
OPERATING AGREEMENT

OF

CANTON WINTERSPORTS CENTER, L.L.C.

a North Carolina Limited Liability Company

Dated as of July 13, 2005

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This Operating Agreement (“Agreement”) is made as of July 13, 2005 and is by and between CANTON MOTORSPORTS, L.L.C., a Maryland limited liability company (“Canton Motorsports”) and OPTICON INTERNATIONAL CANADA, INC., a Canadian corporation (“Opticon”). For purposes hereof, Canton Motorsports and Opticon are collectively referred to herein as the “Members.”

WHEREAS, Canton Wintersports, L.L.C., a North Carolina limited liability company (the “Company”) has been formed by the filing of Articles of Organization with the North Carolina Department of the Secretary of State, pursuant to the North Carolina Limited Liability Company Act, as amended (Chapter 57C of the North Carolina General Statutes) (the “Act”);

WHEREAS, Canton Motorsports is the owner of the Property (hereinafter defined), and has agreed to lease the Property to the Company pursuant to the provisions hereof;

WHEREAS, Opticon has significant experience in the development and operation of indoor winter sports complexes of the type similar to the Project (hereinafter defined), and has agreed to contribute to the Company all Rights (hereinafter defined) for development and operation of the Project, and has agreed to manage the development and operation of the Project as Manager of the Company pursuant to the provisions hereof;

WHEREAS, it is the interest of the Members that the Company develop the Project upon the Property; and

WHEREAS, the Members desire to enter into this Agreement in order to provide for the management of the business and affairs of the Company and to set forth their respective rights, privileges and obligations.

NOW, THEREFORE, in consideration of the agreements and obligations set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Members hereby agree as follows:

ARTICLE 1

DEFINITIONS

For purposes of this Agreement, unless the context clearly indicates otherwise, the following terms shall have the following meanings (additional terms, used only in specific Articles, may be defined elsewhere in this Agreement):

“Act” means the North Carolina Limited Liability Company Act, as amended (Chapter 57C of the North Carolina General Statutes).

“Adjusted Member Account Deficit” means the deficit balance, if any, in a Member’s Member Account as of the end of the Fiscal Year, increased by any amount which the Member is deemed to be obligated to restore pursuant to the penultimate sentences of Treasury Regulation Sections 1.704-2(g)(1) and (2)(i)(5), and decreased by the items described in Treasury Regulation Sections 1.704-1(b)(2)(ii)(d)(4), (5), and (6).

“Affiliate” has the meaning such term is given in Rule 405 promulgated under the Securities Act.

“Agreement” means this Operating Agreement, as same may be further amended from time to time.

“Annual Report” has the meaning set forth in Section 8.5.

“Articles” means the Articles of Organization for the Company filed with the North Carolina Department of the Secretary of State.

“Assignee” means a permitted transferee of some or all of the Units of a Member who has not been admitted as a Substitute Member.

“Bankruptcy” means, with respect to a Person, the occurrence of any of the following events:

- (a) the Person
 - (i) Makes an assignment for the benefit of creditors;
 - (ii) Files a voluntary petition in bankruptcy;
 - (iii) Is adjudged a bankrupt or insolvent, or has entered against such Person an order for relief in any bankruptcy or insolvency proceeding;
 - (iv) Files a petition or answer seeking for such Person any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law, or regulations;

- (v) Files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against such Person in any proceeding of this nature;
 - (vi) Seeks, consents to or acquiesces in the appointment of a trustee, receiver or liquidator of the Person or of all or any substantial part of such Person's properties; or
- (b) one hundred twenty (120) days after the commencement of any proceeding against the Person seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation, if the proceeding has not been dismissed, or if within ninety (90) days after the appointment without such Person's consent or acquiescence of a trustee, receiver or liquidator of the Person or of all or any substantial part of such Person's properties, the appointment is not vacated or stayed, or within ninety (90) days after the expiration of any such stay, the appointment is not vacated.

"Canton Motorsports Initial Capital Contribution" has the meaning set forth in Section 4.2.

"Capital Cash Flow" means the gross cash proceeds derived from (a) all sales, leases and other dispositions (other than in the ordinary course of business) of Company Property (including without limitation, the proceeds of insurance attributable to loss or damage to Company Property to the extent not utilized to repair or restore such Company Property) and (b) all financings and refinancings of Company Property and the admission of new Members to the Company, less payment of Company debts, liabilities, and expenses, including transaction costs payable by the Company, and less any portion thereof used to establish reserves, all as determined by the Manager, subject to Section 6.3 hereof. Capital Cash Flow shall include all principal and interest payments with respect to any note or other obligation received by the Company in connection with sales and other dispositions (other than in the ordinary course of business) of Company Property, and shall include amounts otherwise constituting Capital Cash Flow previously set aside as reserves pursuant to the provision hereof but no longer required to be maintained as reserves, as determined by the Manager.

