



Pacific Northwest Motorsports Park™

“a motorsports country club”

MEMBERSHIP LICENSE AGREEMENT

THIS MEMBERSHIP LICENSE AGREEMENT (the "Agreement") is by and between Pacific Northwest Motorsports Park, LLC, a Delaware Limited Liability Company ("PNMP") and the person(s) being granted a revocable license to use the Facilities pursuant to the terms, covenants and conditions contained in herein ("Member"). Member acknowledges that the interest acquired pursuant to this Agreement is only that of a revocable license to use the Facilities pursuant to the terms, covenants and conditions contained in this Agreement, the Track Rules, and the Application, and that the interest being acquired is not an equity or other ownership interest in PNMP or the Facilities. This Agreement is made and entered into as of the date this Agreement is signed on the last page by the parties hereto.

PNMP owns and operates, or will own and operate, track facilities (the "Facilities") known as Pacific Northwest Motorsports Park. The Facilities are expected to include but not be limited to an approximate 6.0+ mile road course with various driving configurations, paddock areas, administration buildings, public restrooms, office areas, rentable garages, private garage suite lots, access roads, common areas and clubhouse.

PNMP intends to operate the Facilities as a "semi-private" Motorsports club as well as a race track for professional motorsports sanctioned events, with a guarantee of at least 20 days per month [10 days per month for Emerald members (Motorcycles Only)] of exclusive segmented track time as determined by PNMP management on Designated Members Days set aside for members only. This Agreement sets forth the license privileges which PNMP will make available to the Member.

The terms "Member" and "membership" are used for ease of use and understanding. The terms "Member" and "membership" do not give the Member an equity or ownership interest in PNMP or the Facilities.

NOW, THEREFORE, PNMP and Member do hereby agree as follows:

I. Membership.

Types of Membership. PNMP shall be authorized to create, from time to time, different categories or types of membership having different requirements, qualifications, obligations, rights, and privileges, as PNMP may deem advisable. Membership shall entitle the Member to use the Facilities in accordance with this Agreement, subject to such track and club rules as may be adopted and/or amended from time to time by PNMP (the "Track Rules"), and the Application (defined below).

The term "**Member**" used throughout this agreement shall refer to either (1) a single individual; or (2) a married couple. In the case of a married couple, both parties will be authorized to drive their own vehicles on the track. Both individuals will be considered as one entity with regard to the remainder of the terms of the membership, such as the number of guests authorized to visit and drive on the track.

PNMP currently offers the following types of membership:

- a) **National Founder Membership:** For individuals whose permanent residency is more than 600 miles from the Facilities. \$40,000 non-refundable Initiation Fee, no annual dues. Lifetime membership includes immediate family members, meaning spouse and legal dependents. A national founding member can bring up to twenty-five (25) guests per year as a member. Ten (10) of those guests may drive their own car on the track after a check ride with a PNMP staff member. All guests will pay the normal Facilities and Track daily use fees. A maximum of five (5) driving visits per guest are authorized per National Founder Membership.
- b) **Founder Membership:** \$100,000 non-refundable Initiation Fee, no annual dues. Lifetime membership includes immediate family members, meaning spouse and legal dependents. A founding member can bring up to fifty (50) guests per year as a member. Ten (10) of those guests may drive their own car on the track after a check ride with a PNMP staff member. All guests will pay the normal Facilities and Track daily use fees. A

maximum of five (5) driving visits per guest are authorized per Founder Membership.

c) **Corporate Membership:** \$100,000 non-refundable Initiation Fee for up to four individuals, \$1,000.00 per month continuing membership dues. Corporate members' membership dues are guaranteed not to be increased for 2008, 2009 and 2010. A corporate member can bring up to sixty (60) guests per year as a member. Fifteen (15) of those guests may drive their own car on the track after a check ride with a PNMP staff member. All guests will pay the normal Facilities and Track daily use fees. A maximum of five (5) driving visits per guest per year are authorized per Corporate Membership.

d) **Diamond Membership:** \$30,000 Initiation Fee, \$300.00 per month continuing membership dues. Diamond members' membership dues are guaranteed not to be increased for 2008, 2009 and 2010. A Diamond member can bring up to twenty (20) guests per year as a member. Ten (10) of those guests may drive their own car on the track after a check ride with a PNMP staff member. All guests will pay the normal Facilities and Track daily use fees. A maximum of five (5) driving visits per guest, per year are authorized per Diamond Membership.

