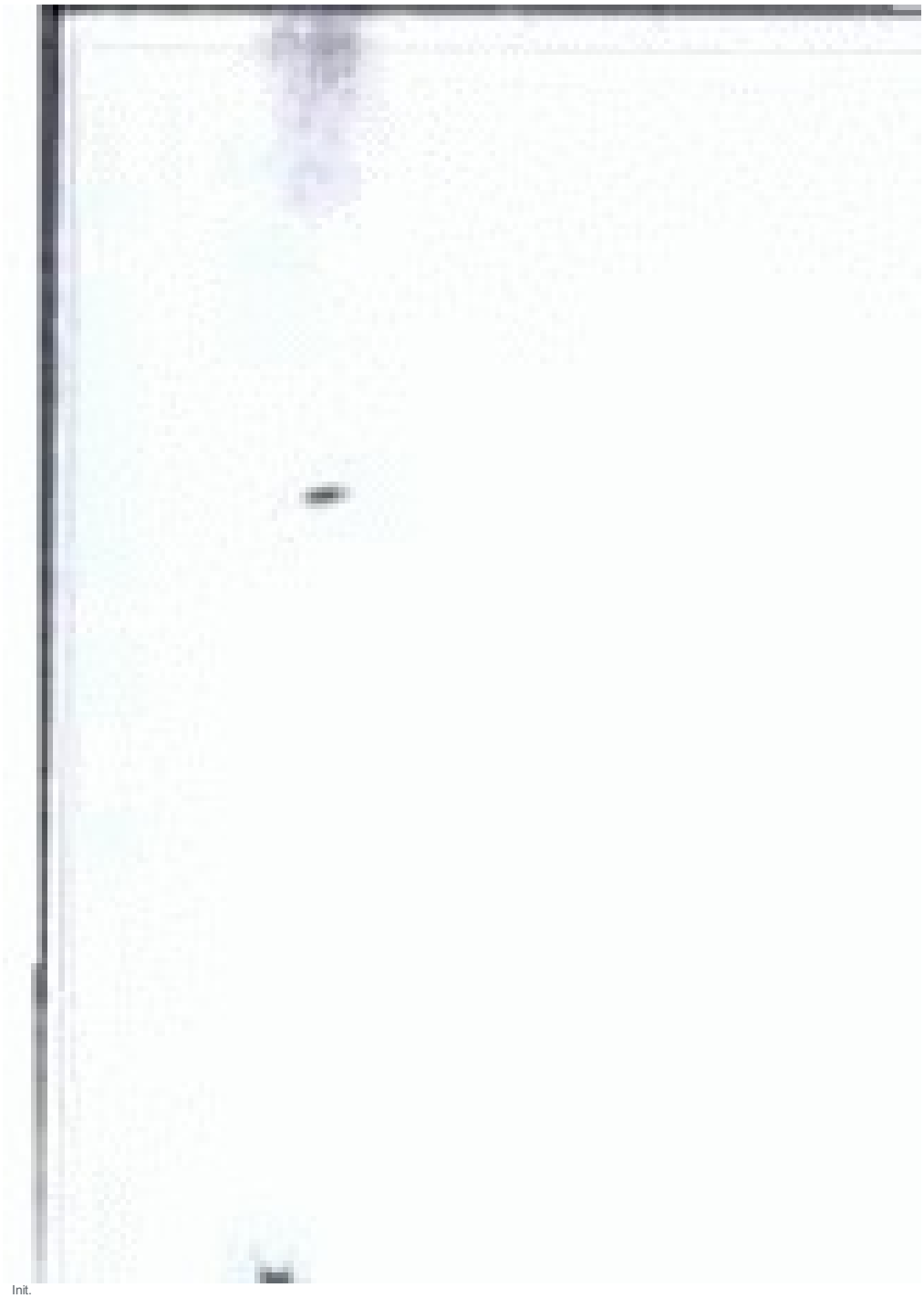
Two and one-half Percent (212%) of the Cost of the Work

§ 4.4.3 GUARANTEED MAXIMUM PRICE
§ 4.4.3.1 The sum of the Cost of the Work and the Design-Builder's Fee is guaranteed by the Design-Builder not to exceed One Hundred Thirty-five Million, Nine Hundred Eighty-one Thousand, Two Hundred Twenty-four and
00/100 Dollars ($135,981,224.00), subject to additions and deductions by changes in the Work as provided in the Design-Build Documents. Such maximum sum is referred to in the Design-Build Documents as the Guaranteed Maximum Price. Costs which would cause the Guaranteed Maximum Price to be exceeded shall be paid by the Design-Builder without reimbursement by the Owner.
(Insert specific provisions if the Design-Builder is to participate in aey savings.)

§ 4.4.3.2 The Guaranteed Maximum Price is based on the following alternates, if any, which are described in the Design-Build Documents and are hereby accepted by the Owner: Not Applicable

§ 4.4.3.3 Unit Prices, if any, are as follows:

Description	Units	Price ($ 0.00)
Not Applicable		



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§ 4.4.3.4 Allowances, if any, are as follows:
(Identify and state the amounts of any allowances, and state whether they include labor, materials, or both.)

Allowance
See Exhibit "L"

Amount ($ 0.00) Included Items

§ 4.4.3.5 Assumptions, if any, on which the Guaranteed Maximwn Price is based, are as follows:

(Identify the assumptions on which the Guaranteed Maximum Price is based)

See Exhibit "L" and Exhibit "L-1" ("Event Schedule")

Additional Assumptions | Design-Build Change Order Risk Contingency. Contingency is included to cover unforeseen cost increases due to | permit approval and/or deferral submittals. This design-build change order allowance is not intended to cover scope |

increases due to program changes and/or scope of work changes directed by the Owner nor should it be for covering additional costs associated with existing systems requiring upgrades to meet current codes during design or inspections unless specifically noted on the scope of work under this GMP Estimate.

Construction and Inflation Contingency. Design-Builder has included a Construction, Design and Inflation Contingency as noted in the estimate. This contingency is not available to the Owner for the purposes of adding programmatic, scope, schedule or aesthetic changes in the design or construction of the building. This contingency is to be used at the sole discretion of Design-Builder for the following items:

a) Solve any contractual/buyout issues with subcontractors.
b) Subcontractor and materialmen defaults and interfacing omissions between and from various work categories.
c) Accelerate construction schedule as needed.
d) Solve construction issues in field as they present themselves.

f) To resolve weather conditions and other impacts that negatively affects the execution of the work.
g) Payment of insurance deductibles or repair to any damage caused by forces outside of the control of the contractor (such as for weather, vandalism or system failures).
h) Significant changes in the commodity market supply, escalation, labor disputes, transportation delays, or

i) Repair/Replacement of damaged work (in accordance with the Owner/Contractor agreement). *1*

Owner Use of Contingency: It is understood that the Design-Builder has included in the budget various contingencies such as Change Order, Construction & Inflation Contingencies. It is also understood that additional reserves may be created through the award of contracts that are lower than the budgeted values. Although the initial allocation of this contingency is at the discretion of the Design-Builder, the Design-Builder and 0 wner shall re-evaluate and renegotiate the remaining contingency with the Owner when the Project is 50% complete and reduce the GMP accordingly ("Revised GMP"). The intent is to afford the Owner adequate time to reallocate excess reserves to add scope back into the project. Should the owner add additional scope to the Design/Builder's contract after the re-negotiation of the Revised GMP, the Revised GMP swn will be adjusted via change order accordingly.

§ 4.5 CHANGES IN THE WORK

§ 4.5.1 Adjustments oftheContract Sum on account of changes in the Work maybe determined by any of the methods listed in Article A.7 of Exhibit A, Terms and Conditions.

§ 4.5.2 Where the Contract Sum is the Cost of the Work, with or without a Guaranteed Maximum Price, and no specific provision is made in Section 4.4.2 for adjustment of the Design-Builder's Fee in the case of Changes in the Work, or if the extent of such changes is such, in the aggregate, that application of the adjustment will cause substantial inequity to the Owner or Design-Builder, the Design-Builder's Fee shall be equitably adjusted on the basis of the Fee established for the original Work, and the Contract Sum shall be adjusted accordingly.

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ARTICLE 5 PAYMENTS
§ 5.1 PROGRESS PAYMENTS

§ 5.1.1 The Design-Builder shall deliver to the Owner Applications for Payment in the form attached hereto as Exhibit

"D". Owner reserves the right to amend the form of the Application for Payment to include Capital Improvement

Project (CIP) numbers and/or otherwise may amend the form to be substantially similar to Exhibit "D".

§ 5.1.2 Within thirty (30) days ofthe Owner's receipt of a properly submitted and complete Application for Payment and Certification by the Architect that the Work conforms with the Contract Documents and signed *Waiver and Partial Release from Design-Builder, Waiver and Partial Releases from Design-Builder's Consultants and Suhconsultants and any party with lien rights,* and *Design-Builder's Affidavit of Outstanding Accounts* from Design-Builder and its consultants through the date of the previous Application for Payment, the Owner shall make payment to the Design-Builder in the amount the Owner has approved. Copies of the required *Waiver and Partial Release from Design-Builder, Waiver and Partial Releases from Design-Builder's Consultants and Subconsultants and any party with lien rights,* and *Design-Builder's Affidavit of Outstanding Accounts* are attached as Composite Exhibit "E".

(Paragraphs deleted)
§ 5.1.3 (Intentionally omitted)

(Paragraphs deleted)
§ 5.1.4 With each Application for Payment where the Contract Sum is based upon the Cost of the Work, or the Cost of the Work with a Guaranteed Maximum Price, the Design-Builder shall submit payrolls, petty cash accounts, receipted invoices or invoices with check vouchers attached, and any other evidence required by the Owner to demonstrate that cash disbursements already made by the Design-Builder on account of the Cost of the Work equal or exceed {1) progress payments already received by the Design-Builder, less (2) that portion of those payments attributable to the Design-Builder's Fee; plus (3) payrolls for the period covered by the present Application for Payment.

§ 5.1.5 With each Application for Payment where the Contract Sum is based upon a Stipulated Sum or Cost of the Work with a Guaranteed Maximum Price, the Design-Builder shall submit the most recent schedule of values in accordance with the Design-Build Documents. The schedule of values shall allocate the entire Contract Sum among the various portions of the Work. Compensation for design services shall be shown separately. Where the Contract Sum is based on the Cost of the Work with a Guaranteed Maximum Price, the Design-Builder's Fee shall be shown separately. The schedule of values shaH be prepared in such form and supported by such data to substantiate its accuracy as the Owner may require. This schedule of values, unless objected to by the Owner, shall be used as a basis for reviewing the Design-Builder's Applications for Payment.

§ 5.1.6 In taking action on the Design-Builder's Applications for Payment, the Owner shall be entitled to rely on the accuracy and completeness of the information furnished by the Design-Builder and shall not be deemed to have made a detailed examination, audit or arithmetic verification of the documentation submitted in accordance with Sections 5.1.4 or 5.1.5, or other supporting data; to have made exhaustive or continuous on-site inspections; or to have made examinations to ascertain how or for what purposes the Design-Builder has used amounts previously paid on account of the Agreement. Such examinations, audits and verifications, if required by the Owner, will be performed by the Owner's accountants acting in the sole interest of the Owner.

§ 5.1.7 Except with the Owner's prior approval, the Design-Builder shall not make advance payments to suppliers for materials or equipment which have not been delivered and stored at the site.

§ 5.2 (Intentionally omitted.)
§ 5.2.1 Reduction or limitation of retainage, if any, shall be as follows:
Provided that the Owner determines that the Work is in conformance with the Contract Documents and the Project is on schedule to be substantially complete in accordance with Section 3.3 of the Part 2 Agreement, retainage under Section 5.2 2 shall be determined for ail subsequent Applications for Payment after the Value of the Work is Fifty percent (50%) complete as follows:

(a) The Owner shall retain Ten percent (10%) on all prior Applications for Payment previously submitted.

(b) The Owner shall not hold any additional retainage on subsequent Applications for Payment submitted after the value of the Work is Fifty percent (50%) complete.

Init.

§ 5.3 (Intentionally omitted)

§ 5.4 PROGRESS PAYMENTS • COST OF THE WORK PLUS A FEE WITH A GUARANTEED MAXIMUM PRICE

§ 5.4.1 Applications for Payment where the Contract Sum is based upon the Cost of the Work Plus a Fee with a Guaranteed Maximum Price shall show the percentage of completion of each portion of the Work as of the end of the period covered by the Application for Payment. The percentage of completion shall be the lesser of (1) the percentage of that portion of the Work which has actually been completed; or (2) the percentage obtained by dividing (a) the expense that has actually been incurred by the Design-Builder on account of that portion of the Work for which the Design-Builder has made or intends to make actual payment prior to the next Application for Payment by (b) the share of the Guaranteed Maximum Price allocated to that portion of the Work in the schedule of values.

§ 5.4.2 Subject to other provisions of the Design-Build Documents, the amount of each progress payment shall be computed as follows:

.1 Take that portion of the Guaranteed Maximum Price properly allocable to completed Work as determined by multiplying the percentage of completion of each portion of the Work by the share of the Guaranteed Maximum Price allocated to that portion of the Work in the schedule of values. Pending final determination of cost to the Owner of changes in the Work, amounts not in dispute shall be included as provided in Section A.7.3.8 of Exhibit A, Terms and Conditions;

.2 Add that portion of the Guaranteed Maximum Price properly allocable to materials and equipment delivered and suitably stored at the site for subsequent incorporation in the Work, or if approved in advance by the Owner, suitably stored off the site at a location agreed upon in writing;

.3 Add the Design-Builder's Fee, less retainage of Ten Percent (10%). The Design-Builder's Fee shall be computed upon the Cost of the Work described in the two preceding sections at the rate stated in Section 4.4.2 or, if the Design-Builder's Fee is stated as a fixed sum in that section, shall be an amount that bears the same ratio to that fixed-sum fee as the Cost of the Work in the two preceding sections bears to a reasonable estimate of the probable Cost of the Work upon its

a reasonable estimate of the probable Cost of the Work upon its completion;

.4 Subtract the aggregate of previous payments made by the Owner;

.5 Subtract the shortfall, if any, indicated by the Design-Builder in the documentation required by Section 5.1.4 to substantiate prior Applications for Payment, or resulting from errors subsequently discovered by the Owner's accountants in such documentation; and

.6 Subtract amounts, if any, for which the Owner has withheld or nullified a Certificate for Payment as provided in Section A.9.5 of Exhibit A, Terms and Conditions.

§ 5.4.3 Except with the Owner's prior approval, payments for the Work, other than for services provided by design professionals and other consultants retained directly by the Design-Builder, shall be subject to retainage of not less than ten percent (10%). The Owner and Design-Builder shall agree on a mutually acceptable procedure for review and approval of payments and retention for Contractors.

§ § 5.5 FINAL PAYMENT

§ 5.5.1 Final payment, constituting the entire unpaid balance of the Contract Sum, shall be made by the Owner to the Design-Builder no later than 30 days after the Design-Builder has fully performed the Design-Build Contract, including the requirements in Section A.9.10 of Exhibit A, Terms and Conditions, except for the Design-Builder's responsibility to correct non-conforming Work discovered after final payment or to satisfy other requirements, if any, which extend beyond final payment.

§ 5.5.2 Neither final payment nor amounts retained, if any, shall become due until the Design-Builder submits to the Owner: (1) an affidavit that payrolls, bills for materials and equipment, and other indebtedness connected with the Work for which the Owner or Owner's property might be responsible or encumbered (less amounts withheld by the Owner) have been paid or otherwise satisfied; (2) a certificate evidencing that insurance required by the Contract Docwnents to remain in force after final payment is currently in effect and will not be canceled or allowed to expire until at least 30 days' prior written notice has been given to the Owner; (3) a written statement that the Design-Builder knows of no substantial reason that the insurance will not be renewable to cover the period required by the Contract Documents; (4) Certificate of Substantial Completion from the Architect that the Work is Substantially Complete in conformance with the Contract Documents; (5) consent of surety to final payment; and (6) *Design-Builder's Affidavit of Outstanding Accounts, Design-Builder's Final Payment Affidavit, Final Waiver and Release of Lien from*

Design-Builder and *Final Waivers and Releases of Liens from Design-Builder's Consultants a11d Subconsulta11ts and any party with lien rights,* to the extent and in such form as may be designated by the Owner. If a contractor or other person or entity entitled to assert a lien against the Owner's property refuses to furnish a release or waiver required by the Owner, the Design/ Builder may furnish a bond satisfactory to the Owner to indemnify the Owner against such lien . If such lien remains unsatisfied after payments are made, the Design-Builder shall indemnifY the Owner for all loss and cost, including reasonable attorneys' fees incurred as a result of such lien. Copies of the required *Design-Builder's Final Payment Affidavit, Desig-Bullder's Affidavit of Outsta11ding Accounts, Final Waiver and Release of Lien from Design-Builder* and *Final Waivers and Releases of Liens from Design-Builder's Consultants, Subconsultants and any party with lien rights* are attached as Composite Exhibit "E". At closeout, Design-Builder shall complete the *Contract Completion Checklist,* a copy of which is attached hereto as Exhibit "F", and shall provide to the Owner all items required thereon as a condition precedent to final payment being due from the Owner.

A certificate signed by the Design-Builder certifying that all taxes required to be paid by the Design-Builder pursuant to the Agreement have been paid by the Design-Builder shall be submitted to the Owner with the Application for Final Payment.

§ 5.5.3 When the Work has been completed and the contract fully performed, the Design -Builder shall submit a final application for payment to the Owner, who shall make final payment within 30 days of receipt if such application for payment is properly submitted and complete.

ARTICLE 6 DISPUTE RESOLUTION

§ 6.1 The parties appoint the following individual to serve as a Neutral pursuant to Section A.4.2 of Exhibit A, Terms and Conditions: Not Applicable
(Insert the name, address and other information of the individual to serve as a Neutral. If the parties do not select a Neutral, then the provisions of Section A.4.2.2 of Exhibit A, Terms and Conditions, shall apply.)

§ 6.2 The method of binding dispute resolution shall be the following:
(If the parties do not select a method of binding dispute resolution, then the method of binding dispute resolution shall be by litigation in a court of competent jurisdiction.)

;/ Litigation in a court of competent jurisdiction where the Project is located

ARTICLE 7 MISCELLANEOUS PROVISIONS

§ 7.1 The Architect, other design professionals and consultants engaged by the Design-Builder shall be persons or entities duly licensed to practice their professions in the jurisdiction where the Project is located and are listed as follows:

(Insert name, address, license number, relationship to Design-Builder and other information)

Name and Address	License Number	Relationship to Design-Builder	Other Information
DLR Group, Inc. (An Arizona Corporation David Boehm, Senior Principal 6224 North 24th Street, Suite 250 Phoenix, AZ 86016 Phone: 602-794-1924		Architect In-Field	
Atwell, LLC Ted Northrop, Regional VP 4700 E. Southern Avenue Mesa, AZ 85206		Civil Designer	

Phone: 480-586-2104 Fax: 480-830-4888 Rossetti Associates, Inc. Jim Renne, AIA Principal 160 West Fort Street, Suite 400 Detroit, MI 48220 Phone: 318-463-5151		Architect Grandstand & Midway	

§ 7.2 Consultants, if any, engaged directly by the Owner, their professions and responsibilities are listed below:
(Insert name, address, license number, if applicable, and responsibilities to Owner and other information.)

Name and Address	License Number	Responsibilities to Owner	Other Information
Gleeds Christopher Soffe 990 Hammond Drive Atlanta, GA 30328 Phone: 770-395-1500 Fax: 770-395-1655		Owner Consultants	

§ 7.3 Separate contractors, if any, engaged directly by the Owner, their trades and responsibilities are listed below:
(Insert name, address, license number, if applicable, responsibilities to Owner and other iriformation.)

Name and Address	License Number	Responsibilities to Owner	Other Information
To Be Determined			

(Paragraphs deleted)
§ 7.4 The Owner's Designated Representative is:

Bill Okland
1700 N. McClintock
Tempe, AZ 85281

(Insert name, address and other information.)

Derek Muldowney, President
International Speedway Corporation
Design And Development
One Daytona Boulevard
Daytona Beach, Florida 32114

§ 7.4.1 The Owner's Designated Representative identified above shall be authorized to act on the Owner 's behalf with respect to the Project.

§ 7.5 The Design-Builder's Designated Representative is:
(Insert name, address and other information.)

§ 7.5.1 The Design-Builder's Designated Representative identified above shall be authorized to act on the Design-Builder's behalf with respect to the Project.

Init.

Init.

§ 7.6 Neither the Owner's nor the Design-Builder's Designated Representative shall be changed without ten days written notice to the other party. Design-Builder 's Project Executives, Project Managers and Superintendants initially assigned to the Project shall not be re-assigned to other projects of Design-Builder unless (a) replaced by qualified persons and (b) consented to in writing by Owner. The Owner's consent shall not be unreasonably withheld, conditioned or delayed.

§ 7.7 Other provisions:

(Paragraphs deleted)

§ 7.7.1 Where reference is made in this Agreement to a provision of another Design-Build Document, the reference
refers to that provision as amended or supplemented by other provisions of the Design-Build Documents.

§ 7.7.2 Vendor Diversity/Minority. Provided that prices are competitive and that the quality, quantity and timeliness of the Work will not be prejudiced or compromised, Design-Builder is encouraged, but not required, to utilize where reasonably practical a reasonable number of minority owned and/or controlled companies for the Project. In the event that Design-Builder utilizes a minority owned and/or controlled company, Design-Builder shall submit to the Owner the name of the company, the scope of the work and the contract sum of the work being performed by the minority owned and/or controlled company. Design-Builder shall retain in its sole discretion the final decision on the selection and use of subcontractors and other vendors and shall remain fully responsible for their Work as called for by the Contract Documents.

§ 7.7.3 Design-Builder shall execute the Confidentiality Agreement (Exhibit "G") and return to Owner within three (3) days after execution of this Agreement. Design-Builder agrees that all newspaper, magazine, and other media articles, announcements, statements, exhibitions, advertising, marketing and other publicity issued or published by Design-Builder in connection with the Project (including trademarks, trade names, and marketing documents of Owner and its affiliated entities) shall be approved in writing by Owner before publication or use by Design-Builder. Design-Builder shall require all of its consultants, contractors, subcontractors, suppliers, materialmen, fabricators and manufacturers to agree to be bound by similar language contained in this Section 7.7.3 and to execute a Confidentiality Agreement in the form attached as Exhibit "G" to this Part 2 Agreement.

§ 7.7.4 The Owner and its subsidiaries take great pride in its reputation as a leader in motorsports entertainment and for its high standards of integrity, fairness and ethical business conduct. The Owner expects all directors, officers and employees, as well as all contractors, vendors and suppliers with whom it does business to:

- Act with honesty and integrity, avoiding actual or apparent conflicts of interest in personal and professional relationships.
- Refrain from making false or misleading statements, including communications to Owner's internal or independent auditors.
- Adhere to the spirit as well as the letter of all laws, rules, and regulations of federal, state, and local governments and other private and public regulatory agencies, applicable to the Owner.

- Respect the confidentiality of information acquired in the course of employment or while doing business with the Owner, except when authorized or otherwise legally obligated to disclose such information.

- Use the Owner's assets and resources employed or entrusted in a responsible manner.

The Design-Builder warrants that it will comply with the Owner's high standard of ethics and shall immediately notify the Owner and cooperate with any investigation involving unethical behavior. The Design -Builder shall post the Owner's Ethics Information Hotline Information alongside all other required legal notices at the Project location.

§ 7.7.5 The Design-Builder's use oflocal (in state) Consultants and Subconsultants is encouraged by Owner and has influenced the Owner's selection process of Design-Builder.

§ 7.7.6 Design-Builder shall provide in its contracts with Consultants and Subconsultants that the Owner is an intended third party beneficiary of each such contract and subcontract.

§ *1.7.1* SALES TAX CERTIFICATES Prior to commencement of the Work, Design-Builder shall provide to Owner a current and up to date Sales Tax Certificate required by state or local laws in the jurisdiction where the Project is located allowing the Design-Builder to collect sales taxes on taxable sales and to issue and accept sales tax exemptions on exempt sales. For purposes ofthis provision, Sales Tax Certificate means such certificate, certificate of authority, permit, license or certificate of registration required by the state and local jurisdictions in which the project is located. Current Sales Tax Certificates shall be provided throughout the Project if the initial Sales Tax Certificate has expired.

ARTICLE 8 ENUMERATION OF THE DESIGN·BUILD DOCUMENTS

§ 8.1 The Design-Build Documents, except . for Modifications issued after execution of this Agreement, are enumerated as follows: See Section 8.1.10

§ 8.1.1 The Agreement is this executed edition of the Standard Form of Agreement Between Owner and Design-Builder, AlA Document Al41-2014, Part 2 Agreement, as modified by Owner and Design-Builder.

§ 8.1.2 The Supplementary and other Conditions of the Agreement, if any, are as follows:
(Either list applicable documents below or refer to an exhibit attached to this Agreement.)

Document	Title	Pages
Not Applicable		

§ 8.1.3 The Project Criteria, including changes to the Project Criteria proposed by the Design-Builder, if any, and accepted by the Owner, consist of the following: See Section 8.1.10
(Either list applicable documents and their dates below or refer to an exhibit attached to this Agreement.)

Not Applicable		Title Date

Not Applicable

§ 8.1.5 Amendments to the Design-Builder's Proposal, if any, are as follows:
(Either list applicable documents below or refer to an exhibit attached to this Agreement.)

§ 8.1.4 The Design-Builder's Proposal, dated , consists of the following:
(Either list applicable documents below or refer to an exhibit attached to this Agreement.)

§ 8.1.6 The Addenda, if any, are as follows:
(Either list applicable documents below or refer to an exhibit attached to this Agreement.)

Addendum #1 Scope of Work – List of Contract Drawings and Specifications ; GMP Cost Summary and Details		Number

§ 8.1.7 (Intentionally omitted)

Inil

§ 8.1.8 (Intentionally omitted)

§ 8.1.9 (Intentionally omitted)

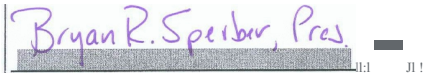
§ 8.1.10 The attached documents which are incorporated by reference forming part of the Design-Build Documents for this Part 2 Agreement are as follows:

Exhibit A - Terms and Conditions and "A-I" General Conditions/General Requirements/Cost of Work Matrix
Exhibit B - Design-Builder's Schedule and Substantial Completion Dates For Each Type Of Improvement (Including Schedule Of Milestone Dates (11/11/16) "B-1 ", Preliminary Partial Schedule (10/27/16) "B-2")
Exhibit C - Insurance and Bonds
Exhibit D - Form for Application for Payment
Exhibit E - Forms for Waivers and Affidavits of Outstanding Accounts
Exhibit F - Contract Completion Checklist
Exhibit G - Confidentiality Agreement
Exhibit H - Form for Payment and Performance Bond
Exhibit I - Form for Requirements of Engineer's or Architect's Professional Liability Insurance
Exhibit J - Not Applicable-There is no Novation Agreement
Exhibit K - Cost of the Work, Other Agreements, Accounting Records and Relationship of the Parties
Exhibit L - Assumptions Dated November 3, 2016 and "L-1"- "Event Schedule"
Exhibit M Not Applicable-There is no Plan Identifying Locations Concerning Liquidated Damages
Exhibit N Construction Site Logistics
Addendum #1- Scope Of Work -List Of Contract Drawings And Specifications; GMP Cost Summary And Detail
#1-A- Final Documents and Drawings Log
#1-B- Criteria Drawings Redlines
#1-C - Criteria Narrative Redlines
#1-D- Room Finish Schedule
#1-E- GMP Cost Summary and Detail
#1-F- Owner/Contractor Cost of Work Matrix

This Part 2 Agreement is entered into as of the day and year first written above and is executed in at least three original copies, of which one is to be delivered to the Design-Builder and one to the Owner.

PHOENIX SPEEDWAY CORP. OKLAND CONSTRUCTION COMPANY, INC.

DESIGN-BUILDER *(Signature)*


Bryan R. Speiser, Pres.

.... ,,,

(Printed name and title)

(Printed name and title

Init

(Fable deleted)(Paragraphs deleted)

CONFIDENTIAL MATERIALS OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. ASTERISKS DENOTE OMISSIONS

Document A141'"-

2014 Exhibit A

TERMS AND CONDITIONS

for the following PROJECT:
(Name and location or address)

Phoenix
Tomorrow Project
at Phoenix International Raceway
Avondale, Arizona

THE OWNER:
(Name and location)

PHOENIX SPEEDWAY CORP.
125 South Avondale Boulevard, Suite 200
AV<Jndale, Arizona 85323

THE DESIGN-BUILDER:
(Name and location)

OKLAND CONSTRUCTION COMPANY, INC.
1700 N. McClintock Drive
Tempe, Arizona 85281

Throughout this Exhibit "A" (Terms and Conditions), the terms "Design-Build Contract", "Part 2 Agreement", "the Agreement" and "this Agreement" are used interchangeably.

(date: ___../

PART 2 AGREEMENT- EXHIBIT "A"

ADDITIONS AND DELETIONS: The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes added information as well as revisions to the standard form text is available from the author and should be reviewed. A vertical line in the left margin of this document indicates where the author has added necessary information
and where the author has added to or deleted from the original AIA text.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

Consultation with an attorney is also encouraged with respect to professional licensing requirements
in the jurisdiction where the Project is located.

TABLE OF ARTICLES

ARTICLE A.1 GENERAL PROVISIONS

§ **A.1.1**
(Paragraphs deleted)
BASIC DEFINITIONS

§ **A.1.1.1 THE DESIGN-BUILD DOCUMENTS**

The Design-Build Documents are identified in Section 1.1 of the Agreement.

§ **A.1.1.2 PROJECT CRITERIA**

The Project Criteria are identified in Section 8.1.3 of the Agreement and may describe the character, scope, relationships, forms, size and appearance of the Project, materials and systems and, in general, their quality levels, performance standards, requirements or criteria, and major equipment layouts. In the event of a conflict in the 100% Construction Documents as defined in Section A.l.l.9 below and the Project Criteria, the 100% Construction Documents approved in writing by the Owner shall control.

§ **A.1.1.3 ARCHITECT**
The Architect is the person lawfully licensed to practice architecture or an entity lawfully practicing architecture identified as such in the Agreement and having a direct contract with the Design-Builder to perform design services for all or a portion of the Work, and is referred to throughout the Design-Build Documents as if singular in number. The term "Architect" means the Architect or the Architect's authorized representative.

§ **A.1.1.4 CONTRACTOR**
A Contractor is a person or entity, other than the Architect, that has a direct contract with the Design-Builder to perform all or a portion of the construction required in connection with the Work. The term "Contractor" is referred to throughout the Design-Build Documents as if singular in number and means a Contractor or an authorized representative of the Contractor. The term "Contractor" does not include a separate contractor, as defined in Section A.6.1.2, or subcontractors of a separate contractor.

§ **A.1.1.5 SUBCONTRACTOR**
A Subcontractor is a person or entity who has a direct contract with a Contractor to perform a portion of the construction required in connection with the Work at the site. The term "Subcontractor" is referred to throughout the Design-Build Documents as if singular in number and means a Subcontractor or an authorized representative of the Subcontractor.

§ **A.1.1.6 THE WORK**
The term "Work" means the design, construction and services required by the Design-Build Documents, whether completed or partially completed, and includes all other labor, materials, equipment and services provided or to be provided by the Design-Builder to fulfill the Design-Builder's obligations. The Work may constitute the whole or a part of the Project.

§ **A.1.1.7 THE PROJECT**
The Project is the total design and construction of which the Work performed under the Design-Build Documents may be the whole or a part, and which may include design and construction by the Owner or by separate contractors.

§ **A.1.1.8 NEUTRAL**
(Intentionally Omitted).

§ **A.l.l.9 CONSTRUCTION DOCUMENTS.** The term "100% Construction Documents" means the drawings and specifications illustrating and describing in detail the quality, levels of materials and systems and other requirements for the construction of the Work (a) required to be prepared by the Design-Builder pursuant to this Agreement, (b) signed and sealed by Design-Builder 's Architect, (c) submitted to the local jurisdiction, and (d) upon which the building permit for the Project is obtained.

§ **A.1.2 COMPLIANCE WITH APPLICABLE LAWS**
§ **A.1.2.1** If the Design-Builder believes that implementation of any instruction received from the Owner would cause a violation of any applicable law, statute, ordinance, building code, rule or regulation, the Design-Builder shall notify the Owner in writing. Neither the Design-Builder nor any Contractor or Architect shall be obligated to perform any act which they believe will violate any applicable law, ordinance, rule or regulation.

§ **A.1.2.2** The
(Paragraphs deleted)
Design-Builder shall be entitled to rely on the completeness and accuracy of the information contained in the Project Criteria (unless Design-Builder knew or should have known that the information was inaccurate), but not that such information complies with applicable laws, regulations and codes, which shall be the obligation of the Design-Builder to determine. In the event that a specific requirement of the Project Criteria conflicts with applicable laws, regulations and codes, the Design-Builder shall furnish Work which complies with such laws, regulations and codes. In such case, the Owner shall issue a Change Order to the Design-Builder unless the Design-Builder recognized such non-compliance prior to execution of this Agreement and failed to notify the Owner.

§ **A.1.2.3**
(Paragraphs deleted)
The Design-Builder shall review laws, codes, and regulations applicable to the Design-Builder's Work and to the Project. The Design-Builder's design and Construction Documents shall comply with all applicable laws, codes and regulations in effect at the time the documents are prepared, including the Occupational Safety and Health Administration Act of 1970 (OSHA). Specifically and without limitation to any other obligations set forth in this Agreement, the Design-Builder acknowledges that Title III of the Americans with Disabilities Act of 2010 and the applicable state codes and statutes and the regulations promulgated by the Attorney General to implement the Act (collectively "the ADA") is a legal requirement applicable to the Project. The Design-Builder agrees that it, and not the Owner, bears responsibility for compliance with the ADA, and that the Owner's approval of design and Construction Documents does not constitute an opinion or representation by the Owner that the documents comply with the ADA. The Owner understands that the design standards under the ADA and analogous state and local statutes are still evolving. Further, the Owner acknowledges that the requirements of the ADA will be subject to various and possibly contradictory interpretations. The Design-Builder, therefore, will use its reasonable professional efforts, expertise and judgment to interpret applicable ADA requirements as they apply to design of the Project and shall inform the Owner of possibly contradictory interpretations of which the Design-Builder is aware. The Design-Builder does not warrant or guarantee that the Owner's project will comply with all interpretations of the ADA requirements and/or requirements of other federal, state and local laws, rules, codes, ordinances and regulations, including the Occupational Safety and Health Administration Act of 1970 (OSHA), as they apply to the Project. To the extent that the damages, costs or fees are caused by the Design-Builder's negligent acts, errors or omissions, the Design-Builder will defend, indemnify and hold the Owner harmless for damages, costs and fees incurred as the result of the Design-Builder's negligent act, error or omission in failing to comply with the ADA or any other laws, codes or regulations, except that the Design-Builder shall not be responsible if any aspect of the design does not conform to the ADA if the claim for the non-conformance arises by virtue of new interpretations by the Attorney General, Department of Justice, U.S. Equal Employment Opportunity Commission, applicable state codes and statutes or a court of law made after the preparation of 100% Construction Documents. Design-Builder's 100% Construction Documents shall indicate that the 100% Construction Documents comply with all ADA requirements at time of execution of this Agreement based on Design-Builder's professional opinion after utilizing Design-Builder's reasonable professional efforts.
(Fable deleted) (Paragraph deleted)
§ **A.1.2.4** The Design-Builder shall maintain the confidentiality of information specifically designated as confidential by the Owner, unless withholding such information would violate the law, create the risk of significant harm to the public or prevent the Design-Builder from establishing a claim or defense in an adjudicatory proceeding. The Design-Builder shall require oft1J.e Design-Builder's Contractors, Subcontractors and consultants similar agreements to maintain the confidentiality of information required by Exhibit "G". Design-Builder agrees to the provisions contained in the Confidentiality Agreement attached as Exhibit "G" and shall obtain executed Confidentiality Agreements from Design-Builder's Contractors, Subcontractors and consultants in the form attached as Exhibit "G".

§ **A.1.2.5** Except with the Owner's knowledge and consent, the Design-Builder shall not engage in any activity, or accept any employment, interest or contribution that would reasonably appear to compromise the Design-Builder's professional judgment with respect to this Project.

§ **A.1.3 CAPITALIZATION**

§ **A.1.3.1** Terms capitaUzed in these Tenns and Conditions include those which are (1) specifically defined, (2) the titles of numbered articles and identified references to sections in the document, or (3) the titles of other documents published by the American Institute of Architects.

(Paragraphs deleted)

§ **A.1.4 INTERPRETATION**

§ **A.1.4.1** In the interest of brevity, the Design-Build Documents frequently omit modifying words such as "all" and "any" and articles such as "the" and "an," but the fact that a modifier or an article is absent from one statement and appears in another is not intended to affect the interpretation of either statement.

§ **A.1.4.2**

(Paragraphs deleted)

Unless otherwise stated in the Design-Build Documents, words which have well-known technical or construction industry meanings are used in the Design -Build Documents in accordance with such recognized meanings.

(Paragraphs deleted)

§ **A.1.5 EXECUTION OF THE DESIGN-BUILD DOCUMENTS**

§ **A.1.5.1** The Design-Build Documents shall be signed by the Owner and Design-Builder.

§ **A.1.5.2** Execution of the Design-Build Contract by the Design-Builder is a representation that the Design-Builder has visited the site, become generally familiar with local conditions under which the Work is to be performed and correlated personal observations with requirements of the Design-Build Documents.

§ **A.1.6 OWNERSHIP AND USE OF DOCUMENTS AND ELECTRONIC DATA**

§ **A,1.6.1** Design-Builder shall provide to the Owner two (2) copies of all electronic drawing files of all as-built drawings in a format compatible with the AutoCAD release version designated by Owner. This shall include an organized, rational file/drawing naming system that refers directly to the actual hard copy drawings. For example, drawings shall be named A-l.dwg, A-2.dwg, M-l.dwg, M-2.dwg etc. Each drawing file shall be processed through AutoCad's XREF Manager utilizing the "bind process" prior to submittal to the Owner to combine the files and eliminate the need for attached files. Text documents such as specification books shall be presented in Microsoft Word or pdf format. Such electronic files shall be delivered to the Owner within ten (10) days after requested by the Owner or, if not specifically requested, prior to final payment from Owner.

§ **A.1.6.2** All records, documents, drawings, notes, tracings, plans, computer aided design (CAD) files, specifications, maps, models, presentations, evaluations, reports and other technical data and schematics, including those in electronic or other form, prepared or developed by or for Design-Builder, or otherwise provided to Owner, pursuant to this Agreement shall be "Instruments of Service." All Instruments of Service, and all copies of Instruments of Service, shall be works made for hire or, to the extent they are not works made for hire, shall be deemed to be works made for hire, such that Owner shall own all rights title and interest in and to all Instruments of Service, including copyrights, performance rights and moral rights. Upon fixation of any such Instruments of Service, all rights, including any copyrights, performance rights, and moral rights in or to the Instruments of Service that Design-Builder or its subconsultants possess or may possess, now or in the future, shall be deemed assigned to Owner, whether a written assignment is executed or not. Neither Design-Builder nor its subconsultants shall claim rights adverse to Owner with respect to any such Instruments of Service and Design-Builder hereby agrees and represents that neither Design-Builder, nor its subconsultants shall copy, reproduce or perform any Instruments of Service for itself or any person other than Owner, but Design-Builder may retain electronic files and a reproducible copy of the Instruments of Service for its records. Design-Builder shall obtain written assignments from its subconsultants to Owner of any and all common law, statutory and other reserved rights, including copyrights and performance rights, in and to all Instruments of Service created in connection with the Project in which the subconsultants have or may have such rights. Design-Builder hereby represents that all Instruments of Service, architectural works, or other works developed, authored, or provided to Owner pursuant to this Agreement shall be original in the Design-Builder or the Design-Builder's subconsultants, or in the public domain, or shall be developed, authored, or provided to Owner pursuant to a valid, enforceable and appropriate assignment or license and shall not infringe any copyright, trademark, patent or other intellectual property right of any third party. To the extent any services rendered by or for Design-Builder pursuant to this Agreement result in Owner receiving any license or sublicense to any intellectual property, implied or otherwise, Design-Builder covenants and agrees that Design-Builder has the right to grant such

license or sublicense and that such license or sublicense shall be an irrevocable, perpetual, fully-paid-up, royalty-free, worldwide license to reproduce, create derivatives o(perform, distribute, and otherwise use such intellectual property without restriction of any kind, including use by any replacement architects, contractors or engineers retained by Owner to complete the design or construction of the Project. Any such license or sublicense shall continue even in the event this Agreement is terminated for any reason. To the fullest extent permitted by law, Design-Builder shall indemnify, defend, protect and hold harmless Owner, the Additional Insureds as defined in Section A.l1.2.1 and their respective officers, directors, members, agents, consultants or employees of any of them, from and against all costs, damages, losses and expenses, including but not limited to attorneys' fees and paralegals' fees, arising out of, or resulting from, any cl aim by any third party asserting that any license or sublicense granted by Design-Builder or any Instruments of Service developed or authored by Design-Builder or Design-Builder's subconsultants, or provided to Owner by Design-Builder, pursuant to this Agreement infringes any intellectual property right, including without limitation copyright, of any person. Notwithstanding the foregoing, Design-Builder and its subconsultants and subcontractors may retain co-ownership rights with Owner in any standard details or design documents not specifically prepared for this Project. The Owner shall release and indemnify the Design-Builder, its officers, shareholders, employees, agents, successors, assigns, its design consultants, and other persons retained by the Design-Builder to provide services on the Project from all losses, claims, demands, liabilities, injuries, damages and expenses (including, without limitation, consequential, indirect, special or punitive damages, economic loss claims and reasonable attorneys' fees and other defense costs and expenses) that Design-Builder incurs by reason of injury or damage sustained to any person or property arising out of the Owner's use of the Instruments of Service for design or construction beyond the scope of this Agreement for this Project, including, but not limited to, any of the Owner's other projects without Design-Builder's involvement. The parties agree that the transfer of ownerslllp of the Instruments of Service by the Design-Builder to the Owner represents good and adequate consideration to the Owner for tills indemnification. Prior to any use or distribution to third parties of the Instruments of Service, the Owner shall remove or otherwise conceal the Design-Builder's name, seal, stamp and/or other identifying information of indicia of authorship.