"Capital Contribution" means any amount of cash or property (valued at its Gross Asset Value) contributed to the Company by any Member pursuant to the terms of this Agreement. Any reference in this Agreement to the Capital Contributions of a Member shall include the Capital Contributions made by any predecessor holder of a Membership Interest held by such Member.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Company" means Canton Wintersports Center, L.L.C., a limited liability company formed under the laws of the State of North Carolina, and any successor company.

“Company Minimum Gain” means an amount equal to the “partnership minimum gain” determined in accordance with Treasury Regulations Sections 1.704-2(b)(2) and 1.704-2(d)(1).

“Company Property” means any property, whether real or personal, tangible or intangible, owned by the Company, including, without limitation, the Project and its interest in the Property.

“Depreciation” means for each Fiscal Year or other period, an amount equal to the depreciation, amortization, or other cost recovery deduction allowable under the Code with respect to an asset for such Fiscal Year or other period, except that if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such Fiscal Year or other period, Depreciation shall be an amount which bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization, or other cost recovery deduction for such Fiscal Year or other period bears to such beginning adjusted tax basis. If any asset shall have a zero adjusted basis for federal income tax purposes, Depreciation shall be determined utilizing any reasonable method selected by the Manager.

“Development Plan” means that plan to be prepared by the Manager which sets forth the nature and components and layout of the Project and establishes the general sequence of development and/or construction of the Project.

“Effective Date” means the date this Agreement becomes effective and is the date first above written.

“Fiscal Year” has the meaning set forth in Section 8.3.

“GAAP” has the meaning set forth in Section 8.5.

“Gross Asset Value” means with respect to any asset, the asset’s adjusted basis for federal income tax purposes, except as follows:

- (a) The initial Gross Asset Value of any asset contributed by a Member to the Company shall be the gross fair market value of such asset, as set forth herein;
- (b) The Gross Asset Values of all Company assets shall be adjusted to equal their respective gross fair market values, as determined by the Manager, as of the following times: (i) the acquisition of an interest or an additional interest in the Company by any new or existing Member in exchange for more than a de minimis Capital Contribution; (ii) the distribution by the Company to a Member of more than a de minimis amount of property or money as consideration for an interest in the Company; and (iii) the liquidation of the Company within the meaning of Treasury Regulation Section 1.704-1(b)(2)(ii)(g); provided, however, that adjustments pursuant to clauses (i) and (ii) above shall be made only if the Manager determines that such adjustments are necessary or appropriate to reflect the relative economic interests of the Members;

- (c) The Gross Asset Value of any Company asset distributed to a Member shall be the gross fair market value of such asset on the date of distribution;
- (d) The Gross Asset Values of Company assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Code Section 734(b) or Code Section 743(b), but only to the extent that such adjustments are taken into account in determining capital accounts pursuant to Treasury Regulation Section 1.704-1(b)(2)(iv)(m); and
- (e) If the Gross Asset Value of an asset has been determined or adjusted pursuant to paragraphs (a), (b), or (d), such Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset for purposes of computing Profits and Losses.

“Indemnified Person” has the meaning set forth in Section 10.2(a).

“Legal Representative” has the meaning set forth in Section 10.2(a).

“Lease” has the meaning set forth in Section 4.2.

“Majority” means as to any items being counted, a number in excess of 50% of the total number of such items.

“Manager” means Opticon and any other Person designated to serve as a Manager of the Company in accordance with the provisions of this Agreement.

“Member” means any Person who is named as Member in the first paragraph of this Agreement or who is admitted as an Additional Member or a Substitute Member in accordance with Article 11.

“Member Account” has the meaning set forth in Section 7.1.

“Member Minimum Gain” means an amount, with respect to each Member Nonrecourse Debt, equal to the Company Minimum Gain that would result if such Member Nonrecourse Debt were treated as a Nonrecourse Liability, determined in accordance with Treasury Regulation Section 1.704-2(i)(3).

“Member Nonrecourse Debt” has the meaning assigned to the term “partner nonrecourse debt” in Treasury Regulation Section 1.704-2(b)(4).

“Member Nonrecourse Deductions” has the meaning assigned to the term “partner nonrecourse deductions” in Treasury Regulation Section 1.704-2(i).