e) **Junior Membership:** [age 18 to 30] \$15,000 Initiation Fee, \$150.00 per month continuing membership dues. Junior members' membership dues are guaranteed not to be increased for 2008, 2009 and 2010. A Junior member can bring up to ten (10) guests per year as a member. Five (5) of those guests may drive their own car on the track after a check ride with a PNMP staff member. All guests will pay the normal Facilities and Track daily use fees. A maximum of two (2) driving visits per guest per year are authorized per Junior Membership.

f) **Emerald Membership (Motorcycles Only):** \$9,000 Initiation Fee, \$100.00 per month continuing membership dues. Emerald members' membership dues are guaranteed not to be increased for 2008, 2009 and 2010. An Emerald member can bring up to ten (10) guests per year as a member. Five (5) of those guests may ride their own motorcycle on the track after a check ride with a PNMP staff member. All guests will pay the normal Facilities and Track daily use fees. A maximum of five (5) driving visits per guest, per year are authorized per Emerald Membership.

II. Acceptance of Members

PNMP may establish additional, or modify existing, parameters for acceptance in its sole discretion. Current parameters for the acceptance of Members include, but are not necessarily limited to, the following:

- a) Completion of a membership application (the "Application") and this Agreement in such form as may be prescribed by PNMP. By completion of the Application, and signature of this Membership Agreement each Member agrees to be bound by the terms of this Agreement and the Track Rules.
- b) The Member shall be required to pay an initial, non-refundable Initiation Fee, along with membership dues and daily use fees for guests. Such fees shall be payable in the amounts and at such times as are set forth in the Application accepted by PNMP. Upon payment by the Member of its full Initiation Fee, the Member shall relinquish all rights to such fee and understands and acknowledges that the fee shall not be refundable to the Member for any reason whatsoever, and the Member fully and unconditionally releases and forever discharges PNMP and its affiliates, officers, members, managers, employees, and agents (the "Releasees") from any and all claims which the Member now has, has ever had or may hereafter have against PNMP or the other Releasees in connection with the payment of the Initiation Fee.
- c) Acceptance by PNMP of the applicant for membership, subject to the requirements set forth in the Track Rules.
- d) PNMP reserves the right to limit the number of members, from time to time, to levels it deems appropriate for the overall enjoyment of the facility by all members.
- e) In the event PNMP receives membership applications in excess of PNMP's then established maximum, a waiting list shall be created. As additional memberships are created or become available for sale, the applicants on the waiting list will be offered membership in the order in which their applications were received.

III. Nature of Membership

The Member acknowledges that membership does not give the Member an equity or ownership interest in PNMP or the Facilities, nor does it give the Member a vested or prescriptive right or easement to use the Facilities. Member acknowledges that the interest acquired pursuant to this Agreement is only that of a revocable license to use the Facilities pursuant to the terms, covenants and conditions contained in this Agreement, the Track Rules, and the Application. Members shall not be subject to any liability for capital or operating assessments for the costs and expenses of owning or operating PNMP or the Facilities, nor shall Members be entitled to any revenues or profits relating to the ownership or operation of PNMP or the Facilities.

IV. Membership Fees

The Member shall pay to PNMP the Initiation Fee and the membership dues. PNMP shall establish the monthly dues, which are subject to change, with exceptions as noted in Item I. Membership dues may be paid on a

monthly or yearly basis. As used herein, a "membership year" shall be the same as a calendar year, unless otherwise established from time to time by PNMP. The Member shall pay the membership dues in accordance with the terms set forth in the Application accepted by PNMP. PNMP reserves the right to change the membership dues each year at its sole discretion; provided, however, that any such increase in the annual membership fees shall not exceed ten percent (10.0%) from one membership year to the next. No Member may use the Facilities if their membership fees have not been timely paid. Failure to pay such fees when due, including any late fees or similar charges, shall be grounds for suspension and/or revocation of all membership license privileges.