§ **A.1.6.3** The Design-Builder's submission or distribution of documents for the purpose of performing Project requirements or for compliance with governmental requirements or similar purposes in connection with the Project is not prohibited by tills Paragraph A.l.6.

ARTICLE A.2 OWNER *(Paragraphs deleted) (Table deleted)*

§ **A.2.1 GENERAL**

§ **A.2.1.1** The Owner is the person or entity identified as such in the Agreement and is referred to throughout the Design-Build Documents as if singular in number. The tern1 "Owner" means the Owner or the Owner's authorized representative. The Owner shall designate in writing a representative who shall have express authority to bind the Owner with respect to all Project matters requiring the Owner's approval or authorization. The Owner shall render decisions in a timely manner and in accordance with the Design-Builder's schedule submitted to the Owner.

§ **A.2.1.2** The Owner shall furnish to the Design-Builder within 15 days after receipt of a written request information necessary and relevant for the Design-Builder to evaluate, give notice of or enforce construction lien rights. Such information shall include a correct statement of the record legal title to the property on which the Project is located, usually referred to as the site, and the Owner's interest therein.

§ **A.2.2**

(Paragraphs deleted)

INFORMATION AND SERVICES REQUIRED OF THE OWNER

§ **A.2.2.1** Information or services required of the Owner by the Design-Build Documents shall be furnished by the Owner with reasonable promptness. Any other information or services relevant to the Design-Builder's performance of the Work under the Owner's control shall be furnished by the Owner after receipt from the Design-Builder of a written request for such information or services.

§ **A.2.2.2** The Owner shall provide, to the extent available, existing surveys, if not required by the Design-Build Documents to be provided by the Design-Builder, describing physical characteristics, legal limitations, and utility locations for the site of this Project, and a written legal description of the site. The surveys and legal information shall include, as applicable, grades and lines of streets, alleys, pavements, and adjoining property and structures; adjacent

drainage; rights-of-way, restrictions, easements, encroachments, zoning, deed restriction, boundaries, and contours of the site; locations, dimensions, and necessary data pertaining to existing buildings, other improvements and trees; and information concerning available utility services and lines, both public and private, above and below grade, including inverts and depths. All the infonnation on the survey shall be referenced to a Project benchmark. Design-Builder shall be responsible for obtaining updated or additional surveys at Design-Builder's expense if in the opinion of Design-Builder updated or additional surveys are needed or desirable.

§ **A.2.2.3** The Owner shall provide, to the extent available to the Owner and if not required by the Design-Build Documents to be provided by the Design-Builder, the results and reports of prior tests, inspections or investigations conducted for the Project involving structural or mechanical systems, chemical, air and water pollution, hazardous materials or environmental and subsurface conditions and information regarding the presence of pollutants at the Project site. Design-Builder shall be responsible for obtaining updated or additional results and reports at Design-Builder's expense if in the opinion of Design-Builder updated or additional results and reports are needed or desirable.

§ **A.2.2.4** The Owner may obtain independent review of the Design-Builder 's design, construction and other documents by a separate architect, engineer, and contractor or cost estimator under contract to or employed by the Owner. Such independent review shall be undertaken at the Owner's expense in a timely manner and shall not delay the orderly progress of the Work.

§ **A.2.2.5** The Owner shall cooperate with the Design-Builder in securing building and other permits, licenses and inspections. The Owner shall not be required to pay the fees for such permits, licenses and inspections unless the cost of such fees is excluded from the responsibility of the Design-Builder under the Design-Build Documents.

§ **A.2.2.6** Except as to concealed conditions not reasonably ascertainable by the Design-Builder, the surveys and reports required to be provided by the Owner under Sections A.2.2 and A.2.2.3 , as well as those referenced in Section A.4.1.4, are furnished by the Owner for Design-Builder's information only and Owner does not warrant or guarantee the completeness or accuracy of any such surveys or reports in any way.

§ **A.2.2.7** If the Owner observes or otherwise becomes aware of a fault or defect in the Work or non-conformity with the Design-Build Documents, the Owner shall give prompt written notice thereof to the Design-Builder.

§ **A.2.2.8** The Owner shall, at the request of the Design-Builder, prior to execution of the Design-Build Contract and promptly upon request thereafter, furnish to the Design-Builder reasonable evidence that financial arrangements have been made to fulfill the Owner's obligations under the Design-Build Documents.

§ **A.2.2.9** The Owner shall communicate through the Design-Builder with persons or entities employed or retained by the Design-Builder, unless otherwise directed by the Design-Builder.

§ **A.2.2.10** The Design-Builder shall furnish at Design-Builder 's expense the services of geotechnical engineers or other consultants, to be paid by the Design-Builder, for subsoil, air and water conditions when such services are deemed reasonably necessary by the Design-Builder to properly carry out the design services provided by the Design-Builder and the Design-Builder's Architect. Such services may include, but are not limited to, test borings, test pits, determinations of soil bearing values, percolation tests, evaluations of hazardous materials, ground corrosion and resistivity tests, and necessary operations for anticipating subsoil conditions. The services of geotechnical engineer(s) or other consultants shall include preparation and submission of all appropriate reports and professional recommendations.

§ **A.2.2.11** The Owner shall promptly obtain easements, zoning variances, and legal authorizations regarding site utilization where essential to the execution of the Owner 's program.

§ **A.2.3 OWNER REVIEW AND INSPECTION**

§ **A.2.3.1** The Owner shall review and approve or take other appropriate action upon the Design-Builder's submittals, including but not limited to design and construction documents, required by the Design-Build Documents, but only for the limited purpose of checking for conformance with information given and the design concept expressed in the Design-Build Documents. The Owner's action shall be taken with such reasonable promptness as to cause no delay in the Work or in the activities of the Design-Builder or separate contractors. Review of such submittals is not conducted

for the purpose of determining the accuracy and completeness of other details, such as dimensions and quantities, or for substantiating instructions for installation or performance of equipment or systems, all of which remain the responsibility of the Design-Builder as required by the Design-Build Documents.

§ **A.2.3.2** Upon review of the design documents, construction documents, or other submittals required by the Design-Build Documents, the Owner shall take one of the following actions:

.1 Determine that the documents or submittals are in conformance with the Design-Build Documents and approve them.

.2 Determine that the documents or submittals are in conformance with the Design-Build Documents but request changes in the documents or submittals which shall be implemented by a Change in the Work.

.3 Determine that the documents or submittals are not in conformity with the Design-Build Documents and reject them.

.4 Determine that the documents or submittals are not in conformity with the Design-Build Documents, but accept them by implementing a Change in the Work.

.5 Determine that the documents or submittals are not in conformity with the Design-Build Documents, but accept them and request changes in the documents or submittals which shall be implemented by a Change in the Work.

§ **A.2.3.3** The Design-Builder shall submit to the Owner for the Owner's approval, pursuant to Section A.2.3.1 , any proposed change or deviation to previously approved documents or submittals. The Owner shall review each proposed change or deviation to previously approved documents or submittals which the Design-Builder submits to the Owner for the Owner 's approval with reasonable promptness in accordance with Section A.2.3.1 and shall make one of the determinations described in Section A.2.3.2.

§ **A.2.3.4** Notwithstanding the Owner 's responsibility under Section A.2.3.2, the Owner 's review and approval of the Design-Builder's documents or submittals shall not relieve the Design-Builder of responsibility for compliance with the Design-Build Documents unless a) the Design-Builder has notified the Owner in writing of the deviation prior to approval by the Owner or, b) the Owner bas approved a Change in the Work reflecting any deviations from the requirements of the Design-Build Documents.

§ **A.2.3.5** The Owner may visit the site to keep informed about the progress and quality of the portion of the Work completed. However, the Owner shall not be required to make exhaustive or continuous on-site inspections to check the quality or quantity of the Work. Visits by the Owner shall not be construed to create an obligation on the part of the Owner to make on-site inspections to check the quantity or quality of the Work. The Owner shall neither have control over or charge of, nor be responsible for, the construction means, methods, techniques, sequences or procedures, or for the safety precautions and programs in connection with the Work, since these are solely the Design-Builder's rights and responsibilities under the Design-Build Documents, except as provided in Section A.3.3.7.

§ **A.2.3.6** The Owner shall not be responsible for the Design-Builder's failure to perform the Work in accordance with the requirements of the Design-Build Documents. The Owner shall not have control over or charge of and will not be responsible for acts or omissions of the Design-Builder, Architect, Contractors, or their agents or employees, or any other persons or entities performing portions of the Work for the Design-Builder.

§ **A.2.3.7** The Owner may reject Work that does not conform to the Design-Build Documents. Whenever the Owner considers it necessary or advisable, the Owner shall have authority to require inspection or testing of the Work in accordance with Section A.l3.5.2, whether or not such Work is fabricated, installed or completed. However, neither this authority of the Owner nor a decision made in good faith either to exercise or not to exercise such authority shall give rise to a duty or responsibility of the Owner to the Design-Builder, the Architect, Contractors, material and equipment suppliers, their agents or employees, or other persons or entities performing portions of the Work.

§ **A.2.3.8** The Owner may appoint an on-site project representative to observe the Work and to have such other responsibilities as the Owner desires.

§ **A.2.3.9** The Owner may conduct inspections to confirm or determine the date or dates of Substantial Completion and the date of final completion are being met by Design-Builder.

§ A.2.4 OWNER'S RIGHT TO STOP WORK

§ A.2.4.1 If the Design-Builder fails to correct Work which is not in accordance with the requirements of the Design-Build Documents as required by Section A.l2.2 or persistently fails to carry out Work in accordance with the Design-Build Documents, the Owner may issue a written order to the Design-Builder to stop the Work, or any portion thereof: until the cause for such order has been eliminated; however, the right of the Owner to stop the Work shall not give rise to a duty on the part of the Owner to exercise this right for the benefit of the Design-Builder or any other person or entity, except to the extent required by Section A.6.1.3.

§ A.2.5 OWNER'S RIGHT TO CARRY OUT THE WORK

§ A.2.5.1 If the Design-Builder defaults or neglects to carry out the Work in accordance with the Design-Build Documents and fails within a seven-day period after receipt of written notice from the Owner to commence and continue correction of such default or neglect with diligence and promptness, the Owner may after such seven-day period give the Design-Builder a second written notice to correct such deficiencies within a three-day period. If the Design-Builder within such three-day period after receipt of such second notice fails to commence and continue to correct any deficiencies, the Owner may, without prejudice to other remedies the Owner may have, correct such deficiencies. In such case, an appropriate Change Order shall be issued deducting from payments then or thereafter due the Design-Builder the reasonable cost of correcting such deficiencies. If payments due the Design-Builder are not sufficient to cover such amounts, the Design-Builder shall pay the difference to the Owner.

ARTICLE A.3 DESIGN-BUILDER

§ A.3.1 GENERAL

§ A.3.1.1 The Design-Builder is the person or entity identified as such in the Agreement and is referred to throughout the Design-Build Documents as if singular in number. The Design -Builder may be an architect or other design professional, a construction contractor, a real estate developer or any other person or entity legally permitted to do business as a design-builder in the location where the Project is located. The term "Design-Builder" means the Design-Builder or the Design-Builder's authorized representative. The Design-Builder's representative is authorized to act on the Design-Builder's behalf with respect to the Project.

(Table deleted)

§ A.3.1.2 The

(Paragraphs deleted)

Design-Builder shall perform the Work in accordance with the Design-Build Documents.

(Table deleted)

§ A.3.2 DESIGN SERVICES AND RESPONSIBILITIES

§ A.3.2.1 When applicable law requires that services be performed by licensed professionals, the Design-Builder shall provide those services through the performance of qualified persons or entities duly licensed to practice their professions. The Owner understands and agrees that the services performed by the Design-Builder's Architect and the Design-Builder's other design professionals and consultants are undertaken and performed in the sole interest of and for the exclusive benefit of the Design-Builder.

§ A.3.2.2 The agreements between the Design-Builder and Architect or other design professionals identified in the Agreement and in any subsequent Modifications, shall be in writing. These agreements, including services and financial arrangements with respect to this Project, shall be promptly and fully disclosed to the Owner upon the Owner's written request.

§ A.3.2.3 The Design-Builder shall be responsible to the Owner for acts and omissions of the Design-Builder's employees, Architect, Contractors, Subcontractors and their agents and employees, and other persons or entities, including the Architect and other design professionals, performing any portion of the Design-Builder's obligations under the Design-Build Documents.

§ A.3.2.4 The Design-Builder shall carefully study and compare the Design-Build Documents, materials and other information provided by the Owner pursuant to Section A.2.2, shall take field measurements of any existing conditions related to the Work, shall observe any conditions at the site affecting the Work, and report promptly to the Owner any errors, inconsistencies or omissions discovered.

§ A.3.2.5 The Design-Builder shall provide to the Owner for Owner's written approval design documents sufficient to establish the size, quality and character of the Project; its architectural, structural, mechanical and electrical systems; and the materials and such other elements of the Project to the extent required by the Design-Build Documents.

Deviations, if any, from the Design-Build Documents shall be disclosed to and approved by the Owner in writing which approval shall not be unreasonably withheld, conditioned or delayed.

§ A.3.2.6 Upon the Owner's written approval of the design documents submitted by the Design-Builder, the Design-Builder shall provide construction documents for review and written approval by the Owner. The construction documents shall set forth in detail the requirements for construction of the Project. The construction documents shall include drawings and specifications that establish the quality levels of materials and systems required. Deviations, if any, from the Design-Build Documents shall be disclosed in writing. Construction documents may include drawings, specifications, and other documents and electronic data setting forth in detail the requirements for construction of the Work, and shall:

.1 be consistent with the approved design documents;

.2 provide information for the use of those in the building trades; and

.3 include documents customarily required for regulatory agency approvals.

§ A.3.2.6.1 (Intentionally omitted.)

§ A.3.2.7 The Design-Builder shall meet with the Owner periodically to review progress of the design and construction documents.

§ A.3.2.8 Upon the Owner's written approval of construction documents, the Design-Builder, with the assistance of the Owner, shall prepare and file documents required to obtain necessary approvals of governmental authorities having jurisdiction over the Project.

§ A.3.2.9 The Design-Builder shall obtain from each of the Design-Builder's professionals and furnish to the Owner certifications with respect to the documents and services provided by such professionals (a) that, to the best of their knowledge, information and belief, the documents or services to which such certifications relate (i) are consistent with the Project Criteria set forth in the Design-Build Documents, except to the extent specifically identified in such certificate, (ii) comply with applicable professional practice standards, and (iii) comply with applicable laws, ordinances, codes, rules and regulations governing the design of the Project; and (b) that the Owner and its consultants shall be entitled to rely upon the accuracy of the representations and statements contained in such certifications.

§ A.3.2.10 If the Owner requests the Design-Builder, the Architect or the Design-Builder's other design professionals to execute certificates other than those required by Section A.3.2.9, the proposed language of such certificates shall be submitted to the Design-Builder, or the Architect and such design professionals through the Design-Builder, for review and negotiation at least 14 days prior to the requested dates of execution. Neither the Design-Builder, the Architect nor such other design professionals shall be required to execute certificates that would require knowledge, services or responsibilities beyond the scope of their respective agreements with the Owner or Design-Builder.

§ A.3.2.11 The Design-Builder shall provide coordination of construction performed by the Owner 's own forces or separate contractors employed by the Owner, and coordination of services required in connection with constmction performed and equipment supplied by the Owner.

§ A.3.3 CONSTRUCTION

§ A.3.3.1 The Design-Builder shall perform no construction Work prior to the Owner's review and approval of the construction documents. The Design-Builder shall perform no portion of the Work for which the Design-Build Documents require the Owner's review of submittals, such as Shop Drawings, Product Data and Samples, until the Owner has approved each submittal.

§ A.3.3.2 The construction Work shall be in accordance with approved submittals, except that the Design-Builder shall not be relieved of responsibility for deviations from requirements of the Design-Build Documents by the Owner 's approval of design and construction documents or other submittals such as Shop Drawings, Product Data, Samples or other submittals unless the Design-Builder has specifically informed the Owner in writing of such deviation at the time of submittal and (1) the Owner has given written approval to the specific deviation as a minor change in the Work, or (2) a Change Order or Construction Change Directive has been issued authorizing the deviation. The Design-Builder shall not be relieved of responsibility for errors or omissions in design and construction documents or other submittals such as Shop Drawings, Product Data, Samples or other submittals by the Owner's approval thereof.

§ **A.3.3.3** The Design-Builder shall direct specific attention, in wTiting or on resubmitted design and construction documents or other submittals such as Shop Drawings, Product Data, Samples or similar submittals, to revisions other than those requested by the Owner on previous submittals. In the absence of such written notice, the Owner's approval of a resubmission shall not apply to such revisions.

§ **A.3.3.4** When the Design-Build Documents require that a Contractor provide professional design services or certifications related to systems, materials or equipment, or when the Design-Builder in its discretion provides such design services or certifications through a Contractor, the Design-Builder shall cause professional design services or certifications to be provided by a properly licensed design professional, whose signature and seal shall appear on all drawings, calculations, specifications, certifications, Shop Drawings and other submittals prepared by such professional. Shop Drawings and other submittals related to the Work designed or certified by such professionals, if prepared by others, shall bear such design professional's written approval. The Owner shall be entitled to rely upon the adequacy, accuracy and completeness of the services, certifications or approvals performed by such design professionals.

§ **A.3.3.5** The Design-Builder shall be solely responsible for and have control over all construction means, methods, techniques, sequences and procedures and for coordinating all portions of the Work under the Design-Build Documents.

§ **A.3.3.6** The Design-Builder shall keep the Owner informed of the progress and quality of the Work.

§ **A.3.3.7** The Design-Builder shall be responsible for the supervision and direction of the Work, using the Design-Builder's best skill and attention. If the Design-Build Documents give specific instructions concerning construction means, methods, techniques, sequences or procedures,

the Design-Builder shall evaluate the jobsite safety thereof and, except as stated below, shall be fully and solely responsible for the jobsite safety of such means, methods, techniques, sequences or procedures. If the Design-Builder determines that such means, methods, techniques, sequences or procedures may not be safe, the Design-Builder shall give timely written notice to the Owner and shall not proceed with that portion of the Work without further written instructions from the Owner. If the Design-Builder is then instructed to proceed with the required means, methods, techniques, sequences or procedures without acceptance of changes proposed by the Design-Builder, the Owner shall be solely responsible for any resulting loss or damage.

§ **A.3.3.8** The Design-Builder shall be responsible for inspection of portions of Work already performed to determine that such portions are in proper condition to receive subsequent Work.

§ **A.3.4 LABOR AND MATERIALS**

§ **A.3.4.1** Unless otherwise provided in the Design-Build Documents, the Design-Builder shall provide or cause to be provided and shall pay for design services, labor, materials, equipment, tools, construction equipment and machinery, water, heat, utilities, transportation and other facilities and services necessary for proper execution and completion of the Work, whether temporary or permanent and whether or not incorporated or to be incorporated in the Work.

§ **A.3.4.2** When a material is specified in the Design-Build Documents, the Design-Builder may make substitutions only with the consent ofthe Owner and, if appropriate, in accordance with a Change Order.

§ **A.3.4.3** The Design-Builder shall enforce strict discipline and good order among the Design-Builder's employees and other persons carrying out the Design-Build Contract. The Design-Builder shall not permit employment of unfit persons or persons not skilled in tasks assigned to them.

§ **A.3.5 WARRANTY**

§ **A.3.5.1** The Design-Builder warrants to the Owner for a period of one year (and as to latent defects for a longer period if permitted by Arizona law) after Substantial Completion of the entire Work that materials and equipment furnished under the Design-Build Documents will be of good quality and new unless otherwise required or permitted by the Design-Build Documents, that the Work will be free from defects not inherent in the quality required or permitted by law or otherwise, and that the Work will conform to the requirements of the Design-Build Documents. Work not conforming to these requirements, including substitutions not properly approved and authorized, may be considered defective. The Design-Builder's warranty excludes remedy for damage or defect caused by abuse, modifications not executed by the Design-Builder, improper or insufficient maintenance, improper operation, or

normal wear and tear and normal usage. If required by the Owner, the Design-Builder shall furnish satisfactory evidence as to the kind and quality of materials and equipment. This one year limitation of the warranty period shall not apply to latent defects which Owner discovers after the one year warranty period. The Owner expressly retains its right under this agreement and under Arizona law to pursue claims for breach of warranty as to latent defects and breach of contract as to defective Work and Work not conforming with the Design-Build Documents. Likewise, the one year limitation on the warranty period shall not apply to express warranties provided by Design-Builder's contractors, subcontractors, suppliers, manufacturers, fabricators and materialmen where such express warranties are longer than 1 year.

§ A.3.6 TAXES

§ A.3.6.1 The Design-Builder shall pay all sales, consumer, use and similar taxes for the Work in accordance with the laws of the state and other taxing authorities in the jurisdiction where the Project is located which had been legally enacted on the date of the Agreement, whether or not yet effective or merely scheduled to go into effect.

§ A.3.7 PERMITS, FEES AND NOTICES

§ A.3.7.1 The Design-Builder shall secure and pay for building and other permits and governmental fees, licenses and inspections necessary for the proper execution and completion of the Work which are customarily secured after execution of the Design-Build Contract and which were legally required on the date the Owner accepted the Design-Builder's proposal.

§ A.3.7.2 The Design-Builder shall comply with and give notices required by laws, ordinances, rules, regulations and lawful orders of public authorities relating to the Project.

§ A.3.7.3 It is the Design-Builder's responsibility to ascertain that the Work is in accordance with applicable laws, ordinances, codes, rules and regulations.

§ A.3.7.4 If the Design-Builder performs Work contrary to applicable laws, ordinances, codes, rules and regulations, the Design-Builder shall assume responsibility for such Work and shall bear the costs attributable to correction.

§ A.3.8 ALLOWANCES

§ A.3.8.1 The Design-Builder shall include in the Contract Sum all allowances listed and described in Exhibit "L" of the Design-Build Documents, if any.

§ A.3.8.2 Unless otherwise provided in Exhibit "L" (or unless inconsistent with Exhibit "L:" in which case Exhibit "L" is controlling) of the Design-Build Documents:

.1 allowances shall cover the cost to the Design-Builder of materials and equipment delivered at the site and all required taxes, less applicable trade discounts;

.2 Design-Builder's costs for unloading and handling at the site, labor, installation costs, overhead, profit and other expenses contemplated for stated allowance amounts shall be included in the Contract Sum but not in the allowances; and

.3 whenever costs are more than or less than allowances, the Contract Sum shall be adjusted accordingly by Change Order. The amount of the Change Order shall reflect (I) the difference between actual costs and the allowances under Section A.3.8.2. I and (2) changes in Design-Builder's costs under Section A.3.8.2.2.

§ A.3.8.3 Materials and equipment under an allowance shall be selected by the Owner in sufficient time to avoid delay in the Work.

§ A.3.9 DESIGN-BUILDER'S SCHEDULES

§ A.3.9.1 The Design-Builder's Schedule for the Work is attached as Exhibit "B". The "Project Schedule" described in Exhibit "B" shall be delivered to the Owner within 90 days from receipt by Design-Builder of Owner's Notice to Proceed. The Project Schedule shall not exceed time limits and shall be in such detail as required under the Design-Build Documents, shall be revised at appropriate intervals as required by the conditions of the Work and Project, shall be related to the entire Project to the extent required by the Design-Build Documents, shall provide for expeditious and practicable execution of the Work and shall include allowances for periods of time required for the Owner's review and for approval of submissions by authorities having jurisdiction over the Project and sha ll include the Owner's Scheduled Events as defined in Exhibit "L-1".

§ **A.3.9.2** The Design-Builder shall prepare and keep current a schedule of submittals required by the Design-Build Documents.

§ **A.3.9.3** TIl e Design-Builder shall perform th e Work in general accordance with the Owner approved Project Schedul e submitted to and approved in writing by the Owner, which approval shall not be unreasonably withheld, conditioned or delayed.

§ **A.3.10 DOCUMENTS AND SAMPLES AT THE SITE**

(Paragraphs deleted)

§ **A.3.10.1** The Design-Builder shall maintain at the site for the Owner one record copy of the drawings, specifications, addenda, Change Orders and other Modifications, in good order and marked currently to record field changes and selections made during construction, and one record copy of approved Shop Drawings, Product Data, Samples and similar required submittals. These shall be delivered to the Owner upon completion of the Work.

§ **A.3.11 SHOP DRAWINGS, PRODUCT DATA AND SAMPLES**

§ **A.3.11.1** Shop Drawings are drawings, diagrams, schedules and other data specially prepared for the Work by the Design-Builder or a Contractor, Subcontractor, manufacturer, supplier or distributor to illustrate some portion of the Work.

§ **A.3.11.2** Product Data are illustrations, standard schedules, performance charts, instructions, brochures, diagrams and other information furnished by the Design-Builder to illustrate materials or equipment for some portion of the Work.

§ **A.3.11.3** Samples are physical examples that illustrate materials, equipment or workmanship and establish standards by which the Work will be judged.

§ **A.3.11.4** Shop Drawings, Product Data, Samples and similar submittals are not Design-Build Documents. The purpose of their submittal is to demonstrate for those portions of the Work for which submittals are required by the Design-Build Documents the way by which the Design-Builder proposes to conform to the Design-Build Documents.

§ **A.3.11.5** The Design-Builder shall review for compliance with the Design-Build Documents and approve and submit to the Owner only those Shop Drawings, Product Data, Samples and similar submittals required by the Design-Build Documents with reasonable promptness and in such sequence as to cause no delay in the Work or in the activities of the Owner or of separate contractors.

§ **A.3.11.6** By approving and submitting Shop Drawings, Product Data, Samples and similar submittals, the Design-Builder represents that the Design-Builder has determined and verified materials, field measurements and field construction criteria related thereto, or will do so, and bas checked and coordinated the information contained within such submittals with the requirements of the Work and of the Design-Build Documents.

§ **A.3.12 USE OF SITE**

§ **A.3.12.1** The Design-Builder shall confine operations at the site to areas permitted by law, ordinances, permits and the Design-Build Documents, and shall not unreasonably encumber the site with materials or equipment.

§ **A.3.13 CUTTING AND PATCHING**

§ **A.3.13.1** The Design-Builder shall be responsible for cutting, fitting or patching required to complete the Work or to make its parts fit together properly.

§ **A.3.13.2** The Design-Builder shall not damage or endanger a portion of the Work or fully or partially completed construction of the Owner or separate contractors by cutting, patching or otherwise altering such construction or by excavation. The Design-Builder shall not cut or otherwise alter such construction by the Owner or a separate contractor except with written consent of the Owner and of such separate contractor; such consent shall not be unreasonably withheld. The Design-Builder shall not unreasonably withhold from the Owner or a separate contractor the Design-Builder's consent to cutting or otherwise altering the Work.

§ **A.3.14 CLEANING UP**

§ **A.3.14.1** The Design-Builder shall keep the premises and surrounding area free from accumulation of waste materials or rubbish caused by operations under the Design-Build Contract. At completion of the Work, the Design-Builder shall remove from and about the Project waste materials, rubbish, the Design-Builder's tools, construction equipment, machinery and surplus materials.

§ **A.3.14.2** If the Design-Builder fails to clean up as provided in the Design-Build Documents, the Owner may do so and the cost thereof shall be charged to the Design-Bu ilder.

§ **A.3.15ACCESS TO WORK**

§ **A.3.15.1** The Design-Builder shall provide the Owner access to the Work in preparation and progress wherever located.

§ **A.3.16 ROYALTIES, PATENTS AND COPYRIGHTS**

§ **A.3.16.1** The Design-Builder shall pay all royalties and license fees. The Design-Builder shall defend suits or claims for infringement of copyrights and patent rights and shall hold the Owner harmless from loss on account thereof unless such claims for infringement were the result of directives from the Owner.

§ **A.3.171NDEMNIFICATION**

§ **A.3.17.1** To the fullest extent permitted by law, the Design-Builder and its Contractors and Subcontractors shall indemnify and hold harmless the Owner and Owner's consultants, and agents and employees of any of them ("the Indemnitees") from and against claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of or resulting from performance of the Work, provided that such claim, damage, loss or expense is attributable to bodily injury, sickness, disease or death or to injury to or destruction of tangible property other than the Work itself, but only to the extent caused by the negligent acts or omissions of the Design-Builder, Architect, a Contractor, a Subcontractor, anyone directly or indirectly empl oyed by them or anyone for whose acts they may be liable, regardless of whether or not such claim, damage, loss or expense is caused in part by a party indemnified hereunder. Such obligation shall

not be construed to negate, abridge or reduce other rights or obligations of indemnity that would otherwise exist as to a party or person described in this Section A.3.17. Design-Builder shall require its Contractors and Subcontractors to include in their contracts indemnification clauses in favor of the Owners with the indemnification provision above required of the Design-Builder.

§ **A.3.17.2** In claims against any person or entity indemnified under this Section A.3.17 by an employee of the Design-Builder, the Architect, a Contractor, a Subcontractor, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, the indemnification obligation under Section A.3.17.1 shall not be limited by a limitation on amount or type of damages, compensation or benefits payable by or for the Design-Builder, the Architect or a Contractor or a Subcontractor under workers' compensation acts, disability benefit acts or other employee benefit acts.

ARTICLE A.4 DISPUTE RESOLUTION

(Paragraphs deleted) (Table deleted) (Paragraphs deleted) (Table deleted)

§ **A.4.1**

(Paragraphs deleted)

CLAIMS AND DISPUTES

§ **A.4.1.1 Definition.** A Claim is a demand or assertion by one of the parties seeking, as a matter of right, adjustment or interpretation of Design-Build Contract terms, payment of money, extension of time or other relief with respect to the terms of the Design-Build Contract. The term "Claim" also includes other disputes and matters in question between the Owner and Design-Builder arising out of or relating to the Design-Build Contract. Claims must be initiated by written notice. The responsibility to substantiate Claims shall rest with the party making the Claim.

§ **A.4.1.2 Time Limits on Claims.** Claims by either party must be initiated within 21 days after occurrence of the event giving rise to such Claim or within 21 days after the claimant first recognizes the condition giving rise to the Claim, whichever is later. Claims must be initiated by written notice to the other party.

Init.

§ A.4.1.3 Continuing Performance. Pen cling final resolution of a Claim, except as otherwise agreed in writing or as provided in Section A.9.7.1 and Article A.l4, the Design-Builder shall proceed diligently with performance of the Design-Build Contract and the Owner shall continue to make payments in accordance with the Design-Build Documents.

§ A.4.1.4 Claims for Concealed or Unknown Conditions. If conditions are encountered at the site which are (I) subsurface or otherwise concealed physical conditions which differ materially from those indicated in the Design-Build Documents or tests or reports, including geotechnical tests and reports, furnished to Design-Builder by Owner or tests or reports, inclucling geotechnical tests and reports, or observations carried out by Design-Builder as part of the preconstruction Agreement between Design-Builder and Owner or (2) unknown physical conditions of an unusual nature which differ materially from those ordinarily found to exist and generally recognized as inherent in construction activities of the character provided for in the Design-Build Documents or tests or reports, including geotechnical tests and reports, furnished to Design-Builder by Owner or tests, reports, including geotechnical tests and reports, or observations carried out by Design-Builder as part of the preconstruction Agreement between Design-Builder and Owner, then the observing party shall give notice to the other party promptly before conditions are disturbed and in no event later than 5 days after first observance of the conditions. The Owner shall promptly investigate such conditions and, if they differ materially and cause an increase or decrease in the Design-Builder's cost of the Work, shall negotiate with the Design-Builder an equitable adjustment in the Contract Sum. If the Owner determines that the conditions at the site are not materially different from those indicated in the Design-Build Documents and that no change in the terms of the Design-Build Contract is justified, the Owner shall so notify the Design-Builder in writing, stating the reasons. Claims by the Design-Builder in opposition to such determination must be made within 5 days after the Owner has given notice of the decision. If the conditions encountered are materially different, the Contract Sum shall be equitably adjusted, but if the Owner and Design-Builder cannot agree on an adjustment in the Contract Sum, the adjustment shall proceed pursuant to Section A.7.3.6.

§ A.4.1.5 Claims for Additional Cost If the Design-Builder wishes to make Claim for an increase in the Contract Sum, written notice as provided herein shall be given before proceecling to execute the Work. Prior notice is not required for Claims relating to an emergency endangering life or property arising under Section A.l 0.6, provided, however, Design-Builder shall provide prompt written notice as soon as practicable after the occurrence of the emergency giving rise to such Claim.

§ A.4.1.6 If the Design-Builder believes additional cost is involved for reasons inclucling but not limited to (1) an order by the Owner to stop the Work where the Design-Builder was not at fault, (2) a written order for the Work issued by the Owner, (3) failure of payment of undisputed amounts by the Owner, (4) tennination of the Design-Build Contract by the Owner, (5) Owner's suspension or (6) other reasonable grounds permitted by this Part 2 Agreement, Claim shall be filed in accordance with this Section A.4.1.

§ A.4.1.7 Claims for Additional Time

§ A.4.1.7.1 If the Design-Builder wishes to make Clain1 for an increase in the Contract Time, written notice as provided herein shall be given. The Design-Builder's Claim shall include an estimate of the time and its effect on the progress of the Work. In the case of a continuing delay, only one Claim is necessary.

§ A.4.1.7.2 Design-Builder expressly assumes the risk of all weather delays of every kind and nature.

§ A.4.1.8 Injury or Damage to Person or Property. If either party to the Design-Build Contract suffers injury or damage to person or property because of an act or omission of the other party or of others for whose acts such party is legally responsible, written notice of such injury or damage, whether or not insured, shall be given to the other party within a reasonable time not exceeding 21 days after discovery. The notice shall provide sufficient detail to enable the other party to investigate the matter.

§ A.4.1.9 If unit prices are stated in the Design-Build Documents or subsequently agreed upon, and if quantities originally contemplated are materially changed in a proposed Change Order or Construction Change Directive so that application of such unit prices to quantities of Work proposed will cause substantial inequity to the Owner or Design-Builder, the applicable unit prices shall be equitably adjusted.

§ **A.4.1.10 Claims for Consequential Damages.** Design-Builder and Owner waive Claims against each other for the consequential damages described below arising out of or relatin g to the Design-Build Contract. This mutual waiver includes:

.1 damages incurred by the Owner for rental expen ses, financing, business and reputation, and for loss of management or employee productivity or of the services of such persons; and

.2 damages incurred by the Design-Builder for principal office expenses including the compensation of personnel stationed there, for losses of financing, business and reputation , and for loss of profit except anticipated profit arising directly from the Work.

This mutual waiver is applicabl e, without limitation, to all consequential damages described above due to either party's termination in accordance with Article A.l4 . Nothing contained in this Section A.4.1.10 shall be deemed to preclude an award of liquidated damages, when applicable, in accordance with the requirements of the Design-Build Documents.

§ **A.4.1.11** If the enactment or revision of codes, laws or regul ations or official interpretations which govern the Project cause an increase or d ecrease of the Design-Builder 's cost of performance of the Work , the Design-Builder (if an increase) and the Owner (if a decrease) shall be entitled to an equitable adjustment in Contract Sum. If the Owner and Design-Builder cannot agree upon an adjustment in the Contract Sum, the Design-Builder or Owner shall submit a Claim pursuant to Section A.4.1.

§ **A.4.2**
(Paragraphs deleted)
RESOLUTION OF CLAIMS AND DISPUTES
§ **A.4.2.1** In the event of a Claim against the Design -Builder, the Owner may, but is not obligated to, notify the surety, if any, of the nature and amount of the Claim. If the Claim relates to a possibil ity of a Design-Builder's default, the
Owner may, but is not obligated to, notify the surety and request the surety's assistance in resolving the controversy.

§ **A.4.2.2** If a Claim relates to or is the subject of a mechanic' s lien, the party asserting such Claim may proceed in a ccordance with applicable law to comply with the lien notice or filing deadlines prior to initial resolution of the Claim.

ARTICLE A.5 AWARD OF CONTRACTS
§ **A.5.1** Unless otherwise stated in the Design -Bu ild Documents or the bidding or proposal requirements, the
Design-Builder, as soon as practicab le after award of the Design-Build Contract, shall fumish in writing to the Owner the names of additional persons or entities not ori ginally included in the Design-Builder's proposal or in substitution of a person or entity (incl udin g those who are to furnish design services or materials or equipment fabricated to a special design) proposed for each principal portion of the Work. The Owner will promptly reply to the Design-Builder in writing stating whether or not the Owner has reasonable objection to any such proposed additional person or entity. Failure of the Owner to reply promptly shall constitute notice of no reasonable objection . Design-Builder reserves the right to self perform portions of the Work provided that such proposed Scope of Work is approved in writin g by Owner prior to commencement of su ch Work . Owner expressly reserves the right, in its sole discretion, to withhold approval of Scopes of self performed Work proposed by Design-Builder.

§ **A.5.2** The Design-Builder shall not contract with a proposed person or entity to whom which the Owner has made reasonable and timely objection. The Design-Builder shall not be required to contract with anyone to whom the Design-Bui lder bas made reasonable objection.

§ **A.5.3** If the Owner has reasonable objection to a person or entity proposed by the Design-Builder, the Design-Builder shall propose another to whom the Owner has no reasonable objection. If the proposed but rejected additional person or entity was reasonably capable of performing the Work, the Contract Sum shall be increased or decreased by the difference, if any, occasioned by such change, and an appropriate Change Ord er shall be issued before commencement of the substitute person's or entity's Work. However, no increase in the Contract Sum shall be allowed for such change un l ess the Design-Builder bas acted promptly and responsively in submitting names as required.

§ **A.5.4** The Design-Builder shall not change a person or entity previously selected if the Owner makes reasonabl e objection to such substitute.

§ **A.5.5 CONTINGENT ASSIGNMENT OF CONTRACTS**
§ **A.5.5.1** Each agreement for a portion of the Work is assigned by the Design-Builder to the Owner provided that:
.1 assignment is effective only after termination of the Design-Build Contract for any reason and only for those agreements which the Owner accepts by notifying the contractor in writing; and
.2 assignment is subject to the prior rights of the surety, if any, obligated under bond relating to the Design-Build Contract.

§ **A.5.5.2** Upon such assignment, i f the Work has been suspended for more than 3 0 days, the Contractor's compensation shall be equitably adjusted for increases in cost resulting from the suspension.

§ **A.5.6** All of Design-Builder's contracts and subcontracts shall: (1) provide that Owner will be an additional indemnified party of the contract to the same extent Design-Builder is indemnified by the other party, (2) provide that Owner will be an additional insured on all insurance policies required to be provided by the other party except for any workers' compensation and professional liability policies, and (3) require Owner to be identified as an additional obligee on all bonds provided by the other party.

ARTICLE A.6 CONSTRUCTION BY OWNER OR BY SEPARATE CONTRACTORS
§ **A.6.1 OWNER'S RIGHT TO PERFORM CONSTRUCTION AND TO AWARD SEPARATE CONTRACTS**
§ **A.6.1.1** The Owner reserves the right to perform construction or operations related to the Project with the Owner's own forces and to award separate contracts in connection with other portions of the Project or other construction or operations on the site. The Design-Builder shall cooperate with the Owner and separate contractors whose work might interfere with the Design-Builder's Work. If the Design-Builder claims that delay or adclitional cost is involved because of such action by the Owner, the Design-Builder shall make such Claim as provided in Section A.4.1.

§ **A.6.1.2** The term "separate contractor" shall mean any contractor retained by the Owner pursuant to Section A.6.1.1.

§ **A.6.1.3** The Owner shall provide for coordination of the activities of the Owner's own forces and of each separate contractor with the work of the Design-Builder, who shall cooperate with them. T1 l e Design-Builder shall participate with other separate contractors and the Owner in reviewing their construction schedules when directed to do so. The Design-Builder shall make any revisions to the construction schedule deemed necessary after a joint review and mutual agreement. The construction schedules shall then constitute the schedules to be used by the Design-Builder, separate contractors and the Owner until subsequently revised.

§ **A.6.2 MUTUAL RESPONSIBILITY**
§ **A.6.2.1** The Design-Builder shall afford the Owner and separate contractors reasonable opportunity for introduction and storage o f their materials and equipment and performance of their activities and shall connect and coordinate the Design-Builder's construction and operations with theirs as required by the Design-Build Documents.