“Membership Interest” means the entire ownership interest of a Member in the Company at any particular time, including the right of such Member to any and all benefits to which a Member may be entitled pursuant to this Agreement and under the Act together with all obligations of such Member to comply with the terms and provisions of this Agreement and the Act. Whenever any reference is made herein to “Membership Interest” in the context of an

allocation or other similar determination being made *pro rata*, in proportion to or in accordance with the Members' respective Membership Interests, such references shall mean and refer to the then-applicable Percentage Interest of each Member.

"Motorsports and Exposition Center" has the meaning assigned to such term in Section 14.21 hereof.

"Nonrecourse Deductions" has the meaning set forth in Treasury Regulation Section 1.704-2(b)(1).

"Nonrecourse Liability" has the meaning set forth in Treasury Regulation Section 1.752-1(a)(2).

"Operating Cash Flow" means the gross cash proceeds from Company operations (exclusive of Capital Cash Flow) less the portion thereof used to pay or establish reserves for all Company expenses, debt payments, capital improvements, replacements, and contingencies, all as determined by the Manager, subject to Section 6.3 hereof. Operating Cash Flow shall not be reduced by depreciation, amortization, cost recovery deductions or similar allowances. Operating Cash Flow shall include amounts otherwise constituting Operating Cash Flow previously set aside as reserves pursuant to the provisions hereof but no longer required to be maintained as reserves, as determined by the Manager.

"Opticon Initial Capital Contribution" has the meaning set forth in Section 4.2.

"Overall Site" has the meaning assigned to such term in Section 15.21 hereof.

"Percentage Interest" means, with respect to a Member, the percentage set out with respect to such Member on Exhibit 2, as the same may be amended from time to time.

"Permits" shall mean the building permits, use permits and other such permits and approvals as are required to be issued by the appropriate local governmental authorities for the development and operation of the Project.

"Person" means any individual, partnership, limited liability company, corporation, association, cooperative, trust, estate or other entity.

"Proceeding" has the meaning set forth in Section 10.2(a).

"Profits and Losses" means for each Fiscal Year or other period, an amount equal to the Company's taxable income or loss for such Fiscal Year or period, determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or loss), with the following adjustments:

- (a) Any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Profits or Losses pursuant to this definitional Section shall be added to such taxable income or loss;

- (b) Any expenditures of the Company described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Treasury Regulation Section 1.704-1(b)(2)(iv)(i), and not otherwise taken into account in computing Profits or Losses pursuant to this definitional Section, shall be subtracted from such taxable income or loss;
- (c) Gain or loss resulting from any disposition of Company Property with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Gross Asset Value of the property disposed of, notwithstanding that the adjusted tax basis of such property differs from its Gross Asset Value;
- (d) In lieu of the depreciation, amortization and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such Fiscal Year or other period, computed in accordance with the definition thereof; and
- (e) Notwithstanding any other provision of this definitional Section, any items which are specially allocated under Section 7.3 or Section 7.4 of this Agreement shall not be taken into account in computing Profits or Losses.

“Property” means that certain parcel of real property in Canton, North Carolina more particularly described on Exhibit A attached hereto, together with all improvements thereon and appurtenances thereto, if any.

“Project” means that certain indoor winter sports complex to be developed upon the Property as described generally in Exhibit B attached hereto and associated amenities, all to be more particularly described in the Development Plan.

“Project Manuals” means collectively those plans and procedures for development of the Project and the rules and procedures established for the operation of the Project, all as prepared by the Manager.

“Regulatory Allocations” has the meaning set forth in Section 7.4.

“Rights” shall mean collectively all existing plans, specifications, conceptual designs, patents, trademarks, intellectual property rights, knowhow, intangible rights and other such rights and entitlements necessary for the development and operation of the Project (excluding the Permits).

“Securities Act” means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

“Substitute Member” means a permitted transferee of some or all of a Member’s Units, who has become a Member pursuant to Section 11.1(a).

“Tax Matters Member” means the Person designated in Section 9.1.

“Treasury Regulations” means the regulations promulgated under the Code.

ARTICLE 2

ORGANIZATION AND TERM

Section 2.1 Formation.

(a) The Company has been formed as a North Carolina limited liability company by the filing of the Articles with the North Carolina Department of the Secretary of State. The rights and liabilities of all Members shall be as provided under the Articles and this Agreement. To the extent permitted by applicable law, the provisions of this Agreement shall override the provisions of the Act in the event of any inconsistency or contradiction between them.

