



June 28, 2005

Via UPS

Paul Schlaack
U.S. Motorsport Entertainment Corporation
1309 S. 8th Ave. East
Newton, Iowa 50208

Re: Proposed Track in Newton, Iowa

Dear Mr. Schlaack:

The attached recent article in *The Quad-City Times* was brought to our attention. The article states that you are developing "a proposed NASCAR racetrack in Newton."

Unfortunately, that article also incorrectly leaves the impression that NASCAR is affiliated in some capacity with your organization and the racetrack proposal. We are aware of the contractual commitment with NASCAR driver Rusty Wallace to design the racetrack. However, NASCAR drivers are not employees or agents of NASCAR and cannot bind or affiliate NASCAR to any project, including proposed tracks.

As I am sure you know, NASCAR does not build, own, or operate any racetracks, and is not in any way affiliated with the proposals described in the attached article. In addition, NASCAR has not committed to, or even suggested that it would sanction any races or events at the proposed track. Also please note, NASCAR does not believe, at this time, it is in its best interest to sanction any of its racing divisions at a proposed facility located in this geographic location.

It is critical that any interested parties, including without limitation media outlets and government officials, understand that NASCAR has no affiliation with your track proposal or any similar proposal and that NASCAR has made no commitments of any kind with respect to races at the proposed track.

PLEASE GOVERN YOURSELF ACCORDINGLY.

Sincerely,

A handwritten signature in cursive script that reads "Karen B. Leetzow". To the right of the signature is a small, stylized monogram or initials "CLL".

Karen B. Leetzow
Assistant General Counsel

cc: **Mayor Charles Allen**,
Editor: *The Quad City Times*
Iowa Department of Economic Development Board
Governor Tom Vilsack

Newton racetrack receives backing

By The Associated Press

DES MOINES (AP) — A proposed NASCAR racetrack in Newton received another boost from the state Friday when the Iowa Department of Economic Development Board voted to guarantee a \$1 million loan for the project.

The \$70 million project is expected to create 26 jobs at an average wage of \$14.66 an hour, development officials said.

The City of Newton promised a \$1.3 million loan for land and a \$2 million loan to finalize the project, said Mayor Charles Allen. The money was borrowed by the city and backed by tax receipts from a tax increment finance district in Newton.

U.S. MotorSport Entertainment Corp. is building the 7/8-mile asphalt oval, to be designed by NASCAR driver Rusty Wallace, on 226 acres along Interstate 80 south of Newton. Track organizers say it will be the industry's first driver-designed speedway. Allen said although an official groundbreaking has not been held, construction has begun.

"There are bulldozers and Caterpillars all over that site right now," he said. "It's great. It's quite a sight to see out there. They have that whole 226 acres and Cats running over the ground right now."

The speedway will have 42,000 permanent seats for races and space for 40,000 temporary seats. It will feature auto racing and entertainment venues for exhibitions, car shows, trade shows and similar events. ARCA, USAC and ASA have all agreed to sanction races at the complex.

Last month, Gov. Tom Vilsack signed a \$12.5 million incentive package — exempting the track from paying sales tax on the first \$12.5 million in sales. The tax break would end if the track's ownership changes.

On the Net: Newton: <http://www.newtongov.org/>