§ **A.6.2.2** If part of the Design-Builder's Work depends for proper execution or results upon design, construction or operations by the Owner or a separate contractor, the Design-Builder shall, prior to proceeding with that portion of the Work, promptly report to t h e Owner apparent discrepancies or defects in such other construction that would render it unsuitable for such proper execution and results. Failure of the Design-Builder so to report shall constitute an acknowledgement that the Owner's or separate contractor's completed or partially completed construction is fit and proper to receive the Design-Builder's Work, except as to defects not then reasonably discoverable.

§ **A.6.2.3** The Owner shall be reimbursed by the Design-Builder for costs incuned by the Owner which are payable to a separate contractor because o f delays, improperly timed activities or defective construction of the Design-Builder. The Owner shall be responsible to the Design-Builder for costs incurred by the Design-Builder because of delays, improperly timed activities, damage to the Work or defective construction of a separate contractor.

§ **A.6.2.4** The Design-Builder shall promptly remedy damage wrongfully caused by the Design-Builder t o completed or partially completed construction or to property of the Owner or separate contractors.

§ **A.6.2.5** The Owner and each separate contractor shall have the same responsibilities for cutting and patching as are described in Section A.3.13.

§ **A.6.3 OWNER'S RIGHT TO CLEAN UP**

§ **A.6.3.1** If a dispute arises among the Design-Builder, separate contractors and the Owner as to the responsibility under their respective contracts for maintaining the premises and surrounding area free from waste materials and rubbish, the Owner may clean up and the Owner shall allocate the cost among those responsible.

ARTICLE A.7 CHANGES IN THE WORK

§ **A.7.1 GENERAL**

§ **A.7.1.1** Changes in the Work may be accomplished after execution of the Design-Build Contract, and without invalidating the Design-Build Contract, by Change Order or Construction Change Directive, subject to the limitations stated in this Article A.7 and elsewhere in the Design-Build Documents.

§ **A.7.1.2** A Change Order shall be based upon agreement between the Owner and Design-Builder. A Construction Change Directive may be issued by the Owner with or without agreement by the Design-Builder.

§ **A.7.1.3** Changes in the Work shall be performed under applicable provisions of the Design-Build Documents, and the Design-Builder shall proceed promptly, unless otherwise provided in the Change Order or Construction Change Directive.

§ **A.7.2 CHANGE ORDERS**

§ **A.7.2.1** A Change Order is a written instrument signed by the Owner and Design-Builder stating their agreement upon all of the following:

.1 a change in the Work;
.2 the amount of the adjustment, if any, in the Contract Sum; and
.3 the extent of the adjustment, if any, in the Contract Time.

§ **A.7.2.2** (Intentionally omitted.)

§ **A.7.2.3** Methods used in determining adjustments to the Contract Sum may include those listed in Section A.7.3.3.

§ **A.7.3 CONSTRUCTION CHANGE DIRECTIVES**

§ **A.7.3.1** A Construction Change Directive is a written order signed by the Owner directing a change in the Work prior to agreement on adjustment, if any, in the Contract Sum. The Owner may by Construction Change Directive, without invalidating the Design-Build Contract, order changes in the Work within the general scope of the Design-Build Documents consisting of additions, deletions or other revisions, the Contract Sum being adjusted accordingly.

§ **A.7.3.2** A Construction Change Directive shall be used in the absence of total agreement on the terms of a Change Order.

§ **A.7.3.3** If the Construction Change Directive provides for an adjustment to the Contract Sum or Contract Time, or both, the adjustment shall be based on one of the following methods:

.1 mutual acceptance of a lump sum properly itemized and supported by sufficient substantiating data to permit evaluation;
.2 unit prices stated in the Design-Build Documents or subsequently agreed upon, or equitably adjusted as provided in Section A.4.1.9;
.3 cost to be determined in a manner agreed upon by the parties and a mutually acceptable fixed or percentage fee; or
.4 as provided in Section A.7.3.6.

(Paragraph deleted)

§ **A.7.3.4** Upon receipt of a Construction Change Directive, the Design-Builder shall promptly proceed with the change in the Work involved and advise the Owner of the Design-Builder's agreement or disagreement with the method, if any, provided in the Construction Change Directive for determining the proposed adjustment in the Contract Sum.

(Paragraphs deleted)

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§ **A.7.3.5** A Construction Change Directive signed by the Design-Builder indicates the agreement of the Design-Builder therewith, including adjustment in Contract Sum or the method for determining them. Such agreement shall be effective immediately and shall be recorded as a Change Order.

§ **A.7.3.6** If the Design-Builder does not respond promptly or disagrees with the method for adjustment in the Contract Sum, the method and the adjustment shall be determined by the Owner on the basis of reasonable expenditures and savings of those performing the Work attributable to the change, including, in case of an increase in the Contract Sum, a reasonable allowance for overhead and profit. In such case, and also under Section A.7.3.3.3, the Design-Builder shall keep and present, in such form as the Owner may prescribe, an itemized accounting together with appropriate supporting data. Unless otherwise provided in the Design-Build Documents, costs for the purposes of this Section A.7.3.6 shall be limited to the following:

.1 additional costs of professional services;
.2 costs of labor, including social security, old age and unemployment insurance, fringe benefits required by agreement or custom, and workers' compensation insurance;
.3 costs of materials, supplies and equipment, including cost of transportation, whether incorporated or consumed;
.4 rental costs of machinery and equipment, exclusive of hand tools, whether rented from the Design-Builder or others;
.5 costs of premiums for all bonds and insurance, permit fees, and sales, use or similar taxes related to the Work; and
.6 additional costs of supervision and field office personnel directly attributable to the change.

§ **A.7.3.7** The amount of credit to be allowed by the Design-Builder to the Owner for a deletion or change that results in a net decrease in the Contract Sum shall be actual net cost. When both additions and credits covering related Work or substitutions are involved in a change, the allowance for overhead and profit shall be figured on the basis of net increase, if any, with respect to that change.

§ **A.7.3.8** Pending final determination of the total cost of a Construction Change Directive to the Owner, amounts not in dispute for such changes in the Work shall be included in Applications for Payment accompanied by a Change Order indicating the parties' agreement with part or all of such costs. For any portion of such cost that remains in dispute, the Owner shall make an interim determination for purposes of monthly payment for those costs. That determination of cost shall adjust the Contract Sum on the same basis as a Change Order, subject to the right of the Design-Builder

to disagree and assert a Claim in accordance with Article A.4.

§ **A.7.3.9** When the Owner and Design-Builder reach agreement concerning the adjustments in the Contract Sum and Contract Time, or otherwise reach agreement upon the adjustments, such agreement shall be effective immediately and shall be recorded by preparation and execution of an appropriate Change Order.

§ A.7.4 MINOR CHANGES IN THE WORK

§ **A.7.4.1** The Owner shall have authority to order minor changes in the Work not involving adjustment in the Contract Sum or extension of the Contract Time and not inconsistent with the intent of the Design-Build Documents. Such changes shall be effected by written order and shall be binding on the Design-Builder. The Design-Builder shall carry out such written orders promptly.

ARTICLE A.S TIME

§ A.8.1 DEFINITIONS

§ **A.8.1.1** Unless otherwise provided, Contract Time is the period of time, including authorized adjustments, allotted in the Design-Build Documents for Substantial Completion of the Work.

§ **A.8.1.2** The date of commencement of the Work shall be the date stated in the Agreement unless provision is made for the date to be fixed in a notice to proceed issued by the Owner.

§ **A.8.1.3** The date of Substantial Completion is the date determined by the Owner in accordance with Section A.9.8.

§ **A.8.1.4** The term "day" as used in the Design-Build Documents shall mean calendar day unless otherwise specifically defined.

§ **A.8.2 PROGRESS AND COMPLETION**

§ **A.8.2.1** Time limits stated in the Design-Build Documents are of the essence of the Design-Build Contract. By executing the Design-Build Contract, the Design-Builder confirms that the Contract Time is a reasonable period for performing the Work and understands how critical it is to Owner that the Work be completed within the Contract Time.

§ **A.8.2.2** The Design-Builder shall not knowingly, except by agreement or instruction of the Owner in writing, prematurely commence construction operations on the site or elsewhere prior to the effective date of insurance required by Article A.ll to be furnished by the Design-Builder and Owner. The date of commencement of the Work shall not be changed by the effective date of such insurance. Unless the date of commencement is established by the Design-Build Documents or a notice to proceed given by the Owner, the Design-Builder shall notify the Owner in writing not less than five days or other agreed period before commencing the Work to permit the timely filing of mortgages, mechanic's liens and other security interests.

§ **A.8.2.3** The Design-Builder shall proceed expeditiously with adequate forces and shall achieve Substantial
Completion within the Contract Time.

§ **A.8.3 DELAYS AND EXTENSIONS OF TIME**

(Paragraphs deleted) (Table deleted)

§ **A.8.3.1** Subject to the provisions of Section A.4.1.5 above, if the Design-Builder is delayed at any time in the commencement or progress of the Work by act or neglect of the Owner, of a separate contractor employed by the Owner, or by changes in the Work ordered by Owner, or by delay authorized by the Owner pending resolution of disputes pursuant to the Design-Build Documents, then the Contract Time shall be extended by Change Order for such reasonable time as the *Ovmer* may determine. Design-Builder acknowledges and agrees that in no event shall it be entitled to claim a delay in its performance hereunder or any adjustment to the Contract Sum or extension in the
Contract Time as a result ofthe anticipated demobilization and remobilization sequencing of the Work in order for
Owner to host the Events as called for in Section 3.3 of the Agreement.

§ **A.8.3.2** Claims relating to time shall be made in accordance with applicable provisions of Section A.4.1.7.

§ **A.8.3.3** Provided as a condition precedent that provision is made in writing and specifically agreed to by the parties, this Section A.8.3 does not preclude recovery of damages for delay by either party under and subject to the other provisions of the Design-Build Documents.

§ **A.8.3.4** The Design-Builder's services shall be performed as expeditiously as is consistent with professional skill and care and the orderly progress of the Project and in accordance with Design-Builder's initial contract Schedule attached hereto as Exhibit "B" and the more detailed and complete project schedule to be developed and updated by Design-Builder as set forth herein and in attached Exhibit "B". The construction and project schedules may be adjusted, if necessary, and to the extent the Critical Path or Critical Activities is changed will be approved by Owner in writing, as the Project proceeds and such approval shall not be unreasonably withheld. These schedules shall include reasonable time periods for the Owner's review, for the performance of the Owner's consultants and for approval of submissions by authorities having jurisdiction over the Project. Time limits established by these schedules approved by the Owner shall not be exceeded by the Design-Builder or Owner.

§ **A.8.3.5** (futentionally omitted.)

§ **A.8.3.6** The Design-Builder shall proceed expeditiously with adequate forces and shall achieve Partial Completion of Each Phase on or before the required date of the corresponding Event and Substantial Completion of the entire Work within the Contract Time pursuant to the requirement of Exhibit "B". To ensure that Partial Completion of the Work in Each Phase is completed in accordance with the requirements of this Agreement and that Substantial Completion of the entire Work is achieved within the Contract Time, the Design-Builder will deliver to Owner a more complete schedule (Project Schedule) to be developed and updated by Design-Builder as required herein and in attached Exhibit "B". These schedules shall incorporate the impact of any regularly scheduled Event on the progress of the Work. illthe event Design-Builder's Project Schedule reflects that the deadlines established in Exhibit "B" are in jeopardy of not being met, unless the delay is caused by the Owner, the Design-Builder will immediately accelerate the progress of the Work at its sole cost by taking those steps necessary to ensure that the completion dates required herein and in Exhibit

"B" are met including, without limitation, working seven days a week and overtime and employing additional employees or subcontractors.

§ **A.8.3.7** Whenever required by written order of the Owner, the Design-Builder shall delay or suspend the progress of the Work or of any part thereof, for such periods of time as the Owner may require. In such event, Design-Builder shall be entitled to an equitable extension of the Contract Time, but only to the extent that the Contract Time is adversely affected thereby, for a period equivalent to the time lost on the Critical Path or the result of delays to Critical Activities by reason of such order as described in Exhibit "B"; provided, however, in no event shall Design-Builder be

entitled to any such extension when the reason for such order is on account of faulty construction or construction methods that endanger the Work, for the anticipated demobilization and remobilization sequencing of the Work or for any other cause due to the fault or neglect of the Design-Builder or anyone for whom it is liable. Such order of the Owner shall not otherwise modify or invalidate in any way any of the provisions of this Contract, and the Design-Builder shall not be entitled to any damages or compensation from the Owner on account of such delay or delays, suspension or suspensions, except as provided below.

§ **A.8.3.8** IfDesign-Builder believes it has been delayed and is entitled to an extension to the Contract Time pursuant to Section A.8.3, the Design-Builder shall submit to the Owner in writing notice of such claim within ten (10) days of the occurrence giving rise to such claim and shall submit to the Owner detailed documentation of any such claim for an extension of the Contract Time, and shall deliver such claim and detailed documents to the Owner within twenty (20) days after the occurrence of the event giving rise the claim.

Any changes in Contract Time approved by Owner shall be incorporated in a Change Order. No changes in Contract Time shall be made for any alterations or additions to the Work which are not demonstrated to impact the Critical Path or Critical Activities as described in Exhibit "B" and provided that an increase in the Contract Time is permitted pursuant to the terms and conditions hereof. The Design-Builder shall not be entitled to any delay damages or other compensation solely on account of an increase in Contract Time except in accordance with and expressly permitted by the Design-Build Documents. In lieu of granting additional changes in the Contract Time, Owner may at any time, in its sole discretion, elect to accelerate the Work of Design-Builder at Owner's expense. If such election is made by Owner, Design-Builder shall accelerate the Work so that the Contract Time is not extended even if the parties cannot at that time agree on the amount of Design-Builder's compensation for such accelerated Work.

§ **A.8.3.9** Subject to the provisions of Section A.8.3.8 above, should the Design-Builder be obstructed or delayed in the commencement, prosecution or completion of any part of the Work by any act or delay of the Owner; or by any acts or neglect by any separate contractor engaged by the Owner; or by riot, insurrection, war (excluding invasions, civil disturbances and wars in the Middle East), pestilence, fire, earthquakes, epidemics; or through any act, default or delay of other parties under contract with the Owner; then the Contract Time for the Work so delayed shall be extended for a period equivalent to the time lost on the Critical Path as described in Exhibit "B". Such allowance shall not be made unless a notice of claim for extension of time is made by the Design-Builder to the Owner in writing within ten (10) days from the time when the alleged cause for delay occurs and a detailed claim with supporting documents is submitted to the Owner ten (10) days thereafter. In lieu of granting additional changes in the Contract Time, Owner may, at any time in its sole discretion, elect to accelerate the Services and Work of Design-Builder at Owner's expense. If such election is made by Owner and Owner issues a Construction Change Directive, Design-Builder shall accelerate the Services and Work so that the Contract Time is not extended even if the parties cannot at that time agree on the amount of Design-Builder's compensation for such accelerated Services and Work.

§ **A.8.3.10** It is further expressly agreed that the Design-Builder shall not be entitled to any damages or compensation from the Owner on account of any delays resulting from any of the causes specified above except those circumstances where expressly allowed by other provisions of the Design-Build Documents and then only to the extent such delays are caused by act or neglect of Owner (including work stoppage as described in Section 14.1.1.3 and Section 14.1.1.4) or by parties under contract with the Owner, in which circumstances the Design-Builder shall be entitled to the following delay damages only (1) for Design-Builder's actual costs of increased direct jobsite wages resulting from the extended completion date caused by Owner; and (2) for extra premiums on bonds actually paid by the Design-Builder on account of the additional time required to complete all Work hereunder. Any change in the Contract Time resulting from any claims for delays shall be incorporated in a signed Change Order upon approval of the change by the Owner.

§ **A.8.3.11** Notwithstanding the foregoing or anything in the Design-Build Docwnents to the contrary, Design-Builder expressly assumes the risk for all weather delays of every kind and nature.

§ **A.8.3.12** The Design-Builder shall notify the Owner when the Design-Builder believes that the Work or any agreed upon Phase of the Work is partially or substantially completed as required by Exhibit "B". If the Owner concurs, the Design-Builder shall issue either a status report (with respect to a partially completed Phase) or a Certificate of Substantial Completion (with respect to the entire Work) which shall establish the Date of Partial or Substantial Completion for that portion of the Work or Phase or Substantial Completion of the entire Work, as appropriate, shall state the responsibility of each party for security, maintenance, heat, utilities, damage to the portion of the Work or Phase or entire Work and insurance, shall include a list of items to be completed or corrected and shall fix the time within which the Design-Builder shall complete items listed therein.

ARTICLE A.9 PAYMENTS AND COMPLETION

§ A.9.1 CONTRACT SUM

§ **A.9.1.1** The Contract Sum is stated in the Design-Build Documents and, including authorized adjustments, is the total amount payable by the Owner to the Design-Builder for performance of the Work under the Design-Build Documents.

§ A.9.2 SCHEDULE OF VALUES

§ **A.9.2.1** Design-Builder shall provide Owner its initial schedule of values within 30 days of receipt of notice to proceed. This schedule shall be used as a basis for reviewing the Design-Builder's Applications for Payment. The schedule of values shall be updated periodically with written consent of the Owner to reflect changes in the allocation of the Contract Sum.

§ A.9.3 APPLICATIONS FOR PAYMENT

§ **A.9.3.1** At least ten days before the date established for each progress payment, the Design-Builder shall submit to the Architect and Owner an itemized Application for Payment for operations completed in accordance with the current schedule of values. Such application shall be notarized, if required, and supported by such data substantiating the Design-Builder's right to payment as the Owner may require and reflecting retainage as provided for in the Design-Build Documents:

§ **A.9.3.1.1** As provided in Section A.7.3.8, such applications may include requests for payment on account of Changes in the Work which have been properly authorized by Construction Change Directives but are not yet included in Change Orders.

§ **A.9.3.1.2** Such applications may not include requests for payment for portions of the Work for which the Design-Builder does not intend to pay to a Contractor or material supplier or other parties providing services for the Design-Builder, unless such Work has been performed by others whom the Design-Builder intends to pay.

§ **A.9.3.2** Unless otherwise provided in the Design-Build Documents, payments shall be made on account of materials and equipment delivered and suitably stored at the site for subsequent incorporation in the Work. If approved in advance by the Owner, which approval will not be unreasonably withheld, conditioned or delayed, payment may similarly be made for materials and equipment suitably stored off

the site at a location agreed upon in writing. Payment for materials and equipment stored on or off the site shall be conditioned upon compliance by the Design-Builder with procedures satisfactory to the Owner to establish the Owner's title to such materials and equipment or otherwise protect the Owner's interest and shall include the costs of applicable insurance, storage and transportation to the site for such materials and equipment stored off the site.

§ **A.9.3.3** The Design-Builder warrants that title to all Work other than Instruments of Service covered by an Application for Payment will pass to the Owner no later than the time of payment. The Design-Builder further warrants that, upon submittal of an Application for Payment, all Work for which Certificates for Payment have been previously issued and payments received from the Owner shall, to the best of the Design-Builder's knowledge, information and belief, be free and clear of liens, Claims, security interests or encumbrances in favor of the Design-Builder, Contractors, Subcontractors, material suppliers, or other persons or entities making a claim by reason of having provided labor, materials and equipment relating to the Work.

§ A.9.4 ACKNOWLEDGEMENT OF APPLICATION FOR PAYMENT

§ **A.9.4.1** The Owner shall, within seven days after receipt of the Architect's Certification following the Design-Builder's Application for Payment, issue to the Design-Builder a written acknowledgement of receipt of the Design-Builder's Application for Payment indicating the amount the Owner has determined to be properly due and, if applicable, the reasons for withholding payment in whole or in part. The Owner shall not unreasonably withhold, condition or delay its acknowledgement of and action on Design-Builder's Application for Payment.

§ A.9.5 DECISIONS TO WITHHOLD PAYMENT

§ **A.9.5.1** The Owner may withhold a payment in whole or in part to the extent reasonably necessary to protect the Owner due to the Owner's determination that the Work has not progressed to the point indicated in the Application for Payment or that the quality of Work is not in accordance with the Design-Build Documents. The Owner may also withhold a payment or, because of subsequently discovered evidence, may nullify the whole or a part of an Application for Payment previously issued to such extent as may be necessary to protect the Owner from loss for which the Design-Builder is responsible, including loss resulting from acts and omissions, because of the following:

.1 defective Work not remedied;
.2 third-party claims filed or reasonable evidence indicating probable filing of such claims unless security acceptable to the Owner is provided by the Design-Builder;
.3 failure of the Design-Builder to make payments properly to Contractors or for design services labor, materials or equipment;
.4 reasonable evidence that the Work cannot be completed for the unpaid balance of the Contract Sum;
.5 damage to the Owner or a separate contractor;
.6 reasonable evidence that the Work will not be completed within the Contract Time and that the unpaid balance would not be adequate to cover actual or liquidated damages for the anticipated delay; or
.7 persistent failure to carry out the Work in accordance with the Design-Build Documents.

§ **A.9.5.2** When the above reasons for withholding payment are removed, payment will be made for amounts previously withheld.

§ A.9.6 PROGRESS PAYMENTS

§ **A.9.6.1** After the Owner has issued a written acknowledgement of receipt of the Architect's Certification as set forth on Exhibit "D" and the Design-Builder's Application for Payment, the Owner shall make payment of the amount the Owner has approved in the manner and within the time provided in the Design-Build Documents.

§ **A.9.6.2** The Design-Builder shall promptly pay the Architect, each design professional and other consultants retained directly by the Design-Builder, upon receipt of payment from the Owner, out of the amount paid to the Design-Builder on account of each such party's respective portion of the Work, the amount to which each such party is entitled.

§ **A.9.6.3** The Design-Builder shall promptly pay each Contractor, upon receipt of payment from the Owner, out of the amount paid to the Design-Builder on account of such Contractor's portion of the Work, the amount to which said Contractor is entitled, reflecting percentages actually retained from payments to the Design-Builder on account of the Contractor's portion of the Work. The Design-Builder shall, by appropriate agreement with each Contractor, require each Contractor to make payments to Subcontractors in a similar manner.

§ **A.9.6.4** The Owner shall have no obligation to pay or to see to the payment of money to a Contractor except as may otherwise be required by law.

§ **A.9.6.5** Payment to material suppliers shall be treated in a manner similar to that provided in Sections A.9.6.3 and A.9.6.4.

§ **A.9.6.6** A progress payment, or partial or entire use or occupancy of the Project by the Owner, shall not constitute acceptance of Work not in accorqance with the Design -Build Documents.

§ **A.9.6.7** Unless the Design-Builder provides the Owner with a payment bond in the full penal sum of the Contract Sum, payments received by the Design-Builder for Work properly performed by Contractors and suppliers shall be held by the Design-Builder for those Contractors or suppliers who performed Work or furnished materials, or both , under contract with the Design-Builder for which payment was made by the Owner. Nothing contained herein shall

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require money to be placed in a separate account and not be commingled with money of the Design-Builder, shall create any fiduciary liability or tort liability on the part ofthe Design-Builder for breach of trust or shall entitle any person or entity to an award of punitive damages against the Design-Builder for breach of the requirements of this provision.

§ **A.9.7 FAILURE OF PAYMENT**

§ **A.9.7.1** If for reasons other than those enumerated in Section A.9.5.1, the Owner does not issue a payment within the time period required by Section 5.1.2 of the Agreement, then the Design-Builder may, upon seven additional days'
written notice to the Owner, stop the Work until payment of the undisputed amount owing bas been received. If the project is shut down the Contract Time shall be extended appropriately and the Contract Sum shall be increased by the amount of the Design-Builder's reasonable costs of shutdown, delay and start-up, plus interest as provided for in the Design-Build Documents.

§ **A.9.8 SUBSTANTIAL COMPLETION**

§ **A.9.8.1** Substantial Completion is the stage in the progress of the Work when the Work or designated portion thereof is sufficiently complete in accordance with the Design-Build Documents so that the Owner can occupy or use the
Work or a portion thereof for its intended use.

§ **A.9.8.2** When the Design-Builder considers that the Work, or a portion thereof which the Owner agrees to accept separately, is substantially complete, the Design-Builder shall prepare and submit to the Owner a comprehensive list of items to be completed or corrected prior to final payment. Failure to include an item on such list does not alter the responsibility of the Design-Builder to complete all Work in accordance with the Design-Build Documents.

§ **A.9.8.3** Upon receipt of the Design-Builder's list, the Owner shall make au inspection to determine whether the Work or designated portion thereof is substantially complete. If the Owner's inspection discloses any item , whether or not included on the Design-Builder's list, which is not substantially complete, the Design-Builder shall complete or correct such item. In such case, the Design-Builder shall then submit a request for another inspection by the Owner to determine whether the Design-Builder 's Work is substantially complete.

§ **A.9.8.4** In the event of a dispute regarding whether the Design-Builder's Work is substantially complete, the dispute shall be resolved pursuant to Article *AA*.

§ **A.9.8.5** When the Work or designated portion thereof is substantially complete, the Design-Builder shall prepare for the Owner's signature an Acknowl edgement of Substantial Completion which, when signed by the Owner, shall establish (1) the date o f Substantial Completion o f the Work, (2) responsibilities between the Owner and Design-Builder for security, maintenance, heat, utilities, damage to the Work and insurance, and (3) the time within which the Design-Builder shall finish all items on the list accompanying the Acknowledgement. When the Owner 's inspection discloses that the Work or a designated portion thereof is substantially complete, the Owner shall sign the Acknowledgement of Substantial Completion. The Owner shall not unreasonably withhold, condition or delay its acknowledgement of Substantial Completion. Warranties required by the Design-Build Documents shall commence on the date of Substantial Completion of the Work or designated portion thereof unless otherwise provided in the Acknowledgement of Substantial Completi on.

§ **A.9.8.6** Upon execution of the Acknowledgement of Substantial Completion and consent of surety, if any , the Owner shall make payment ofretainage applying to such Work or designated portion thereof Such payment shall be adjusted for Work that is incomplete or not in accordance with the requirements of the Design-Build Documents.

§ A.9.9 PARTIAL OCCUPANCY OR USE

§ **A.9.9.1** The Owner may occupy or use any completed or partially completed Phase of the Work at any stage,
provided such occupancy or use is consented to by the insurer, if so required by the insurer, and authorized by public authorities having jurisdiction over the Work Such partial occupancy or use may commence whether or not the Phase is substantially complete. When the Design-Builder considers a Phase substantially complete, the Design-Builder shall prepare and submit a list to the Owner as provided under Sections A.8.3.12 and A.9.8.2. The stage of the progress of the Work shall be determined by written agreement between the Owner and Design-Builder.

§ **A.9.9.2** Immediately prior to such partial occupancy or use, the Owner and Design-Builder shall jointly in spect the area to be occupied or portion of the Work to be used to determine and record the condition of the Work.

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§ **A.9.9.3** Unless otherwise agreed upon, partial occupancy or use of a portion or portions of the Work shall not constitute acceptance of Work not complying with the requirements of the Design-Build Documents.

§ A.9.10 FINAL COMPLETION AND FINAL PAYMENT

§ **A.9.10.1** Upon receipt of written notice that the Work is ready for final inspection and acceptance and upon receipt of a final Application for Payment and Certification of Architect that the Work is in conformance with the Contract Documents, the Owner shall promptly make such inspection and, when the Owner finds the Work acceptable under the Design-Build Documents and fully performed, the Owner shall, subject to Section A.9.10.2, promptly make final payment to the Design-Builder.

§ **A.9.10.2** Neither final payment nor any remaining retained percentage will become due until the Design-Builder submits to the Owner Certificate of Architect and Design-Builder required by Section A.9.10.1, the documents required by Section 5.5.2 of the Agreement and (1) an affidavit that payrolls, bills for materials and equipment, and other indebtedness connected with the Work for which the Owner or the Owner's property might be responsible or encumbered (less amounts withheld by Owner) have been paid or otherwise satisfied, (2) a certificate evidencing that insurance required by the Design-Build Documents to remain in force after final payment is currently in effect and will not be cancelled or allowed to expire until at least 30 days' prior written notice has been given to the Owner, (3) a written statement that the Design-Builder knows of no substantial reason that the insurance will not be renewable to cover the period required by the Design-Build Documents, (4) consent of surety to final payment, and (5) if required by the Owner, other data establishing payment or satisfaction of obligations, such as receipts, releases and waivers of liens, claims, security interests or encumbrances arising out of the Design-Build Contract, to the extent and in such form as may be designated by the Owner. If a Contractor refuses to furnish a release or waiver required by the Owner, the Design-Builder may furnish a bond satisfactory to the Owner to indemnify the Owner against such lien. If such lien remains unsatisfied after payments are made, the Design-Builder shall refund to the Owner all money that the Owner may be liable to pay in connection with the discharge of such lien, including all costs and reasonable attorneys' fees.

§ **A.9.10.3** If, after the Owner determines that the Design-Builder's Work or designated portion thereof is substantially completed, final completion thereof is materially delayed through no fault of the Design-Builder or by issuance of a Change Order or a Construction Change Directive affecting final completion, the Owner shall, upon application by the Design-Builder, make payment of the balance due for that portion of the Work fully completed and accepted. If the remaining balance for Work not fully completed or corrected is less than retainage stipulated in the Design-Build Documents, and if bonds have been furnished, the written consent of surety to payment of the balance due for that portion of the Work fully completed and accepted shall be submitted by the Design-Builder. Such payment shall be made under terms and conditions governing final payment, except that it shall not constitute a waiver of claims.

§ **A.9.10.4** The making of final payment shall constitute a waiver of Claims by the Owner except those arising from:

- **.1** liens, Claims, security interests or encumbrances arising out of the Design-Build Documents and unsettled;
- **.2** failure of the Work to comply with the requirements ofthe Design-Build Documents; or
- .3 terms of special warranties required by the Design-Build Documents.

§ **A.9.10.5** Acceptance of final payment by the Design-Builder, a Contractor or material supplier shall constitute a waiver of claims by that payee except those previously made in writing and identified by that payee as unsettled at the time of final Application for Payment.

ARTICLE A.10 PROTECTION OF PERSONS AND PROPERTY

§ A.10.1 SAFETY PRECAUTIONS AND PROGRAMS

§ **A.10.1.1** The Design-Build er shall be responsible for initiating and maintaining all safety precautions and programs in connection with the performance of the Design-Build Contract.

§ A.10.2 SAFETY OF PERSONS AND PROPERTY

§ **A.10.2.1** The Design-Builder shall take reasonable precautions for safety of, and shall provide reasonable protection
to prevent damage, injury or loss to:

- **.1** employees on the Work and other persons who may be affected thereby;

.2 the Work and materials and equipment to be incorporated therein, whether in storage on or off the site or under the care, custody or control of the Design-Builder or the Design-Builder's Contractors, Subcontractors or Sub-Subcontractors;

.3 other property at the site or adjacent thereto, such as trees, shrubs, lawns, walks, pavements, roadways, structures and utilities not designated for removal, relocation or replacement in the course of construction; and

.4 all property and improvement subject to the Contract prior to Substantial Completion. Until Substantial Completion, the Design-Builder is responsible for all damage to the property and its improvements.

§ **A.10.2.2** The Design-Builder shall give notices and comply with applicable laws, ordinances, rules, regulations and lawful orders of public authorities bearing on safety of persons or property or their protection from damage, injury or loss.

§ **A.10.2.3** The Design-Builder shall erect and maintain, as required by existing conditions and performance of the Design-Build Documents, reasonable safeguards for safety and protection, including posting danger signs and other warnings against hazards, promulgating safety regulations and notifying owners and users of adjacent sites and utilities.

§ **A.10.2.4** When use or storage of explosives or other hazardous materials or equipment or unusual methods are necessary for execution of the Work, the Design-Builder shall exercise utmost care and carry on such activities under supervision of properly qualified personnel.

§ **A.10.2.5** The Design-Builder shall promptly remedy damage and loss (other than damage or loss insured under property insurance required by the Design-Build Documents) to property referred to in Sections A. l0.2.1.2 and A.l0.2.1.3 caused in whole or in part by the Design-Builder, the Architect, a Contractor, a Subcontractor, or anyone directly or indirectly employed by any of them or by anyone for whose acts they may be liable and for which the Design-Builder is responsible under Sections A.l0.2.1.2 and A.l0.2.1.3 , except damage or loss attributable to acts or omissions of the Owner or anyone directly or indirectly employed by the Owner, or by anyone for whose acts the Owner may be liable, and not attributable to the fault or negligence of the Design-Builder. The foregoing obligations of the Design-Builder are in addition to the Design-Builder 's obligations under Section A.3.17.

§ **A.10.2.6** The Design-Builder shall designate in writing to the Owner a responsible individual whose duty shall be the prevention of accidents. This person shall be the Design-Builder's superintendent unless otherwise designated by the Design-Builder in writing to the Owner.

§ **A.10.2.7** The Design-Builder shall not load or permit any part of the construction or site to be loaded so as to endanger its safety.

§ **A.10.2.8** The Design-Builder shall protect adjoining private or municipal property and shall provide barricades, temporary fences, and covered walkways required to protect the safety of passers-by, as required by prudent construction practices, local building codes, ordinances or other Jaws, or the Contract Documents.

§ **A.10.2.9** The Design-Builder shall maintain Work, materials and apparatus free from injury or damage from rain, wind, storms, frost or heat. If adverse weather makes it impossible to continue operations safely in spite of weather precautions, the Design-Builder shall cease Work and notifY the Owner and the Architect of such cessation. The Design-Builder shall not permit open fires on the Project site.

§ **A.10.2.10** In addition to its other obligations pursuant to this Article A.l 0, the Design-Builder shall , at its sole cost and expense, promptly repair any damage or disturbance to walls, utilities, sidewalks, curbs and the property of third parties (including municipalities) resulting from the performance of the Work, whether by it or by its subcontractors at any tier. The Design-Builder shall maintain streets in good repair and traversable condition.

§ A.10.3 HAZARDOUS MATERIALS

§ **A.l0.3.1** If reasonable precautions will be inadequate to prevent foreseeable bodily injury or death to persons resulting from a material or substance, including but not limited to asbestos or polychlorinated biphenyl (PCB),

encountered on the site by the Design-Builder, the Design-Builder shall, upon recognizing the condition, immediately stop Work in the affected area and report the condition to the Owner in writing.

§ A.10.3.2 The Owner shall obtain the services of a licensed laboratory to verify the presence or absence of the material or substance reported by the Design-Builder and, in the event such material or substance is found to be present, to verify that it has been rendered harmless. Unless otherwise required by the Design-Build Documents, the Owner shall furnish in writing to the Design-Builder the names and qualifications of persons or entities who are to perform tests verifying the presence or absence of such material or substance or who are to perform the task of removal or safe containment of such material or substance. The Design-Builder shall promptly reply to the Owner in writing stating whether or not the Design-Builder has reasonable objection to the persons or entities proposed by the Owner. If the Design-Builder has an objection to a person or entity proposed by the Owner, the Owner shall propose another to whom the Design-Builder has no reasonable objection. When the material or substance has been rendered harmless, work in the affected area shall resume upon written agreement of the Owner and Design-Builder. If the material or substance was not known by Design-Builder or disclosed in the Design-Build Documents or any of the reports and surveys provided to or reviewed by Design-Builder prior to execution of the Agreement or otherwise was not discovered by Design-Builder prior to execution of the Agreement, then the Contract Time shall be extended appropriately, and the Contract Sum shall be increased in the amount of the Design-Builder's reasonable and direct additional costs of shutdown, delay and start-up, which adjustments shall be accomplished as provided in Article A.7.

§ A.l0.3.3 To the fullest extent permitted by law, the Owner shall indemnify and hold harmless the Design-Builder, Contractors, Subcontractors, Architect, Architect's consultants and the agents and employees of any of them from and against Claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of or resulting from performance of the Work in the affected area if in fact (i) the material or substance exists on site as of the date of the Agreement, (ii) the material or substance was not known by Design-Builder or is not disclosed in the Design-Build Documents or any of the reports and surveys provided to or reviewed by Design-Builder prior to execution of the Agreement or otherwise was not discovered by Design-Builder prior to execution of the Agreement, and (iii) presents the risk of bodily injury or death as described in Section A.l0.3. l and has not been rendered harmless, but only to the extent that such Claim, damage, loss or expense is attributable to bodily injury, sickness, disease or death or to injury to or destruction of tangible property (other than the Work itself) and only to the extent that such damage, loss or expense is not due to the negligence or wrongful act of the Design-Builder, Contractors, Subcontractors, Architect , Architect's consultants and the agents and employees of any of them.

§ A.l0.3.4 If any of the indemnification provisions recited in this Agreement and/or the General Conditions are deemed to fall within the provisions of the indemnity statutes of the state where the project is located, then the extent of indemnification for each of those provisi ons under this Agreement and/or the General Conditions shall each be limited to the sum of fifty million dollars ($50,000,000.00) or the policy limits ofDesign-Builder's liability and excess liability insurance policies, whichever is greater. It is further acknowledged and agreed that this provision is hereby incorporated into and shall constitute part of the project specifications and bid documents. The parties further agree that $1,000.00 of the Contract Sum shall constitute consideration for the indemnity obligation set forth herein.

§ A.l0.4 The Owner shall not be responsible under Section A.l 0.3 for materials and substances brought to the site by the Design-Builder and Design-Builder shall indemnify the Owner for any cost and expense the Owner incurs (1) for remediation associated with any material or substance the Design-Builder brings to the site, or (2) where the Design-Builder fails to perform its obligations under Section A.l0.3.1.

§ A.lO.S If, without negligence on the part of the Design-Builder, the Design-Builder is held liable for the cost of remediation of a h azardous material or substance solely by reason of performing Work where the hazardous materials were on the site prior to Commencement of this Agreement, the Owner shall indemnify the Design-Builder for all cost and expense thereby incurred.

§ A.10.6 EMERGENCIES

§ A.10.6.1 In an emergency affecting safety of persons or property, the Design-Builder shall act, at the Design-Builder's discretion, to prevent threatened damage, injury or loss. Additional compensation or extension of time claimed by the Design-Builder on account of an emergency shall be determined as provided in Section A.4.1.7 and Article A.7.

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ARTICLE A.11 INSURANCE AND BONDS

§ **A.11.1** Except as may otherwise be set forth in the Agreement or elsewhere in the Design-Build Documents, the Owner and Design-Builder shall purchase and maintain the following types of insurance with limits of liability and deductible amounts and subject to such terms and conditions, as set forth in this Article A.11.

§ A.11.2 DESIGN-BUILDER'S LIABILITY INSURANCE

§ **A.11.2.1** The Design-Builder shall purchase from and maintain in a company or companies lawfully authorized to do business in the jurisdiction in which the Project is located and acceptable to Owner such insurance as will protect the Design-Builder and all Additional Insureds (as such term is defined below) from claims set forth below that may arise out of o r result from the Design-Builder's operations under the Design-Build Contract and for which the Design-Builder may be legally liable, whether such operations be by the Design-Builder, by a Contractor or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable:

- **.1** claims under workers' compensation, disability benefit and other similar employee benefit acts which are applicable to the Work to be performed;
- **.2** claims for damages because of bodily injury, occupational sickness or disease, or death of the Design -Builder's employees;
- .3 claims for damages because of bodily injury, sickness or disease, or death of any person other than the Design-Builder's employees;
- **.4** claims for damages insured by usual personal injury liability coverage;
- **.5** claims for damages, other than to the Work itself, because of injury to or destruction of tangible property, including loss of use resulting therefrom;
- .6 claims for damages because of bodily injury, death of a person or property damage arising out of ownership, maintenance or use of a motor vehicle;
- .7 claims for bodily injury or property damage arising out of completed operations; and
- .8 claims involving contractual liability insurance applicable to the Design-Builder's obligations under Section A.3.17.

Owner, International Speedway Corporation and its subsidiaries and their respective members, shareholders, officers, directors, agents, employees, parent companies, related o r affiliated companies, sponsors, trustees, receivers, successors and assigns, Architect and Architect's consultants ("additional insureds") shall be named as additional insureds on all insurance policies.

§ **A.11.2.2** The insurance required by Section A.l1.2.1 shall be written for not less than limits of liability specified in the Design-Build Documents or required by law, whichever coverage is greater, but in any event, the following minimum coverages and conditions are required: Design-Builder shall furnish upon acceptance of the contract an occurrence form, one million dollars ($1,000,000.00) per occurrence; four million dollars ($4,000,000.00) general aggregate combined single limit, commercial general liability policy; including, but not limited to, independent contractors and products and completed operations coverage plus Excess Liability Insurance of fifty million dollars ($50,000,000.00) combined single limit. A one million dollar ($1,000,000.00) per occurrence, combined single limit business auto policy covering all owned and non-owned autos used by the Design-Builder is required. Coverages, whether written on an occurrence or claims-made basis, shall b e maintained without interruption from date of commencement of the Work until date of final payment and termination of any coverage required to be maintained after final payment. Design-Builder shall maintain, at its own expense, Workers' Compensation Insurance in the amount of the statutory maximum with an employer's liability coverage limit of at least one million dollars ($1,000,000.00). Prior to commencement of the Work, Design-Builder will implement a Contractor Controlled Insurance Program ("CCIP") which will at a minimum satisfy the general liability and workers' compensation insurance requirements herein, which will cover Design-Builder, as well as all of Design-Builder's Contractors and Subcontractors, of all tiers, to the extent such entity is enrolled in the CCIP. IfDesign-Builder's Architect, Contractor or Subcontractor, of any tier, is not enrolled in the CCIP, such entity will be required to maintain the same minimum insurance coverage and limits required of the Design-Builder above or Design-Builder will ensure that such entity is covered by Design-Builder 's insurance. Prior to commencement of the Work, Design-Builder shall provide Owner with the CCIP manual with respect to insurance for Owner's review and comments.