(b) In order to maintain the Company as a limited liability company under the laws of the State of North Carolina, the Company shall from time to time take appropriate action, including the preparation and filing of such amendments to the Articles and such other assumed name certificates, documents, instruments and publications as may be required by or desirable under law, including without limitation action to reflect:

- (i) any change in the Company name; or
- (ii) any correction of false or erroneous statements in the Articles or the desire of the Manager to make a change in any statement therein in order that it shall accurately represent the agreement among the Members.

Section 2.2 Name. The Company’s name shall be “Canton Wintersports Center, L.L.C.” The Company may do business under that name or any other name chosen by the Manager. The Company shall cause appropriate trade name certificates, fictitious name certificates and like statements to be filed and published under the name set forth in this Section 2.2, or such other name as the Company may have or use in any state or jurisdiction from time to time.

Section 2.3 Term. The Company’s existence commenced on the date of the filing of the Articles and shall be perpetual unless and until it is dissolved and terminated in accordance with Article 12.

Section 2.4 Resident Agent and Office. The Company’s resident agent shall be Stephen C. Westmoreland and the resident office in the State of North Carolina shall be 1969 Asheville Highway, Canton, North Carolina 28716. At any time, the Manager may designate another resident agent or office, or both.

Section 2.5 Principal Office. The principal office of the Company shall be 1969 Asheville Highway, Canton, North Carolina 28716, or such other place or places designated by the Manager.

Section 2.6 Other Instruments. Each Member shall execute and deliver to the Company within five days after receipt of a written request therefor such other and further documents and instruments, statements of interest and holdings, designations, powers of attorney and other instruments and take such other action as the Company deems necessary, useful or appropriate to comply with any laws, rules or regulations as may be necessary to enable the Company to fulfill its responsibilities under this Agreement.

Section 2.7 No State Law Partnership. The Members intend that the Company not be a partnership (including a limited partnership) or joint venture, and that no Member be a partner or joint venturer of any other Member, for any purposes other than federal and state tax purposes, and this Agreement may not be construed to suggest otherwise.

ARTICLE 3

PURPOSE AND POWERS OF THE COMPANY

Section 3.1 Purpose. The sole purpose of the Company is:

- (a) To acquire a leasehold estate in the Property;
- (b) To develop and improve the Property including, without limitation, development of the Project thereon pursuant to the approved Development Plan (as same may be modified from time to time pursuant to the provisions hereof).
- (c) To own, finance, refinance, operate, manage and lease the Project;
- (d) To sell for cash, notes (secured or unsecured) and/or other consideration all or a portion or portions of its interest in the Project; and
- (e) To do all things necessary or useful in connection with any of the foregoing.

The Company will not be permitted to engage in any business other than that specified in this Section 3.1.

Section 3.2 Powers of the Company. In order to carry out its purpose, and not in limitation thereof and as part of its business, subject to the limitations set forth elsewhere in this Agreement, the Company is authorized to do any and all acts and things necessary, appropriate, proper, advisable, incidental to or convenient for the furtherance and accomplishment of its purpose, including without limitation to:

- (a) conduct its business, carry on its operations and have and exercise all of the powers granted by the Act in any state, territory, district or possession of the United States, or in any foreign country, which may be necessary or convenient to effect any or all of the purposes for which it is organized;

(b) incur debt and guarantee indebtedness of others for Company purposes, and prepay, refinance, recast, modify, extend or consolidate such obligations;

(c) purchase, take, receive, lease, otherwise acquire, own, hold, improve, use and otherwise deal in and with real or personal property, or interests therein, wherever situated;

(d) sell, convey, assign, encumber, mortgage, pledge, lease, exchange, transfer, abandon and otherwise dispose of all or any part of the Company Property;

(e) sue and be sued, complain and defend, and participate in legal, administrative or other proceedings, in its name;

(f) appoint employees and agents of the Company, and define their duties and fix their compensation by contract or other means;

(g) make and alter agreements not inconsistent with the Articles or with the Act, for the performance of its business or the administration and regulation of its affairs;

(h) indemnify a Member or Manager, or a former Member or Manager, or an agent and make any other indemnification to the fullest extent permitted by this Agreement, the Act or other applicable law;

(i) cease its activities, wind up its affairs and file articles of dissolution pursuant to this Agreement and the Act; and

(j) have and exercise all powers necessary or convenient to effect any or all of the purposes for which the Company is formed;

provided, however, that notwithstanding any powers that may be granted to the Company under the preceding provisions of this Section 3.2 or the Act, the Company shall not have the power to take any action which would contravene other provisions of this Agreement.

