



Club Spring Mountain

Membership Agreement

THIS AGREEMENT (the “Agreement”), by and between Club Spring Mountain, LLC, a Nevada Limited Liability Corporation (“CSM”) and the person(s) executing this Agreement as “Member” on the last page of this Agreement, is made and entered into as of the date this Agreement is executed by the parties hereto.

CSM owns and operates track facilities (the “Facilities”) known as Spring Mountain Motorsports Ranch. The Facilities include a 3.5 mile purpose-built road course with various driving configurations, paddock areas, administration buildings, rentable garages, Members Only Clubhouse, public restrooms, office areas, and may include, if constructed, a Wilderness Tower.

CSM intends to operate the Facilities as a “semi-private” Motorsports club, with a guarantee of at least 16 days per month of track time on designated days set aside for members only. This Agreement sets forth the privileges which CSM will make available to the Member.

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

I. Membership

Types of Membership. CSM shall be authorized to create, from time to time, different categories or types of membership having different requirements, qualifications, obligations, rights, and privileges, as CSM may deem advisable. Membership shall entitle the Member to use the Facilities in accordance with this Agreement, subject to such rules and regulations as may be adopted from time to time by CSM (the “Rules and Regulations”), and the Application (defined below). CSM intends to offer the following types of membership:

The term “**Member**” used throughout this agreement shall refer to either (1) a single individual; (2) a married couple; or (3) a family (Charter memberships only.) Charter Memberships may include immediate family only, and children between the ages of 16 and 27 may be added. In the case of a married couple or family, all parties are authorized to drive their own vehicles or karts on the track, and each driver of a vehicle will pay a daily use fee. All individuals will be considered as one entity with regard to remainder of the terms of the membership, such as the number of guests authorized to visit and drive on the track.

- a) **Corporate Membership:** \$100,000 Initiation Fee, \$500.00 per month membership dues, and a \$60.00 daily use fee for members and guests who are driving. A corporate member can bring up to fifty (50) guests per month. 10 of those guests may drive their own car on

the track after a check ride with a CSM staff member. Guests who will be driving their own car will pay the normal daily use fee. A maximum of three (3) driving visits per guest, per year, are authorized per Corporate Membership. A Corporate Membership includes Kart privileges at no additional charge, except for kart rental fees.

- b) **Charter Membership:** \$35,000 Initiation Fee, \$125.00 per month dues, and \$60.00 daily use fee for members and guests who are driving. A charter member can bring up to twenty (20) guests per month. Three (3) of those guests may drive their own car on the track after a check ride with a CSM staff member. Guests who will be driving their own car will pay the normal daily use fee. A maximum of two (2) driving visits per guest, per year, are authorized per Charter Membership. A Charter Membership includes Kart privileges at no additional charge, except for kart rental fees.
- c) **Classic Membership:** \$7,500 Initiation Fee, \$150.00 per month dues, and \$60.00 daily use fees for members and guests who are driving. A Classic member can bring up to five (5) guests per month. One (1) of those guests may drive their own car on the track after a check ride with a CSM staff member. Guests who will be driving their own car will pay the normal daily use fee. A maximum of one (2) driving visits per guest, per year are authorized per Classic Membership. A Classic Membership includes Kart privileges at no additional charge, except for kart rental fees.

II. Acceptance of Members

CSM shall establish parameters for the acceptance of members, which may include, but not necessarily be limited to, the following:

- a) Completion of a membership application (the "Application") and this Agreement in such form as may be prescribed by CSM. By completion of the Application, each Member agrees to be bound by the terms of this Agreement.
- b) The Member shall be required to pay an initial, non-refundable Initiation fee, along with membership dues and daily use fees, if applicable. Such fees shall be payable in the amounts and at such times as are set forth in the Application accepted by CSM.
- c) Acceptance by CSM of the applicant for membership, subject to the eligibility requirements set forth in the General Rules and Regulations document.
- d) CSM reserves the right to limit the number of members to a level it deems appropriate for the overall enjoyment of the facility by all members.
- e) In the event CSM receives membership applications in excess of CSM's established maximum, a waiting list shall be established. As additional memberships become available, 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 CSM 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 Rules and Regulations, 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 CSM or the Facilities, nor shall Members be entitled to any revenues or profits relating to the ownership or operation of CSM or the Facilities.