As a condition precedent to this Contract, Design-Builder shall have professional liability insurance as provided for herein or Design-Builder shall enter into an Agreement for Professional Liability Insurance which shall require the Architect or Engineer hired by Design-Builder for Design Services to have professional liability insurance in the same amount as set forth in this paragraph. Said Agreement for Professional Liability Insurance shall specify that Owner is

a Third Party Beneficiary of the Architect or Engineer 's Professional Liability Insurance policy. The minimum Professional Liability Insurance requirements are those listed in the attached Exhibit "I" and incorporated herein by reference. Design-Builder's Professional Liability Insurance in the amount of five million dollars ($5,000,000.00) (subject to the terms and conditions of each policy) with all coverage retroactive to the earlier of the date of this Agreement and the initial commencement of Design-Builder 's services in relation to the Project) covering personal injury, bodily injury and property damages, said coverage to be maintained for a period of three (3) years after the date of final payment hereunder. Owner shall have the option, at Owner's expense, to require Design-Builder to increase its professional liability insurance to limits desired by Owner provided that such insurance is available to Design-Builder or its Architect and/or Engineer and Owner pays additional premiums over and above the five million dollar ($5,000,000.00) policy limits.

§ **A.11.2.3** Design-Builder shall provide to Owner a Certificate of Insurance and an additional insured endorsement for the additional insureds listed in this Section A.ll prior to commencement of the Work. The insurance policies required by this Section A.ll.2 shall contain a provision that coverages afforded under the policies will not be canceled or allowed to expire until at least 30 days' prior written notice has been given to the Owner. If any of the foregoing insurance coverages are required to remain in force after final payment, evidence of continuation of such coverage shall be submitted with the application for final payment. Information concerning reduction of coverage shall be furnished by the Design-Builder with reasonable promptness in accordance with the Design-Builder's information and belief.

§ **A.I1.2.4** Design-Builder's liability insurance required by this Agreement shall include, in addition to the coverages described in this Section A.ll.2, all claims that may arise out of or result from the Design-Builder's operations and premises under the care, custody or control of Design -Builder. At a minimum of fourteen (14) days prior to each Event listed in Exhibit "L-1",Design-Builder shall provide to Owner in writing general descriptions of and drawings identifying the Premises which Design-Builder will control during the Events listed on Exhibit "L-1 ". If more detailed information is requested by Owner or its insurer, Design-Builder shall provide supplemental information to Owner prior to commencement of each such Event.

§ **A.11.3 OWNER'S LIABILITY INSURANCE**

§ **A.11.3.1** The Owner shall be responsible for purchasing and maintaining the Owner's usual liability insurance including liability insurance for (a) the Events listed in Exhibit "L-1" and (b) the premises within the care, custody and control of the Owner.

§ **A.11.4 PROPERTY INSURANCE**

§ **A.11.4.1** Design-Builder shall purchase and maintain, in a company or companies lawfully authorized to do business in the jurisdiction in which the Project is located, property insurance written on a builder's risk, "all-risk" or equivalent policy form in the amount of the initial Contract Sum, plus the value of subsequent Design-Build Contract modifications and cost of materials supplied or installed by others, comprising total value for the entire Project at the site on a replacement cost basis. Such property insurance shall be maintained, unless otherwise provided in the Design-Build Documents or otherwise agreed in writing by all persons and entities who are beneficiaries of such insurance, until substantial completion. This insurance shall include interests of the Owner, Contractors and Subcontractors as additional insureds ("Additional Insureds") shall be named as additional insureds on all insurance policies.

§ **A.11.4.1.1** Property insurance shall be on an "all-risk" or equivalent policy form and shall include, without limitation, insurance against the perils of fire (with extended coverage) and physical loss or damage including, without duplication of coverage, theft, vandalism, malicious mischief, collapse, earthquake, flood, windstonn, falsework, testing and startup, temporary buildings and debris removal, including demolition occasioned by enforcement of any applicable legal requirements, and shall cover reasonable compensation for Design-Builder 's services and expenses required as a result of such insured loss.

§ **A.11.4.1.2** If the property insurance requires deductibles, the Design-Builder shall pay costs not covered because of such deductibles.

§ **A.11.4.1.3** This property insurance shall cover portions ofthe Work stored offthe site and also portions of the Work in transit.

§ **A.11.4.1.4** It is the intent of the parties that at any time between Design-Builder demobilizing and remobilizing to provide access to Owner in order to host an Event as contemplated by the Design-Build Documents the builder 's risk property insurance to be provided by Design-Builder pursuant to this Section A. ll.4 shall provide primary coverage. At all times during the course of the Project, including any period of time Owner has taken occupancy of the Project in order to host an Event as contemplated by the Design-Build Documents, Design-Builder's builder's risk property insurance shall continue to provide coverage on a primary and non-contributory basis as to those areas of the Project within the Design-Builder 's care, custody and control.

§ **A.11.4.2 Boiler and Machinery Insurance.** The Owner shall purchase and maintain boiler and machinery insurance required by the Design-Build Documents or by law, which shall specifically cover such insured objects during installation and until final acceptance by the Owner; this insurance shall include interests of the Owner, Design-Builder, Contractors and Subcontractors in the Work, and the Owner and Design-Builder shall be named insureds.

§ **A.11.4.3** (Intentionally omitted.)

§ **A.11.4.4** If the Owner requests in writing that insurance for risks other than those described herein or other special causes of loss be included in the property insurance policy, the Design-Builder shall, if possible, include such insurance, and the cost thereof shall be charged to the Owner by appropriate Change Order.

§ **A.11.4.5** If during the Project construction period the Owner insures properties, real or personal or both, at or adjacent to the site by property insurance under policies separate from those insuring the Project, or if after final payment property insurance is to be provided on the completed Project through a policy or policies other than those insuring the Project during the construction period, the Owner shall waive all rights in accordance with the terms of Section A.II.4.7 for damages caused by fire or other causes of loss covered by this separate property insurance. All separate policies shall provide this waiver of subrogation by endorsement or otherwise.

§ **A.11.4.6** Design-Builder shall provide Owner with a Certificate oflnsurance for the Builder's Risk coverage. Upon request of Owner, a copy of such policy shall be provided. Each policy shall contain all generally applicable conditions, defiilltions, exclusions and endorsements related to this Project. Each policy shall contain a provision that the policy will not be canceled or allowed to expire and that its limits will not be reduced until at least 30 days' prior written notice has been given to the Design-Builder.

§ **A.11.4.7 Waivers of Subrogation.** The Owner and Design-Builder waive all rights against each other and any of their consultants, separate contractors described in Section A.6.1, i f any, Contractors, Subcontractors, agents and employees, each of the other, and any of their contractors, subcontractors, agents and employees, for damages caused by fire or other causes of loss to the extent covered by property insurance obtained pursuant to this Section A.ll.4 or other property insurance applicable to the Work, except such rights as they have to proceeds of such insurance held by the Owner as fiduciary. The Owner or Design-Builder, as appropriate, shall require of the separate contractors described in Section A.6.1, if any, and the Contractors, Subcontractors, agents and employees of any of them, by appropriate agreements, written where legally required for validity, similar waivers each in favor of other parties enumerated herein. The policies shall provide such waivers of subrogation by endorsem ent or otherwise. A waiver of subrogation shaii be effective as to a person or entity even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, even though the person or entity did not pay the insurance premium directly or indirectly, and whether or not the person or entity had an insurable interest in the property damaged.

§ **A.11.4.8** A loss insured under Design-Builder's property insurance shall be adjusted by the Design-Builder and made payable to the Design-Builder for the insureds, as their interests may appear, subject to requirements of any applicable mortgagee clause and of Section A.ll.4.10. The Design-Builder shall pay Contractors their just shares of insurance proceeds received by the Design-Builder, and, by appropriate agreements, written where legally required for validity, shall require Contractors to make payments to their Subcontractors in similar manner.

§ **A.11.4.9** The Design-Builder shall have power to adjust and settle a loss with insurers unless one of the parties in interest shall object in writing within five days after the Owner's notification of intent to exercise of this power to the Design-Builder's exercise of this power.; The Design-Builder shall, in the case of a decision o r award, make settlement with insurers in accordance with directions of a decision or award. If distribution of insurance proceeds by arbitration is required, the arbitrators will direct such distribution. ·

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§ **A.11.5 PERFORMANCE BOND AND PAYMENT BOND**

§ **A.11.5.1** The Design-Builder shall furnish to Owner and keep in force during the term of the Contract performance and labor and material payment bonds guaranteeing that the Design-Builder will perform its obligations under the Contract Documents and will pay for all labor and materials furnished for the Work. Such bonds shall be issued in a form and by a surety reasonably acceptable to the Owner, shall be submitted to Owner for approval as to form, shall name the Owner and its lender, if any, as obligees and shall be in an amount equal to at least 100% ofthe Contract Sum. The Design-Builder shall deliver the executed, approved bonds to the Owner within seven days after the notice to proceed is issued by Owner to Design-Builder. The Design-Builder shall provide to Owner Performance Bond and Payment Bond in the form attached hereto as Exhibit "H".

§ **A.11.5.2** Owner shall be an additional or dual Obligee on all Contractor and Subcontractor Performance and Payment Bonds. Design-Builder shall provide Owner with copies of all Contractor and Subcontractor Bonds and Dual Obligee Riders within 20 days after issuance of same.

ARTICLE A.12 UNCOVERING AND CORRECTION OF WORK

§ **A.12.1 UNCOVERING OF WORK**

§ **A.12.1.1** If a portion of the Work is covered contrary to requirements specifically expressed in the Design-Build Documents, it m ust be uncovered for the Owner's examination and be replaced at the Design-Builder's expense without change in the Contract Time.

§ **A.12.1.2** If a portion of the Work has been covered which the Owner has not specifically requested to examine prior to its being covered, the Owner may request to see such Work and it shall be uncovered by the Design-Builder. If such Work is in accor dance with the Design-Build Documents, costs of uncovering and replacement shall, by appropriate Change Order, be at the Owner's expense. If such Work is not in accordance with the Design-Build Documents, correction shall be at the Design-Builder's expense unless the condition was caused by the Owner or a separate contractor, in which event the Owner shall be responsibl e for payment of such costs.

§ **A.12.2 CORRECTION OF WORK**

§ **A.12.2.1 BEFORE OR AFTER SUBSTANTIAL COMPLETION.**

§ **A.12.2.1.1** The Design-Builder shall promptly correct Work rejected by the Owner for failing to conform to the requirements of the Design-Build Documents, whether discovered before or after Substantial Completion and whether or not fabricated, installed or completed. Costs of correcting such rejected Work, including additional testing, shall be at the Design-Build er's expense. If the Design-Builder defaults or neglects to carry out the Work in accordance with the Contract Documents and fail s within forty-eight (48) hours after receipt of written notice from the Owner to commence and continue correction of such default or neglect with diligence and promptness, the Owner may, without prejudice to other remedies, correct such deficiencies. In such case an appropriate Change Order shall be issued deducting from payments then or thereafter due the Design-Builder, the costs of correcting such deficiencies. If the payments then or thereafter due the Design-Builder are not sufficient to cover the amount of the deduction, the Design-Bu ilder shall pay the difference to the Owner.

§ **A.12.2.1.2** The Design-Builder understands and agrees that corrective work and warranty work must be performed within 48 hours of notice from the Owner. If, in the opinion of Owner, the corrective and/or warranty work cannot be accomplished in suffici ent time un der contract specifications due to curing, testing, inspections or otherwise to meet Owner 's requirements to prepare for and/or run scheduled events, then corrective and/or warranty work shall be accomplished on an emergency basis utilizing corrective specifications and/or procedures acceptable to the Owner to correct, repair and/or replace deficient and/or non-conforming work irrespective of whether the corrective measures are consistent with the initial contract plans an d specifications. If the corrections are not completed within 48 hours of Owner 's Notice, Owner may in its sole discretion complete or contract to complete the work necessary to correct or replace the deficient and/or non-conforming work and may use whatever means, methods, procedures and specifications are necessary or desirable to correct or replace the non-conforming or deficient work even though the Owner chosen method of correction or replacement is more expensive than the initially specified work. This provision supersedes all other provisions of the contract and the Design-Builder waives all other notices, rights and options inconsistent with this provision.

§ **A.12.2.1.3** In the event that Design-Builder fails to timely take corrective action, Owner may correct, remove and/or replace the non-conforming work at Design-Builder's expense using the specified materials or such other materials

which the Owner, in its sole discretion, deems appropriate to insure that scheduled events and other related events will not be delayed or canceled. Design-Builder recognizes the adverse economic impact on Owner in the event that events are delayed or canceled and therefore waives the right to contest Owner 's corrective costs and the means, methods, procedures and materials used to remove, repair and/or replace the non-conforming work. All warranties of Design-Builder shall remain in full force and effect upon completed work and corrected or replaced work.

§ **A.12.2.2 AFTER SUBSTANTIAL COMPLETION**

§ **A.12.2.2.1** In addition to the Design-Builder ' s obligations under Section A.3.5, if, within one year after the date of Substantial Completion of all of the Work (including the last and final phase of the Work) or after the date for commencement of warranties established under Section A.9.8.5 or by tenus of an applicable special warranty required by the Design-Build Documents, any of the Work is found to be not in accordance with the requirements of the Design-Build Documents, the Design-Builder shall correct it promptly after receipt of written notice from the Owner to do so unless the Owner has previously given the Design-Builder a written acceptance of such condition. The Owner shall give such notice promptly after discovery of the condition. During the one-year period for correction of Work , if the Owner fails to notify the Design-Builder and give the Design-Builder an opportunity to make the correction, the Owner waives the rights to require correction by the Design-Builder and to make a claim for breach of warranty. If the Design-Builder fails to correct non-conforming Work within a reasonable time during that period after receipt of notice from the Owner, the Owner may correct it in accordance with Section A .2.5. The provisions of A.l2 .2.1.2 and A.l2.2.1.3 shall apply to corrective work and warranty work after Substantial Completion.

§ **A.12.2.2.2** The one-year period for correction of Work shall be extended with respect to portions of Work first performed after Substantial Completion by the period of time between Substantial Completion and the actual performance ofthe Work.

§ **A.12.2.2.3** The one-year period for correction of Work shall not be extended by corrective Work performed by the Design-Builder pursuant to this Section A.l2.2.

§ **A.12.2.3** The Design-Builder shall remove from the site portions of the Work which are not in accordance with the requirements of the Design-Build Documents and are neither corrected by the Design-Builder nor accepted by the Owner.

§ **A.12.2.4** The Design-Builder shall bear the cost of correcting destroyed or damaged construction, whether completed or partially completed, of the Owner or separate contractors caused by the Design-Builder's correction or removal of Work which is not in accordance with the requirements of the Design-Build Documents.

§ **A.12.2.5** Nothing contained in this Section A.l2.2 shall be construed to establish a period oflimitation with respect to other obligations the Design-Builder might have under the Design-Build Documents. Establishment of the one-year period for correction of Work as described in Section A.l2.2.2 relates only to the specific obligation of the Design-Builder to correct the Work, and has no relationship to the time within which the obligation to comply with the Design-Build Documents may be sought to be enforced, nor to the time within which proceedings may be commenced to establish the Design-Builder's liability with respect to the Design-Builder's obligations oth er than specifically to correct the Work.

§ **A.12.3 ACCEPTANCE OF NONCONFORMING WORK**

§ **A.12.3.1** If the Owner prefers to accept Work not in accordance with the requirements of the Design-Build Documents, the Owner may do so instead of requiring its removal and correction, in which case the Contract Sum will be equitably adjusted by Change Order. Such adjustment shall be effected whether or not final payment has been made.

ARTICLE A.13 MISCELLANEOUS PROVISIONS

§ **A.13.1 GOVERNING LAW**

§ **A.13.1.1** The Design-Build Contract shaU be governed by the law of the place where the Project is located.

§ **A.13.2 SUCCESSORS AND ASSIGNS**

§ **A.13.2.1** The Owner and Design-Builder respectively bind themselves, their partners, successors, assigns and legal representatives to the other party hereto and to partners, successors, assigns and legal representatives of such other party in respect to covenants, agreements and obligations contained in the Design-Build Documents. Except as

provided in Section A.l3.2.2, neither party to the Design-Build Contract shall assign the Design-Build Contract as a whole without written consent of the other. If either party attempts to make such an assignment without such consent , that party shall nevertheless remain legally responsible for all obligations under the Design-Build Contract.

§ **A.13.2.2** The Owner may, without consent of the Design-Builder, assign the Design-Build Contract to an institutional lender providing construction financing for the Project. In such event, the lender shall assume the Owner 's rights and obligations under the Design-Build Documents. The Design-Builder shall execute all consents reasonably required to facilitate such assignment.

§ **A.13.3 WRITTEN NOTICE**

§ **A.13.3.1** Written notice shall be deemed to have been duly served if delivered in person to the individual or a member of the firm or entity or to an officer of the corporation for which it was intended, or if sent by registered or certified mail to the last business address known to the party giving notice.

§ **A.13.4 RIGHTS AND REMEDIES**

§ **A.13.4.1** Duties and obligations imposed by the Design-Build Documents and rights and remedies available thereunder shall be in addition to and not a limitation of duties, obligations, rights and remedies otherwise imposed or available by law.

§ **A.13.4.2** No action or failure to act by the Owner or Design-Builder shall constitute a waiver of a right or duty afforded them under the Design-Build Documents, nor shall such action or failure to act constitute approval of or acquiescence in a breach thereunder, except as may be specifically agreed in writing.

§ **A.13.5 TESTS AND INSPECTIONS**

§ **A.13.5.1** Tests, inspections and approvals of portions of the Work required by the Design-Build Documents or by laws, ordinances, rules, regulations or orders of public authorities having jurisdiction shall be made at an appropriate time. Unless otherwise provided, the Design-Builder shall make arrangements for such tests, inspections and approvals with an independent testing laboratory or entity acceptable to the Owner or with the appropriate public authority. Owner will bear all related costs for tests, inspections, and approvals for the Threshold Inspections as required by applicable state statute, Third Party Inspections as defined by applicable state statute and inspections pursuant to the National Pollutant Discharge Elimination System (NPDES) and materials testing as required by the project manual, plans and specifications. As an exception to this, the Design Builder is responsible for all costs related to pressure testing all water and sewer lines in accordance with the project specifications and bacteriological testing of the potable water lines in accordance with the project specifications and Health Department requirements. The Design-Builder shall give timely notice when and where tests and inspections are to be made so that the Owner may be present for such procedures. Owner is entitled to compensation from the Design-Builder for the costs incurred for re-inspections due to failed inspections, and for re-inspections as a result of the work not being ready for inspection at the time of the scheduled inspection.

§ **A.13.5.2** If the Owner or public authorities having jurisdiction determine that portions of the Work require additional testing, inspection or approval not included under Section A.l3.5.1, the Owner shall in writing instruct the Design-Builder to make arrangements for such additional testing, inspection or approval by an entity acceptable to the Owner, and the Design-Builder shall give timely notice to the Owner of when and where tests and inspections are to be made so that the Owner may be present for such procedures. Such costs, except as provided in Section A.l3.5.3,

shall be at the Owner's expense.

(Paragraphs deleted)
§ **A.13.5.3** If such procedures for testing, inspection or approval under Sections A.l3.5.1 and A.13 .5.2 reveal failure of the portions of the Work to comply with requirements established by the Design-Build Documents, all costs made necessary by such failure, including those of repeated procedures, shall be at the Design-Builder 's expense.

§ **A.13.5.4** Required certificates of testing, inspection or approval shall, unless otherwise required by the Design-Build Documents, be secured by the Design-Builder and promptly delivered to the Owner.

§ **A.13.5.5** If the Owner is to observe tests, inspections or approvals required by the Design-Build Documents, the Owner will do so promptly and, where practicable, at the normal place of testing.

§ A.13.5.6 Tests or inspections conducted pursuant to the Design-Build Documents shall be made promptly to avoid unreasonable delay in the Work.

§ A.13.6 COMMENCEMENT OF STATUTORY LIMITATION PERIOD
§ A.13.6.1 As between the Owner and Design-Builder:

.1 Before Substa n tia l Completion. As to acts or failures to act occurring prior to the relevant date of Substantial Completion, any applicable statute of limitations shall commence to run and any alleged cause of action shall be deemed to have accrued in any and all events not later than such date of Substan tial Completion of all of the Work (including the final phase of the Work);

.2 Between Substa n tia l Completion an d Final Applica tion for Payment. As to acts or fai l ures to act occurring subsequent to the relevant date of Substantial Completion and prior to issuance of the final Application for Payment, any applicable statute of limitations shall commence to run and any alleged cause of action shall be deemed to have accrued in any and all events not later than the date of issuance of the final Application for Payment; and

.3 After Fina l A pplica tion for Payment As to acts or failures to act occurring after the relevant date of issuance of the final Application for Payment, any applicable statute oflimitations shall commence to run and any alleged cause of action shall be deemed to have accrued in any and all events not later than the date of any act or failure to act by the Design-Builder pursuant to any Warranty provided under Section A.3.5, the date of any correction of the Work o r failure t o correct the Work b y the Design-Builder under Section A.l2.2, or the date of actual commission of any other act or failure to perform any duty or obligation by the Design-Builder or Owner, whichever occurs last.

§ A.13.7 (Intentionally omitted.)

§ A.13.8 (Intentionally omitted.)

§ A.13.9 (Intentionally omitted.)

ARTICLE A.14 TERMINATION OR SUSPENSION OF THE DESIGN-BUILD CONTRACT
§ A.14.1.1 Upon compliance with the seven day notice of intent to terminate set forth below, the Design-Builder may terminate the Design-Build Contract if the Work is stopped without cause or as otherwise anticipated (except for demobilization and for the Events listed in Exhibit "L-1") under the Design-Build Documents for a period of 45 consecutive days through no act or fault of the Design-Builder or a Contractor, Subcontractor or their agents or employees or any other persons or entities performing portions of the Work under direct or indirect contract with the Design-Builder, for any of the following reasons:

.1 issuance of an order of a court or other public authority having jurisclicti on which requires all Work to be stopped;

.2 an act of government, such as a declaration of national emergency which requires all Work to be stopped;

.3 the Owner has failed to make payment to the Design-Builder in accordance with the Design-Build Documents; or

.4 the Owner has failed to furnish to the Design-Builder promptly, upon the Design-Builder's request, reasonable evidence as required by Section A.2.2.8.

§ A.14.1.2 Subject to the other terms and conditions of the Design-Build Documents including Sections 3.3, A.8.3, and Events l isted in Exhibit "L-1",the Design-Builder may terminate the Design-Build Contract if, through no act or fault of the Design-Builder or a Contractor, Subcontractor or their agents or employees or any other persons or entities performing portions of the Work under direct or indirect contract with the Design-Builder, repeated suspensions, delays or interruptions of the entire Work by the Owner, as described in Section A.l4.3, without cause or as otherwise anticipated und er the Design-Build Documents, constitute in the aggregate more than 100 percent of the total number of days scheduled for completion , or 120 days in any 365-day period, whichever is less.

§ A.14.1.3 If one of the reasons described in Sections A.14.l.l or A.l4.1.2 exists, the Design-Builder may , upon seven days' written notice to the Owner, which notice is a conclition precedent to effect termination, terminate the Design-Build Contract and recover from the Owner payment for Work executed in accordance with the tenns set forth in Section A. l 4.4 below, plus overhead and profit on the Work perfo rmed prior to the receipt of notice of termination

§ **A.14.1.4** (Intentionally omitted.)

§ **A.14.2 TERMINATION BY THE OWNER FOR CAUSE**
§ **A.l4.2.1** The Owner may terminate the Design-Build Contract if the Design-Builder:

.1 persistently or repeatedly refuses or fails to supply enough properly skilled workers or proper materials;

.2 fails to make payment to Contractors for services, materials or labor in accordance with the respective agreements between the Design-Builder and the Architect and Contractors;

.3 persistently disregards laws, ordinances or rules, regulations or orders of a public authority having jurisdiction; or

.4 otherwise is guilty of substantial breach of a provision of the Design-Build Documents.

§ **A.14.2.2** When any of the above reasons exist, the Owner may without prejudice to any other rights or remedies of the Owner and after giving the Design-Builder and the Design-Builder's surety, if any, seven days' written notice, terminate employment of the Design-Builder and may, subject to any rights of the surety provided in the performance bond:

.1 take possession of the site and of all materials, equipment, tools, and construction equipment and machinery thereon owned by the Design-Builder;

.2 accept assignment of contracts pursuant to Section A.5.5.1; and

.3 finish the Work by whatever reasonable method the Owner may deem expedient. Upon request of the Design-Builder, the Owner shall furnish to the Design-Builder a detailed accounting of the costs incurred by the Owner in finishing the Work.

§ **A.14.2.3** When the Owner terminates the Design-Build Contract for one of the reasons stated in Section A.l4.2.1, the Design-Builder shall not be entitled to receive further payment until the Work is finished.

§ **A.14.2.4** If the unpaid balance of the Contract Sum exceeds costs of finishing the Work and other damages incurred by the Owner and not expressly waived, such excess shall be paid to the Design-Builder. If such costs and damages exceed the unpaid balance, the Design-Builder shall pay the difference to the Owner.

§ **A.14.2.5** In the event Owner terminates Design-Builder pursuant to this Section A.l4.2 and it is later determined that such termination was not proper or such termination right was not otherwise available to Owner, such termination shall be deemed a termination for convenience and Design-Builder's rights and remedies shall be limited to those set forth in Section A.l4.4 below.

§ A.14.3 SUSPENSION BY THE OWNER FOR CONVENIENCE

§ **A.14.3.1** The Owner may, without cause, order the Design-Builder in writing to suspend, delay or interrupt the Work in whole or in part for such period of time as the Owner may determine.

§ **A.14.3.2** Subject to the other tenns and conditions of the Design-Build Documents including Sections 3.3, A.8.3, and the Events listed in Exhibit "L-1", the Contract Sum and Contract Time shall be adjusted for increases in the cost and time caused by suspension, delay or interruption as described in Section A.l4.3.1. Adjustment of the Contract Sum shall include profit lost during such suspensions. No adjustment shall be made to the extent:

.1 that performance is, was or would have been so suspended, delayed or interrupted by another cause for which the Design-Builder is responsible; or

.2 that an equitable adjustment is made or denied under another provision of the Design-Build Contract.

§ A.14.4 TERMINATION BY THE OWNER FOR CONVENIENCE OR WITHOUT CAUSE

§ **A.14.4.1** The Owner may, at any time, terminate the Design-Build Contract for the Owner's convenience and/or without cause. In such event, Design-Builder agrees to make no claim for wrongful termination or breach of contract.

§ **A.14.4.2** Upon receipt of written notice from the Owner of such termination for the Owner 's convenience and/or without cause, the Design-Builder shall:

.1 cease operations as directed by the Owner in the notice;

.2 take actions necessary, or that the Owner may direct, for the protection and preservation of the Work; and

.3 except for Work directed to be performed prior to the effective date oftermination stated in the notice, terminate all existing contracts and purchase orders and enter into no further contracts and purchase orders.

§ **A.14.4.3** In the event of termination for the Owner's convenience and/or without cause, whether prior to commencement of construction or after, the Design-Builder shall be entitled to receive payment for design services performed, Work properly executed, overhead and profit on Work performed and reasonable clirect increased costs incurred by reason of such termination, but in no event shall Design-Builder be entitled to payment for Work not performed, including any overhead and profit on design services not completed or Work not executed.

§ **A.14.5** (Intentionally omitted.)
(Fable deleted)(Paragraphs deleted)

CONFIDENTIAL MATERIALS OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. ASTERISKS DENOTE OMISSIONS

GENERAL CONDITIONS/ GENERAL REQUIREMENTS/ COST OF WORK MATRIX

PART 2 AGREEMENT -EXHIBIT "A-1"

General Conditions / General Requirements / Cost of Work Differentiation

DESCRIPTION

COMMENTS/NOTES

PROJECT STAFF

Executive-in-Charge X Operations Manager X Estimator X Senior Project Manager X

Project Manager(s) X Superintendent(s) X

Assistant Superintendent X Senior Pro·ect Engineer X Project Engineer(s) X MEP Coordinator X

Regional Safety Manager X
Quality Control X BIM Specialist X Scheduler X Cost Engineer X Project Coordinator / Accountant X Seaetary X
Drawing/Documentation Control Clerk X

STAFF TRAVEL
Out-of-Town
Air Flights X HotelRooms - Per Night X Subsistence X Housing X Miscellaneous X

PROJECT OFFICE
Contractos Project Office Rental & Set-up X Ownes Project Office Rental & Set-up X Project Office Furniture & Equipment X Telephone System X Telephone Charges X Trailer Alann System X Radios - Two way X Workes
Lunch Room Trailer X
Tool Trailers X

Including Computer, Cell Phone and Vehicle allowance or Company Vehicle
Including Computer, Cell Phone and Vehicle allowance
Including Computer, Cell Phone and Vehicle allowance
Including Computer, Cell Phone and Vehicle
allowance
Including Computer, Cell Phone
Including Computer, Cell Phone and Company
Vehicle
Includes Computer and Cell Phone Includes Computer and Cell Phone Includes Computer and Cell Phone
Includes Vehicle, Cell Phone, Computer and
Gas
Includes Computer and Cell Phone Includes Computer and Cell Phone Includes Computer and Cell Phone Includes Computer and Cell Phone

Storage Trailers

PROJECT OFFICE EXPENSES Electric, Water for Office Trailers

X

X X Hook ups by Contractor, Utility bills by Owner

Sanitary Service X

Drinking Water & Ice X Includes Coffee, Tea etc

In-house deliveries X Cleaning & Supplies - Project Office(s) only X Postage, Over night Express. and in house deliveries X Office Supplies X

PROJECT CLOSE-OUT

Submittals and As-Builts X Operation & Maintenance Manual X

1

SURVEYING & ENGINEERING

Register Surveyor / P.E. X Field Engineer X Layout Site X Utility Layout X

Interior Layout Batter Boards X

TRAFFIC CONTROL

Flagman X Flagman- Off Duty Police Officer(s) X Traffic Control Plans, Barrels, Lights, Barricades & Signs X

SECURITY

Security Guard Service X l

General Conditions / General Requirements / Cost of Work Differentiation

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DESCRIPTION ;;;w 0 wE COMMENTS/NOTES

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TESTING AND INSPECTION
Material Testing Service | X |
Inspection Service | X |

CORPORATE COSTS
Main / Regional Office Overhead X IT, Software X Corporate Office Scheduler / Planner X Corporate Safety Program X Corporate Legal & Accounting X

MISCELLANEOUS SERVICES DRAWINGS
Contract Drawings - Sets for Distribution X Shop Drawing Reproduction Costs X
PHOTOS
Photographs X
SIGNS
Pro·ect Signs X
Misc. Construction, Information & Safety Signage X
MISCELLANEOUS
Mock-ups X
Legal Services X Travel & Entertainment X Ground Breaking & ToppingOff X

PERMITS AND PLAN CHECK
Plan Check Fees X
Building Permits X Development & Impact Fees X Water Meter & Sewer Tap Fees X Utility Permits X Fire Sprinkler & Fire Alarm Permits and Inspection Fees X
Street Use Permits X Traffic Control Permits X Dust Control Permits X
Sidewalk/ Curb-Cut Permits X

TEMPORARY FENCE/WALKWAYS
Temporary Fence / Chain Link Rental- Gates & Scrim Cover if
required X Maintain Temporary Fences X Pedestrian Walkways- Covered and/or Open X Temporary Railings- Install & Removal X Temporary Access Ladders and Stairs X

TEMPORARY FACILITIES AND UTILITIES
Temporary Access Roads & Parkinq & Maintenance X Cleaning of Streets X Dust Control - Includes, Equipment, Labor and Materials X

SAFETY
Perimeter Guardrail X
Stair & Slab Openings X
Fall/Debris Protection Systems X
Drug Testing X Safety Awareness Prpgram X Safety Signage X
Safety & First Aid Supplies X
Safety Labor X

TEMPORARY FIRE PROTECTION
Fire Extinguishers X
Temporary Standpipe System X
Fire Safety Watch X

TEMPORARY ENCLOSURES/?ARTITIONSISTAIRS
Temporary Doors, Windows and Partitions X
Temporary Stairs and Ladders X Temporary Elevator and Escalator Protection X Temporary Floor Protection X Temporary Wall Protection X Temporary Roof Protection X

TEMPORARY ELECTRIC, WATER & SANITATIO

General Conditions / General Requirements / Cost of Work Differentiation

DESCRIPTI ON

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COMMENTS/NOTES

Temporary Power Hook up X
Temporary Power Distribution Including Temporary Power boxes,
Cords, Poles & Etc X
Temporary Electric Consumption X Generator Rental including Fuel & Maintenance X
Temporary Lights X Temporary Water Hook up X Temporary Water Distribution - Site & Building X
Temporary Water Consumption X
Temporary Site Toilets and Hand Washing Facilities X

CONSTRUCTION EQUIPMENT
Site Work Equipment X Concrete Equipment X Finished Equipment X Equipment Fuel, Oil and Maintenance X Hauling - Misc. X
Pickup Trucks, Fuel, Maintenance, Oil- Job Trucks X Small Tools & Consumables X Safety Equipment and Supplies X
Tower / Mobile Cranes X

Man / Material Hoist X Rental - Misc. X

CLEAN-UP
Continuous Clean-Up- Including Trash Carts, Chutes and Tools X Waste Disposal Charges X Glass Cleaning X
Final Clean-Up X

INSURANCE
General Liability X I
Builders' Risk X

CONTRACTOR OVERHEAD
Branch and Main Office Salaries X
Capital Expenses X Branch and Main Office Accounting X Pro'ect Accounting Processing X Employee Incentive (Bonuses) X

Contractor to provide % rate
Contractor to provide % rate

BONDS
Subcontractor Bonds X I
General Contractor Bond X
Sub Guard X I

I I
I I Contractor to provide % rate
I Contractor to provide % rate

CONFIDENTIAL MATERIALS OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. ASTERISKS DENOTE OMISSIONS

SCHEDULES AND COMPLETION DATES FOR EACH TYPE OF IMPROVEMENT BY EVENT AND TYPE OF IMPROVEMENT

A. Conunencement and Completion Dates: Conditions Precedent to Effective and Binding Agreement

The Date of Conm1encement of the Work shall be no later than the date stated in § 3.1 of the Part 2 Agreement. The Date of Substantial Completion and Final Completion of the Work shall be the date stated in§ 3.3 of the Part 2 Agreement, and such dates are subject to adjustment only as expressly allowed by the Design-Build Documents. Provided, however, the following are conditions precedent for the Agreement to be effective and binding on the parties: (a) approval of the Board of Directors ofInternational Speedway Corporation of this Agreement, and (b) delivery of Owner's written Notice to Proceed to Design-Builder. Design-Builder acknowledges and agrees that Owner may establish an earlier Date of Commencement in its written Notice to Proceed (with the Date of Substantial Completion for the entire Work and Date of Final Completion for the entire Work being adjusted accordingly) if all of the other conditions precedent are satisfied earlier.

B. Schedules

Design-Builder's Schedule of Milestone Dates is attached as Exhibit "B-1" which shows commencement and required completion dates for various improvements. Design-Builder's Preliminary Partial Schedule showing the activities and durations for portions of the Work including Construction Summary, PIR Event Schedule and Design and Permitting is attached as Exhibit "B-1" . The Project Schedule showing in greater detail all of the activities necessary to properly evaluate the construction progress including the Critical Path and all items on the Critical Path shall be submitted by Design-Builder within 90 days after receipt ofNotice to Proceed.

The Project Schedule shall show the Events listed in

Exhibit "L-1". The Project Schedule shall identify the Critical Path of the overall project and the Critical Activities through the completion of each individual Phase and specified Turnover date from commencement of the Work (and each individual Phase) to completion of the Work (and each individual Phase) as necessary to achieve the minimum seating requirements prior to each Event as listed in Exhibit "L-1". The term "Critical Path" shall be defined as the longest path of activities to achieve the Project Substantial Completion date; whereas, the term "Critical Activities" shall be defined as the activities that need to be completed to support the completion of a Phase or an Event. A commensmate capacity of concessions and code required amenities shall also be provided prior to each Event as listed in Exhibit "L-1".

PART 2 AGREEMENT -
EXHIBIT B

C. Schedule Management Process

The following is required for the schedule management process:

1. Monthly Schedule Work Sessions - Owner, its consultant, if any, and Design-Builder will meet monthly to review and discuss the schedule, the progress that has occurred, revised schedules as needed, and potential scheduling issues. Owner, its consultant, and Design-Builder will track the Critical Path of Substantial Completion and Critical Activities through each Phase and specified Turnover date (for each Phase and the entire Work), turnover dates, and Events.

2. At least five (5) business days prior to each scheduled Work Session, Design-Builder shall provide the following information to Owner to facilitate the Monthly Schedule Work Sessions as follows:

Printouts identifying Overall Project's Longest Path (Critical Path) Printouts identifying Critical Activities tlu·ough each Phase and specified Turnover date
Printout of Total Float Sort for activities with 30 days of float or less

u Printout of Two-Week Look-Ahead Schedule

& Ability to view Schedules sorted or filtered by activity codes to be specified during Monthly Schedule Work Sessions. Recommendation includes sorted by "Graphical Summary Area," "Seating Turnover" and/or "Area" per design breakdown.

"' Printout of Owner responsible activities smied by either early start or area as defined at first monthly schedule work session.

Monthly schedule report identifying delays and improvements to the Critical Path of the Project and the Critical Activities for each Phase and specified Turnover date.

" Electronic (.xer) version of the revised and agreed upon Baseline
Monthly electronic (.xer) versions of the Project Schedule update.

D. Availability of Completion of Seats, Suites, Restrooms and Concessions for Events

The parties agree that the improvements identified in Exhibit "B-1" will be available for use by Owner on the dates stated in Exhibit "B-1 ".

19/23066/38

CONFIDENTIAL MATERIALS OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. ASTERISKS DENOTE OMISSIONS

SCHEDULE **0** MILESTONE **DATES**
(11111116)

PART 2 AGREEMENT- **EXHIBIT**
"B-1"

1 9/23066/38

PHOENIX TOMORROW
MILESTONE DATES

NOVEMBER 11, 2016

Notice to Proceed		November 11, 2016
Seat Manifest Submitted to Owner		March 1, 2017
Regulatory Drainage Substantial Completion		October 10, 2017
[illegible]		[illegible]

Existing Allison Suites & Club Renovation Substantial Completion		October 20, 2017
New Grandstand Aluminum, Decking, Handrails & Mid-steps 50% Complete		January 1, 2018
Begin New Grandstand Seating		February 1, 2018
Canyon #1Available for Use		March 1, 2018
New Grandstand Aluminum, Decking, Handrails & Mid-steps 100% Complete		May 1, 2018
Begin Existing Allison New Seating		May 1, 2018
Complete Existing Allison Seats Removal		July 1, 2018
New Grandstand Seating Complete		July 15, 2018
Allison Seat Replacement Complete		September 15, 2018
In-Field Substantial Completion		October 19, 2018
Midway Substantial Completion		October 10, 2018
Grandstand Substantial Completion		October 10, 2018
Frontstretch & Foothill Improvements		October 10, 2018
Canyon# 2 Available for Use		October 10, 2018

Schedule Notes:

1. It is understood that for the purposes of this agreement, Substantial Completion is synonymous with Certificate of Occupancy. It is further understood by the Design/Builder that the owner needs to begin move-in/set up of limited areas of the project prior to Substantial Completion. The Design/Builder agrees to work with the owner and the City to allow the owner to operate under a temporary Certificate of Occupancy or permanent Certificate of Occupancy up to two weeks prior to Substantial Completion. Activities that may occur under the TCO include but are not necessarily limited to: stocking, training, FFE Installation, room set-up and cooking. The Design/Builder agrees to review special occupancy dates with the Owner and work towards ensuring that the owner is able to occupy portions of the work as soon as possible. Specific high priority areas may include, but are not limited to the Infield Media Center, the Infield Care Center, and the Existing Allison Suites prior to the dates listed above.

2. The Design/Builder agrees to submit a detailed project schedule within 90 day from Notice to Proceed.

   Major activities in this schedule shall have been coordinated with the Owner & PIR Staff prior to submission to the owner.