ARTICLE 4

CAPITAL CONTRIBUTIONS

Section 4.1 Members. The names and addresses of the Members are as reflected on Exhibit C.

Section 4.2 Initial Capital Contributions.

(a) Subject to Section 15.22 hereof, Canton Motorsports shall contribute to the Company a “triple net” leasehold estate in the Property for a term of one hundred (100) years pursuant to a form of lease that is acceptable to the Members (the “Lease”), free and clear of all monetary liens and other security interests, at an agreed upon value of One Thousand Dollars (\$1,000.00) (the “Canton Motorsports Initial Capital Contribution”). Subject to Section 15.22 hereof, Opticon shall contribute the Rights to the Company of an agreed value of One Thousand

Dollars (\$1,000.00) (the “Opticon Initial Capital Contribution”). No Member shall be deemed to have made, or receive credit for, any Capital Contribution prior to the Effective Date. The initial Capital Contributions of the Members and the respective Percentage Interests of the Members as of the Effective Date is set forth opposite such Member’s name on Exhibit C hereto.

(b) Except as otherwise provided in Sections 4.4, no Member shall be required to lend or advance any funds to the Company. Except as otherwise provided in Sections 4.2(a) or 4.4(b), no Member shall be required after the date hereof to make any contributions, assessments or payments to the Company, whether on liquidation of the Company or otherwise; provided, however, that a Member may be required to repay distributions made to it as provided in the Act or Section 10.1.

Section 4.3 Withdrawals and Return of Capital; Interest. No Member shall have the right to receive any interest on any portion of such Member’s Capital Contributions. Except as otherwise provided in this Agreement, the Company shall not redeem or repurchase any Membership Interests, and no Member shall have the right to receive a return on, or to withdraw all or any part of, its Capital Contributions.

Section 4.4 Additional Capital.

(a) It is the intent of the Members that, except for the initial Capital Contributions to be made by the Members pursuant to Section 4.2 hereof, all of the funds over and above Company revenues required for the operation of the Company shall be obtained through debt financing and, subject to Section 6.3 hereof, the sale of assets of the Company. To the extent such financing is not sufficient to meet the Company’s requirements, and additional financing is either unavailable to the Company or unavailable to the Company on reasonable terms and conditions, as determined by the Manager, then the Manager may, subject to the provisions of Section 6.3(a) hereof, raise such additional capital required through the offering of preferred equity positions in the Company to third parties, in which case the relative Percentage Interests of the Members shall dilute proportionally to accommodate the interests of such third parties. Such preferred equity positions may include, without limitation, a preferred return on such capital contributions made by such third parties at prevailing market rates for such equity investments, and a priority return of such capital contributions and the preferred return thereon.

ARTICLE 5

MEMBERS

Section 5.1 Members Not to Manage. The Company shall be owned by the Members. Except with respect to certain Member consent or approval requirements set forth in this Agreement, no Member, in such Member’s capacity as a Member, shall have any right to vote on any matter or participate in any decision with respect to any action to be taken or not to be taken by the Company, or any other aspect of the operation, management, policies or activities of the Company.

Section 5.2 Authority to Bind the Company. Only the Manager, acting in accordance with this Agreement, shall have the authority to bind the Company. No Member shall take any action as a Member to bind the Company, and each Member shall indemnify the Company for any costs or damages incurred by the Company as a result of the unauthorized action of such Member. The actions of a Manager as an authorized agent of the Company for the purpose of its business, including the execution in the Company name of any document or instrument, shall bind the Company unless such action is in contravention of the Articles or this Agreement.

Section 5.3 Compensation.

(a) No Member shall be entitled to compensation for any services such Member may render to or for the Company as a Member, unless the Manager shall decide otherwise.

(b) The Company is authorized to enter into service and other agreements with any Persons, including, without limitation, Members or Affiliates of Members, as may be determined to be appropriate by the Manager; provided that any agreement entered into between the Company and any Member or any Affiliate of a Member shall be on terms in the aggregate no less favorable to the Company as may be obtained on an arm's length basis from unaffiliated third parties.

Section 5.4 Business Pursuits of Members. This Agreement shall not preclude or limit in any respect the right of any Member or any Affiliate of any Member to engage in or invest in any business activity of any nature or description. Any such activity permitted by this Section 5.4 may be engaged in independently or with other Members. No Member shall have the right, by virtue of this Agreement or the relationship created hereby, to any interest in such other ventures or activities, or to the income or proceeds derived therefrom.

Section 5.5 Duration of Member Status. A Member shall cease to be a Member upon the occurrence of any of the events described in Section 11.1(b) or 11.3(a) or a Bankruptcy with respect to such Member.