V. Renewal, Resignation, Transfers and Suspension of Membership

Renewal and Resignation; Termination of Membership. Membership shall be perpetually renewed, unless the Member has resigned and terminated his membership in writing, mailed or delivered to PNMP. The Member's membership may be terminated with a thirty (30) day written notice to PNMP. Any such termination shall be effective the first day of the month which is at least 30 days following receipt of the termination and shall not relieve the Member of any dues, fees or charges of any other nature accruing prior to such effective date, unless PNMP, in its discretion, allows a refund. PNMP does not issue any refunds for annual membership fees or Initiation Fees previously paid by the member.

Transfers of Membership. All memberships can be transferred under the following conditions: (1) the payment of thirty percent (30%) of the transfer price to PNMP; and (2) PNMP management approval. Founder transfers will be subject to current dues at the time of transfer.

Upgrading Category of Membership. The Member may change membership categories to a higher category, provided that: (a) the Member pays to PNMP the difference between the then-applicable Initiation Fee for such desired category and the original Initiation Fee paid by the Member, and (b) memberships are available in such desired category. The membership dues payable shall be adjusted as of the date the Member changes membership categories pursuant to this section.

Downgrading Category of Membership. The Member may change membership categories to a lower category of membership, provided that memberships are available in such desired category. PNMP is not required to return or refund any portion of the Initiation Fee paid by the Member. The membership dues payable shall be adjusted as of the date the Member changes membership categories pursuant to this section.

Death of a Member. The following options shall be available upon the death of a Member:

- a) If the Member who died was part of a group membership (such as Corporate), the surviving Member(s) may designate another Member to replace the deceased member. The surviving Member(s) is/are required to notify PNMP in writing of the name of the new designated member. PNMP will not return or refund the Initiation Fee paid upon the death of a member.
- b) If the Member who died had an individual membership (such as a Diamond membership), such Member's membership shall cease upon death, and the membership dues shall cease being payable upon the date of death. Member's estate shall not be relieved of any dues, fees or charges of any other nature accruing prior to such date of death. PNMP shall not be required to return or refund the Initiation Fee paid by the Member. If a Member who dies had a spouse who was part of the individual membership, then the individual membership shall immediately be vested solely with the spouse. Even though legal dependents shall be part of the individual memberships, once both parents die, the membership is automatically terminated.

Legal Separation or Divorce. In the event of a divorce or legal separation of spouses, the membership shall vest in the spouse awarded the membership by an agreement of separation or a decree of divorce. Until PNMP is notified in writing of the disposition of the membership pursuant to an agreement of separation or a decree of divorce, both spouses shall be jointly and severally liable for all dues and charges payable hereunder and both may continue to enjoy membership privileges so long as such amounts are timely paid.

Transfers within Group Memberships. For Corporate memberships, up to three of the original four Members may be replaced with new Members, subject to PNMP Management approval, provided:

- (a) each such new Member signs a Membership Agreement and an Application; and
- (b) each such new Member pays a fee of thirty (30%) of the then current Corporate Initiation Fee.

Suspension of Membership. The Member's membership may be suspended by PNMP for a period of up to one full year for just cause. Just cause for suspension shall include, but is not limited to, conduct unbecoming of a Member, violation of this Agreement, or violation of the Track Rules, as the same may be in effect from time to time. Dues and other obligations shall continue to be due and payable during the suspension and must be paid in full when due.

Inactive Membership. Any Member may apply to PNMP for inactive status for a maximum of one year. Application for inactive status must be made in writing at least thirty (30) days prior to the proposed inactivation date. The Member shall be granted inactive status and have no member privileges for such membership year; provided that:

- (a) such Member pays a \$500.00 fee for the inactive membership year; and
- (b) the Member shall only be entitled to be an inactive Member one time.

PNMP shall not be obligated to accept more than 10 inactive memberships during any one year. No membership dues shall be payable during the inactive year. An inactive Member may reactivate their membership at any time during the inactive year by paying all membership dues which would have accrued had the Member remained active, less the \$500.00 paid by Member as provided above.

Termination of Membership. The Member's membership may be terminated and revoked by PNMP for:

- (a) failure to pay membership dues on time, including any late fees or similar charges; or
- (b) failure by Member or the Member's guests to comply with the terms of this Agreement, the Track Rules, or the Application. Upon such termination, PNMP need not honor any privileges arranged for prior to termination. PNMP shall have no liability for any damages due to the cancellation of special privileges upon termination.