CONFIDENTIAL MATERIALS OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. ASTERISKS DENOTE OMISSIONS

PART 2 AGREEMENT - EXHIBIT
"B-2"

GC-0110 New Grandstand

GC-0120 Allison Renovation

- Regulatory Storm Drain Improvements

Limited Site Improvements

Allison Renovation

New Grands tand

GC-0160 Midway-Phase 1 (Busch Garage, Restrooms & Hospitality)

GC-0190 Canyon Entrance #1 @ Existing Allison

GC-0140 Infield -Phase 1 (Tunnel Expansion)

GC-0200 Infield -Phase 2

GC -0210 Midway- Phase 2

Midway- Phase 1 (Busch Garage, Restroom& & Uospitality)

---------- Canyon Entrance #1 @ Existing Allison

Infield -Phase 1 (Tunnel Expansion)

Inield - Phase 2

Midway-Phase 2

GC-0220 RV Parking

RV Parking

GC-0230 N ew Pit Road & Walls Complete

GC-0240 New Race Cont rols & Start/Finish Relocation Complete / Open Test Ready

QliJMfiimt!MI

0 New Pit Road & Walls Complete

0 New Race Controls & StarUFinish Relocation Complete *I*

16-3 CAN AM_':OO NASCAR Weekend (Nov 11-13, 2016)

10-Nov-16

I CAN AM 500 NASCAR Weekend (Nov 11-13, 2016)

16-4 Rusty Wallace Driving Experience (Nov 19-20, 2016)

16-5 Rusty Wallace Driving Experience (Nov 26-27, 2016)

17-1 INDYCARPrioview- Open Test (Feb 9-11, 2017)

17-2 GOOD SAM RV R lly (Feb 23-26, 2017)

17-3 GOOD SAM 500 NASCAR Weekend (March 17-19, 2017)

17-4 Rusty Wallace Driving Experience (March 25-26, 2017)

17-5 NASCAR Driving Experience (April7-9, 2017)

17-6 Rusty Wallace Driving Experience (April15-16, 2017)

17-7 INDY CAR EVENT Weekend (April 28-29, 2017)

17-8 Ford Fleet R & D (June 15-23, 2017)- Tentat ive

17-9 NASCAR Driving Experience (Sep 29- Oct 1, 2017)

1 Rusty Wallace Driving Experience (Nov 19-20, 2016)

D Rusty Wallace Driving Experience (Nov 26-27, 2016)

I INDYCAR Proview -Open Test (Feb 9-11, 2017) GOOD SAM RV Rally (Feb 23-26, 2017)

I GOOD SAM 500 NASCAR Weekend (March 17-19, 2017)

1 Rusty Wallace Driving Experience (March 25- 26, 2017) I NASCAR Driving Experience (Apr117-9, 2017)

I Rusty Wallace Driving Experience (April15-16, 2017)

INDY CAR EVENT Weekend (April 28-29, 2017)

B Ford Fleet R & 0 (June 15-23, 2017)- Tentative

I NASCAR Driving Experience (Sep 29 -Oct 1, 2017)

17-10 Goodyear Tire T;;t (Oct 91- 0, 2017)- Tentative

17-11

Air Show j0c114-15, 2017)

Goodyear Tire Test (Oct 9-10, 2017) -Tent ative

Air Show (Oct 14-15, 2017)

17-12 CAN AM 500 NJ,::scAR W;ekend (Nov 17-19,2017)

17-13 R usty Wallace D Ing- erience (Nov 25-26, 2017) 0% 22-Nov-17• 27-Nov-17

17-14 Rusty Wallace Driving Experience (Dec 2-3, 2017)

18-1 GOOD SAM 500NASCAR Weeke;d(March 16-18, 2018)

18-2 INDY CAR EVENT Weeked (April13-14 2018) 13-Apr-18• 16-Apr-18

0 CAN AM 500 NASCAR Weekend (Nov 17-19, 2017)

I Rusty Wallace Driving Experience (Nov 25-26, 2017) Rusty Wallace Driving Experience (Dec 2-3, 2017)

GOOD SAM 500 NASCAR Weekend (March 16-18, 2018) I INDY CAR EVENT Weekend (April 13-14 2018)

I CAN AM 500 NASCAR Weekend (Nov 9-11,

Package 3: Utilities, Drainage, Infield, Electrical Re-rout e, Water, Sewer, Storm Drain | 40 ‹

DP-050 | Package 5: Grandst and Superstructure & Vertical Circu lation | 5o 50

Oo/. |

1: Regulatory Storm Drain

2: Site Plan Package Permitting
Package 3:Utilities, Drainage, Infield, Elect rical Re-route, Water, Sewer,Storm Drain

DP-040 Package 4: Grandst and/Allison Foundations, Remaining Underground Utilities 30 30 Oo/. j 07-Nov-16 | 20-Dec-16
D8-Nov-16 20-Jan-17

- Package 4: Grandstand/Allison Foundations, Remaining Underground Utilities
-Package 5: Grandstand Superstructure & Vertical Circulation

DP-060 | Package 6: Total MidwaYPackage (Busch Garage/Hospitality), Allison Renovation 50 50 |

O Y, 08-Nov-16 | 20-Jan-17

-Package 6: Total Infield Package, Busch Garage/ lospitality, Alli&on Renovation

DP-070 Package 7: Grandstand Enclosure MEP, Totalinfield 25 25 O Y, 20-Jan-17 H-Feb-17
DP-080 Package 8: Grands t and Interiors & Balance of Project 45 45 Do/. 23-Jan-17 f 24-Mar-17

- Package 7: Grandstand Enclosure MEP
- Package 8: Grandstand Interiors & Balance of Project

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OKLAND CONSTRUCTION

Barton Malow

Scheduler: Eric Bramwell			
Date	Revision	Checked	Approved
19-Apr-16	Preliminary	BM	BM
18-Jul-16	Preconstruction Update #1	MR	GK
01-Aug-16	Preconstruction Update #2	MR	GK
24-Aug-16	Preconstruction Update #3	MR	GK
15-Sep-16	Preconstruction Upadte #4	MR	GK
27-Sep-16	Preconstruction Upadte #5	MR	GK
27-Oct-16	GMP Schedule	MR	GK

PHOENIX INTERNATIONAL RACEWAY

Phoenix International Raceway
Improv ements

Page 1 of2

Activity ID	Activity Name	Orig Dur	Remain Dur	% Complete	Start	Finish
Phoenix International Raceway Improvements						
Project Overview & Milestones						
Construction Summary						
GC-0130	Regulatory Storm Drain Improvements	55	55	0%	03-Jan-17	06-Mar-17
GC-0100	Limited Site Improvements	95	95	0%	27-Feb-17	16-Jun-17
					20-Mar-17	20-Aug-18
					02-May-17	08-Nov-17

2017: O N D J F M A M J Jul A S O N D
2018: J F M A M J J A S

Activity ID AoUvily N•m• or;giiR•m•;nl %

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GMP-010 Submit GMP
GMP-100 GMP Review Finalize Cont rac t Package
GMP-110 ISC Approval- Updated Contract P age

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04-NOV-16

Submit GMP
GMP Review -Finalize Contract Package ISC Approval -Updated Co ntract Package

GMP-120 Signed Contract Issued / Sent 07-Nov-16 0 Signed Contract Issued / Sent
GMP-130 NTP - Design & Key Procurement Packages 0 NTP -Design & Key Procurement Packages

Package 1 : Regulat ory Storm Drain t 66 . 50 Package 1: R eg ulatory Storm Drain
PE-100 -Package 2: Site Plan Package Permitting . 3 J / 57
PE-110 Package 3: Utilities, Dr. inage, Infield, Electrical Re-route, Water, Sewer, S t orm Drain 58 56 -Package 3: Utilities, Drainage, Infield, Elec t rical Re-route,Water, Sewer, Storm Drain
PE-120 Package 4 : Grandstand/Allison Foumlallons, Remaining Underground Ut ilies -j 59 59 15-Mar-17 -Package 4: Grandstand/Allison F oundations, Remaining Underground Utilities
PE-130 Package 5 : Grands t and Superstructure & VerticalCirculation 61 61 / O'Y. 23-Jan-17 17 Apr-11 - Package 5: Grands tand Superstructure & Vertica l Cirwlation

PE-140 Package 6: Total Midway Package (Busch Garage/Hospitality), Allis on Renovation 61 61 O'Y. 23-Jan-11 11-Apr-11 - Package 6: Total Infield Package, Busch Garage/Hospitality, Allison Renovation
PE-145 Package 7 : Grandstand Enclosure MEP, Total Infield 75 75 0'/. 20-Feb-11 15-May-11 -Package 7: Grandst and Enclosure MEP
PE-150 . c age 8 : Grandst and Interiors & Balance of Pr 61 61 0'/ 27-Mar-11 20-Jun-17 -Package 8: Grandstand Interiors & Balance or Projec t

PE-
PE-160
PE-170
PE-180
PE-190

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Obtain Infrastruc ture / Civil Permits & Approvals
SJRWMD Stormwa t er Permit
ACOE Permit Modification / Exemption
Obtain Sewer Permit

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27-Feb-11
27-Feb-17
27-Feb-11
27-Feb -17

0 Obtain Regulatory Storm Drain Perm1t
0 Obtain Infrastructure / Civil Permits & Approvals
0 SJRWMD Stormwa t er Permit
0 ACOE Permit Modification / Exemption
0 Obtain Sewer Permit

PE-200

Ob tain Water Permit

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0 Obtain Water Permit

PE 210

Obtain Foundation Permit - New Grandstand

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0 Obtain Foundation Permit -New Grands t and

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PE 310

PE-220

PE 320
PE-410
PE- 510

Ob t ain Foundation PennIt - Allison Grandstand Entry Core Expansion

Obtain Structural Permit-New Grandstand
Obtain Struc t ural Permit-Allison Grandstand Ent ry C ore Expansion
Obtain General Building Permit - Infield Package, Buildings & Improvements
Obtain General Building Permit-Grandstand Int eriors & Balance

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0 Obtain Foundation Permit- Allison Grandstand Ent ry Core Expansion

0 Ob tain Struc ural Pennit -New Grandstand
0 Obtain Struc tural Permit-Allison Grandstand Entry Core Expansion
0 Obtain General Building Permit -Infield Package, Buildings & Improvements
0 Obtain GeneralBuilding Permit- Grands t and Interiors & Balance

55-0100
SS-0110
SS-0120
SS-0125
SS-0130
SS-0135
SS-0140

Issue S t eel Cnt eria Package & RFP to Steel/Bleacher Subcontractors

Receive RFP Bids b8ck from Subcontractors
Review & Finalize Bids
Pricing Validation based on Fi1tal Crleria
Selec t SteelUBleacher Subcontra c t or Award Steel Package Contract Prepare Initial Design Document s

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100 t. 03-Oc t -16 A 19-Oct-16 A Receive RFP Bids back from Subcontractors
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4 27.5 o 25-Oc t-16 A 31-Oct-1 Pricing Vtildatbn based on Fitat Crite ria

4 0 31-0c t-16 04-Nov-16 I Select Steel/Bleacher Subcontrac t or
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0 O'Y. 04-NOV-16 Award Steel Package Contract
25 Oo/. 04-Nov-16 09-Dec-16 c:::J Prepare Initial Design Document&

5S-0145

Foundation Design - Structural Engineer

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0% 09-Dec-16

15-Dec-16 0 Foundation Design - Structural Engineer

SS-0220
SS-0150
SS-0175
SS-0155

Complete Structural Design
Prepare Foundation Package

Struc t ural Design-Struc tural Engineer
Submit Foundation Pa c kage t o City (Permit Package #4)

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D Complete Struct ural Design

II Prepare Founda t ion Package
0 Struc tural Design-Structural Engineer
0 Submit Foundation Package to City (Permit Package #2)

SS-0210

† Prepare Full Struc tural Package

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0 Prepare Full St ructural Package

SS-0165
SS-0160
SS-017 0

SubmU Struc tural Package to Cit y (Permit Package #5) Prepare Shop Drawings

hop Drawing Review & Approval

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24..Jan 11

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0 Submit Structural Package t o City (Permit Package #3)

D Prepare Shop Drawings
D Shop Draw ing Review & Approval

SS-0180

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Scrub Shop Drawings / Release for Fabrication

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17-Feb-H 07-Mar-17
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0 Scrub Shop Drawings / Release f or Fabrication

SS-0190
SS-0200

Steel Fabrication & Delivery

Steel On-Site

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27-Apr-17

Steel Fabricat ion & Delivery
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Phoenix International Raceway
Improvements

Page 2 of 2

INTERNATIONAL SPEEDWAY CORPORATION'

OKLAND
CONSTRUCTION

CONFIDENTIAL MATERIALS OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. ASTERISKS DENOTE OMISSIONS

AIA Document

A141'"- 2014 Exhibit

C

(Paragraphs deleted)

INSURANCE AND BONDS

for the following PROJECT:
(Name and location or address)

Phoenix Tomorrow Project
at Phoenix International Raceway
Avondale, Arizona

THE OWNER:
(Name and address)

PHOENIX SPEEDWAY CORP.
125 South Avondale Boulevard, Suite 200
Avon dale, Arizona 85323

THE DESIGN-BUILDER:
(Name and address)

OK.LAND CONSTRUCTION COMPANY, INC.
1700 N. McClintock Drive
Tempe, Arizona 85281

PART2 AGREEMENT-EXHIBIT "C"

ADDITIONS AND DELETIONS: The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes added information as well as revisions to the standard form text is available from the author and should be reviewed. A vertical line in the left margin of this document indicates where the author has added necessary information
and where the author has added to or deleted from the original AIA text.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

ARTICLE C.I
The Owner and Design-Builder shall provide policies ofliability insurance as required by the Design-Build Documents, or as follows: See Article A.ll of the Agreement

(Specify changes, if any, to the requirements of the Design-Build Documents, and for each type of insurance identify applicable limits and deductible amounts)

ARTICLE C.2
The Design-Builder shall provide surety bonds in the fonn attached as Exhibit "H" as follows:
(Specify type and penal sum of bonds)

Type	Penal Sum : (100% of the Contract Sum)
Payment and Performance Bonds	Amount of the Guaranteed Maximum Price

(Paragraphs deleted)
§ C.2.1 Upon the request of any person or entity appearing to be a potential beneficiary of bonds covering payment of obligations arising under the Agreement, the Design-Builder shall promptly furnish a copy of the bonds or shall permit a copy to be made.

(Paragraphs deleted)

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APPLICATION FOR PAYMENT

PART 2 AGREEMENT-
EXHIBIT "D"

,Q.,:i_,. :A:;;

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TM 1992

Application and Certificate for ***Payment***

TO OWNER: PROJECT:

APPLICATION NO: PERIOD TO: CONTRACT FOR:

Distribution to:
OWNER: 0
ARCHITECT: 0

FROM
CONTRACTOR:

VIA
ARCHITECT:

CONTRACT DATE:
PROJECT NOS:

CONTRACTOR: 0
FIELD: 0
OTHER: 0

CONTRACTOR'S **APPLICATION FOR PAYMENT**

Application is made for payment, as shown below, in connection with the Contracl.

Continuation Sheet, AIA Document 0703, is attached.

'I, ORIGINAL CONTRACT SUM ..... $ —-

2. Net change by Change Orders ..... $___

The undersigned Contractor certifies that to the best of the Contractor's lmowledge, infmmation and belief the Work covered by tlus Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that cunent payment shown herein is now due.

CONTRACTOR:

3. CONTHACT SUM TO DATE (Line 1 ± 2)..... $

___

4. TOTAL COMPLETED & STORED TO DATE (Column G on G703) ..... $

___

5. RETAINAGE:

a. __%of Completed Work

State of:

By:

County of:

Subscribed and sworn to before

Date:

(Columm D +Eon G703)

b. % of Stored Material

(Colum11 F on G703)

$___

$-----

me this day of

Notary Public:

.....Total Retain age (Lines Sa+ Sb or Total in Column I of G703) $----

My Comnlission expires:

6. TOTAL EARNED LESS RETAINAGE

(Line 4 Less Line 5 Total)

$___

ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising

7. LESS PREVIOUS CERTIFICATES FOR PAYMENT $___

(Line 6 from prior Certificate)

8. CURRENT PAYMENT DUE ..... ! $

|

9. BALANCE TO FINISH, INCLUDING RETAINAGE

(Line 3 less Line 6) $-----

this application, the Architect certifies to the Owner that to the best of the Architect's knowledge,
information and belief the Work has progressed as indicated, the quality of the Work is in
accordance with the Contract Documents, and the Contractor is entitled to payment of the
AMOUNT CERTIFIED.

AMOUNT CERTIFIED $___ *(Attach explanation if amount ce1tijied differs from the amount applied. Initial all figures 011 this Application and on the Continuation Sheet that are changed to conform with the amount certified.)*

ARCHITECT:

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner $		$
Total U£2roved this Month	$	$
TOTALS	$	$
NET CHANGES by Change Order	$	

By: __

Date:

This Certificate is not negotiable. The AMOUNT CERTIFIED is payabl e onl y to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or

Contractor
under
this
Contract

CONFIDENTIAL MATERIALS OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. ASTERISKS DENOTE OMISSIONS

WAIVER AND PARTIAL
RELEASES FINAL WAIVERS AND
RELEASES OF LIENS
DESIGN-BUILDER'S AFFIDAVIT OF
OUTSTANDING ACCOUNTS
DESIGN-BUILDER'S FINAL PAYMENT
AFFIDAVIT

"Contractor" shall mean "Design-Builder"
on this form

PART 2 AGREEMENT -
EXHIBIT "E"

19!23066 / 37

UNCONDITIONAL WAIVER AND RELEASE ON PROGRESS PAYMENT FOR USE IN STATE OF ARIZONA

Project: ___Job No.: ___

The undersigned has been paid and bas received a progress payment in the sum of $ *(Amount)* for all labor, services, equipment or material furnished to the jobsite or to - - -----*(Person With Whom Undersigned Contracted),* on the job of-------- *(Owner)* located at *(Job Description)* and does hereby release any mechanic's lien, any state or federal statutory bond right, any private bond right, any claim for payment and any rights under any similar ordinance, rule or statute related to claim or payment rights for persons in the undersigned's position that the undersigned has on the above-referenced project to the following extent. This Release covers a progress payment for **all** labor, services, equipment or materials furnished to the

jobsite or to ----------*(Person With Wham Undersigned Contracted)* through

------*(Date)* only and does not cover any retention, pending modifications and changes or

items furnished after that date.

The undersigned warrants that he either has already paid or will use the monies he receives from this progress payment to promptly pay in full all of his laborers, subcontractors, materialmen and suppliers for all work, materials, equipment, or services provided for or to the above-referenced
project up to the date of this Waiver.

Date:___

(Company J ame)

NOTICE: This document waives rights unconditionally and states that you have been paid for giving up those rights. This document is enforceable against you if you sign it, even if you have not been paid. If you have not been paid, use a conditional release form.

UNCONDITIONAL WAIVER AND RELEASE ON FINAL PAYMENT FOR USE IN STATE OF ARiZONA

Project: ' __ Job No.: ___

The undersigned has been paid in full for all labor, services, equipment or material furnished to the jobsite or to------ ------ *(Person With Whom Undersigned Contracted),* on the job of
---------*(Owner)* located at *(Job Description}* and does ...

hereby waive and release any right to mechanic's lien, any state or federal statutory bond right,- any private bond right, any claim for payment and any rights under any similar ordinance, rule or statute related to claim or payment rights for persons in the undersigned's position, except for disputed
claims for extra work in the amount of$-------*(Amount of Disputed Claims).*

The uridersigned warrants that he either has already paid or will use the monies he receives from this final payment to promptly pay in full all of his laborers, subcontractors, materialmen and suppliers for all work, materials, equipment, or services provided for or to the above-referenced
project.

(

Date: _ _ __

(Company l'lame)

NOTICE: 1bis document waives rights unconditionally and states that you have been paid for giving up those rights. This document is enforceable against you if you sign it, even if you have not been paid. If you have not been paid, use a conditional release form.

66218\SLW\LINDAG

PROffiCT:

DESIGN//BUILDER'S AFFIDAVIT OF OUTSTANDING ACCOUNTS

To the best of my knowledge and belief, we hereby certify that all estimates of work shown on the application for payment Number _ dated
-:------,--:c:-:::::---are true and correct, that all work has been performed and material supplied in full accordance with the terms and conditions of the Agreement with Owner and all authorized changes thereto, that the following is a true and correct statement of the contract account up to and including the last day of the period covered by this estimate and that

no part of the Payment Due This Estimate has been received.

(Must match Pay Requisition) (Owner Use Only)

ORIGINAL CONTRACT AMOUNT: APPROVED CHANGE ORDERS:
ADJUSTED CONTRACT AMOUNT:

$___
$.___
$.____

$___
$_____
$___

****

****

WORK COMPLETED TO DATE: (on contract)

$.___ $

Net Change (add/ded uct)
Total Work Completed to Date
Less Retainage Total Owed to Date Less Prior Billings

$.___
$ _____
$___
$.___
$___

$
$____
$___
$___
$____

PAYMENT DUE THIS ESTIMATE· $'===== $====

AFFIDAVIT OF OUTSTANDING ACCOUNTS

We hereby certify that all outstanding claims for labor, insurance, unemployment benefits, taxes, union benefits, subcontract materials, expendable equipment, and any and all other obligations incurred in the performance of said agreement have been paid in full in accordance with the requirements of said agreement except such outstanding claims as are listed below, which statement contains all claims against Design/Builder which are not yet paid. *(All* amounts owed, even if under extended periods of credit, must be included in *this* statement) We also certify that these due and payable accounts will be paid as shown below out of funds to be received from the Owner for this period and signed Releases o'fLien will be presented to Owner for each of the below listed Suppliers/Subcontractors.

Subcontractor/ Supplier Name	Type of Material or Labor Furnished	Contract Price (if applicable)	Amount Previously Paid	Amount to be Paid by Design/Builder to Subcontractor/ Supplier out of this Payment	Balance Owing Subcontractor/ Supplier After this Payment

The undersigned Design/Builder, having heretofore entered into a Contract with Owner to perform work in connection with the above project, and having made Affidavit of Outstand ing Accounts in connection with request for payment in order to induce Owner to make a payment at this time in the amount indicated above, agrees as follows:

- That said payment is in strict compliance with the terms and conditions of said contract.
- That said payment shall be received as a trust fund and applied by the undersigned for the discharge of his obligations for labor, subcontract work, materials, equipment, supplies, services, etc. in connection with *this* project
- That said payment will not be deposited with any depository to whom the Design/Builder has given any evidence of an ndebted which gives to the depository any legal rights to such funds or any part thereof.
- That the person executing this Certificate on behalf of the Design/Builder is an authorized officer of the Design/Builder, having knowledge of all the matters hereinabove set forth and is duly authorized to execute fuis Certificate and bind the Design/Builder.

Dated this day of ,20_.

STATE OF=---------- COUNTYOF __

(DESIGN//BUILDER)

Subscribed and sworn to before me this
day of 20_.

By:

Title:

-:---:--.,---:-:----- (undersigned)

Notary Public
My Commission Expires: _____

19/5220/866

DESIGN/BUILDER'S FINAL PAYMENT AFFIDAVIT

STATE OF ARIZONA
COUNTY OF ___

BEFORE ME, the undersigned authority, personally appeared--,--------,-- (Name of Affiant), who, after being first duly sworn, deposes and says of his/her personal knowledge the following:

1. He/She ts the (Title of Affiant) of ___ (Name of Business), which does business in the State of ---------' hereinafter referred to as 'Design/Builder'.

2. Design/Builder, pursuant to a contract with (Name of Owner), hereinafterreferred to as the "Owner", has furnished or caused to be furnished labor, materials and services for the construction of certain improvements to real property as more particularly set forth in said contract.

3. This Affidavit is executed by the Design/Builder for the purposes of obtaining final payment from the Owner in the amount of$"----------

4. All work to be performed under the contract has been fully completed, and alllienors under the direct contract have been paid in full, except the following listed lienors:

NAME OF LIENOR	AMOUNT DUE

Signed, sealed, and delivered this ___ day of ___

By:___

Print Name

Title of Mfiant:

(Name ofBusiness)

Sworn to and subscribed before me this ___

day of , 20___) by

___, who is personally known to be the person described in or has produced ___as identification.

Notary Public, State of Arizona
Type or Print Name:
My Commission Expires: Commission Number:

19/5220/869

CONFIDENTIAL MATERIALS OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. ASTERISKS DENOTE OMISSIONS

CONTRACT COMPLETION

CHECKLIST "Contractor" shall mean

"Design-Builder" on this form

Contract Completion Checklist

C.I.P.# / PROJECT DESCRIPTION: CONTRACTOR:

Original Contract Sum
Change Orders
Final Contract Sum

Approved

Date

Scope Summary

2 **Substantial Completion Certificate**

3 **Punch List**

4 **Approved Revised Drawings and As Built Drawings**
a. One complete set on CD in Autocad (AutoCad version to be confirmed with Owner)
b. Two complete sets in Hard Copy format- Full Size

5 **Certificate of Occupancy:**

6 **Operation, Maintenance & Training Manuals:**
a. 2 Complete sets of all Operations & Maintenance Manuals
b. Copies of Maintenance Agreements

7 **Warranties / Guarantees**
a. 2 Complete Sets of all Warranty / Guarantee Documents

8 **Delivery of all Attic Stock:**
a. Delivery schedule to be coordinated with NATC and Track Operations Staff

9 **Consent of Surety:**

10 **Affidavits & Final Lien Waivers:**

11 **Vendor Diversity/Minority Documents**
a. Name of minority owned and/or controlled company
b. Scope of work performed by company
c. Contract sum of work performed by company

Contractor Architect!Engineer Owner

Contractor Architect/Engineer Owner

Contractor
Architect/Engineer . _ Owner

Contractor Architect/Engineer Owner

Contractor Architect/Engineer Owner

Contractor Architect!Engineer Owner

Contractor Architect/Engineer Owner

Contractor Architect/Engineer Owner

Contractor Architect/Engineer Owner

Contractor Architect/Engineer Owner

Contractor Architect/Engineer Owner

CONFIDENTIAL MATERIALS OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. ASTERISKS DENOTE OMISSIONS

CONFIDENTIALITY AGREEMENT

THIS AGREEMENT, dated this day of , 20_, between PHOENIX SPEEDWAY CORP. ("Owner") and OKLAND CONSTRUCTION COMPANY, INC. ("Second Party"). For adequate consideration , receipt of which is hereby aclmowledged , the parties agree as follows:

1. Recitals. Owner is in the process of obtaining design-build services for the Phoenix Tomorrow Project at Phoenix International Raceway (hereinafter known as the "Project"). Owner has expended extensive time, effort and money in creating, developing, marketing and protecting its technical and non-technical ideas, design and other work product which it considers to be confidential, proprietary information and its trade secrets ("work product"). In order to prepare conceptual design and other design information, it is necessary for Owner to provide work product information to Second Party which the parties agree should not be disclosed to third parties except those required to implement or provide services to Second Party in preparing the design and related information for this Project. This Agreement is entered into for the purpose of protecting Owner from any and all unauthorized disclosure or exploitation of its protected work and the work of others employed and/or retained by Owner and/or Second Party and for the purpose of maintaining confidentiality as to future Project plans and property and development plans of Owner. Second Party agrees to require other persons receiving information concerning the Project to execute a Confidentiality Agreement similar to this Agreement which protects Owner in the same manner as covered by this Agreement.

2. Mutual Consideration. The parties hereby acknowledge and agree that a material inducement for Owner to commit Second Party access to Owner's work product, Second Party agrees to enter into this Confidentiality Agreement and to be bound by its terms, conditions and covenants.

3. Covenant to Non-Disclosure: Owner Ownership of Work Product. All work product, property, dated documentation, or infonnation of any kind prepared, conceived, discovered, developed or created by Second Patly for Owner ("work product") shall be deemed to be "work for hire" (as defmed in the Copyright Act, 17 U.S.C.A. § 101, ET SEQ., AS AMENDED).

4. Remedies of Default. In the event of any actual or threatened breach of this Agreement by Second Party, Owner shall be entitled to injunctive relief in addition to damages and such other remedies provided by law or equity.

5. Publicitv. All newspaper, magazine and other media articles, announcements, statements, exhibitions and advertising (collectively "publicity") issued or published by the Second Party in connection with the Project shall be approved in writing by Owner before publication.

6. Binding Effect; Savings Clause; Venue. The parties acknowledge and agree that this Agreement is effective when signed by both parties and that the provisions of this Agreement are severable and should any of its provisions, clauses or portions hereof be deemed invalid or of no force and effect by a court of competent jurisdiction, all remaining clauses and provisions shall remain in full force and effect. Venue for any legal proceedings involving disputes arising out of this Agreement shall be proper only in the place where the Project is located.

OWNER:

PHOENIX SPEEDWAY CORP.

DESIGN-BUILDER:

OKLAND CONSTRUCTION COMPANY, INC.

By:_____

By:_____

Title:_____ Title:_____

PART 2 AGREEMENT - **EXHIBIT** "G"

CONFIDENTIAL MATERIALS OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. ASTERISKS DENOTE OMISSIONS

PERFORMANCE BOND AND PAYMENT BOND

PART 2 AGREEMENT - **EXHIBIT "H"**

PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENTS: that

(Name of Contractor) (Address of Contractor)

a ------:-::------:-:---=----:---:-:-----:---c-:---:--:-----:c--:- - - ' hereinafter called Principal, and
(Corporation, Partnership, or I ndividual)

(Name of Surety) (Address of Surety)

hereinafter called Surety, are held and firmly bound unto

(Name of Owner) (Address of Owner)

hereinafter called OWNER, in the penal sum of-- -----:-::--- -,--:::---:------ --- (Contract Sum)

--- ------- --- - -- -- -------Dollars, ($

in lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, successors, and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION is such that whereas, the P rincipal entered into a certain contract with the OWNER, dated the day of , 20_ which is incorporated by reference and made a part hereof for the construction of:

NOW, THEREFORE, if the Principal shall well, truly and faithfully perform its duties, all the undertakings, covenants, terms, conditions, and agreements of said contract during the original term thereof, and any extensions thereof which may be granted by the OWNER, with or without notice to the Surety and during the one year warranty period, and if it shall satisfy all claims and demands incurred under such contract, and shall fully indemnify and save harmless the OWNER from all costs and damages which it may suffer by reason of failure to do so, including delay damages, and shall reimburse and repay the OWNER all outlay, expense and damages which the OWNER may incur in making good any default, then this obligation shall be void; otherwise to remain in full force and effect.

PROVIOED, FURTHER, that the said surety, for value received hereby stipulates and agrees that n o change, extension of time, alteratio n or addition to the terms of the contract or to WORK to be performed thereunder or the SPECIFICATIONS accompanying the same shall in any wise affect its obligation on this BOND, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the contract or to the WORK, or to the SPECIFICATIONS.

PROVIDED, FURTHER, that n o final settlement between t he OWNER and t he CONTRACTOR shall abridge the right of any beneficiary hereunder, whose claim may be unsatisfied.

Surety is bound b y t he notice requirements i n t he Owner/Contractor Agreement relative t o corrective work, warranty work , default and termination which are incorporated by reference herein. OWNER expressly reserves the right to arrange for completion of Principal's Contract, to complete the Principal's Contract itself or through others, to control completion and to obtain a new contractor to complete t he Principal's Contract. Surety reserves the right to challenge the reasonableness of OWNER 's costs to complete and to claim failure to mitigate damages.

IN WITNESS WHEREOF, this instrument is executed in counterparts, each one of which shall be deemed an original, this day of , 20_.

ATTEST:

Principal

(Principal) Secretary

By:_----:-=-----:-:----:---:-::---=----:--------:------:------::-----=-::::-----:---
(President, Vice President or other Officer)

(SEAL)

(Witness as to Principal)(Address) (Address) (City/State/Zip)

(City/State/Zip) ATTEST:

(Surety) Secretary SURETY NAME

(SEAL)

By: ___

(Witness as to Surety)

----:-:-------Attorney-in-Fact for Surety) Name

(Address) (Address) (City/State/Zip) (City/State/Zip)

NOTE: Date of BOND must not be prior to date of Contract. If CONTRACTOR is Partnership, all partners should execute BOND.

IMPORTANT: (1) CONTRACTOR shall furnish to OWNER prior to commencement of construction and keep in full force and effect during the term of the Contract a performance bond in compliance with the applicable statutes in the state where the PROJECT is located, a surety authorized to do business in the state of the PROJECT and listed on the Treasury Department's most current list (Circular 570 as amended), satisfactory to the OWNER with a surety rating of at least an A- rating by Best's Key Rating Guide produced by A.M. Best Company. (2) Power of Attorney for Surety's Attorney-in-Fact must be attached.

19/5220/843 r.J unc 14, 2013]

¯-

PAYMENT BOND

KNOW ALL MEN BY THESE PRESENTS: that

(Name of Contractor) (Address of Contractor)

a -------:-=-----:---:o---------c:-.,,.....,---,------' hereinafter called Principal, and
(Corporation, Partnership, or Individual)

(Name of Surety) (Address of Surety)

hereinafter called Surety, are held and firmly bound unto

(Name of Owner) (Address of Owner)

hereinafter called OWNER, in the penal sum of =----:-----:---:----:--------
(Contract Sum)

----------Dollars ($

in lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, successors, and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION is such that whereas, the Principal entered into a certain contract with the OWNER, dated the day of , 20_ which is incorporated by reference and made a part hereof for the construction of:

NOW, THEREFORE, if the Principal shall promptly make payment to all persons, firms, SUBCONTRACTORS, SUPPLIERS, MATERIALMEN, and corporations furnishing materials for or performing labor and/or services in the prosecution of the WORK provided for in such contract, and any authorized extension or modification thereof, including all amounts due for materials, lubricants, oil, gasoline, coal and coke, repairs on machinery, equipment and tools, consumed or used in connection with the construction of such WORK, and all insurance premiums on said WORK, and for all labor performed in such WORK whether by SUBCONTRACTOR, SUPPLIERS, MATERIALMEN, or otherwise, then this obligation shall be void; otherwise to remain in full force and effect.

PROVIDED, FURTHER, that the said Surety, for value received hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the contract or to the WORK to be performed thereunder or the SPECIFICATIONS accompanying the same shall in any way affect its obligation on this BOND, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the contract or to the WORK or to the SPECIFICATIONS.

PROVIDE, FURTHER, that no final settlement between the OWNER and the CONTRACTOR shall abridge the right of any beneficiary hereunder, whose claim may be unsatisfied.

IN WITNESS WHEREOF, this instrument is executed in __counterparts, each one of which shall be deemed an original, this the day of , 20_.

ATTEST:

PRINCIPAL NAME

(Principal) Secretary

By:__--:-=-:--:-----:--------

(Signature)

(SEAL)

(Name/Office)

(Witness as to Principal)(Address) (Address) (City/State/Zip)

(City/State/Zip) ATTEST:

(Surety) Secretary SURETY NAME

(SEAL)

By: ---------- (Signature)

(Witness as to Surety)

------,-,..---------Attorney-in-Fact for Surety) Name

(Address) (Address)

(City/State/Zip) (City/State/Zip)

NOTE: Date of BOND must not be prior to date of Contract. If CONTRACTOR is Partnership, all partners should execute BOND.

IMPORTANT: (1) CONTRACTOR shall furnish to OWNER prior to commencement of construction and keep in full force and effect during the term of the Contract a payment bond in compliance with the applicable statutes in the state where the PROJECT is located, a surety authorized to do business in the state of the PROJECT and listed on the Treasury Department's most current list (Circular 570 as amended), satisfactory to the OWNER with a surety rating of at least an A- rating by Best's Key Rating Guide produced by A.M. Best Company. (2) Power of Attorney for Surety-in-Fact must be attached.

19/5220/844 [June 14, 2013]

CONFIDENTIAL MATERIALS OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. ASTERISKS DENOTE OMISSIONS

AGREEMENT FOR PROFESSIONAL LIABILITY INSURANCE

The parties, ("Design-Builder") and ("Architect" and/or "Engineer") hereby agree as follows:

1. Architect and/or Engineer hereby agrees that it currently has and will maintain professional liability insurance in the amount of $5

,000,000.0 0 (including contractual liability coverage with all coverage retroactive to the earlier of the date of this Agreement and the initial commencement of Design-Builder's services in relation to the Project) covering all damages typically covered by Architect and / or Engineer's professional liability policies, including errors and omissions.

2. Within 30 days following execution of this Exhibit "I ", Architect and/ or Engineer shall provide a certificate of insurance to Design-Builder evidencing the amount of coverage required in paragraph one above. Design-Builder shall upon receipt of same forthwith forward a copy of said certificate to Owner.

DATED this __ day of----------' 20__.

DESIGN-BUILDER: ARCHITECT / ENGINEER:

By:___ By:_____

Title:__

__ Title:_____

PART 2 AGREEMENT - EXHIBIT "I"

19/1 6457/330

CONFIDENTIAL MATERIALS OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. ASTERISKS DENOTE OMISSIONS

NOT APPLICABLE

THERE IS NO NOVATION AGREEMENT

PART 2 AGREEMENT - EXHIBIT "J "

CONFIDENTIAL MATERIALS OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. ASTERISKS DENOTE OMISSIONS

COST OF THE WORK, OTHER AGREEMENTS,

ACCOUNTING RECORDS AND RELATIONSHIP OF THE

PARTIES

PART 2 AGREEMENT - EXHIBIT "K"

ARTICLE A.5 COST OF THE WORK
§ **A.5.1 Cost To Be Reimbursed as Part of the Contract**
§ **A.5.1.1 Labor Costs**
§ **A.5.1.1.1** Wages of construction workers directly employed by the Design-Builder to perform the construction of the Work at the site or, with the Owner's prior approval, at off-site workshops.

§ **A.5.1.1.2** With the Owner's prior approval, wages or salaries ofthe Design-Builder's supervisory and administrative personnel when stationed at the site. *(!fit is intended that the wages or salaries of certain personnel stationed at the Design-Builder's principal or other offices shall be included in the Cost of the Work, identify below the personnel to be included, whether for all or only part of their time, and the rates at which their time will be charged to the Work.)*

Person Included	Status (full-time/part-time)	Rate ($0.00)	Rate (unit oftime)

§ **A.5.1.1.3** Wages and salaries of the Design-Builder's supervisory or administrative personnel engaged at factories, workshops or on the road, in expediting the production or transportation of materials or equipment required for the Work, but only for that portion of their time required for the Work.

§ **A.5.1.1.4** Costs paid or incurred by the Design-Builder for taxes, insurance, contributions, assessments and benefits required by law or collective bargaining agreements and, for personnel not covered by such agreements, customary benefits such as sick leave, medical and health benefits, holidays, vacations and pensions, provided such costs are based on wages and salaries included in the Cost of the Work under Section A.5.1.1.

§ **A.5.1.1.5** (Intentionally omitted.)

§ **A.5.1.2 Contract Costs.** Payments made by the Design-Builder to the Architect, Consultants, Contractors and suppliers in accordance with the requirements of their subcontracts.

§ **A.5.1.3 Costs of Materials and Equipment Incorporated in the Completed Construction**
§ **A.5.1.3.1** Costs, including transportation and storage, of materials and equipment incorporated or to be incorporated in the completed construction.

§ **A.5.1.3.2** Costs of materials described in the preceding Section A.5.1.3.1 in excess of those actually installed to allow for reasonable waste and spoilage. Unused excess materials, if any, shall become the Owner's property at the completion of the Work or, at the Owner's option, shall be sold by the Design-Builder. Any amounts realized from such sales shall be credited to the Owner as a deduction from the Cost of the Work.

§ **A.5.1.4 Costs of Other Materials and Equipment, Temporary Facilities and Related Items**
§ **A.5.1.4.1** Costs of transportation, storage, installation, maintenance, dismantling and removal of materials, supplies, temporary facilities, machinery, equipment and hand tools not customarily owned by construction workers that are provided by the Design-Builder at the site and fully consumed in the performance of the Work. Costs ofmaterials, supplies, temporary facilities, machinery, equipment and tools that are not fully consumed shall be based on the cost or value of the item at the time it is first used on the Project site less the value of the item when it is no longer used at the Project site. Costs for items not fully consumed by the Design-Builder shall mean fair market value.

§ **A.5.1.4.2** Rental charges for temporary facilities, machinery, equipment and hand tools not customarily owned by construction workers that are provided by the Design-Builder at the site and costs of transportation, installation, minor repairs, dismantling and removal. The total rental cost of any Design-Builder-owned item may not exceed the purchase price of any comparable item. Rates ofDesign-Builder-owned equipment and quantities of equipment shall be subject to the Owner's prior approval.

§ **A.5.1.4.3** Costs of removal of debris from the site of the Work and its proper and legal disposal.

§ **A.5.1.4. 4** Costs of document reproductions, electronic communications, postage and parcel delivery charges, dedicated data and communications services, teleconferences, Project websites, extranets and reasonable petty cash expenses of the site office.

§ **A.5.1.4.5** Costs of materials and equipment suitably stored off the site at a mutually acceptable location, with the Owner's prior approval.

§ **A.5.1.5 Miscellaneous Costs**
§ **A.5.1.5.1** Premiums for that portion of insurance and bonds required by the Design-Build Documents that can be directly attributed to the Contract. With the Owner's prior approval self-insurance for either full or partial amounts of the coverages required by the Design-Build Documents.

§ **A.5.1.5.2** Sales, use or similar taxes imposed by a governmental authority that are related to the Work and for which the Design-Builder is liable.

§ **A.5.1.5.3** Fees and assessments for the building permit and for other permits, licenses and inspections for which the Design-Builder is required by the Design-Build Documents to pay.

§ **A.5.1.5.4** Fees oflaboratories for tests required by the Design-Build Documents, except those related to defective or nonconforming Work for which reimbursement is excluded by Section 15.5.3 of the Agreement or by other provisions of the Design-Build Documents, and which do not fall within the scope of Section A.5.1.6.3.