Section 5.6 Transactions Between a Member and the Company. Any Member or an Affiliate of any Member may, but shall not be obligated to, lend money to the Company, act as surety for the Company and transact other business with the Company and shall have the same rights and obligations when transacting business with the Company as a Person or entity who is not a Member; provided, however, that any such transaction (a) is not prohibited by applicable law, (b) has been approved by the Manager and (c) is upon terms in the aggregate no less favorable to the Company as may be obtained on an arm's length basis from an unaffiliated third party.

Section 5.7 Voting; Action Without Meeting. In any vote, consent, approval or other action required to be taken by the Members or which may be taken by the Members in accordance with any provision of this Agreement, such vote, consent, approval or action may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by Members having not less than the minimum percentage of Percentage Interests that would be

necessary to authorize or take such action at a meeting at which all the Members were present and voting.

ARTICLE 6

MANAGER

Section 6.1 Management by Manager. The management of the Company's business shall be vested solely in the Manager. Accordingly, except as otherwise specifically limited in this Agreement or under applicable law, the Manager, shall (a) manage the affairs and business of the Company; (b) exercise the authority and powers granted to the Company; and (c) otherwise act in all other matters on behalf of the Company. The Manager shall take all actions which shall be necessary or appropriate to accomplish the Company's purposes in accordance with the terms of this Agreement. The above notwithstanding, the Company's attorneys and accountants shall be selected by Canton Motorsports.

Section 6.2 Designation of Manager. The initial Manager is named in the Recitals to this Agreement. Any additional or successor Manager shall be elected by Members holding at least eighty percent (80%) of the Percentage Interests and shall serve in such capacity until a successor has been elected and qualified or until such Person's death, Bankruptcy, dissolution, resignation or removal. A Manager shall not be required to be a Member.

Section 6.3 Powers of the Manager. (a) The Manager shall have the right and authority to take all actions which the Manager deems necessary, useful or appropriate for the management and conduct of the Company's business, pursuant to the provisions of this Agreement. In addition to the limitations with respect to the Manager's powers elsewhere set forth in this Agreement, and notwithstanding any provision of this Agreement to the contrary, the Manager shall not take any of the following actions on behalf of the Company (individually, a "Major Decision" and collectively, the "Major Decisions") without the prior written consent of Canton Motorsports:

(1) except in the ordinary course of the Company's business, sell, transfer or assign Company Property or any portion thereof, or enter into any agreements which contemplates the sale, transfer or assignment of Company Property;

(2) incur indebtedness on behalf of the Company;

(3) subject the Property to liens, encumbrances, easements, covenants or restrictions;

(4) except as set forth in an approved Development Plan, establish or alter the nature of the Project or the components thereof;

(5) except as set forth in an approved Development Plan, establish or alter the sequence of development and/or construction of the Project;

(6) adopt, or modify in any material respect, the Development Plan or the Project Manuals or adopt or modify, in any material respect, any development or operating budgets for the Company;

(7) except as contemplated by an approved development or operating budget, or set forth in the Project Manuals, enter into any contracts pursuant to which the Company will be obligated for an amount in excess of One Hundred Thousand Dollars (\$100,000.00);

(8) agree to compensate a Member for services rendered to the Company or enter into service and other agreements with Members or Affiliates of Members pursuant to Section 5.3 hereof;

(9) borrow money from a Member or an Affiliate of a Member, or transact any business with a Member or an Affiliate of a Member pursuant to Section 5.6 hereof;

(10) admit additional Members to the Company (including, without limitation, the admission of new Members, and the terms and conditions of the admission of such new Members, pursuant to Section 4.4 hereof);

(11) consent to a transfer of a Membership Interest pursuant to Article 11 hereof;

(12) establishing reserves in excess of One Hundred Thousand Dollars (\$100,000.00), except as set forth in the Project Manuals;

(13) compromising any liability of the Company or any liability owed to the Company, including, without limitation, liability of a Member pursuant to Article 10; and

(14) except as contemplated by an approved development or operating budget, enter into, or modify the terms of, any material contracts pursuant to which the Project is to be developed and/or operated.

(b) In the event the Manager desires to undertake a Major Decision, it shall provide the Members written notice of such proposed Major Decision and a request for such Members' consent thereto (a "Major Decision Notice"). The Manager shall provide Canton Motorsports such information concerning a Major Decision as may be reasonably requested.

