



&
Area 27 Member
(Membership Agreement)

THIS AGREEMENT (the "Agreement"), by and between **South Okanagan Motorsports Corporation**, a British Columbia Corporation (SOMC) and the person(s) executing this Agreement (**the "Area 27 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.

SOMC owns and operates the facilities known as Area 27. The Phase I Facilities include, but are not limited to, a purpose built road course, paddock areas, pit lanes and driving academy. Additional facilities including Members Clubhouse, Service Center, Storage Suites and Karting Center are planned as future developments.

Therefore, SOMC and Area 27 Member do hereby agree to the following:

I. Membership

SOMC operates a "Semi-Private" Motorsports Facility with a guarantee of at least 15 days of track time per month for Members. Track days are designated days set aside for Members and their guests only.

Type(s) of Membership: SOMC is authorized to create different categories or types of membership having different requirements, qualifications, obligations, rights and privileges. Membership shall entitle the Member to use the Facilities in accordance with this Agreement, subject to rules and regulations prescribed by SOMC appendix A (Rules and Regulations), and the Application (defined below).

The term "Member" used throughout this agreement shall refer to either 1. a single individual; 2. a lawfully married couple or common-law partner; 3. Children of #1 or #2. Membership includes immediate family only, and Children between the ages of 16 and 27 may be added at no additional cost. Children between the ages of 28 and 35 may be included for an additional fee on a prorated basis, outlined in appendix B. In the case of a married couple or family, all parties are authorized to drive their own cars on the track on the condition that driver eligibility requirements are met. Children ages 8 and up may qualify for a Karting Club Membership. All individuals will be considered as one entity with regard to the remainder of the term of the membership, such as the number of guests authorized to visit/drive on the track.



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Membership: \$60,000 Initiation Fee, \$3,000 per year Phase I annual dues, \$4,000 per year Phase 2 (when the Members Clubhouse is open) annual dues, and a daily use fee for non-members guests who are driving. A Member can bring up to a maximum of fifteen (15) guests per month. Three (3) of those guests may drive their own cars providing that driver eligibility requirements are met. A guest who will be driving on the track will pay the normal daily use fee. A maximum of eight (8) driving visit guests per calendar year are authorised per Membership. Guest passes may increase as the total number of Members increase, however the same individual guest is restricted to a maximum of three (3) driving days per calendar year even if invited by multiple Members.

2. Acceptance of Members

SOMC 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 SOMC. By completion of the Application, each Member agrees to be bound by this Agreement.
- (B) The Member shall be required to pay an initial, non-refundable Initiation fee, along with yearly membership dues. Such fees shall be payable in the amounts and at such times as are set forth in the Application accepted by SOMC.
- (C) Acceptance by SOMC of the applicant for membership, subject to the eligibility requirements set forth in the General Rules and Regulations document.
- (D) SOMC 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 SOMC receives membership applications in excess of SOMC's established maximum, a wait list will 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 approved.

3. Nature of Membership

The Member acknowledges that membership does not grant the Member any equity or ownership interest in SOMC or the Facilities, nor does it give the Member a vested or prescriptive right or easement to use the Facilities. The 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 liable for any capital or operating assessments for the costs and expenses of owning or operating SOMC or the Facilities of Area 27, nor shall Members be entitled to any earnings relating to the ownership and operating of SOMC and the Facilities of Area 27.



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4. Membership Fees & Annual Dues

The Member shall pay when due, to **SOMC** the Initiation Fee and the Annual membership dues. SOMC shall establish and set the yearly dues. Membership dues must be paid by January 15th, a "membership year" shall be the same as a calendar year, unless otherwise established by SOMC. The fees for the first year of operation shall be prorated by the number of months between the opening date and year end and are due two (2) weeks prior to opening day. No Member may use the Facilities of Area 27 if their membership dues have not been paid. Failure to pay such dues, including any late fees or charges, shall be grounds for suspension of membership privileges until the account is paid.