§ **A.5.1.5.5** Royalties and license fees paid for the use of a particular design, process or product required by the Design Build Documents; the cost of defending suits or claims for infringement of patent rights arising from such requirement of the Design-Build Documents; and payments made in accordance with legal judgments against the Design-Builder resulting from such suits or claims and payments of settlements made with the Owner's consent. However, such costs of legal defenses, judgments and settlements shall not be included in the calculation of the Design-Builder's Fee or subject to the Guaranteed Maximum Price. If such royalties, fees and costs are excluded by the second to last sentence of Section 3.1.13.2 of the Agreement or other provisions of the Design-Build Documents, then they shall not be included in the Cost of the Work.

§ **A.5.1.5.6** With the Owner's prior approval, costs for electronic equipment and software directly related to the Work.

§ **A.5.1.5.7** Deposits lost for causes other than the Design-Builder's negligence or failure to fulfill a specific responsibility in the Design-Build Documents.

§ **A.5.1.5.8** (Intentionally omitted.)

§ **A.5.1.5.9** With the Owner's prior approval, expenses incurred in accordance with the Design-Builder's standard written personnel policy for relocation, and temporary living allowances of, the Design-Builder's personnel required for the Work.

§ **A.5.1.5.10** That portion of the reasonabl e expenses of the Design-Builder's supervisory or administrative personnel incurred while traveling in discharge of duties connected with the Work.

§ **A.5.1.6 Other Costs and Emergencies**
§ **A.5.1.6.1** Other costs incurred in the performance of the Work if, and to the extent, approved in advance in writing by the Owner.

§ **A.5.1.6.2** Costs incurred in taking action to prevent threatened damage, injury or loss in case of an emergency affecting the safety of persons and property.

§ **A.5.1.6.3** Costs of repairing or correcting damaged or nonconforming Work executed by the Design-Builder, Contractors or suppliers, provided that such damaged or nonconforming Work was not caused by negligence or failure to fulfill a specific responsibility of the Design-Builder and only to the extent that the cost of repair or correction is not recovered by the Design-Buil der from insurance, sureties, Contractors, suppliers, or others.

§ **A.5.1.7 Related Party Transactions**
§ **A.5.1.7.1** For purposes of Section A.5.1.7, the term "related party" shall mean a parent, subsidiary, affiliate or other entity having common ownership or management with the Design-Builder; any entity in which any stockholder in, or management employee of, the Design-Builder owns any interest in excess often percent in the aggregate; or any person or entity which has the right to control the business or affairs of the Design-Builder. The term "related party" includes any member of the immediate family of any person identified above.

§ **A.5.1.7.2If** any of the costs to be reimbursed arise from a transaction between the Design-Builder and a related party, the Design-Builder shall notify the Owner of the specific nature of the contemplated transaction. including the identity of the related party and the anticipated cost to be incurred, before any such transaction is consummated or cost incurred. If the Owner, after such notification, authorizes the proposed transaction, then the cost incurred shall be included as a cost to be reimbursed, and the Design-Builder shall procure the Work, equipment, goods or service from the related party, as a Contractor, according to the terms of Section A.5.4. If the Owner fails to authorize the transaction. the Design-Builder shall procure the Work, eqwpment, goods or service from some person or entity other than a related party according to the terms of Section A.5.4.

§ **A.5.2 Costs Not to Be Reimbursed as Part of this Contract**
The Cost of the Work shall not include the items listed below:

.1 Salaries and other compensation of the Design-Builder's personnel stationed at the Design-Builder's principal office or offices other than the site office, except as specifically provided in Section A.5.1.1;

.2 Expenses of the Design-Builder's principal office and offices other than the site office;

.3 Overhead and general expenses, except as may be expressly included in Section A.5.1;

.4 The Design-Builder's capital expenses, including interest on the Design-Builder's capital employed for the Work;

.5 Except as provided in Section A.5.1.6.3 of this Agreement, costs due to the negligence or failure ofthe Design-Builder, Contractors and suppliers or anyone directly or indirectly employed by any of them or for whose acts any of them may be

liable to fulfill a specific responsibility of the Contract;

.6 Any cost not specifically and expressly described in Section A.5.1; and

.7 Costs, other than costs included in Change Orders approved by the Owner, that would cause the Guaranteed Maximum Price to be exceeded.

§ **A.5.3 Discounts, Rebates, and Refunds**

§ **A.5.3.1** Cash discounts obtained on payments made by the Design-Builder shall accrue to the Owner if (1) before making the payment, the Design-Builder incl uded them in an Application for Payment and received payment from the Owner, or (2) the Owner has deposited funds with the Design-Builder with which to make payments; otherwise, cash discounts shall accrue to the Design-Builder. Trade discounts, rebates, refunds and amounts received from sales of surplus materials and equipment shall accrue to the Owner, and the Design-Builder shall make provisions so that they can be obtained.

§ **A.5.3.2** Amounts that accrue to the Owner in accordance with Section A.5.3.1 shall be credited to the Owner as a deduction from the Cost of the Work.

§ **A.5.4 Other Agreements**

§ **A.5.4.1** When the Design-Builder has provided a Guaranteed Maximum Price, and a specific bidder (1) is recommended to the Owner by the Design-Builder; (2) is qualified to perform that portion of the Work; and (3) has submitted a bid that confom1s to the requirements of the Design-Build Documents without reservations or exceptions, but the Owner requires that another bid be accepted, then the Design-Builder may require that a Change Order be issued to adjust the Guaranteed Maximum Price by the difference between the bid of the person or entity recommended to the Owner by the Design-Builder and the amount of the subcontract or other agreement actually signed with the person or entity designated by the Owner.

§ **A.5.4.2** Agreements between the Design-Builder and Contractors shall conform to the applicable payment provisions of the Design-Build Documents, and shall not be awarded on the basis of cost plus a fee without the prior consent of the Owner. If an agreement betvv'een the Design Builder and a Contractor is awarded on a cost plus a fee basis, the Design-

Builder shall provide in the agreement for the Owner to receive the same audit rights with regard to the Cost of the Work performed by the Contractor as the Owner receives with regard to the Design-Builder in Section A.5.5, below.

§ **A.5.4.3** The agreements between the Design-Builder and Architect and other Consultants identified in the Agreement shall be in writing. These agreements shall be promptly provided to the Owner upon the Owner's written request.

§ **A.5.5 Accounting Records**

The Design-Builder shall keep ful l and detailed records and accounts related to the cost of the Work and exercise such controls as may be necessary for proper financial management under the Contract and to substantiate all costs incurred. The accounting and control systems shall be satisfactory to the Owner. The Owner and the Owner's auditors shall, during regular business hours and upon reasonable notice, be afforded access to, and shall be permitted to audit and copy, the Design-Builder's records and accounts, including complete documentation supporting accounting entries, books, correspondence, instructions, drawings, receipts, subcontracts, Contractor's proposals, purchase orders, vouchers, memoranda and other data relating to the Contract. The Design-Builder shall preserve these records for a period of three years after final payment, or for such longer period as may be required by law.

§ **A.5.6 Relationship of the Parties**

The Design-Builder accepts the relationship of trust and confidence established by this Agreement and covenants with the Owner to exercise the Design-Builder's skill and judgment in furthering the interests of the Owner; to furnish efficient construction administration, management services and supervision; to furnish at all times an adequate supply of workers and materials; and to perform the Work in an expeditious and economical manner consistent with the Owner's interests.

CONFIDENTIAL MATERIALS OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. ASTERISKS DENOTE OMISSIONS

ASSUMPTIONS DATED NOVEMBER 3, 2016

PART 2 AGREEMENT - EXHIBIT "L"

Barton Malow OKLAND

Phoenix International Receway Basis of GMP Estimate Assumptions and Clarifications November 3, 2016

General:

1) This Assumptions and Clarification Exhibit is prepared to supplement and take precedent over all other referenced documents
2) This GMP estimate includes a standard **one-year warranty,** unless within the specifications extended warranties are specified. If extended warranty is requested, it is only a manufacture standard warranty and will be included with close-out documents.
3) Costs associated with LEED Certifications are not included.
4) This project is not subject to any federal or state wage determinations.
5) The owner has provided the Design/Builder with a preliminary events schedule that covers events during the construction of the project. The Design/Builder understands that the timing of the major events (NASCAR, Good Sam & Indy Racing League) are unlikely to change significantly, many small events such as driving schools must be accommodated by the Design/Builder. The design builder agrees to work with the owner to accommodate all events.
6) The Design/Builder shall be responsible for providing all gates, temporary fencing and temporary signage for PIR events. It shall be the Design/Builder's responsibility to ensure that the facility is "Event Ready" with regards to construction areas. This means that PIR can operate the event without significant obstruction or hardship. Furthermore, this means that all areas under construction are to be made safe and the responsibility for making these areas safe is the responsibility of Design/Builder.
7) Preconstruction Services are not included in this GMP, Preconstruction fees are under a separate agreement outside of this GMP Estimate
8) The following rates for Insurance, Taxes and Fees will be billed to the project at the following %'s of the Guaranteed Maximum Price:
   a) Subcontractor default insurance and builders risk insurance: **
   b) Payment and performance bond: **
   c) General liability insurance: **
      i) MOLD insurance not included.
   d) AZ privilege tax: ** or **
   e) Fee: **
   f) All fees (Items a-d) in this section shall be applicable to change orders per the prime contract
9) The Design/Builder and owner agrees that any area formally turned over by the Design/Builder and accepted by the owner shall be considered completed work. The design/builder may bill for retainage on this completed work.
10) The Design/Builder shall be responsible for modifying the existing Bobby Allison Grandstand and Ancillary Support spaces as needed to meet the requirements of the scope identified in criteria package. Municipal/JHA requirements over and above or outside of the stated scope is not included. The intent is to limit exposure for the Design/Builder to just those areas in which the Design/Builder is specially conducting work. Unforeseen or

unknown Issues raised by Municipai/JHA review of this project that have not already been contemplated in the budget, as they pertain to existing conditions, are not included in the budget.

11) The Design/Builder shall meet the insurance coverage limits as stipulated in the general agreement. However, Design/Builder may elect to provide traditional GL insurance in lieu of a CCIP with owner input and approval.

12) With owner approval, Design/Builder shall be entitled to substitute materials and products for those spec ified, provided that the substitutions provide materials and products are of comparable quality. The basis for material and quality selection is the Existing Allison.

13) The project has not been designed or priced assuming any FM Global requirements. Generally, code minimum, lowest cost methods for construction are assumed.

14) Design/Builder will be allowed to self-perform certain portions of the work where it is in the best interest of the project and the owner. Design/Builder shall competitively bid any work to be self-performed and obtain approval from the owner before commencing to self-perform.

15} Specialty Acoustical consulting and review are not included in the budget. Should the owner want to study the acoustics, the cost of the acoustical consultant along with the cost of the upgrades shall be borne by the owner. However, the R ace Operations a rea shall be designed acoustica lly similar to Daytona. Any acoustica l treatments provided in those spaces is included in this agreement.

16} At 50% completion, the Design / Builder shall be able to request that the retainage for remaining work be reduced from 10% to 5% p"rovided Design/Builder is meeting all contractual requirements at that time.

17} The Design/Builder understands that this contract and its attachments are not intended to represent every aspect required for a complete job. It is the Design/Builder's responsibility to complete the design and fill in the gaps such that the final project meets the intended performance requirements for the project. These performance re quirements include but are not necessarily limited to providing all of the scope elements, meeting the intent of the criteria, and meeting or exceeding code and regulation requirements. It is understood that Existing Allison is the basis for filling gaps in design.

18} Pre-Novation Design costs are not included.

19} All remaining Design and CA Fees are included within this GMP.

20} Our proposal is conditioned on a cap of professional liability of ** that was agreed to in the Rossetti, Atwell and DLR consulting agreements a nd becomes the sole remedy for Owner to receive compensation for professional liability cla ims.

21} We have included the following p reviously approved changes to scope items as part of this GMP estimate: (see CCL ta ble below}

CCL Item#	CCL Item Description	Value
1	Midway- Care Center Canopies Removed	In GMP
2	Infield- Ca nopy over Building E (Stairs to Tunnel} Removed.	In GMP
3	Infield - Chain-link Fence ilo Removable Guardrail at Garages	In GMP
4	Infield- Added Bay to Garage 5 Removed	In GMP
5	Infield - Liner Pa nels at Ga rages Removed	In GMP
6	Infield - R-13 Roof Insulation at Garages Removed	In GMP
7	Infield- Budget for Tire Distribution Building Revised to PEMB	In GMP
8	Infield- Updated Hardware Budget Removed	In GMP
9	Infield- 25% of Tile Reduction (Cost or Quantity}	InGMP
10	Infield- Decorative Metal per Sketch-up at D1& D2 Removed	In GMP
11	Infield- Heat Pump System ilo VRF at Media Center (Building B)	In GMP
12	Infield- Change Water lines to C-900 ilo Ductile Iron Pipe if Allowed by Code.	In GMP
13	Infield- Standard Epoxy Floors ilo Protectall	In GMP
	End of Approved CCL Item	

List of Contract Documents:

1) Documents utilized in preparation of this pricing consisted of the Atwell, Rossetti Architects & DLR Group documents per the plans list provided as an Exhibit. We assume no responsibility for any design narratives, plans, animations or renderings previously provided. Pricing includes the scope of work indicated on the listed documents only and does not assume any intent for theming or other elements which may have been a part of any past rendering or discussion.

2} "Design Criteria Package" Dated October 12, 2016, including the Redlines of the Criteria.

3} "Design Criteria Narrative" including the redlines of the Narrative.

4} Basis of GMP Estimate (Assumptions and Clarifications)

Phoenix International Receway Basis of GMP Estimate Assumptions and Clarifications November 3, 2016

5) Schedule of Values (Estimate Detail)
6) List of Design Documents Including Exhibits, Attachments, Narratives, Etc. Refer to attached exhibit (list of design documents)
7) An Owner / Contractor Matrix dated _7/29/2016__is included as an attachment to this document. This attachment further delineates the relationship between the owner and contract for various work items. Where a conflict exists between anything in these clarifications and the matrix, the matrix shall be the official reference document a nd guide.
8) Project Schedule dated _10/27/2016_.
9) Key Milestone Date Schedule Dated 10/27/2016

Owner Allowances:

1) The Owner Allowances included in this GMP estimate are intended to be reasonable estimates for assumed work scopes, allowances include all direct costs including labor, materials, equipment and subcontractor costs. Design-Builder markups and fees are in addition to the a llo wance amount listed and are included in the GMP. If the final total cost of the actual scope(s) corresponding the proposed allowance, when fully designed and installed, differs from the proposed allowance amount, the proposed allowance amount under this GMP shall be increased or decreased along with associated markups via forma l change order. The allowance shown below does not include markups and is the cost of work budget.
   a) Kitchen Equipment (Midway/Grandstand/Infield) **

Alternates:

1) No Alternates have currently bid priced up that can be included.
   a) A deductive alternate for ISC to manage seating will be developed.
   b) A deductive alternate for ISC to manage Front Stretch/Foothills construction will be developed.
2) Various upgrades not currently in the base GMP are noted in the Criteria narrative and drawing redlines for future consideration.

Owner Provided Items (Cost not Included in this GMP Estimate):

1) All permits, imp act fees, connection fees, special use permits, etc.
2) Permanent water meters, impact fees, development fees, utility surcharges, offsite utility costs and connection fees.
3) All city/jurisdictional inspections including fire marshal, or private utility.
4) Environmenta l studies & reports and hazardous materia l containment & remova l.
5) Artwork, statue, and pictures.
6) Marketing/Branding, Ornamental Wayfinding Signage & General Building and room identification signage will be provided by the owner. The Design/Builder shall provide Code required signage necessary for obtaining a certificate of oceupancy. The Design/Builder shall be responsible for providing site directional signage during construction (stop signs/Parking/HC signs etc.) and any permanent signage shown on the Atwell civil plans that are included as attachments to the agreement (i.e. stop signs, ada, etc).
7) The owner shall pay for power/water/sewer. Design / Builder to work with the owner to develop a temporary metering scheme to track costs. Temporary meters and other services required during construction are to be provided by the Design/Builder
8) Owner Furnished Equipment:
9) Server equipment, racks, switches, cable tray above server equipment racks, individual ups, etc.
10) The owner shall furnish and install permanent phone equipment as part of its IT budget
11) The owner shall provide permanent Computers, monitors, copiers, coin machines other than might be required to operate the systems included in the Design/Builder's scope.
12) Vending equipment shall be by owner.

13) The owner shall provide visua l equipment, projectors, TV's, VCR/DVD players, etc.

Added to Contract 12/21/2016:

Owner Use of Contingency:

It is understood that the Design-Builder has included in the budget various contingencies such as Change Order, Construction & Inflation Contingencies. It is also understood that additional reserves may be created through the award of contracts that are lower than the budgeted values. Although the initial allocation of this contingency is at the discretion of the Design-Builder, the Design-Builder and Owner shall re-evaluate and renegotiate the remaining contingency with the Owner when the ProjecPt hiso5e0n%ixclonmteprInetaetiaonndarleRdeucceewthaey GMP accordingly ("Revised GMP"). The intent is to afford the Owner adequate time to reallocate excess reseBravessistoofadGdMsPcoEpsetibmacakte into the project. Should the owner add additional scope to the Design/Builder's contract after the reA-nsesguomtiapttioionnosf tahnedRCevlaisreifdicGatMioPn, sthe

Revised GOMKPLAsNuDm will be adjusted via change order accordingly.

November 3, 2016

14) The owner shall provide Low Volta ge Systems including structured cabling, security and/or access control, PA System, etc.
15) All furniture / furnishings and window treatments shall be provided by owner.
a) No provisions for motorized shades are included.
16) All interior furniture: sofas, furniture, desks, chairs, tables, shelves, trash receptacles, recycle bins, etc.
17) Utility public inspections, fees (including design / hook-up) or other items required by public utility provider.
18) All dry utility costs charged by utility provider. (ex. Cox, Century Link, APS, SRP, etc.) Conduit and trenching for these utilities is included within the GMP.
19) Design fees (Architectural fees, consultant fees, etc.) prior to October 2016 Criteria Package.
20) Vehicular crossover gates or pedestrian crossovers gates.

Working Hours

1) Working hours are ava ilable 24/7, except during special events or other owner specified blackouts.

Design Build Change Order Risk Contingency:

1) Contingency is included to cover unforeseen cost increases due to design evolution through permit approva l, post permit should specific items/systems require additional design after p ermit approval and or deferra l submittals. This design build change order allowance is not intended to cover scope increases due to program changes and/or scope of work changes directed by the Owner nor should it be for covering additional costs associated with existing systems requiring upgrades to meet current codes during design or inspections unless specifically noted on the scope of work under this GMP Estimate.

Construction and Inflation Contingency:

1) Design/Builder has included a Construction, Design and Infla tion Contingency as noted in the estimate. This contingency is not ava ilable to the Owner for the purposes of adding programmatic, scope, schedule or aesthetic changes in the design or construction of the building. This contingency is to be used at the sole discretion of Design/Builder for the following items:
a) Solve any contractual/buyout issues with subcontractors.
b) Subcontractor a nd material men defaults and interfacing omissions between and from various work categories.
c) Accelerate construction schedule as needed.
d) Solve construction issues in field as they present themselves.
e) Complete construction of any subcontractor that may default on its contract.
f) To resolve weather conditions and other impacts that negatively affects the execution of the work.
g) Payment of insurance deductibles or repa ir to any damage caused by forces outside of the control of the contractor (such as for weather, vandalism or system failures).
h) Significant changes in the commodity ma rket supply, escalation, labor disputes, transportation delays, or inflation.
i) Repair/Replacement of damaged work. (in accordance with the Owner/Contractor agreement).
j) Significant changes in the commodity market, esca lation, or inflation.

General Cl arifications Applicable to all portions of th e Project

Division 1- Genera l

1) Where not otherwise noted/deta iled, the Existing Allison's 2005 Expansion is the general basis forthis GMP with code minimum upgrades included for the new grandstand.
2) The Criteria Drawings and Narrative include red line markups that are also included in this "Assumptions and Cla rifications."

3) Portions of the project will be utilized for the beneficial use of the owner prior to the final substantial completion and acceptance date for the complete project. Any area that has been turned over to the owner will trigger the start of the warranty period on the turnover date for that piece of the project upon substantia l completion. Retainage for phased turnover portions of the project will also be considered eligible for release.
4) Our Estimate is based Owner's acknowledgement that liquidated damages are Owner's sole remedy for Design Builder delays a nd that all other consequential damages between the parties are mutually waived.
5) Payments for stored material, raw steel material and equipment and pre-fabricated assemblies will be allowed based on owner approval, provided adequate documentation is provided to Owner by Design/Builder
6) No acoustica l consultant costs, or any enhanced acoustical measures are included outside of race operations.
7) The GMP and cost breakdown should in no way be considered a line item GMP.
8) Attic Stock:

a) 50 Grandstand Seats a re included.
b) 2% attic stock was included for ceilings & flooring.

Division 2 - Existing Conditions [Demolition]

1) The Design/Builder shall work with the owner to establish items to be salvaged prior to Demolition. A preliminary list of salvage items is included as an attachment to this agreement. The Design / Builder shall remove those items and relocate them to an area on the property that will be designated by the owner.
2) Demo materials other than those to be sa lvaged above are to be the property of the Design/Builder. However, these items may not be resold as memorabilia or marketed as coming from the Phoenix Internationa l Raceway.

Division 3 - Concrete

1) Average surface tolerance for grandstand concourses is assumed to match the existing Allison. Ready Mix concrete mix designs will be A rizona Standard mixes. Specialty aggregates or fly-ash free mixes are not included.

2) Service level sha ll have concrete pads beneath walk coolers/freezers. Division 4- Masonry

Division 5- Metals

1) All interior ba r joist materials are to be prime painted. Exterior joists will be ga lvanized if exposed to the elements.
2) The handrails are galvanized with no painting and or aluminum contractor's preference.
3) AISC certification is not included {Erector or Fabricator).

Division 6- Wood and Plastic

1) No AWI certifications will be required;
2) Casework will be simple boxes with finishes.
   i) Included flush overlay plastic laminate cabinets with laminate interiors. ii) Standard particle board core material.
3) If any computer trays are required they will be by owner.
4) The Design/Builder includes blocking for signage, TV's, artifacts, artwork or other furnishings. Th e Design/Builder has included provisions for blocking as needed for these items. Backing or Supports for the Marketing & Branding of the Canyons is not included.
   a) Blocking to be metal strap as baseline with wood backing/blocking as deemed necessary for additional support strength.

Division 7- Thermal and Moisture Protection

1) Waterproofing:
   i) Elevator and escalator pits will be damp proofed.
2) Insulation:
   i) Code compliant insulation is included at roof and walls.
3) Fireproofing / Caulking:

i) Any fireproofing required for ancillary buildings required by code will be included.
ii) No fireproofing or intumescent paint on grandstand structural members is included.

4) Roofing:
i) At contractors option the roofs can be foam or single ply roof. ii) Warranty is included as 15 year with 1year install.

Division 8- Openings

1) We have assumed that any specialty security door hardware, electric strikes, etc. are a part of the Low Voltage/IT scope provided by the Owner. Contractor to coordinate with owner for final preparation and all necessary pathways.
2) Fire Fly releases or alarm links for roll up doors are not included.
3) Custom or premium colors for aluminum finishes are not included.
4) Door Hardware standard is based on the Existing Allison as well as the Accepted CCL for the Infield hardware.

Division 9 - Finishes

1) No epoxy grout was included at tile.
2) We exclude the painting of duct, pipe, conduits, hangers, HVAC items, electrical items, pluming items, fire protection items, etc. Painting of exposed PVC with UV resistant paint is included where exposed.
3) Drywall finishes are to be level 4 in public areas and level 3 in BOH areas.
4) The following budgets were included (furnished and installed):
i) Carpet at ** per yard at infield and ** per yard at grandstand. ii) Ceramic Tile at ** per SF
iii) Resilient Flooring at ** per SF

Division 10- Specialties

1} All kitchen area sink accessories are assumed to be provided by the Owner's Soap and Towel Supplier.
2) Toilet paper rollers, toilet seat cover dispensers, and paper towel dispensers are to be provided by the Owner's vendor.
3} AED Cabinets are furnished and installed by the Owner.
4) Basis of design is American Specialties or equal, toilet partitions are Baked Enamel (in-lieu of plastic).
5) Lockers were included as dual tier standard metal lockers.
6) Waste receptacles will be by owner.
7) Hand Dryers were included at all large multi-stall locations; smaller single or double stall locations only include owner furnished paper towel dispensers. The plastic laminate faces are not included.
a) FRP or other waterproof material shall be provided behind hand dryers in gang restrooms.

Division 11- Equipment

1) Commercial Food service equipment has been indicated an allowance.
i) Food service allowance also includes make up air, exhaust fans, grease ducts, kitchen hoods, air curtains, ice bins, and other costs related to the execution of a complete package.

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ii) Food service equipment estimate included in our proposal does not include Action Stations, Smallwares, Merchandise Carts, and Portables.
iii) All stainless steel counter, fabrications, wall cladding, ceiling panels, corner guards, and FRP are to be a part of the overall food service allowance at this time.
iv) Design of the food service equipment is part of this allowance.
v) Beverage Conduits, C02 Systems, RO, and Water Filtration have not been budgeted and assumed from owner vendor, however pathways are included.

2) Truck restraints are not included.
3) Residential equipment is included as residential refrigerators {Full size & under counter) are included.
4) Remaining residential equipment such as microwaves, counter ice makers, etc. to be by Owner.
5) Healthcare equipment is by Owner.
6) Induction cooking units are included in those suites indicated in Criteria Package. The cost for induction is included as part of the Kitchen Equipment allowance.

Division 12- Furnishing

1) Fixed suite seating in new grandstand & existing grandstand is by Owner.
2) POS Cabinets are considered to be a part of the FF+E Package.
3) Retractable, loose, or removable seating is to be furnished and installed by Owner.
4) The Design/Builder includes furnishing and installing new contour seating/handrests at both the new grandstand a nd the existing Allison. Contractor also includes in its price the responsibility for removing and disposing of the existing seating.
5) The Design/Builder shall include the responsibility for re-seating the existing Allison with new contour seats/armrests. It is understood that minor modifications to the existing grandstand may be required to accommodate the replacement seating. This may include modifications necessary to meet current code. A full or comprehensive retrofit of Allison to meet current codes is not included nor is it anticipate.

Division 14- Vertical Transportation

1) Upgrades to the existing elevators are included as specifically identified in the Elevator Condition Assessment Report, dated 7/20/2016, by Michael Blades & Associates, Ltd.
2) Escalators shall be provided with above ground restart controls. These will be located at the top and bottom of each escalator.
3} All elevators that serve suites or that have a guest service operator working inside the cab shall be air conditioned. This includes the tunnel elevator at the in-field.
4) The existing lift in the Octane club will remain or be reused and is assumed in good working condition.
5) Standard cab finishes included with a budget of $5,000 to upgrade each cab.

Division 21- Fire Suppression

1) We have not included any heat tracing of piping for the fire protection system.
2) Fire Protection system design is based on code minimum requirements.
3) System was included per NFPA 13 for installation of sprinkler systems.
4) Heads were included as semi-recess at finished ceiling and exposed heads at open to above locations.
5) Dry fire suppression system was only included at freezers of service level.

Division 22- Plumbing

1) All Domestic water piping 3" and down will be type "L" sweat and press fit copper or PEX piping where inaccessible by the general public.
2) All Domestic water piping 4" and larger will be grooved thin wall stainless steel pipe.
3) All Domestic water piping below grade will be type "K" copper piping.
4) A ll above grade waste and vent piping to be DWV PVC pipe and fittings.

5) A ll below grade waste and vent piping to be DWV PVC Pipe and fittings.

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Phoenix International Receway Basis of GMP Estimate Assumptions and Clarifications November 3, 2016

6) All above grade storm piping to be DWV PVC pipe and fittings.
7) All gas piping to be schedule 40 black thread and couple piping or mega press assembly.
8) All condensate drain piping will be type or PVC pipe and fittings, no "m" copper allowed.
9) Urinals to be wall mounted with carriers.
10) Water closets to be floor mounted with flush valves; to match existing.
11) Insulation to be provided for domestic hot water, and copper condensate drain piping. Cold water will be un-insulated.
12) All hand washing stations in food prep/serving areas is provided with hot water by an Insta nt hot water heater.
13) Hot water for Kitchen areas is to be served by a single water heater with recirculation pump and recirculation piping loop as required by code.
14) One lavatory in the public restrooms is provided with Hot water by a single electric instantaneous water heater, a ll other lavatories have cold water only.
15) No compressed air piping distribution system provided.
16) Floor drain and area dra ins will be PVC bodies with nickel bronze heal resistant covers.
17) We have not included the replacement of any plumbing fixtures, or systems due to existing code issues.
18) We have included code minimum requirements for pipe supports and spacing.
19) We have included trap guards in lieu of trap primers and access panels.
20) See redline criteria package for additional items. The redlines supersede the comments above.

Division 23- HVAC

1) All HVAC units have been inc luded at code minimum SEER ratings.
2) The Design/Builder shall replace filters during construction as needed to ensure that the units are not damage prior to substantial completion. Brand new filters shall be provided and installed at substantial completion.
3) A building managements system shall be provided as wired network t-stats. A building management computer workstation and the purchasing of software is not required. The supply and installation of controllers and network gateways required to monitor and control systems using the existing Metasys system in Daytona is inc luded in the Design/Builder's responsibility
4) All existing HVAC systems to remain have been assumed to meet current code requirements. We have not assumed upgrades to existing equipment other than those units specified in the narrative/clarifications below.
5) Controls monitoring of food service equipment including walk-ins should be included as part of the foodservice package.
6) All louvers have been included in manufacturer's standard colors.
7) Insulation of ductwork is only included at supply. Return or exhaust ductwork is un-insulated.
8) No integral lined ductwork was included.- condensation
9) Ductwork was included per SMACNA standards. No oval duct is included. No stainless steel or other specia l duct included.
10) See redline criteria package for additional items. The redlines supersede the comments above.

Division 26

1) We have not included any "Big Ass Fans" or similar in the project (rough in only included).
2) All existing equipme nt to be reused shall be in proper working condition prior to removal.
3) In rack IT UPS systems are to be provided by Owner's Vendor. Race Ops is by Contractor.
4) Underground of existing overhead APSis not included.

5) Conduit and equipment pads for on-site APS scope of work is included.

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Phoenix International Receway Basis of GMP Estimate Assumptions and Clarifications November 3, 2016

6) Design/Builder's work excludes all off-site APS scope of work and transformer with feeders in empty conduit above.
7) See redline criteria package for additional items. The redlines supersede the comments above.

Division 27 and 28- Communication, Electronic Safety+ Security [Raceway and Blocking Only]

1) All low voltage including communication, safety & security, MDF, IDF, and other items is by Owner & not inc luded in GMP. Raceways are included in GMP.
   i) This includes but not limited to:
      {1} Cabling including outlets, end point connections for devices, etc.
      {2} Termination and testing.
      {3} Backbone with equipment & cabling for equipment rooms.
      {4} Patch panels or ER inter-connection points.
      {5} Patch cords.
      {6} Ladder racks within closets. (7) Ca ble tray within closets.
      {8} Technical Grounding
      {9} Supports
      {10} Copper or fiber optic Back bone
      {11} UPS and PDU Units (both rack mounted and room units). (i) These are to be by Owner Vendor
      (12) Racks
      {13} All core switches, edge switches, firewalls, DMZ, etc.
      {14} Access panels

      ii) The following systems are excluded:
      {1} Security System
      (2) Pubic Address (PA) System
      {3} Phone System
      {4} Video Systems

      iii) The following equipment is excluded:
      {1} Flat Panel Displays (at Hospitality, Menu boards, Loge Display, Etc.)
      {2} Servers, routers, etc.
      {3} Wireless equipment such as access points, controllers, antennas, management softwa re, servers, etc.
      {4} Telephone equipment including routers, gateways, handsets, ups units, ca ll managers, etc.
      {5} Video Walls, LED Ribbon Walls, etc.
      {6} Distributed Antenna System (DAS).
      (7) Computers, Printers, copiers, fax machines, handheld scanners, ticketing stations, iPads, other mobile devices, and RF Radios.
      {8} Modification and/or relocation of fiber lines are not included.
2) PIR Operations is to provide and pay for all temporary wired and wireless applications not shown on the drawings that are required during events, including but not limited to, outdoor POS Systems, ticketing systems, DAS, telecommunications, and TV broadcast.
3) The only low voltage system included in GMP by Contractor under Division 28 is a code compliant Fire Alarm System.
4) Interlocking of fire alarm to owner provided ceiling fans or other items is not included.
5) Fire Alarm will be open specification for "or-equal" code compliant system and not closed per specifications.

6) Existing Allison BA1Fire Alarm system to be demolished and replaced, BA2 Fire Alarm system to remain per design criteria.

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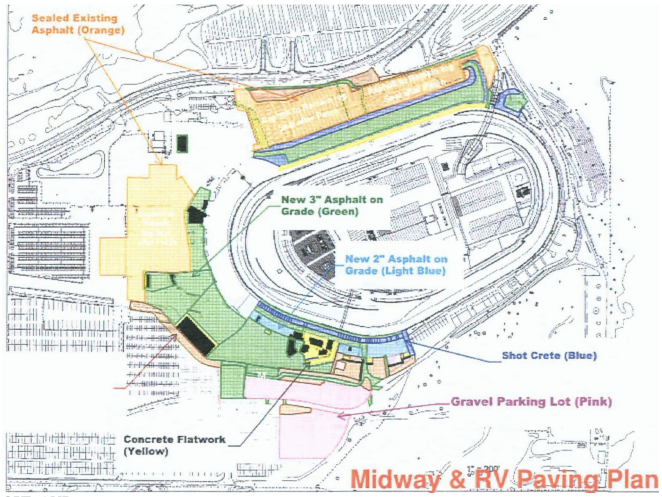
Division 31- Earthwork

1) Existing site soil materials have been assumed to be suitable for the building foundation support and sub grade materia ls for all paved and Hardscape area.
2) Subgrade prepara tion at pavement is to be scarification, moisture conditioning but is not to be per the paving profiles provided in the geotechnical report showing aggregate base course removed by owner.
3) Grades will be adjusted as required to prevent the need of material import or export. No spoils haul off or material import are included in the GMP and if excess material is generated owner to provide an on-site spoil location.
4) All spoils from ca issons, foundations, excavation, and sitework will be disposed of on-site within the property limits to a location identified by ISC. Offsite hauling and disposal is not included.
5) At the elevated RV's due to quantity of soil and if not revised in height the approximately 80,000 CY of import needed above spoils from other locations will be from an on-site location were suitable fill can be found. Import of materia l is not included and if needed will require an adjustment to GMP or reduction in scope elsewhere to accommodate.

Division 32- Exterior Improvements

1) Landscape:
   i) ** landscape budget has been included for the Canal, Existing & New Grandstand, RV Areas, a nd Mid way. Budget included DG top dressing, pla ntings, irrigation, maintenance, bike racks, boulders, benches, etc.
2) Infield, Midway & RV Areas is based on the following hardscape:
   i) 2" & 3" of asphalt over compacted native asphalt per Civil Drawings. (1) Aggregate base course is omitted. (2) Asphalt is per MAG Specifications. (3) No tack coats, filter fabrics, herbicide treatments, etc. included. ii) SS1-H Fog Coat is included at areas to remain within scope limits.
   iii) 3" Fiber reinforced shotcrete slopes as required due to grades. iv) 4" gravel at dirt parking lots.
   v) 4" at patios a nd 5" concrete flatwork at critical a reas.
      (a) The flatwork is on 4" of ABC with 6x6 W1.4 welded wire mesh. vi) No Curbs were included (including infield).
   vii) 1" minus Decomposed Granite (DG) at all areas not receiving hardscapes. viii) See the following exhibit for locations (see infield section for paving exhibit):



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Barton Malow

OG Around Canill or OG Retention Basin at other Locations- 1DG per Atwell Drawings (Brown)

Basis of GMP Estimate Assumptions and Clarifications
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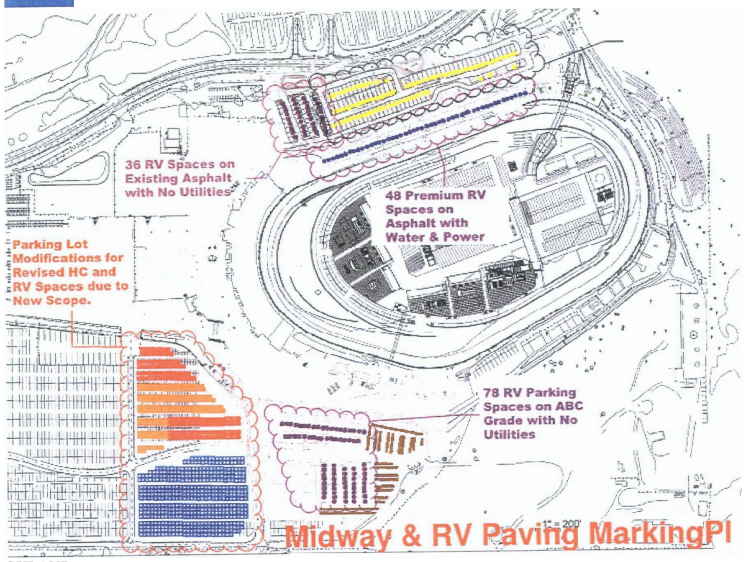
3) Due to modifications of the parking lot for canal and lost handicapped spaces we have include relocation Ire- striping of some areas.
   a) No precast parking bumpers are included except at handicap parking spaces
   b) No accessible signs on posts are included; assume match existing on-grade only.
   c) See the following exhibit for locations and scope:



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BOOwn rRV Spaces on Existing with no U.tilit)es

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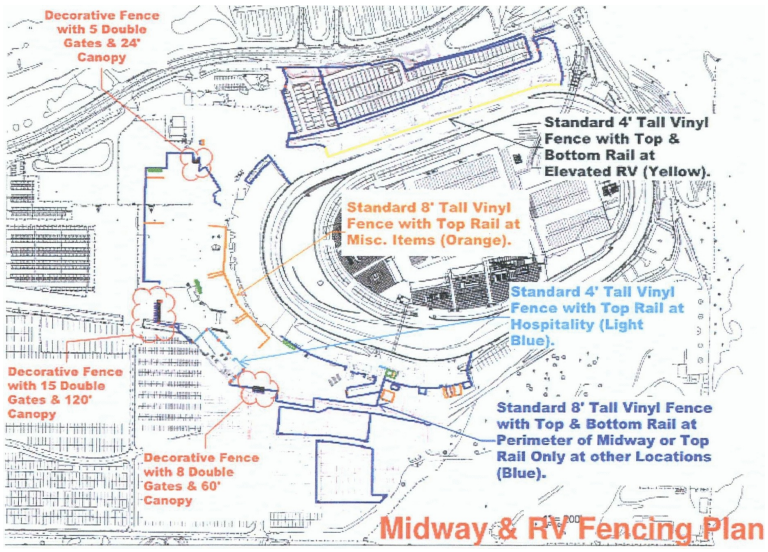
4) We have not anticipated site paving or hardscape work outside of the genera l bounds of our scope of work of the Midway, Frontstretch/Foothills, Infield, and Regulatory Drainage areas.
5) Fencing at the Midway and RV areas is include as:
   a) 8' Ta ll Black Vinyl Fence with Top Rails Minimum. b) 8' Decorate Fence at Entrances Only.
   c) Bottom rails were added to midway pe rimeter for extra security.
   d) 4' Tall Black Vinyl Fence was included at Hospitality and Elevated Premium RV spaces. e) 4' Standard Galvanized Fence was included around the open canal.
   f) Sp ecifications were included similar to infield below.
   g) See the following exhibit for locations (see infield section for paving exhibit):



Division 33- Utilities and Drainage

1) Slurry backfill is excluded; except tunnel expansion under apron. Backfill with native material is included in all locations
2) Water mains are included as CI 350 ductile iron pipe as noted on the civil plans. Water meters are not included in the GMP (Part of owner Fee).
3) City of Avondale Water Service Connection Detail AI300 is used throughout the civil plan sets and does not apply. The facility is served through a master meter system and does not require individual metering at building services.
4) Scoping of main bra nches of existing utilities is included, however c leaning and repair of the existing utilities is not included. Testing, repair, or acceptance of any existing utility systems has not been included.
5) No separators or Stormceptors are included except for the one in the infield {Sheet GP-07).
6) Utilities to RV / Hospitality Pads:
   i) Premium RV pads to have water and power hook-up.
   ii) Premium Hospitality pads to have water and power hook-ups. iii) Owner RV pads to have no utilities.
   iv) Consumer RV {All Locations) to have no utilities.
   v) RV pedestals are assumed to be salvaged existing pedestals from infield.

New Grandstand

Division 2- Existing Conditions [Demolition]

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1. We have not included hazardous material survey, abatement and/or remediation of any type. Native soils are considered suitable for grading and engineered fills. No provisions for unforeseen soils conditions, site remediation and/or considerations or hazardous releases or toxic contamination of any type have been made or anticipated part ofthis GMP.

Division 3 -Concrete

1. We have included extension of existing tunnel at service level across the new service level road utilizing precast concrete box to match existing tunnel construction type in lieu of CIP structure as shown per the design criteria package.
2. We have included foundation system for the grandstand and associated buildings per the geotechnical report by Speedie a nd associated date dated May 26, 2016. Division 4- Masonry
3. Buildings at service level will be exterior dry-block CMU with interior walls and light ga uge joists/deck.
4. Elevator shafts will be exposed dry-block and/or painted standard CMU throughout.
5. No integral color, special finish CMU, meta l panels or other special finishes have been incorporated at service level buildings or elevator shafts.
6. No CMU construction has been inc luded at elevated concourses or roof level other than elevator shafts.
7. The canyon entry stair will be constructed in a combination of CMU, steel, concrete and insulated meta l panels per the stated quantities on the design criteria package. No provisions for waterproofing, roofing and or damp proofing are included as part of the entry canyon and/or storage area beneath.