Section 6.4 Responsibilities of the Manager. The Manager shall be under a fiduciary duty and obligation to conduct the affairs of the Company in the best interests of the Company, subject to and as limited by all of the terms and provisions of this Agreement. The Manager shall not be obligated to make any contribution or otherwise provide any funds to or on behalf of the Company other than as he may be required to do as a Member, whether or not such additional contribution of funds may be required to conduct the Company's business, to avoid

default under or foreclosure of any mortgage or any other Company obligation, or for any other purpose. This Agreement shall not preclude or limit in any respect the right of the Manager or any Affiliate of the Manager to engage in or invest in any business activity of any nature or description. Any such activity may be engaged in independently or with any Members. No Member shall have the right, by virtue of this Agreement or the relationship created hereby, to any interest in such other ventures or activities, or to the income or proceeds derived therefrom.

Section 6.5 Compensation of Manager. Except as otherwise expressly provided herein, the Manager shall not receive any compensation as a Manager; provided, however, that the Company shall pay or reimburse the Manager for all reasonable out of pocket expenses incurred in acting as Manager.

Section 6.6 Reliance on Books and Records. In discharging its duties hereunder, Manager and any agents of the Manager shall be fully protected in relying in good faith upon the records, statements, information, opinions, or reports of others presented to the Company by any of its Members, officers, employees, or committees, or by such other Person as to matters the Manager reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, profits or losses of the Company or any other facts pertinent to the existence and amount of assets from which distributions to Members might properly be paid.

Section 6.7 Resignation of Manager. The Manager may resign at any time upon at least sixty (60) days written notice to the Members. The resignation of the Manager does not terminate such Person's status as a Member.

Section 6.8 Removal of Manager. A Manager may be removed from the position of Manager, upon the affirmative vote of Members holding at least eighty percent (80%) of the Percentage Interests.

Section 6.9 Replacement Manager. Upon the resignation or removal of a Manager in accordance with Section 6.7 or 6.8, the Members, by affirmative vote of Members holding at least eighty percent (80%) of the Percentage Interests, may appoint a replacement Manager.

Section 6.10 Financial and Management Steering Committees. It is acknowledged and agreed that the Members intend to establish financial and management steering committees, which committees shall have such authority to direct and control the business and financial operations of the Company as is mutually agreed to by the Members.

ARTICLE 7

MEMBER ACCOUNTS, ALLOCATIONS AND DISTRIBUTIONS

Section 7.1 Member Accounts. The Company shall establish and maintain a separate "Member Account" for each Member in accordance with the following provisions:

(a) To the Member Account for each Member there shall be credited such Member's Capital Contributions, such Member's allocable share of Profits, and any items in the nature of income or gain that are specially allocated to such Member under this Agreement, and the amount of any Company liabilities that are assumed by such Member or which are secured by any Company Property distributed to such Member.

(b) To the Member Account for each Member there shall be debited the amount of cash and the Gross Asset Value of any Company Property distributed to such Member pursuant to any provision of this Agreement, such Member's allocable share of Losses, and any items in the nature of expenses or losses that are specially allocated to such Member under this Agreement and the amount of any liabilities of such Member that are assumed by the Company or which are secured by any property contributed by such Member to the Company.

(c) In the event any interest in the Company is transferred in accordance with the terms of this Agreement, the transferee shall succeed to the Member Account of the transferor to the extent it relates to the transferred interest. In the case of a sale or exchange of an interest in the Company at a time when an election under Code Section 754 is in effect, the Member Account of the transferee Member shall not be adjusted to reflect the adjustments to the adjusted tax bases of Company Property required under Code Sections 754 and 743, except as otherwise permitted by Treasury Regulation Section 1.704-1(b)(2)(iv)(m).

(d) In determining the amount of any liability for purposes of paragraphs (a) and (b) above, there shall be taken into account Code Section 752(c) and the Treasury Regulations promulgated thereunder, and any other applicable provisions of the Code and Treasury Regulations.

(e) In the event the Gross Asset Values of Company assets are adjusted pursuant to paragraphs (b), (c) or (d) under the definition of "Gross Asset Value," the Member Accounts of all Members shall be adjusted simultaneously to reflect the manner in which unrealized income, gain, loss and deduction inherent in all Company assets (that has not been previously reflected in the Member Accounts) would be allocated pursuant to the other provisions of this Article 7 if there were a taxable disposition of Company Property at fair market value.

(f) The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Member Accounts are intended to comply with Treasury Regulation Section 1.704-1(b) and 1.704-2, and shall be interpreted and applied in a manner consistent with such Regulations. In the event the Manager shall determine that it is prudent to modify the manner in which the Member Accounts, or any debits or credits thereto, are computed in order to comply with such Regulations, the Manager may make such modification provided that it is not likely to have a material effect on the amounts distributable to any Member upon the dissolution of the Company.