5. Renewal, Resignations, Transfers and Suspension of Membership

Renewal and Resignation: Membership will be for thirty (30) years. The Member will have the option to renew the membership for six consecutive ten (10) year terms at no additional cost, unless the Member has resigned in writing delivered to SOMC. 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, or charges of any nature accruing prior to such effective date. SOMC in its discretion may allow such refund of dues on a case by case basis. SOMC is not required to refund the Initiation Fee under any circumstances paid by the Member upon the resignation of the Member.

Transfer of Membership: The Membership can be transferred after five (5) years in good standing for a \$1,000.00 administration fee, under the following conditions: 1. Must be sold to the next available member on the waiting list, 2. In the absence of a waiting list the Member is responsible for finding the new prospective Member, 3. SOMC Management approval.

Death of a Member: If the Named Member who died was part of a family membership, the surviving Member(s) may designate another Member to replace the deceased Named Member. The surviving Member(s) are required to notify SOMC in writing of the name of the new designated Member. **SOMC** is not required to return or refund the Initiation Fee paid upon the death of a Member.

Legal Separation or Divorce: In the event of a legal separation or divorce of spouses, subject to Court Order, the membership shall vest in the spouse first awarded the membership on the original membership application form. The named Member is liable for all dues and charges payable hereafter and may continue to enjoy membership privileges so long as the amounts are paid.

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



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Inactive Membership: Any Member may apply to SOMC for inactive status for a maximum of two (2) years. Application for inactive status must be made in writing at least thirty (30) days prior to the proposed inactivation date. The Member may be granted inactive status and have no member driving privileges for such time, provided that 1. such Member pays a \$200 administration fee for the inactive membership period and 2. the Member shall be only entitled to elect to be an inactive Member one time. SOMC shall not be obligated to accept more than fifteen (15) inactive memberships during a single calendar year. An inactive Member may reactivate their membership at any time during the inactive period by paying all membership dues that would normally be due.

Termination of Membership: The Member's membership may be terminated and revoked by SOMC for multiple failures by the Member or by the Member's Guests to comply with the terms of this Agreement, including the Rules and Regulations. Upon such termination, SOMC need not honor any privileges arranged for prior to termination. SOMC shall have no liability for any damages due to the cancellation of membership 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 SOMC. The Member's membership shall be deemed terminated on the 1st of the month, 20 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. **SOMC** does not issue any refunds for annual membership dues or Initiation Fees previously paid by the Member.

6. Member Benefits

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

- (A) Guaranteed access to the Area 27 track for at least 15 days per month (weather permitting), with at least two (2) weekends per calendar month, under the guidelines set forth in the Rules and Regulations. Designated Member Days are published on the area27.ca website. Designated Member Days are subject to change.
- (B) After opening, use of all Area 27 facilities when built and scheduled to be built in the future, including the various driving configurations, paddock areas, clubhouse, public restrooms and service centre.
- (C) Members will be given priority status, based on membership number, for garage rental and other events or offers (when available).
- (D) With advanced booking, access to professional driving instruction for Members.
- (E) Members are not subject to normal daily track use fees.
- (F) Guests can accompany Members to the track, subject to the guidelines set forth in the Rules and Regulations.
- (G) Invitations to special "Members Only" events.
- (H) In addition to the guaranteed member days, Members will be given opportunities for various private bookings of Area 27 facilities, on a case by case basis, at SOMC Managements discretion.



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7. Member Billing and Accounting

Annual Membership dues must be paid in advance and will be billed in December for the following year. Guest fees and other purchases shall be due within 30 days from the time of billing. Any bill not paid within 30 days is considered delinquent and a late fee of 2% per month will be assessed. Membership privileges will be suspended until the bill is paid in full. Any bill not paid within 60 days can result in suspension of membership by SOMC Management's discretion. If a member pays the outstanding bill in full within 10 business days of receiving suspension notice, their membership will be reinstated. If the bill is not paid in full within the 10 business days of suspension notice, Members will have 30 days to pay the outstanding bill or have their membership terminated. Any bill not paid within 90 days will be referred to SOMC's legal counsel for appropriate action. A Member who is delinquent in the payment of their fees and other charges may be denied access to the track, or to other privileges described above, as deemed appropriate by SOMC and without prior notice to the Member.