Division 5- Metals

1. The structural design will be accomplished per the ICC-300 grandstand code and applicable State Building Code.
2. The structural/grandstand design shall as a minimum meet the performance standard of the existing Allison and sha ll be designed per the ICC-300 grandstand and State Building Codes.
3. Elevated decks will be designed as standard reinforced floating structural conc rete on metal deck and not as a composite deck.
4. Building at elevated concourse levels such as concessions, restrooms, BOH, etc. will be exterior metal studs and metal pa nels with interior wa lls and light gauge joist/roof structure.
5. We have included canyon entry per the design criteria package including loads provision for displaying up to one conventiona l vehic le/truck per display level.
6. The gra ndstand stairs towers will be provided at locations to meet local code requirements.
7. We have included roof backup framing for escalator canopies including standing seam roof panels system, standard color Morin's SLR-16" 22Ga w/o underlayment.

Division 6- Wood and Plastic

1. We have included casework/millwork including the following

Division 7- Thermal and Moisture Protection

1. We have included Morin's "XC-12", 7/8" x 12" O.C., 20-Ga. galvalume metal panel system in a custom mica finish including associated flashing, trim, clips, hat channels on densglass sheathing at exterior walls inclu ding built in weather barrier system in lieu of fluid-applied membrane or peel-and-stick membranes at all building on elevated concourses to match existing Allison.
2. Front and back side of suite level will include AEP-Span's 7/8" corrugated, 22-Ga. galvalume in a custom mica finish including all associated flashing, trim, hat channels and 40-mil RMP SA-HT underlayment to match existing Allison.
3. We have included up to 45,566sf of insulated wall panels continuous with no seams [24,350sf at Canyon Entry 1and 21,216 at Canyon Entry 2]. No additional provisions for graphics and/or any other display or graphics requirements have been included part of this GMP. We have taken the following exemptions on both new grandstand and existing Allison. i) The insulated panels will be installed no more than 10 feet

above adjacent roof/floor levels or elevations. ii) No cantilever will be over 5 feet. Iii) Metal panel backing structure will be in line with the primary structure (no out of plane, standoffs).

4. We have included spray foam or equal roofing system at all building with R-values to meet the energy code requirements.
5. No special traffic coatings have been included other than concrete on waterproof membrane on concrete on metal deck at patio [deck area] over suite lobby 1Ell.
6. We have included Insulation at all conditioned spaces to meet the minimum energy code requirement. Division 8- Openings

1. We have included curtain wall system to match existing Allison.
2. We have included interior glass dividers to match existing Allison.
3. The building envelop system at grandstand suite level will be constructed to match as close as possible the existing Allison
4. We have included standard chain link / aluminum guardrail at back and side of suite balcony. Glass guard rail will be provided at front side only.
5. Storefront type glazing system and aluminum doors have been included at all lobbies and guest services buildings.
6. We have included pre-finished overhead doors.
7. We have Included all standard HM Frames and Doors and Door Hardware for a complete and fully functional system at all buildings within new grandstand.
8. We have not included galvanized HM frames or doors.
9. We have included core cylinders for each hardware set to be used during the project.
10. We have not included electrified hardware or security access control hardware. Division 9- Finishes

1. Refer to scope of work under existing Allison
2. All drywall will be Level IV finish typical spaces. Storage, electrical, and/or BOH spaces will receive Level 3. Division 10- Specialties

1. We have included furnish and install floor mounted baked enamel toilet partitions.
2. We have included toilet accessories per the design criteria documents and as listed on the design OFOI and OFOI matrix.
3. We have included fire extinguishers and cabinets to meet the minimum code requirements
4. We have not included paper goods toilet accessories. Division 11- Equipment

1. No scope included

Division 12- Furnishing

1. No scope included

Division 13- Special Construction

1. We have not included pedestrian and/or vehicular cross over gates. Stairs from the front of grandstand leading to these openings are included.
2. We have included contour seats CS200 (includes armrest) at existing Allison and new grandstand including removal/recycle of existing bench backrest and modifications of existing benches to accept new seats.
3. We have not included fixed seating in the suite or club areas.
4. We have not included drip/litter shield underneath grandstand system.
5. We have included up to 50-ea c·ontour seats attic stock.
6. We have not included aluminum bleacher/seating system attic stock.
7. It is understood that the current criteria design has columns along the leading edge of the suite/club/race operations level. These columns are necessary to support the structure and will result in obstructed views. These obstructions are understood and acceptable to the owner. The Design/Builder understands that there is a potential sightline issue beneath the Race Ops portion of the suites. The Design/Builder

understands this and other obstructions will be reviewed and address normal part of the Design/Build process. Addressing these remaining potentia l sightline issues by the Design/Build team will not result in a change order to the owner as it is part of the Design/Completion contingency.

8. We have included escalators with satin stainless steel balustrade including dust covers and cladding of exterior truss [esca lator underside].
1. We have included machine room 4,000ib [200 fpm] Otis Gen2 elevator systems or equal (EL6-10] including elevator management system, car top A/C units and cab finishes up to ** per cab in addition to the standard brushed stainless steel standard return, header and car door.
2. We have included Class C15,000 lbs hydraulic elevator [350 fpm]
3. We have included liftnet system to all existing and new elevators.
4. We have included upgrading existing elevators 1-3 in accordance with consultant report.
5. We have not included furnish and install of self-conta ined trash compactors.
6. We have included (2ea) trash chute system.

Division 21 -Fire Protection

1. Refer to s c ope of work under existing A llison

Division 22- Plumbing

1. R efer to scope of work under existing A llis on. Division 23 - HVAC

1. R efer to scope of work under existing Allison. Division 26 - Electrical

1. R efer to scope of work under existing Allison. Division 31- Earthwork

1. The final site grading along the grandstand will be gradual and not flat along the alpha gridlines thus leaving less clearances at service level on the East side of the grandstand past the turn at the last trash compactor.
2. Final site grading slopes will be designed as to meet the ADA maximum slope requirements at public pedestrian walkways and slopped as needed elsewhere utilizing slope protection measures as to minimize major site grading.
3. Site grading and elevations will be designed as to achieve a balanced site (cut to fill) and/or minimize soil import/export unless borrowed from adjacent construction areas. Division 32- Exterior Improvements

1. The fina l site grading along the grandstand will be gradual and not flat along the alpha gridlines thus leaving less clearances at service level on the East side of the grandstand pass the turn at the last trash compactor.
2. Final site grading slops will be designed as to meet the ADA maximum slope requirements at public pedestrian walkways and slopped as needed elsewhere utilizing slope protection measures as to minimize major site grading.
3. Site grading and elevations will be designed as to achieve a balanced site (cut to fill) and/or minimize soil import/export unless borrowed from adjacent construction areas.
Asphalt paving and associated subgrade preparation at service level road will be 3" on native soil and 2" on native soil elsewhere within the service level at non-traffic areas.

Division 33- Utilities and Drainage

1. R efer to scope of work under existi"ng Allison.

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General

General Scope:

1) The work is budgeted for the following:
   - i) Canyon Entry
   - ii) Level 1Service:
     - (a) Service Area Renovation
     - (b) Office and Warehouse Renovation
     - (c) Kitchen Expansion (no remodel included). (d) Count Room Electrical
   - iii) Level 2 ADA Bathrooms:
     - (a) 3 Sets of ADA Bathrooms iv) Level 3 Concourse:
   - v) Level4 Accessible Level:
     - (a) 1Unisex Bathroom vi) Level 5 Suites:
   - vii) Level 6 Roof:
     - (a) 2 Sets of Unisex Bathrooms and one Janitor Closet.

Division 2 - Existing Conditions [Demolition]

1) Demolition work within the existing Allison Kitchen is limited to opening up the existing exterior wall, between the service elevator and the existing exhaust hood, in order to connect the two spaces. Removal of the existing hood and back wall is excluded.
2) No work is included at spaces shown within Service Level Area C, except for the existing Count Room for new emergency power conduit pathways.
3) No work is included at the Main Concourse Areas A, B, and C, except as required for work at Canyon Entry #1and Guest Services, First Aide and Hawker Station being added in existing.
4) No work is included outside of the Suites on Level 5, Areas A, B, and C.
5) Removal and/or salvage of existing loose furniture is included after PIR has the opportunity to remove and reuse the furniture.

Division 3- Concrete

1) Foundation for the Allison kitchen expansion is assumed as continuous footings.
2) Kitchen expansion is 4" slab-on-grade w/ welded wire or fiber mesh.

Division 4- Masonry

1) Kitchen Expansion:
   - i) Standard Gray CMU Block (8 x 8 x 16) with a sandblast finish and seal.
   - ii) The building parapet heights will not exceed 14' tall similar to infield buil ding heights.

Division 5- Metals

1) Kitchen Expansion:
   - i) Includes roofs with metal deck and perimeter angles.
2) New handrails at the existing suite stairs are excluded. Existing grab rails are to be salvaged and reinstalled.

New were revised layouts are required are included.

Division 6- Wood and Plastic

1) The Buffet and Inside / Outside Bar are OFOI per meetings.

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2) Solid surface back panels at hand dryers are excluded.

Division 7- Thermal and Moisture Protection

1) No work is included for the existing roofing systems at any of the Allison spaces.

Division 8- Openings

1) The glass ra iling in front of the beverage counter in the Suites & Octane club is integral railing to the counter and not a glass handrail per meetings. Glass ra ilings are not included at beverage counter locations with step downs.
2) Only new door and hardware were included at the Octane Club. Remaining doors are existing or salvaged for re-use. If sa lvaged new frames a re not enough new doors are included.

Division 9- Finishes

1) Finishes for interiors were per GMP Exhibit Schedule for Grandstand & Midway Finishes {See at end of this document).

Division 11- Equipment

1) Stainless steel countertop shown in Hawker Station 3A01is assumed to be provided with the food service package included in foodservice allowance.

Division 21- Fire Protection

1) Existing wet sprinkler system is to remain, with modifications as necessary for renovated spaces only.

Division 22- Plumbing

1) No plumbing modifications have been included for existing Allison spaces other than the Suites, Octane Club, unisex bathrooms {Level 2, 3, 4, 6), Kitchen expansion, and break room sink at service levell.
2) GMP assumes existing plumbing fixtures in suite toilet rooms are to remain where possible.
3) Minor modifications may be required to accommodate new scope.

Division 23- HVAC

1) No HVAC modifications have been included for existing spaces within the Allison Grandstand.
2) The following scope for HVAC was included per the MEPF Assessment Report dated 6/20/16:
   i) Octane Club- Units not being upgraded.
   ii) Existing PIR Suite and 5 Standard Existing Suites 2 through 6- Units not being upgraded. iii) Existing Suite 7 through 26- Units not being upgraded.
   iv) Existing Suite 27 through 32- Replacement units in GMP.
   v) Existing Suite 33 through 46- Units not being upgraded.
3) Minor adjustments to diffuser locations impacted by new wall layouts in the Suites are included.

Division 26- Electrical

1) Existing light fixtures within the Allison Grandstand are assumed to remain, including the Suites. No work was included per the MEFP Assessment Report dated 6/20/16.
2) Fixtu res in suite renovations will be reused where possible to still achieve code requirements.
3) New lighting fixtures and power are included for the Octane Club.
4) Code minimum lighting is inc luded for the storage area under the new canyon.
5) Lighting controls for the suites is not included.
6) New devices are included where shown for new or renovated spaces. All other devices are to remain.

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Division 27- Communication [Raceway and Blocking Only]

1) Pathways were provided for data, telephone, and PAper drawings at areas of new work only.
2) At areas of existing the existing pathways are assumed to be adequate for new work if necessary.

Division 28- Electronic Safety+ Security [Raceway and Blocking Only]

1) New Fire Alarm was only assumed at areas of new work.

Midway Redevelopment

Genera l

General Scope:

1) The work is budgeted for the following:
   i) Care Center - 2,626 SF new building similar to infield finishes with no canopies. ii) Hospitality / Bush Garage - 26,600 SF new building with exposed structure.
   iii) Ticket Building- 2,126 SF new building.
   iv) Security Building (2 EA) - 130 SF new buildings.
   v) Existing Ticket Building Renovation to Office- 1,580 SF of limited renovation. (a) No HVAC or plumbing included.
   vi) Display Area A, B, C- Utilizing Existing Asphalt with no power requirements.
   vii) Display Area D, E, & Stage- Anticipated in new Area of Midway asphalt with no power requirements. viii) Fanatics- Utilizing Existing Asphalt with no power or utility requirements.
   ix) Portajohns- 3 fence enclosures only on new and existing asphalt.
   x) Food Court Seating- Utilizing Existing Asphalt with no power requirements.

Division 2- Existing Conditions [Demolition]

1) Existing Ticket Building only has building exterior window removal.

Division 4- Masonry

2) Care Center, Ticket Building, & Security Buildings:
   i) Standard Gray CMU Block (8 x 8 x 16) with a sandblast finish a nd seal.
   ii) The building parapet heights will not exceed 14' tall similar to infield building heights.
3) Existing Ticketing Building for re-purpose includes minor re-tooling due to removed windows.

Division 5- Metals

1) Care Center, Ticket Buildings, & Security Buildings:
   i) Includes roofs with metal deck and perimeter angles.
2) The PEMB for Corporate Hospita lity / Bush Garage:
   i) Is a pre-engineered metal building with no skylights.
   ii) 5,700 SF canopy at */sf for steel/fabric canopy that is sepa rate from the metal building and located over the terrace.

Division 6- Wood and Plastic

1) Existing Ticketing Building included shelving unit per plan notes.

Division 7- Thermal a nd Moisture Protection

1) Existing Ticket Building includes no roofing.

Division 8- Openings

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1) Corporate Hospitality / Busch Garage:
   i) No operable partition included.
   ii) Garage doors included as 10'x10' sectional doors, partially glazed.
2) Ticket Building:
   i) Fifteen (15) ticket windows were included.
      (a) Glazing with 1-314" storefront framing, clear anodized aluminum finish with%" tempered glass (not bullet resistant).
      (b) Electronic speak-through (Nissen 702) with re-use of existing speakers from old ticket building allowed.
3) Existing Ticketing Building for re-purpose includes replacement windows or walls; to be worked out in future scoping sessions.

Division 9- Finishes

1) Finishes for interiors were per GMP Exhibit Schedule for Grandstand & Midway Finishes (See at end of this document).

Division 11- Equipment

11 3400 Ceiling Fans

1) Ceiling Fans are owner furnished and installed; not included in GMP.

Equipment

1) Restaurant and other food service equipment are included as an Allowance; see allowance section above.

Division 13- Special Construction

Metal Building System (PEMB)

1) No high performance coatings / finishes were included. i) Roofing:
   (a) R-38 roofing has been included with blanket insulation system.
   (b) Roof panels to be 26 Gauge 'R' Panel Lap Seam Panels with PVDF Color Finish in standard color.
   ii) Skin:
   (a) Wall panels to be 26 Gauge "R" Panel lap Seam panels with PVDF Color Finish in standard color.
   (b) R-25 blanket insulation was included at exterior wall.
   (c) 118" foam tape will be applied to the exterior face of the girts prior to panel installation. (d) WMP 10 white reinforc ed vinyl was

included.

iii) Gutters are included at low ends of structures only.

iv) Standard x-bracing on sidewall is required and need to be worked around.

2) Canopies:

i) Canopies have been included at a budget of $21.00 per SF for Structure / Foundation / Finishes (Fire Suppression / Lighting / Fire Alarm is included by trade and not in budget above). (a) 3 EA Entry Canopies at 4,080 SF (b) 11,600 SF of Other Canopies at Food Court or other locations.

Division 26- Electrical

1) Includes power for new radio charging stations per note on drawings.

Infield Renovation

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Phoenix International

Receway

Basis of GMP Estimate Assumptions and Clarifications November 3, 2016

General

General Scope:

1) The work was included as per DLR drawings for 101,000 SF of buildings as follows:

i) Building A- Care Center

ii) Building B- Media Center (w/Suites & Driver Meeting)

iii) Building C1 & C2 - Concessions

iv) Building D1& D2- Restrooms / EMS / First Aid

v) Building E- Stair / Tunnel to Connect to Grandstand vi) Building F- Bistro Bar

vii) Building G- Sprint Cup Garages

viii) Building H- Race Support (Impound / Restrooms)

ix) Building J- Central Tire

x) Building K- Fire Support

xi) Building L- Victory Lane (not Building but Stage)

Helicopter Pad:

1) GMP doesn't include any fees or special designers for submission of helicopter pad to any government official (FAA, US Department ofTransportation, Fire Marshal, etc.). Per e-mail by ISC the Track (PIR) will handle the update to the existing permit.

Other Infield:

1) The Video display board with foundations is by others. Power to be provided per Drawings. (underground conduits for low voltage, etc are by IT/ISC)

2) The scoring tower with foundations is by others. Power to be Provided by Design/Builder

Crash Walls:

1) Repair or new crash walls were included per As-Built Drawings (HNTB "Phoenix International Raceway Track Repaving drawing dated March 31, 2011) as a basis of design.

2) New Safer Barriers and Barrier Fence at Infield will match existing.

3) Only modifications to crash barrier walls as listed below are included.

4) Re-Use of existing materials will be used wherever possible.

5) GMP includes the following crash walls:

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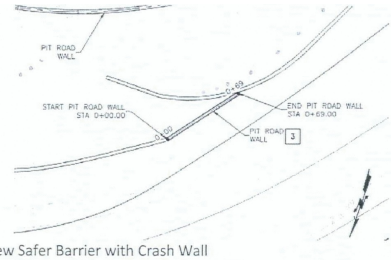
Location #1- Between Turn One & Two (Atwell Sheet PW-09 /9 of 9)



a) New Safer Barrier with Crash Wall
b) Modifications as require for new to old

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Location #2:

Location #2- New Pit Road Right E xtension (Atwell Sheet PW-07 /7 of 9)

a) Modifications and Additiona l Materials for new Safer Barrier with Crash Wall

Location #3:

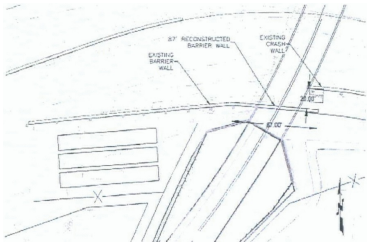
Location #3 - New Pit Roa d Left w/Barrier Wall (Atwell Sheet PW-08/8 of 9)

a) New Safer Barrier with Crash Wall

b) Modifications as require for new to o ld

Location #4:

Location #4- Modify Openings for Access Turn 4 (Atwell Sheet PW-09/9 of 9)



c) New Safer Barrier with Crash Wall

d) Modifications as require for new to old

Division 2- Existing Conditions [Demolition]

02 4116 Structural Demolition (DLR)

1) Foundations and other items not in conflict with new work will only be removed to 12" below finished grade and/or capped and abandoned.
2) Foundations for the existing scoring tower (or similar foundations) will be removed to 48" below grade. Complete removal is not included.
3) We have assumed that the materials from the demo of the leech field are not to be treated as contaminated. These soil materials can simply be left in place. Pumping of the tanks is by Owner.
4) We have not included the removal of any underground fuel tanks, propane tanks, or fuel piping if applicable.

Division 3 -Concrete

03 3000 Cast-in-Place Concrete

07 2600 Vapor Retarder

1) 6-Mil vapor barriers were only included at building with air conditioned or specialty flooring. Buildings with sealed concrete or other not sensitive floors will not have vapor barriers.
2) Concrete mixes were included per 50.1with exception of no water-cement ratio but design specification. i) Sitework was included as 3,000 PSI Typical. ii) Pit Road concrete was included as 4,000 PSI as not specified.
3) The pit road pavement will be 6" concrete on 2" aggregate base course and reinforced with #4's at 18" on center each way per as-built drawings.
4) The helicopter pad will be 6" concrete on native and reinforced with reinforced with #4's at 18" on-center each way.
5) At the front of all garages at 24" wide by 6" concrete apron has been included to encase the trench drain being put on the outside of the garages.
6) All flatwork for the buildings will be un-reinforced with the exception of the sprint cup garages (Building G1 through GS) with is reinforced per structural notes. Per design meeting the reinforcing at other locations has been removed.
7) Slab thicknesses are per structural drawings with the exception of victory lane flatwork which was revised to 4" thick unreinforced concrete per design meetings.

8) The slope of the garages will be 1/16" per foot and not X" per foot per design meetings.

Division 4 - Masonry

04 2200 Concrete Unit Masonry

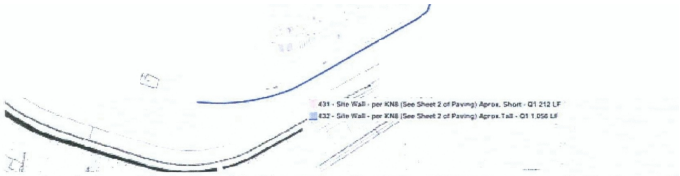
1) The Hi-Lit Mark I block will be from a local supplier and not Angelus per specifications.
2) No integrally colored CMU was included in GMP.
3) CMU expansion joints were included per industry standard if not shown.
4) Block is standard Gray Block (8 x 8 x 16) with the exception of the following location will be the Hi-Lite Mark

1per percentage below:

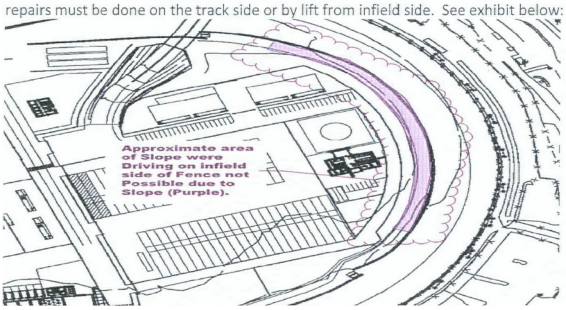
i) Building A- As per Elevation notes of Decorative CMU. ii) Building B- 20% of Elevations
iii) Building C1& C2- 40% of Elevations iv) Building D1& 02-40% of Elevations v) Building E- 40% of Elevations
vi) Building F- 30% of Elevations

5) The following site retaining wall was assumed per Atwell drawings with 1' at ends and 5' at center per

Atwell's drawing. GMP assumed 36" Average height. See sketch below:



Due to slope between Existing Turn 3 & 4 the grades will not allow driving access to get to the fence. All repairs must be done on the track side or by lift from infield side. See exhibit below:



6)

Division 5- Metals

OS 1200 Structural Steel Framing
OS 2100 Steel Joist Framing
OS 3100 Steel Decking

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OS 5000 Metal Fabrications
05 5213 Piping & Tube Railings

1) Tube steel handrails (3 line) were included at Building B steps in slab and wall mounted railing were can attach to the wa ll. These a re painted steel rails. Railings will be standard 1-1/4" standard pipe {1-5/8" Nomina l O.D.).
2) Wall mounted railings were only included at the slope section of the tunnel per DLR or per code requirements.
3) The garage railing per KN 21(A1.8, A1.9, & Al.10) are included as 40" chain link black vinyl (non-removable) as per cost reduction (CCL).
4) 100 EA Bollards are 4" diameter with concrete fill and 18" diameter by 36" deep footing.
5) No Roof access ladders or openings for hatches were included.

Division 6 - Wood and Plastic

06 1000 Rough Carpentry
06 6400 Plastic Paneling

1) Wood blocking is only included at critica l location in Building A & B. Other building being CMU will not require blocking.

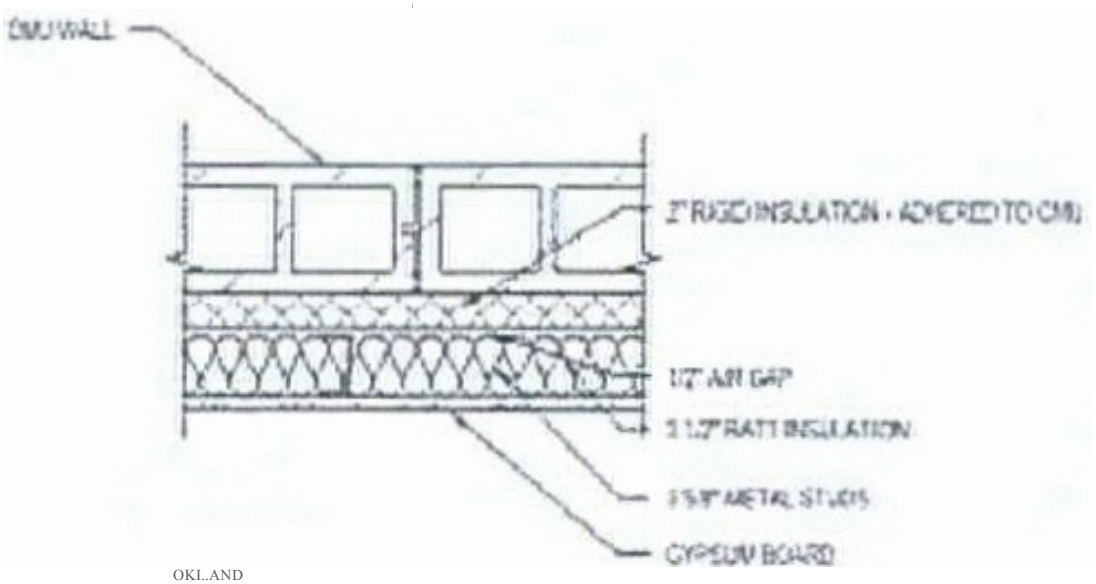
Division 7- Thermal and Moisture Protection

07 1326 Self-Adhering Sheet Waterproofing
07 1800 Traffic Coatings
07 1900 Water Repellents

1) Grace 4000 with Hydroduct 220 & Hydroduct Coil 600 (or equa l) were at the following:
   i) Building B (Media) has waterproofing at the 30" stem wall in the recessed Driver Meeting Room (B15 2) and Press Room (B146) per Al.2.
   ii) The new tunnel has waterproofing at walls and lid.
   iii) No repair / modifications to the existing tunnel waterproofing were included (except for tie-in).
2) A split sla b waterproofing is included over the elevator equipment room at Building E.
3) The retaining walls are included with fluid applied waterproofing.
4) No traffic coatings are included.

07 2100 Thermal Insulation

1) Exterior wa lls with AC were furring is shown on DLR drawings is included as follows:



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INTERIOR ENVELOPCAT CMU WALL SECTION

INTERIOR E 'VELOPEAT CMU

07 4213.13 Formed Metal wall Panels

1) The a reas on Building A & B includes Meta l Sales TlO-B and trim. Note; this is not a "Rain Screen" as per drawings as the CMU it attaches to is considered the waterproofed assembly.
2) No hat channel, waterproofing, etc. is included.
3) At the garages no meta l panel extension / shrouds are inclu ded a round the doors per Architect direction and updated drawings / b lue beam sessions.
4) The metal pane ls / shrouds shown on building D1& D2 in the sketch-up model a re painting of different color per cost reduction (CCL).

07 5700 Coated Foam Roofing
07 6200 Sheet Metal Flashing and Trim
07 7100 Roof Specialties
07 7200 Roof Accessories

1) R oof included as R -30 at Building A, B, D1, D2, and K.
2) Roof included as R-25 at Building C1, C2, E, F, H, and.

07 9200 Joint Sealants

1) Sika 2C NS was used for joint sea la nts at pit road a nd track walls to stand-up to fuel.

Division 8- Openings

08 1416 Flush Wood Doors
08 3113 Access Doors and Frames
08 7100 Door Hardware
08 3313 Coiling Counter Doors
08 3323 Overhead Coiling Doors
08 3613 Sectional Doors (Below is per Clarifications with Architect}

1) Coiling Counter Doors:
   i) Building C1 & C2 (Concessions)
      (1) 12 EA 10'x6.5'- No Glass & Non-Insulated (Numerous)
      ii) Building F { Bar)
      (1) 6 EA 16'x6.5' - No Glass & Non-Insulated (F100A,B,C,D,E,F)

2) Overhead Coiling Doors:
   i) Building A (Care)
      (1) 2 EA 10'x10' - No Glass & Non-Insulated (A104 & A105)
   ii) Building B (Media)
      (1) 1EA *10'x10'*- No Glass & Insulated (B140-A)
   iii) Building DI & D2 (Restrooms)
      (1) 4 EA 10'x10'- No Glass & Non-Insulated (D105, D105A, D205 & D205A)
   iv) Building E (Tunnel)
      (1) 2 EA 10'x10'- No Glass & Non-Insulated (E101& Grandstand Side)
3) Sectiona l Doors:
   i) Building G1through G2 (Garages)
      (1) 45 E A 16'x8'- Sprint Cup with (2) Glass Pa nels & Non-Insulated (2) 19 E A 16'x8'- FanZone with (2) Glass Panels & Non-Insulated
      (3) 10 EA 8'x8'- FanZone with (2) Glass Panels & Non-Insulated
      (4) Glazing was included as 1/8" tempered since un-insulated assembly. ii) Building H (Garage Supports)
      (1) 4 EA 10'x10' - No Glass & Non-Insulated iii) Building J (Tire)
      (1) 6 E A 10'x10'- No glass & Non-I nsulated.
4) The overhead doors will be an open specification and based on the following:
   i) No operators were included and will be manual hand crank manual drive. ii) Doors will be pre-finished enamel color or Aluminum
      iii) Coiling Counter Doors (Aluminum): (1) Cornell ESC10- Aluminum
      (2) Or Equal
   iv) Coiling Doors (Prefinished baked E namel) (1) Cornell ESD10- 20 Gauge.
      (2) Or Equal
   v) Sectional Doors (Prefinished baked Enamel):
      (1) Amarr Model 2002 (20 Gauge, no insulation) (2) Or Equa l

08 4113 Aluminum-Framed Entrances and Storefronts
08 8000 Glazing
08 9119 Fixed louvers

1) The aluminum sunshade at Building B (North E levation) is not included per previous direction.
2) No heavy-wall storefronts 2" were included. Included as standard 1*W"* storefront.
3) No fire rated glazing was included per architect direction.
4) Glass Door A102 has been revised to hollow metal per architect.
5) Sidelights were included as *7'-0"* ta ll by 18" wide.

Division 9- Finishes

09 2216 Non-Structural Metal Framing

09 3013 Ceramic Tiling

1) Per cost reduction the tile will either be reduced by 25% in quantity or cost as it was a cost reduction and incorporated into budget (CCL).

09 5113 Acoustical Panel Ceilings

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1) The following types of ceilings were included as shown as ACT where shown per:
   i) Dune in 15/16" grid: Building Bat non-kitchen, Building D1& D2 at EMS / First Aide, Building F Bistro Storage, and K.
   ii) Kitchen Zone in 15/16" Grid: Building Bat Kitchen and Building C1& C2 prep areas.
   iii) Ultima Tegular in 9/16" Grid: Building Bat Driver Meeting and G2, G3, & G4 at Hospitality Suites only.

09 6513 Resilient Base & Accessories
09 6516 Resilient Sheet Flooring
09 6813 Tile Carpeting
1) In-lieu of the Protectall flooring a standard epoxy was included (per CCL).

09 9100 Painting
09 9600 High-Performance Coatings
1) Epoxy paint is only included at bathroom walls with no tile and Kitchen walls.
2) High-Performance coatings are to be applied to CMU at Restrooms & Concessions per Architect.

Division 10- Specialties

10 2113.19 Plastic Toilet Compartments
10 2123 Cubicle Curtains and Track
10 4413 Fire Protection Cabinets
10 4416 Fire Extinguishers
10 5113 Metall ockers

Division 11- Equipment

11 3400 Ceiling Fans
2) Ceiling Fans are owner furnished and installed; not included in GMP.
Equipment
2) Restaurant and other food service equipment are included as an A llowance; see allowance section above.

Division 12- Furnishing

12 3216 Manufactured Plastic-Laminated-Faced Casework
1) The casework at the hospitality suites in Building B was removed per Architect Direction.

Division 13- Special Construction

13 3419 Metal Building System (PEMB)
3) Metal building is not included as a "Rain Screen" System per KN07 on Sheet A5.7 through AS.l.
4) No high performance coatings / finishes were included at garages.
5) Skin:

i) Roof panels to be 26 Gauge 'R' Panel Lap Seam Panels with PVDF Color Finish in standard color.

ii)

Wall to be 24 guage Metal Sales T-10B per updated drawings by DLR .
(1) The Design/Builder shall evaluate the suitability of 24 ga panels for use in specific areas that receive heavy fan interaction or a high potential for denting and damage.

iii) Gutters are included at low end of structures only.
iv) The garages are un-insulated as per cost reduction (CCL).
v) Liner panels were not included around the perimeter of PEMB building as removed by cost reduction (CCL).
vi) Exterior soffits were included as R-panels, 26 gauge two coat fluoropolymer.
vii) Interior structure is exposed and will be standard factory finish (no paint included).

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viii) These structures will not have a good U-Value or Insulation value but per Owner Meeting this is not a requirement.

Tire Distribution Center (J)

i) Tire Distribution Center will be revised to a PEMB. Liner pa nels will be included at the inside to 48" above finished floor to protect interior walls. No CMU, Steel, or standard roofing is included due to cost reduction (CCL).
ii) The size and shape of the building wil l match as shown with exception of just a sloped metal roof with no parapets.

13 3423 Fabricated Structures

1) Finishes shall be ga lvanized for decking & purlins with painted semi-gloss DTM primer (Color TBD).
2) Decking is 26 gauge.
3) Beams a re 1-Beam Tee with beveled ends.
4) Per cost reduction (CCL} no canopy was included over the Building E stairs to the tunnel.

Division 14- Vertical Transportation

14 2400 Hydraulic Elevators

1) The elevator was included with standard factory finishes in stainless steel line.

Division 21- Fire Protection

21 0500 Common Work Results for Fire Suppression
21 0518 Escutcheons for Fire-Suppression Piping
21 0548 Vibration and Seismic Controls for Fire-Suppression Piping & Equipment
21 1313 Wet-Pipe Fire-Suppression Sprinklers

1) No foam systems are included at ga rages. Assumed standa rd hazard as acceptable.
2) The helicopter pad was included with portable foam canisters / cart units. No automated foam system was included.
3) Ten (10) fire riser connections are included at pit road.
4) Two (2) fire riser connections are included at fuel area.

Division 22- Plumbing

1) The trench drains shown at the garages are not included within the building foot-print but just outside the ga rage door in the 24" apron per Civil Drawings.

Division 23- HVAC

1) Per CCL the Media Center (Bldg. B) will be designed to a heat pump system in-lieu of a VRF system.

Division 26- Electrical

1) No lightning protection of the infield is included.

Division 31- Earthwork

1) Slurry backfill is included at tunnel only underneath the track and skid pad.

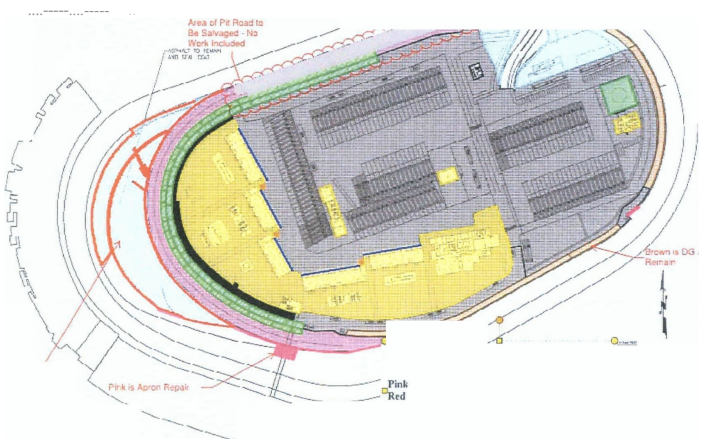
Division 32- Exterior Improvements

32 1316 Decorative Concrete Paving

1) No stamping of the concrete is included. Stamped concrete was included as colored concrete with saw cuts.
The premium for color concrete shall not exceed ** per CY with fees.

Asphalt Paving

1) Infield paving is based on the 3" of asphalt ove r compacted native aspha lt. Howeve r, pit road paving is per below.
   i) We ha ve included recycled/milled asphalt from the demolition process as subbase to the depth that the quantity of recycled material allows. No guaranteed minimum depth is asserted or implied.
2) The paving of the Pit Rod and Apron patchwork is include by Performance Paving or qualified "equal". i) The oil included in GMP for Pit Road / Apron repair is PG-76-10 as the highest we can obtain.
   ii) The section of pit road is 2" asphalt base with 1 W' asphalt leveling course and 1 W' asphalt wearing course with PG 76-10 Oil. This is per As-Builts.
3) We ha ve not anticipated any drainage or grading work related to the tie-in of new paving to existing paving areas.
4) No work is included at the track; it's existing and assumed to remain.
5) Due to the minimal slope of the infield the paving in areas may have some bird-bath or areas of small puddles. Everything will be done to minimize but this GMP did not guarantee no puddles.
6) The figure below shows infield paving with areas of new work, seal coating, and areas to remain.



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Yll o\v- New FanZone and Infield Buildings

Brown- OG 1 ABC to R:!cnain (1\o Work)

32 3113 Chain-Link Fences and Gates

32 3119 Decorative Metal Fences and Gates

1) No specia lty hardware or ADA ha rdwa re is inc luded with the exception of two gate operators as shown.
2) No bottom rails were included at fences. Per DLR only required at gates.
3) A 4' fence was inc luded around the helicopter pad. The fence a round the helicopter pad will be engineered to meet FAA / Helicopter requirements.
4) One (1) covered porta -potty enclosure was included that is 5'-0" square by 8' tall with Gate to Acc ess and black netting around.
5) All gates to be per standard fencing sizes and gauges with footings per MAG & AFA standards and not per specifications.

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i) Gates framing is 1.900" actual ODin-lieu of the 2.375" as specified.
ii) Footings for typical lines post and corners are per MAG in-lieu of specified. iii) MAG 160 is baseline specifications.

32 8400 Planting Irrigation

32 9300 Plants

32 9400 Planting Accessories

1) Planting was included per quantities of drawings schedule; not take-off which a ppears to show more.

/ Division 33- Utilities and Drainage

1) The Trench Drains are included as follows:
   i) 4" ACO K100 Trench Dra in at non-traffic areas. This includes an ADA compliant galvanized steel grating.

K100

ii) J.R. Smith 10" TD-1(or equal) per PS.lof plumbing drawings at traffic areas. Includes Model9812 body and extra heavy duty grate

Jay R. Smith Fiberglass Drains

Jay R. Smith's pre-sloped fiberglass system evacuates large quanti ies of standing waler. Al10"!Joide.the berglass channel's 1% slope allows for high volume drainage. Cast iron gra es strengthen !he system for pnetimatic tire traffic and due ·le iron grates strengthen the system for solid tire trall'ic.

9812

2) ADA compliant grates were included at the Fanzone grates only. Remainder of grades will be non-heel / ADA compliant.

3) Water and fire lines have been combined in the infield per the most current Atwell documents. Sports Lighting

/ Division 26- Sports Lighting

1) Lighting performance to meet expectations of driver, spectators, television and NASCAR. Lighting system to be designed to same criteria as the Chicago/and and Kansas Speedways.
2) 20% of the perimeter lights to be operated by Generators. Owner to provided generators.

3) Aircraft obstruction lights are not included.
4) Speaker brackets are not included.
5) Billboard lighting is not included.
6) Grounding of all foundations is to comply with the NFPA 780 Lighting Code.
7) See the following MUSCO exhibits showing new updates.
   a) The Design/Builder sha ll ensure that the lighting system is available for the events required as indicated on the provided event schedule dated June 21, 2016. The Design/Builder shall identify the time frames in its project schedule that lights will be down. The Design/Builder will work to minimize the time that lights are not available. The intent is to make the facility as usable as possible for as much time as possible. Should there be a time that the track lighting is needing night lighting that conflicts with the construction schedule or was not indicated on the event schedule, and the Design/Builder and Owner cannot find a reasonable alternative through rescheduling, then the Owner agrees that temporary lighting measures shall be paid by owner.
      i) Additiona l events not currently listed will require temp measures paid for by the track.