VI. Member Benefits

Member Privileges. The Member, subject to the provisions of this Agreement and of the Track Rules as amended from time to time, shall have the following privileges:

- a) Guaranteed access to segments to be determined by PNMP in its sole discretion of the Pacific Northwest Motorsports Park track for at least 20 days per month [10 days per month for Emerald members (Motorcycles Only)] under the guidelines set forth in the Track Rules. Designated Member Days will be published on the PNMP website and will be mailed to members with their monthly statements. Designated Member Days are subject to change. Founder and Corporate members are guaranteed access to segments of the track for at least 22 days per month.
- b) Use of all PNMP facilities that are scheduled to be built in the future, including the various driving configurations, paddock areas, administration buildings, public restrooms, access roads, common areas and clubhouse.
- c) Corporate and Founder members will be given priority status for garage rentals (when available). Diamond members will be given priority status for garage rentals over Junior, Emerald and non-PNMP members.
- d) Access to professional driving instruction for members only at discount rates.
- e) Special exotic car rentals available to members only. (Corporate and Founder members will receive a discount price for the rentals.)
- f) Discounted shopping at the PNMP Pro Shop.
- g) Guests can accompany members to the track, subject to the guidelines set forth in the Track Rules.
- h) Invitations to special "members only" events.

VII. Member Accounting and Billing

Each PNMP Member shall submit a credit or debit card along with their Membership Application to the PNMP Administrative office. Membership dues, guest fees and daily use fees shall be charged to the credit/debit card on file at the time of use. Membership dues will be charged to the Members account on or about the 1st of each month, unless the yearly billing option has been chosen. Monthly statements will be prepared and mailed on or about the first of each month, with details of the charges incurred during the previous month. Any bill not paid by the 15th of the month (through invalid or declined credit/debit card) is considered late. Any bill not paid within thirty (30) days is considered delinquent and a late fee of 1.5% per month will be assessed. Membership privileges will be suspended for delinquent fees until the bill is paid in full. Any bill not paid within sixty (60) days will result in termination of membership. If a Member pays the outstanding bill in full within ten (10) days of receiving the termination notice and submits a \$100.00 reinstatement fee, their membership will be reinstated. If the bill is not paid within ten (10) days of receiving the termination notice, then a new membership application must be submitted and a new Initiation Fee will be required to reestablish membership privileges at PNMP. Any bill not paid within ninety (90) days will be referred to PNMP's legal counsel for appropriate action. A Member who is delinquent in the payment of their fees may be denied access to the track, or to other privileges as described above, as deemed appropriate by PNMP and without prior notice to the Member.

VIII. Track Operations

Level of Service The Facilities will be maintained for use by Members and by the general public, with exception of sanctioned race events.

Decisions by PNMP. PNMP is a private, for profit entity and is **not** owned or controlled by the Members. Accordingly, PNMP alone shall have the right to make any decision regarding operation of the Facilities, consistent with providing the Member privileges granted herein. By way of example thereof, without limitation, PNMP alone shall decide the specific job descriptions of all personnel and the identity thereof; the level of maintenance of the Facilities; and the hours of operation. Although Members may request certain personnel positions, they may not hire or terminate any employee and all employees shall receive orders solely from PNMP; as such persons are employees only of PNMP.

Special Events. PNMP may from time to time agree to host special events for other organizations. For such events, membership privileges may be suspended in order to accommodate the event needs. PNMP will give reasonable advance notice to the Members of its needs and the periods of time involved.

Meetings. PNMP may hold periodic meetings of the membership to communicate new developments or changes in Track Rules. Members shall be notified of the time, location and address of the meeting.

Privileges Granted To Others. PNMP may, subject to the priority of Members hereunder, grant special privileges to other persons on such terms and at such times as it desires.

IX. Rules and Enforcement of Membership Agreement, Etc.

Track Rules. In order to provide a quality level of service, balance the needs of the public and operate as a private, for profit entity, PNMP may from time to time establish and amend the Track Rules regarding the use of the Facilities without the consent of the Member. Amendments will be posted at the Club and will be published on the PNMP website. Management will post amendments to the Track Rules on the Club premises in a designated spot and will also publish the amendments in writing and include them in the monthly statement that is mailed to the members 30 days prior to such amendment taking effect. Such manner of notice of amendments to the Track Rules will bind all members to abide by such amendments. The Track Rules shall be exclusively administered and enforced by PNMP. Members shall have no authority to enforce the Track Rules; only PNMP may do so. PNMP shall take reasonable action to enforce the Track Rules but shall not be liable for a failure to do so. All Members must use the Facilities in accordance with the Track Rules, as such rules may be amended. If Member objects to any amendment, Member's only recourse shall be termination of its membership as set forth above. No refunds of amounts previously paid will be available.