IV. Membership Fees

The Member shall pay to CSM the Initiation fee and the membership dues. CSM shall establish the monthly dues, which are subject to change. Membership dues may be paid on a monthly or yearly basis, with a discount offered for paying yearly. As used herein, a “membership year” shall be the same as a calendar year, unless otherwise established from time to time by CSM. The Member shall pay the membership dues in accordance with the terms set forth in the Application accepted by CSM. CSM reserves the right to change the membership dues each year at its sole discretion. 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 revocation of all membership privileges.

V. Renewal, Resignation, Transfers and Suspension of Membership

Renewal and Resignation. Membership shall be perpetually renewed, unless the Member has resigned in writing, mailed or delivered to CSM. Any such resignation shall be effective the first day of the month following receipt of the resignation and shall not relieve the Member of any dues, fees or charges of any other nature accruing prior to such effective date, unless CSM, in its discretion, allows a refund. CSM is not required to return or refund the Initiation fee paid by Member upon the resignation of a Member.

Transfers of Membership. Corporate or Charter Memberships can be transferred under the following conditions: (1) the payment of ten percent (10%) of the transfer price to CSM; and (2) CSM management approval. A Classic Member shall not have the right to transfer their membership or rights under this Agreement, except as provided to the contrary in this section.

Upgrading Category of Membership. The Member may change membership categories to a higher category of membership, provided that: (a) the Member pays to CSM 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. CSM 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 CSM in writing of the

name of the new designated member. CSM is not required to return or refund the Initiation fee paid upon the death of a member.

- b) If the Member who died was in the Classic category of 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. CSM shall not be required to return or refund the Initiation fee paid by the Member.

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 CSM 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 CSM 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 twenty-five (25%) of the current Corporate initiation fee.

Suspension of Membership. The Member's membership may be suspended by CSM 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 Rules and Regulations, 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 CSM 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 \$250.00 fee for the inactive membership year; and (b) the Member shall only be entitled to be an inactive Member one time. CSM 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 \$250.00 paid by Member as provided above.

Purchase by CSM. CSM reserves the right to purchase the Member's membership, at a price equal to the current market value of the Member's Initiation Fee. The Member's membership shall be deemed terminated with CSM's payment to the Member, and all annual membership fees shall cease being payable at the time of termination. Such a termination of Membership shall not relieve the Member of any dues, fees or charges of any other nature accruing prior to the effective date of the membership termination.

Termination of Membership. The Member's membership may be terminated and revoked by CSM 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 Rules and Regulations, or the Application. Upon such termination, CSM need not honor any

privileges arranged for prior to termination. CSM shall have no liability for any damages due to the cancellation of special privileges upon termination.

Termination of Membership by Member. The Member's membership may be terminated by the member with a thirty (30) day written notice to CSM. The Member's membership shall be deemed terminated on the 1st of the month, 30 days after receipt of such notice, and all annual membership fees shall cease being payable at the time of termination. Such a termination of Membership shall not relieve the Member of any dues, fees or charges of any other nature accruing prior to the effective date of the membership termination. CSM does not issue any refunds for annual membership fees or Initiation Fees previously paid by the member.