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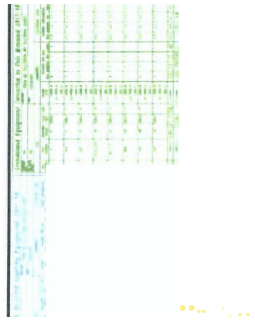

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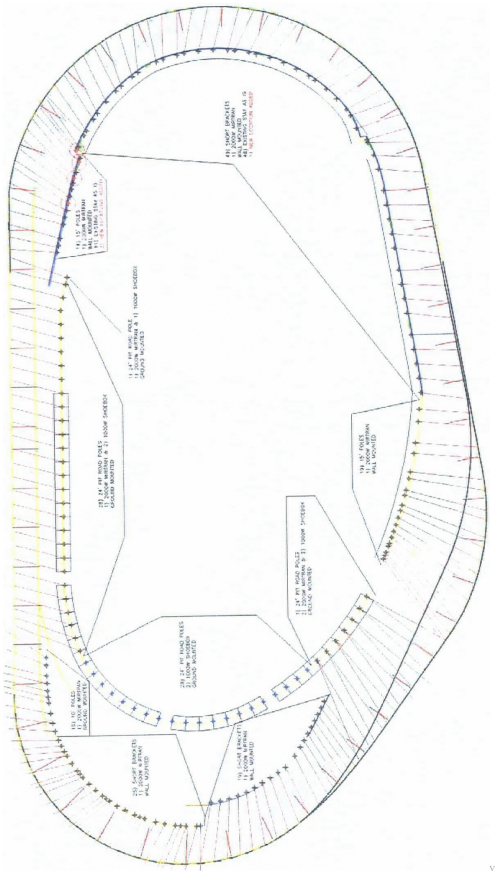
(4) ROOF BRACKETS
(1) DOOR MOTOR
(4) SPEAKERS
(4) ELECTRICAL OUTLETS
(1) 24' HH ROAD POLES
(1) DOOR MOTOR & (1) HOOP SPEAKER
(2) DOOR MOTORS & (2) HOOP SPEAKERS
(2) DOOR MOTORS & (2) HOOP SPEAKERS
(1) 24' HH ROAD POLES
(1) DOOR MOTOR & (1) HOOP SPEAKER
(1) 24' HH ROAD POLES
(1) DOOR MOTOR & (1) HOOP SPEAKER
(1) 16' POLES
(1) DOOR MOTOR
(2) SPEAKERS
(2) Small Brackets
(1) DOOR MOTOR
(4) SPEAKERS

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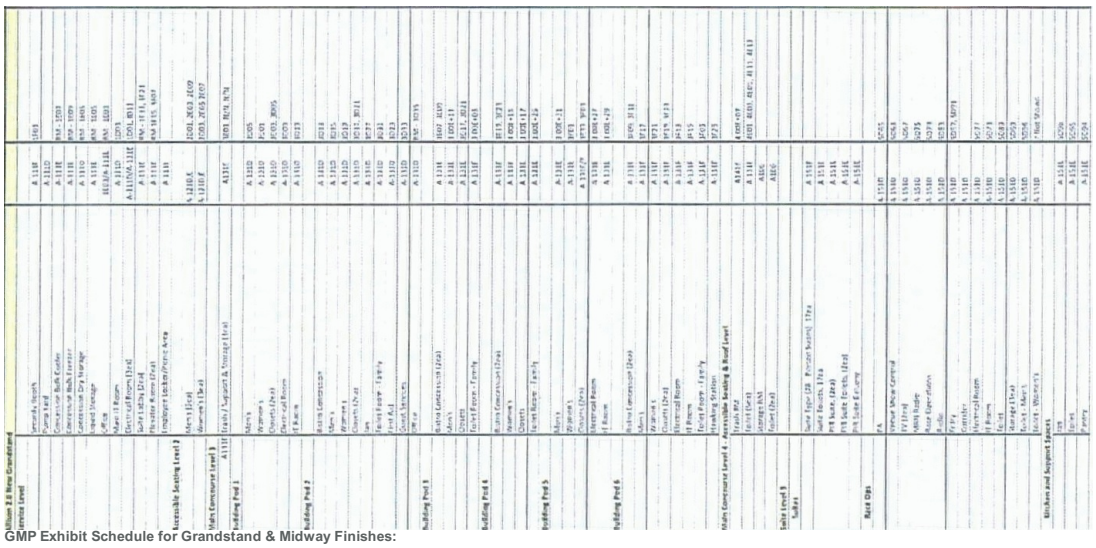
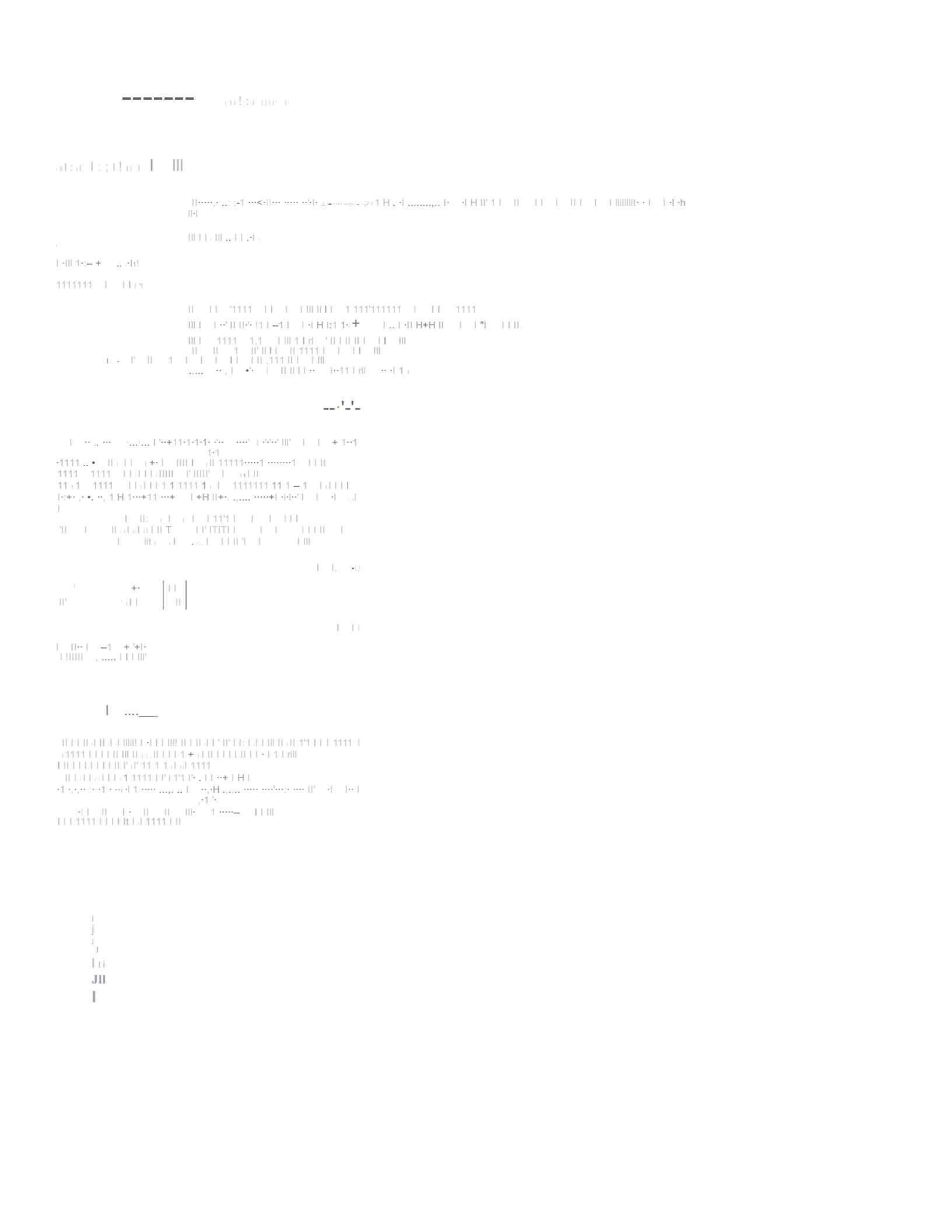
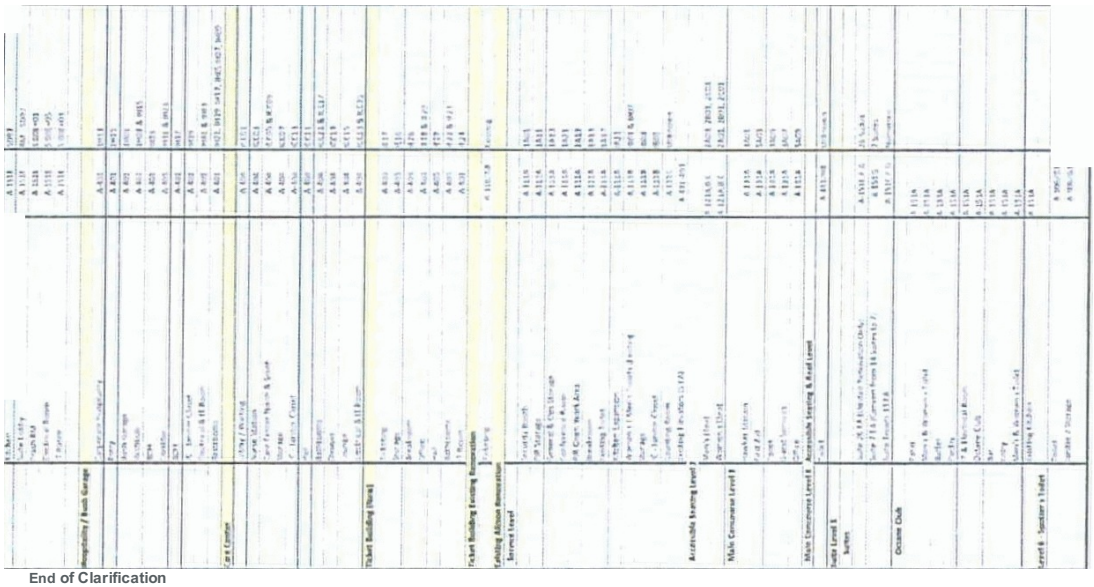
Phoenix International Raceway Basis of GMP Estimate Assumptions and Clarifications November 3, 2016



GMP Exhibit Schedule for Grandstand & Midway Finishes:



Phoenix International Receway Basis of GMP Estimate Assumptions and Clarifications November 3, 2016



End of Clarification

CONFIDENTIAL MATERIALS OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. ASTERISKS DENOTE OMISSIONS

The images in Exhibit "L-1" have been omitted pursuant to a confidential treatment request.

EVENT SCHEDULE

PART 2 AGREEMENT - EXHIBIT "L-1"

CONFIDENTIAL MATERIALS OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. ASTERISKS DENOTE OMISSIONS

NOT APPLICABLE

THERE IS NO PLAN IDENTIFYING LOCATIONS CONCERNING LIQUIDATED DAMAGES

PART 2 AGREEMENT - EXHIBIT "M"

CONSTRUCTION SITE LOGISTICS

PART 2 AGREEMENT - EXHIBIT "N"

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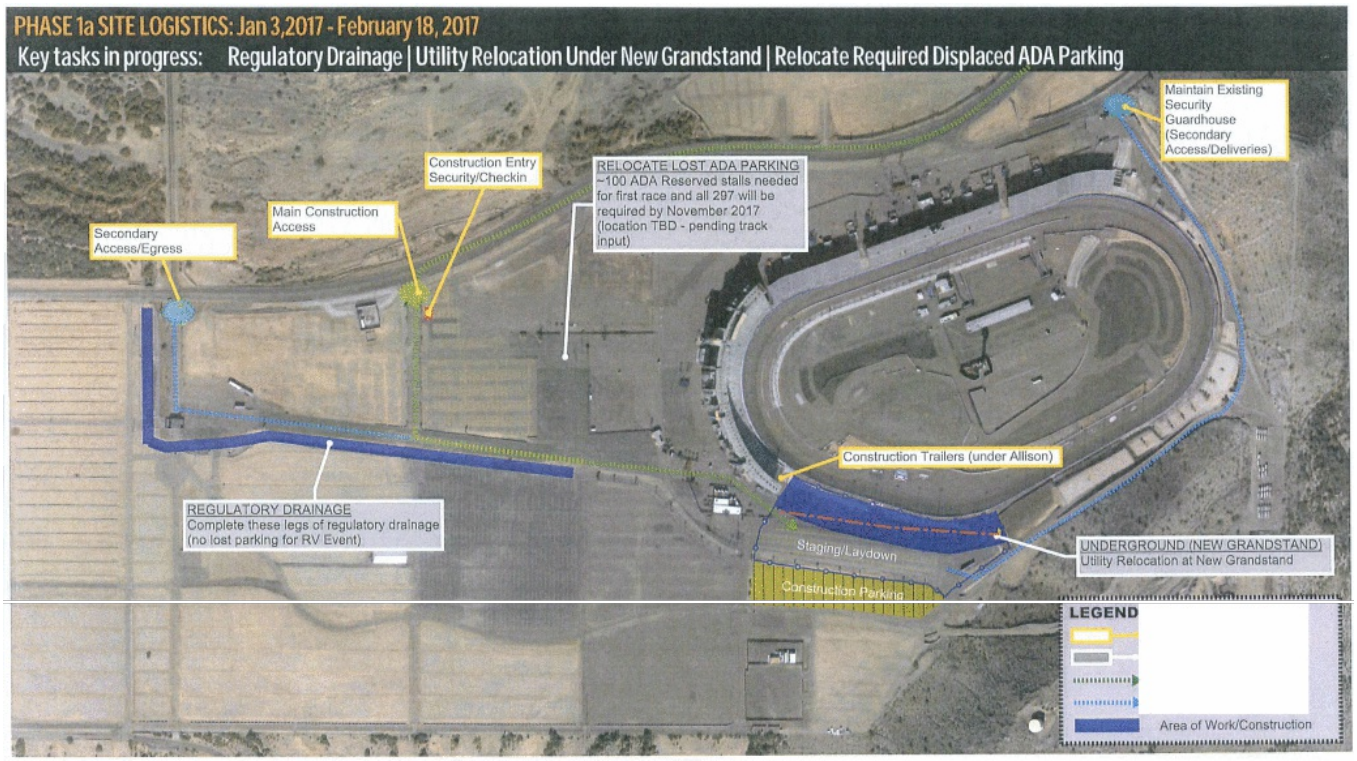
Logistics Related Note Scope Related Note Construction Traffic Route

Secondary Traffic Route



Key Points:
-Construction Access through Gate1
-Relocate 100 ADA Parking to location TBD

Logistics Related Note

Scope Related Note

Construction Traffic Route

Secondary Traffic Route

Area of Work

Required Event Parking

Key Points:
- Maintain MUSCO Lights through Temp Measures

-Provide access to full service level drive under Allison (if ne
-Coordinated Regulatory Drainage work to avoid conflict with event

- Only Construction Access through East Drive/Infield TunnelGate

prep and execution

Logistics Related Note
Scope Related Note
Construction Traffic Route
Secondary Traffic Route
Area of Work
Required Event Parking

Key Points:
- Maintain MUSCO Lights through Temp Measures
-Only Construction Access through East Drive/Infield TunnelGate

- Allison Service drive accessible on east end if required

Logistics Related Note

Scope

Related

Note

Construction

Traffic

Route

Secondary

Traffic

Route

Area of Work/Construction

Key Points:

- Maintain minimal footprint following RV Rally - Minimize Activities to Avoid Disruption of NASCAR preparation

Logistics Related Note

Scope Related Note

Construction Traffic Route

Secondary Traffic Route

Area of Work

Required Event Parking

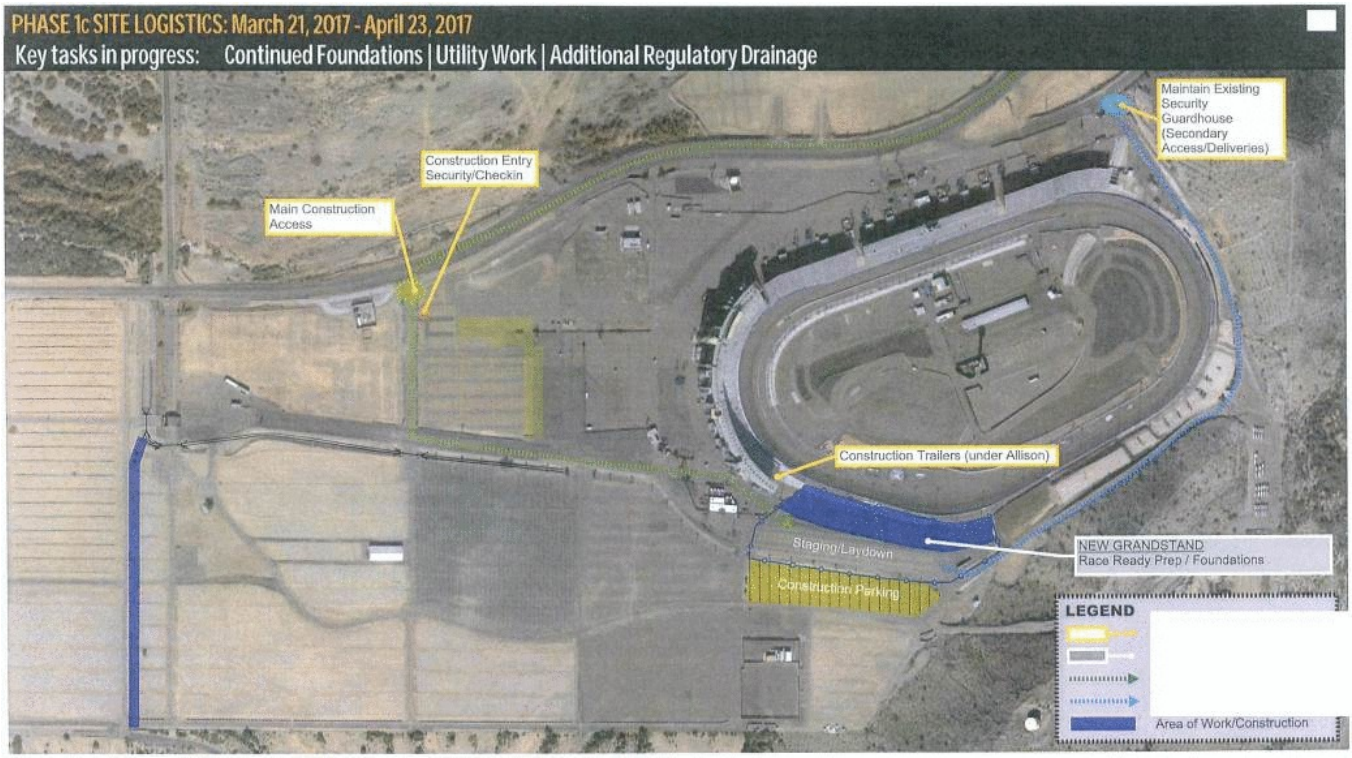
Key Points:

-***NO CHANGE TO SEATING MANIFEST***

- Approximately 75 Striped ADA stalls lost in Reserved Parking

- Maintain access on trackside of new grandstand
- Replace lost "Reserved" Parking Stalls (location TBD with track)
- Maintain Billboard Advertisement

Logistics
Related
Note
Scope
Related
Note
Construction
Traffic
Route
Secondary Traffic Route



Key Points:
- Additional Foundations and Utility Work Completed within Work Area
- Regulatory Drainage on Old Baseline Road

- Minimize Activities Leading up to Indycar Event

Logistics Rela ted Note

Scope Related Note

Construction Traffic Route

Secondary Traffic Route

Area of Work

Required Event Parking

nts:

*NO CHANGE TO EXISTING SEATING MANIFEST AT ALL AREAS***

- Approximately100 Striped ADA stalls lost in Reserved Parking
- No Changes to Midway

- Coordinate access to track and crossover gate for PIR and Media
- Reduced RV stalls on Old Baseline Rd due to Regulatory Drainage
- Billboard Advertisement is Removed for this Race

Logistics
Related
Note
Scope
Related
Note
Construction
Traffic
Route
Secondary
Traffic
Route

Area of Work/Construction

Key Points:
- Coordinate Primary Entrance based on Utility Work Obstructions
- MUSCO Lighting taken offline until November

-Use Existing PIR Fencing to secure work areas (unless safety necessitates additional temp fencing)

Logistics Related Note
Scope Related Note
Construction Traffic Route
Secondary Traffic Route

Key Points:
-Infield work limited to allow for additional events
-Construct temporary or permanent replacement suite parking (due to drainage & Busch Garage)

-Coordinate with track for replacement RV Parking if needed (due to drainage losses)
-MUSCO Lighting Restored (permanent on Grandstand or temp measures
-Allison Renovation to be completed (Club replaces Octane/PIR Suite). New suite configuration to be coordinated with Mktg for sales.

Logistics
Related
Note
Scope
Related
Note
Construction
Traffic
Route
Secondary
Traffic
Route
Area
of
Work

Required Event Parking

Key Points:
-***Seating Manifest changes to the Allison Suite levelbased on new suite layouts***
-Coordinate with track for replacement of required parking stalls
-Existing Suite level renovations completed

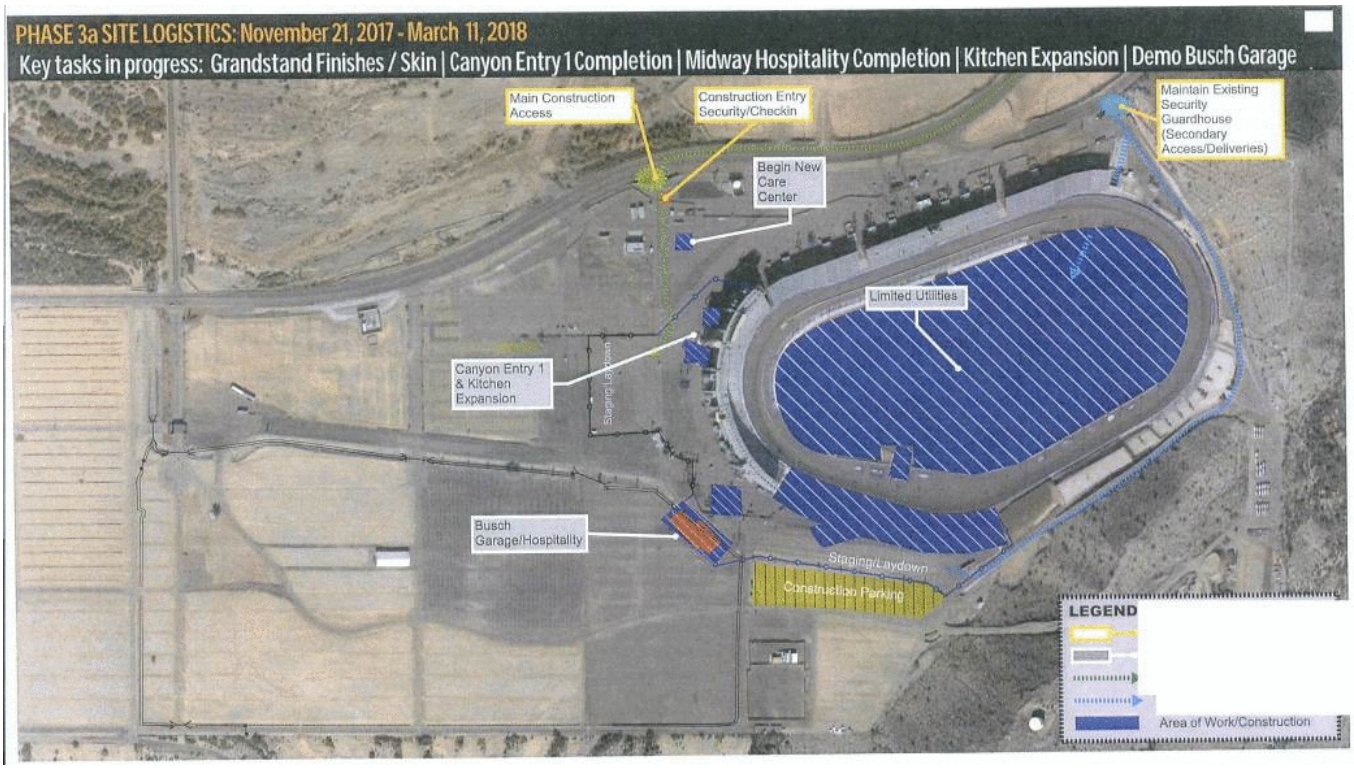
- ExistiDg Midw.av.configuratioD, gate entries and fencing is not affected/will remain
-Coordmate ex1stmg serv1ce dnve access
-MUSCO installed on new grandstand or temp poles where necessary
-All existing BA elevators will be accessible

Logistics Related Note

Scope Related Note

Construction Traffic Route

Secondary Traffic Route



Key Points:

-Infield work limited to allow for additionalevents (not on calendar yet)

-Demolish Old Busch Garage

-Modify Midway Fencing to use new Hospitality

-Permanent MUSCO Lighting Completed on Grandstand

-Canyon Entry1 Completed (service level concessions/restrooms maintained if required, however access will need to be coordinated depending on design)

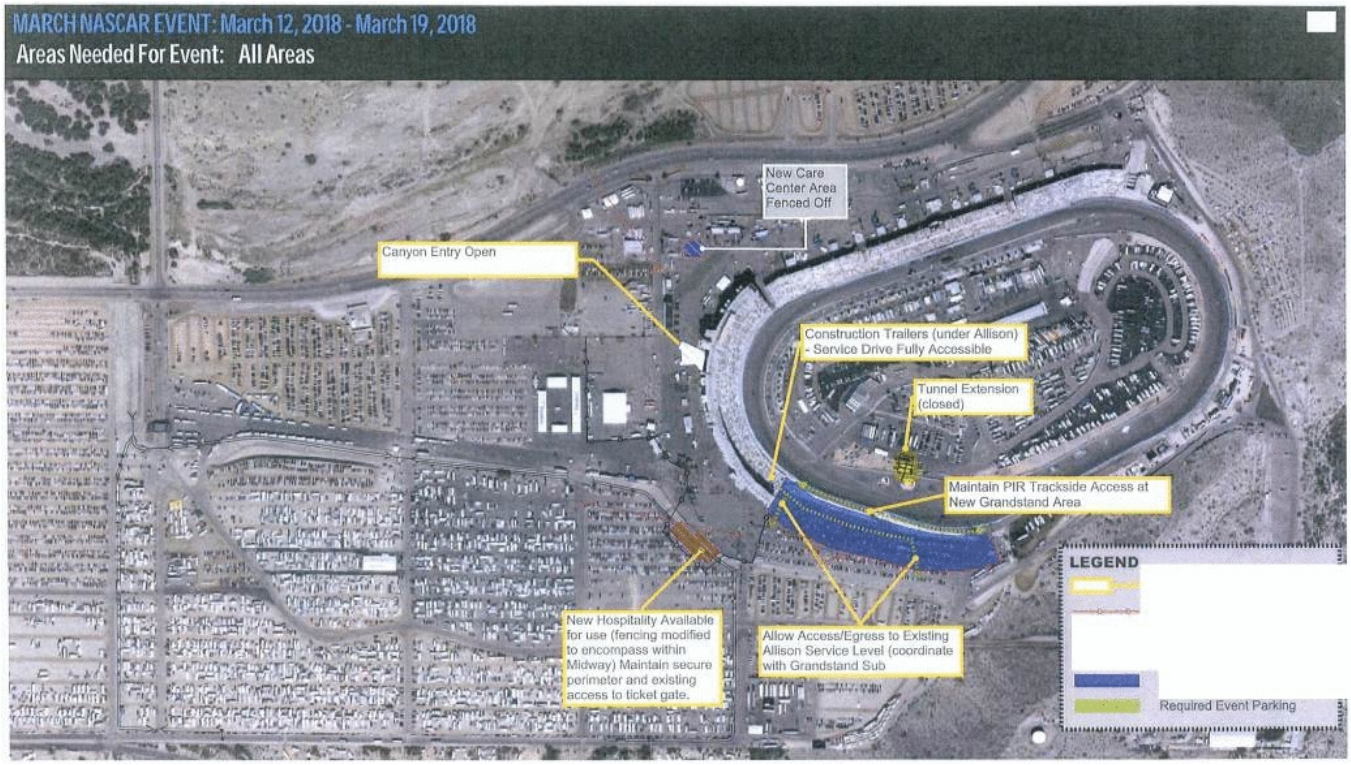
Logistics Related Note

Temp Fencing

Construction Traffic Route

Secondary Traffic Route

Area of Work



Key Points:

- ***Seating Manifest changes to the Allison Suite level based on new suite layouts***

-Canyon Entry1Completed and in use (sP.onsorship complete if required)

- Very limited parking in Reserved ADA lot (New Grandstand)

-Coordinate existing service drive access

-MUSCO installed on new (!randstand

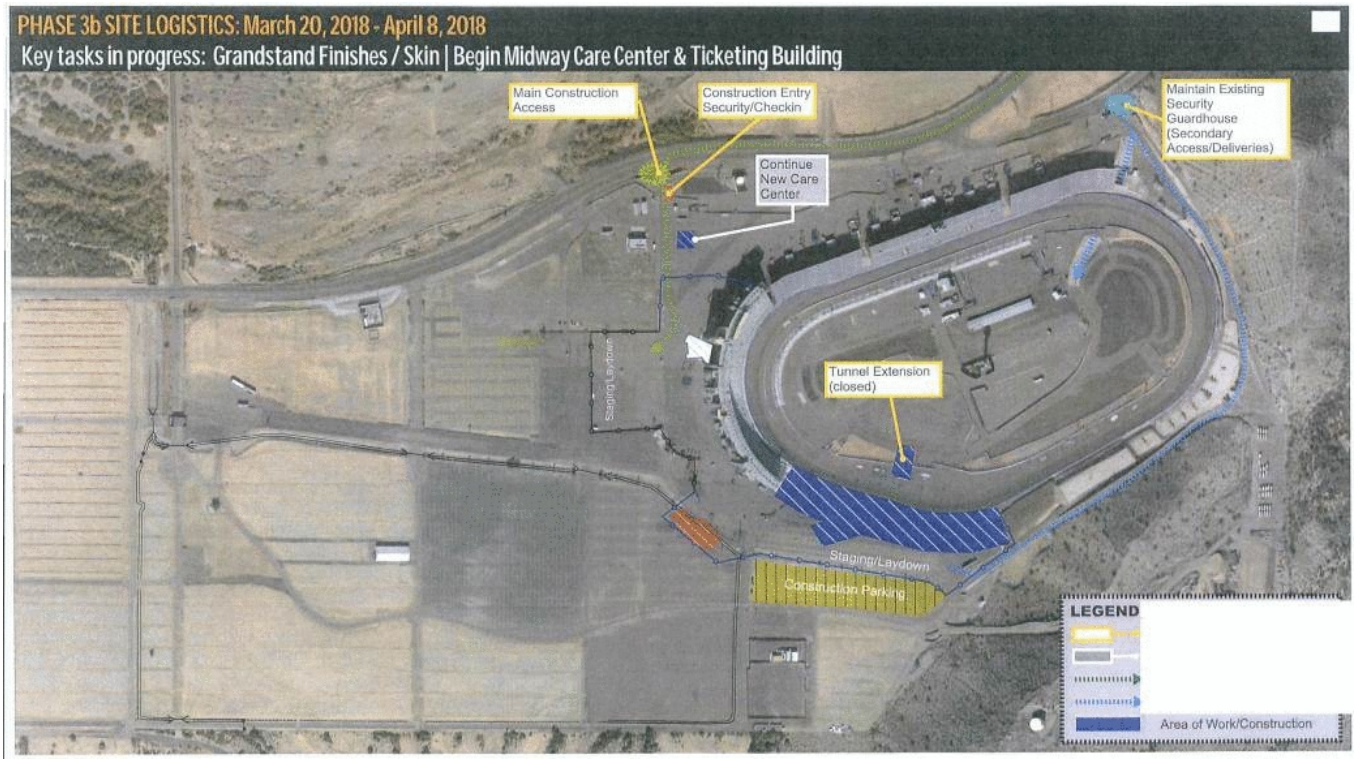
-New Busch Garage/Hospitality Available if possible (old building demolished).g.,

Logistics Related Note

Scope Related Note

Construction Traffic Route

Secondary Traffic Route



Key Points:

- Possibly begin Infield Care Center/Media (if RV spots are not sold out for Indycar Event)
-Demolish Old Busch Garage (if PIR approved new building for March)
- Modify Midway Fencing to use new Hospitality (if approved)

-Permanent MUSCO Lighting Completed on Grandstand
-Canyon Entry1 Completed (service level concessions/restrooms maintained if required, however access will need to be coordinated depending on design)

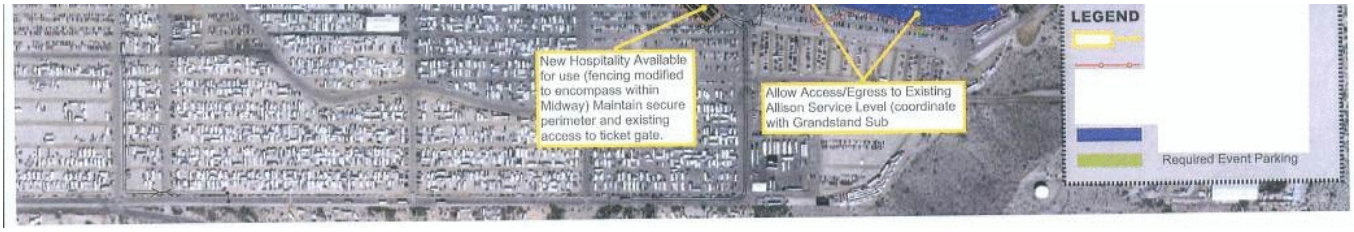
Logistics Related Note

Temp Fencing

ol lol lolllllllo)lio- Construction Traffic Route

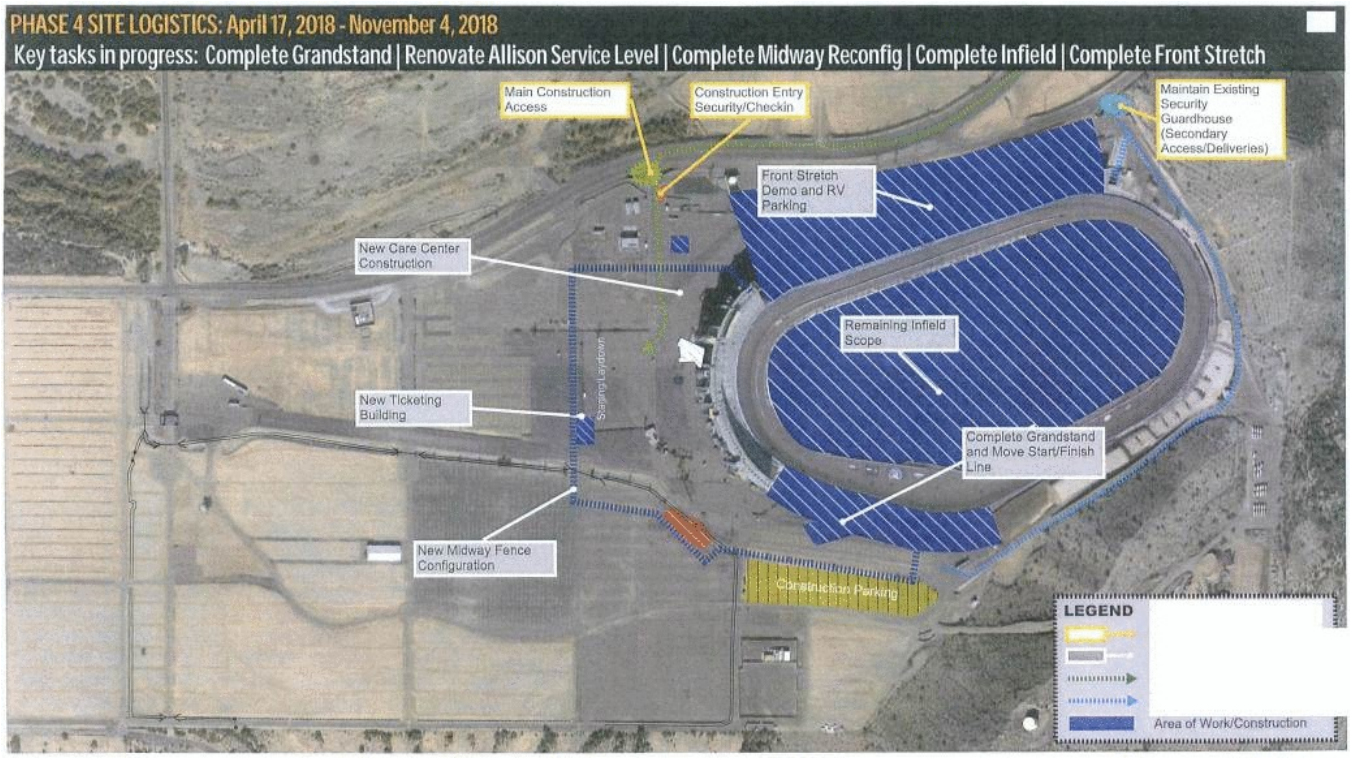
llllllllllllllllllio- Secondary Traffic Route

Area of Work



KePoints:
- * *Seatinq Manifest chanqes to the Allison Suite levelbased on new suite layouts***
-Fence off Midway Care Center and Ticketiog Buildinq Areas
-Potential start to Infield Care Center and Media Buirding (fenced oft)

- Coordinate existinq service drive access
-New Busch Garage7Hospitality Available if possible (old building demolished)



Logistics
Related
Note
Scope
Related
Note
Construction
Traffic
Route
Secondary Traffic Route

Key Points:
- Complete **full** remaining scope
-Coordinate around potential unscheduled events

Exhibit 21

SUBSIDIARIES OF THE REGISTRANT

220 BFB, LLC
a Delaware Limited Liability Company

Action Sport Image, LLC
a Delaware Limited Liability Company

Americrown Service Corporation
a Delaware Corporation

ASC Holdings, Inc.
a Kansas Corporation

ASC Promotions, Inc.
a Florida Corporation

California Speedway Corporation
A Delaware Corporation
d/b/a Auto Club Speedway

Chicagoland Speedway, LLC
a Delaware Limited Liability Company

Darlington Raceway of South Carolina, LLC
a Delaware Limited Liability Company

Daytona Beach Property Headquarters Building, LLC
a Delaware Limited Liability Company

Daytona Beach Property Headquarters Holdings, LLC
a Delaware Limited Liability Company

Daytona Beach Property Holdings, LLC
a Delaware Limited Liability Company

Daytona Beach Property Holdings Retail, LLC
a Delaware Limited Liability Company

Daytona International Speedway, LLC
a Delaware Limited Liability Company

Event Equipment Leasing, LLC
a Florida Limited Liability Company

Event Support, LLC
a Florida Limited Liability Company

Homestead-Miami Speedway, LLC
a Delaware Limited Liability Company

ISC.Com, LLC
a Delaware Limited Liability Company

ISC Properties, LLC
a Florida Limited Liability Company

Kansas Speedway Corporation
a Kansas Corporation

Kansas Speedway Development Corp.
a Kansas Corporation

Martinsville International, Inc.
A Delaware Corporation

Michigan International Speedway, Inc.
a Michigan Corporation

Motor Racing Network, Inc.
a Florida Corporation
d/b/a MRN
d/b/a MRN Radio

Motorsports Acceptance Corporation
a Delaware Corporation

Motorsports Shared Services, LLC
a Florida Limited Liability Company

Motorsports Authentics, Inc.
a Delaware Corporation

Motorsports Authentics, LLC
a Delaware Limited Liability Company

North American Testing Company
a Florida Corporation

Pennsylvania International Raceway, Inc.
a Pennsylvania Corporation

Phoenix Speedway, LLC
a Delaware Limited Liability Company

RacingOne Multimedia, LLC
a Florida Limited Liability Company

Richmond International Raceway, Inc.
a Delaware Corporation

Route 66 Raceway, LLC
a Delaware Limited Liability Company

SMISC, LLC
a Delaware Limited Liability Company

Southeastern Hay & Nursery, LLC
a Florida Limited Liability Company

Talladega Superspeedway, LLC
a Delaware Limited Liability Company

Volusia Point Properties, LLC
a Florida Limited Liability Company

Watkins Glen International, Inc.,
a Delaware Corporation
d/b/a Watkins Glen International

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statements (Form S-8 Nos. 333-65868 and 333-164867) pertaining to the 1996 Long-Term Stock Incentive Plan of International Speedway Corporation and the International Speedway Corporation 2006 Long-Term Incentive Plan, respectively, of our reports dated January 27, 2017, with respect to the consolidated financial statements and schedule of International Speedway Corporation and the effectiveness of internal control over financial reporting of International Speedway Corporation, included in this Annual Report (Form 10-K) for the fiscal year ended November 30, 2016.

/s/ Ernst & Young LLP
Certified Public Accountants

Tampa, Florida
January 27, 2017

Exhibit 31.1

Certification of Lesa France Kennedy

I, Lesa France Kennedy, certify that:

I have reviewed this annual report on Form 10-K of International Speedway Corporation;

Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: 1/25/2017

/s/ Lesa France Kennedy

Lesa France Kennedy

Chief Executive Officer

Exhibit 31.2

Certification of Gregory S. Motto

I, Gregory S. Motto, certify that:

I have reviewed this annual report on Form 10-K of International Speedway Corporation;

Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: 1/25/2017

/s/ Gregory S. Motto

Gregory S. Motto

Vice-President, Chief Financial Officer and Treasurer

Exhibit 32

Certification

This certification accompanies and references the Annual Report on Form 10-K for International Speedway Corporation for the period ended November 30, 2016 (the "Report").

The undersigned certify the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 for annual reports and information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of International Speedway Corporation.

The foregoing certification (i) is given to such officers' knowledge, based upon such officers' investigation as such officers deem reasonably appropriate; and (ii) is being furnished solely pursuant to 18 U.S.C. §1350 (Section 906 of the Sarbanes-Oxley Act of 2002) and is not being filed as part of the Report or as a separate disclosure document.

Dated: January 25, 2017

/s/ Lesa France Kennedy

Lesa France Kennedy
Chief Executive Officer

/s/ Gregory S. Motto

Gregory S. Motto
Chief Financial Officer

"A signed original of this written statement has been provided to International Speedway Corporation and will be retained by International Speedway Corporation and furnished to the Securities and Exchange Commission or its staff upon request."