8. Track Operations

Needs of Public Also Considered: The facilities will be maintained for use by the Members and also members of the general public.

Decisions by SOMC: SOMC is a private entity and is not owned or controlled by the Members. Accordingly, SOMC 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, SOMC alone shall decide the specific job description of all personnel and the identity thereof; the level of maintenance of the Facilities; and the hours of operation. Although Members may apply for certain personnel positions, all employees shall receive orders solely from SOMC, as such persons are employees only of SOMC.

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

Meetings: SOMC shall hold periodic meetings with the Members to communicate new developments or changes to the Rules and Regulations. Members shall be notified of the time and location of the meeting.

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

9. 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 entity, SOMC may from time to time establish and amend rules (appendix A. the Rules and Regulations) regarding the use of the Facilities. Amendments will be posted at the club and will be published on the area27.ca website. Management will post amendments to the rules on the Area 27 premises in a designated spot and will also publish the amendments in writing 30 days prior to any such rules 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 SOMC. SOMC shall take reasonable action to enforce the Rules and Regulations but shall not be liable for failure to do so.

Effective Date: The date on which the Member shall be entitled to the privileges described in this Agreement shall be the date this Agreement is executed by the Member and SOMC. Privileges with respect to any Facilities which are not yet constructed shall be made available to Members upon completion of construction of such Facilities.

Damage by Members and Guests: If a Member, or 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 attorney's fees, and the Member so responsible, or the Member whose Guest was responsible, shall indemnify and hold SOMC harmless therefrom, to the greatest extent allowable by law.

Delays and Track Downtime: SOMC shall have no liability for the temporary suspension of any Member privilege due to; maintenance, repair or construction (although SOMC shall act to reasonably minimize the disruption of service to the Members); physical damage to an improvement or repair, replacement or reconstruction of such improvement; acts of God; inclement weather; utility disruptions; labour disturbances; material shortages; or other matters not within control of SOMC.

General Limitations: To the greatest extent allowable by law, SOMC 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.



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10. General Terms

Assignment: SOMC 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 without SOMC approval.

Management: Without assigning this Agreement, SOMC 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 the limitations on SOMC's liability hereunder.

Binding Effect: This Agreement is binding upon and insures to the benefit of the respective successors and permitted assigns and 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 British Columbia Law and the Laws of Canada. This Agreement may be amended only in writing signed by the parties.



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IN WITNESS WHEREOF, the Area 27 Member and SOMC have entered into this Agreement as of the date written below.

South Okanagan Motorsports Corporation

Area 27 Member(s)

Named Member Signature

Date: _____

Named Member (printed)

Member Signature

Member Name (printed)

Member Signature

Member Name (printed)

Member Signature

Member Name (printed)

Member Signature

Member Name (printed)



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(Appendix B, Immediate Family)

Immediate Family Members ages 28-35

Members may include, at the time of their membership purchase, Sons and Daughters from the ages of 28 through to the age of 35, for an additional fee. The below listed fee schedule is only applicable at the time of the original membership purchase and is not available to those memberships either purchased or transferred to new Members at a later date. Identification showing proof of the listed family member's age is required.

Age of Family Member	Amount	Name on application	Copy of ID. Included
28	\$2,000	_____	_____
29	\$4,000	_____	_____
30	\$6,000	_____	_____
31	\$8,000	_____	_____
32	\$10,000	_____	_____
33	\$12,000	_____	_____
34	\$14,000	_____	_____
35	\$16,000	_____	_____

Date: _____ Named Member: _____

Approved: _____ Members Signature: _____