VI. Member Benefits

Member Privileges. The Member, subject to the provisions of this Agreement and of the Rules and Regulations, shall have the following privileges, all as more completely described in the Rules and Regulations:

- a) Guaranteed access to the Spring Mountain Motorsports Ranch track for at least 16 days per month, including all weekends, under the guidelines set forth in the rules and regulations. Designated Member Days are published in the CSM website. Designated Member Days are subject to change. Charter and Corporate members are guaranteed access to the track for at least 16 days per month.
- b) Use of all CSM facilities that are presently built and scheduled to be built in the future, including the various driving configurations, paddock areas, administration buildings, public restrooms, office areas, clubhouse, and wilderness tower.
- c) Corporate and Charter members will be given priority status for garage rentals (when available.) Classic members will be given priority status for garage rentals over non-CSM members.
- d) Access to professional driving instruction for members only at discount rates.
- e) Special exotic car rentals available to members only. (Corporate and Charter members will receive a discount price for the rentals.)
- f) Discounted shopping at the CSM apparel shop.
- g) CSM Members are not subject to payment of normal track gate fees
- h) Guests can accompany members to the track, subject to the guidelines set forth in the CSM General Rules and Regulations.
- i) Invitations to special "members only" events.
- j) In addition to the guaranteed member days, CSM Charter and Corporate members will be given opportunities to run with event groups with exclusive access through the upper paddock at no extra charge. Classic members will be given opportunities to run with event groups with exclusive access through the upper paddock and will pay the normal fees charged by the event companies.

VII. Member Accounting and Billing

Each CSM Member shall submit a credit or debit card along with their Membership Application to the CSM Administrative office. Membership dues, guest fees and daily use fees shall be charged to the credit card on file at the time of use. Membership dues will be charged to the member's 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 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 \$50.00 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 CSM. Any bill not paid within ninety (90) days will be referred to CSM'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 CSM and without prior notice to the Member.

VIII. Track Operations

Level of Service

Needs of Public Also Considered. The Facilities will be maintained for use by Members and by the general public.

Decisions by CSM. CSM is a private, for profit entity and is not owned or controlled by the Members. Accordingly, CSM 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, CSM 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, it may not hire or terminate any employee and all employees shall receive orders solely from CSM; as such persons are employees only of CSM.

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

Event Group Participation. Spring Mountain Motorsports Ranch rents the track to certain Event Groups during the year. In addition to the guaranteed member days, CSM Charter and Corporate members will be given opportunities to run with event groups with exclusive access through the upper paddock at no extra charge. Classic Members are given the same opportunities to run with event groups and will pay the established cost charged by the event company.

Meetings. CSM shall hold periodic meetings of the membership to communicate new developments or changes in rules and regulations. Members shall be notified of the time, location and address of the meeting.

Privileges Granted To Others. CSM 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

Driver/Passenger 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, CSM may from time to time establish and amend rules (the "Rules and Regulations") regarding the use of the Facilities. Amendments will be posted at the Club and will be published on the CSM website. Management will post amendments to the 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 rules and regulations will bind all members to abide by such amendments.

All Members must use the Facilities in accordance with the Rules. The Rules and Regulations shall be exclusively administered and enforced by CSM. Members shall have no authority to enforce such Rules and Regulations; only CSM may do so. CSM shall take reasonable action to enforce the Rules but shall not be liable for a failure to do so.

Effective Date. The date on which Member shall be entitled to the privileges described in this Agreement shall be the date this Agreement is executed by Member and CSM. 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 CSM.

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 CSM harmless therefrom, to the greatest extent allowable by law.

Temporary Suspension. CSM shall have no liability for the temporary suspension of any privilege due to: maintenance, repair or construction (although CSM 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; inclement weather; utility disruptions; labor disturbances; material shortages; or other matters not within the control of CSM.

General Limitations. To the greatest extent allowable by law, CSM 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 Rules and Regulations, or the Application.

X. General Terms

Assignment. CSM 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.

Management. Without assigning this Agreement, CSM 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 CSM'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 Nevada law. This Agreement may be amended only in writing signed by the parties.

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

CLUB SPRING MOUNTAIN

MEMBER

Dave Petrie, General Manager

Member Signature

Date: _____

Member Name

Member Signature

Member Name

Member Signature

Member Name

Member Signature

Member Name