Membership Agreement and Amendments. In order to provide a quality level of service, balance the needs of the public and operate as a private, for profit entity, PNMP may from time to time amend this Agreement without the consent of the Member. Amendments will be posted at the Club and will be published on the PNMP website. Management will post amendments to this Agreement on the Club premises in a designated spot and will also publish the amendments in writing and include them in the monthly statement that is mailed to the members 30 days prior to such amendment taking effect. Such manner of notice of amendments to this Agreement will bind all members to abide by such amendments. All Members must use the Facilities in accordance with this Agreement, as it may be amended. If Member objects to any amendment, Member's only recourse shall be termination of its membership as set forth above. No refunds of amounts previously paid will be available.

Effective Date. The date on which Member shall be entitled to the privileges described in this Agreement shall be the later of grand opening date of the road course track, or the date when all initiation fees have been paid by Member and this Agreement has been executed by PNMP and Member. Privileges with respect to any Facilities which are not yet constructed shall be made available to Members upon completion of construction of such Facilities.

Enforcement. This Agreement may be enforced only by the Member and PNMP.

Damage by Members or Guests. If a Member, or the guest of a Member, damages the Facilities, or causes personal injury while on or near the Facilities, such Member shall be liable for all claims, damages and costs arising therefrom, whether compensatory, consequential, punitive or incidental, including attorneys' fees, and the Member so responsible, or the Member whose guest was responsible, shall indemnify and hold PNMP harmless therefrom, to the greatest extent allowable by law.

Temporary Suspension. PNMP shall have no liability for the temporary suspension of any privilege due to: special events, maintenance, repair or construction (although PNMP shall act to reasonably minimize the disruption of service to the Members); physical damage to an improvement or the repair, replacement or reconstruction of such improvement; acts of God; force majeure; inclement weather; utility disruptions; labor disturbances; material shortages; or other matters not within the control of PNMP.

General Limitations. To the greatest extent allowable by law, PNMP shall have no liability for physical damage, theft, loss or personal injury to Members or their guests in any way arising from the use of the Facilities, the Agreement, the Track Rules, or the Application.

X. General Terms

Assignment. PNMP may assign its interest in this Agreement, and the liability of the assignor shall be terminated as to events occurring after assignment. The Member may not assign the Member's interest in this Agreement.

License to use Name, Likeness and Image. Member (and its members, if a group Member) hereby authorizes PNMP to use his, her or its name, likeness, and image on any website or promotional material designed to promote PNMP or its affiliates and identify the Member as a member or former member of PNMP.

Management. Without assigning this Agreement, PNMP may engage one or more managers or operators of the Facilities or various portions thereof, whether on a contract, franchise, lease or other basis.

Acceptance. Availability of the Member's privileges hereunder shall be deemed acceptance, to the greatest extent allowable by law, by each Member of the limitations on PNMP's liability hereunder.

Binding Effect. This Agreement is binding upon and inures to the benefit of the respective successors and permitted assigns of the parties.

General. Waivers must be express and in writing. A waiver of any one matter shall not be deemed a waiver of any other matter, whether or not existing or subsequent, or different or similar. If any provision hereof is unenforceable, the remainder of this Agreement shall be enforced. This Agreement shall be governed by Oregon law. This Agreement may be amended only in writing signed by the parties.

IN WITNESS WHEREOF, the Member and PNMP have entered into this Agreement as of the date first written above.

MEMBER

Signature

Print name

Title (if Corporate Membership)

Date

Please check and initial one:

- National Founder Membership _____ Founder Membership _____
- Corporate Membership _____ Diamond Membership _____
- Junior Membership _____ Emerald Membership _____

Pacific Northwest Motorsports Park, LLC
(a Delaware Limited Liability Company)

Signature

Printed Name and Title

Date