Section 7.2 Allocations.

(a) Profits. After giving effect to the special allocations set forth in Sections 7.3 and 7.4 hereof, Profits for any Fiscal Year shall be allocated among the Members in proportion to their Percentage Interests.

(b) Losses. After giving effect to the special allocations set forth in Sections 7.3 and 7.4 hereof, Losses for any Fiscal Year shall be allocated among the Members in proportion to their Percentage Interests.

Section 7.3 Special Allocations. The following special allocations shall be made prior to any allocations under Section 7.2 and in the following order:

(a) Minimum Gain Chargeback. Except as otherwise provided in Treasury Regulation Section 1.704-2(f), if there is a net decrease in Company Minimum Gain during any Fiscal Year, each Member shall be specially allocated items of Company income and gain for such Fiscal Year (and, if necessary, subsequent Fiscal Years) in an amount equal to such Member's share of the net decrease in Company Minimum Gain determined in accordance with Treasury Regulation Section 1.704-2(g). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with Treasury Regulation Sections 1.704-2(f)(6) and 1.704-2(j)(2). This Section 7.3(a) is intended to comply with the minimum gain chargeback requirement in Treasury Regulation Section 1.704-2(f) and shall be interpreted consistently therewith.

(b) Member Minimum Gain Chargeback. Except as otherwise provided in Treasury Regulation Section 1.704-2(i)(4), if there is a net decrease in Member Minimum Gain attributable to a Member Nonrecourse Debt during any Fiscal Year, each Member who has a share of the Member Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Treasury Regulation Section 1.704-2(i)(5), shall be specially allocated items of Company income and gain for such Fiscal Year (and, if necessary, subsequent Fiscal Years) in an amount equal to such Member's share of the net decrease in Member Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Treasury Regulation Section 1.704-2(i)(4). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with Treasury Regulation Sections 1.704-2(i)(4) and 1.704-2(i)(2). This Section 7.3(b) is intended to comply with the minimum gain chargeback requirement in Treasury Regulation Section 1.704-2(i)(4) and shall be interpreted consistently therewith.

(c) Qualified Income Offset. In the event any Members unexpectedly receive any adjustments, allocations, or distributions described in Treasury Regulation Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), or 1.704-1(b)(2)(ii)(d)(6), items of Company income and gain shall be specially allocated to each such Member in an amount sufficient to eliminate, to the

extent required by such regulations, the Adjusted Member Account Deficit of such Member as quickly as possible, provided that an allocation, pursuant to this Section 7.3(c) shall be made only if and to the extent that such Member would have an Adjusted Member Account Deficit after all other allocations provided for in this Section 7.3 have been tentatively made as if this Section 7.3(c) were not in this Agreement.

(d) Gross Income Allocation. In the event any Member has a deficit Member Account at the end of any Fiscal Year which is in excess of the sum of (i) the amount such Member is obligated to restore pursuant to any provision of this Agreement and (ii) the amount such Member is deemed to be obligated to restore pursuant to the penultimate sentences of Treasury Regulation Sections 1.704-2(g)(1) and 1.704-2(i)(5), each such Member shall be specially allocated items of Company income and gain in the amount of such excess as quickly as possible, provided that an allocation pursuant to this Section 7.3(d) shall be made only if and to the extent that such Members would have a deficit Member Account in excess of such sum after all other allocations provided for in this Section 7.3 and Section 7.4 have been made as if Section 7.3(c) hereof and this Section 7.3(d) were not in the Agreement.

(e) Nonrecourse Deductions. Nonrecourse Deductions for any Fiscal Year or other period shall be specially allocated among the Members in the same manner as a corresponding allocation of Net Loss would have been made under Section 7.2(b).

(f) Member Nonrecourse Deductions. Any Member Nonrecourse Deductions for any Fiscal Year shall be specially allocated to the Member who bears the economic risk of loss with respect to the Member Nonrecourse Debt to which such Member Nonrecourse Deductions are attributable in accordance with Treasury Regulation Section 1.704-2(i)(1).

(g) Section 754 Adjustments. To the extent that an adjustment to the tax basis of any Company Property pursuant to Code Section 734(b) or Code Section 743(b) is required pursuant to Treasury Regulation Section 1.704-1(b)(2)(iv)(m) to be taken into account in determining Member Accounts, the amount of such adjustment to the Member Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis), and such gain or loss shall be specially allocated to the Members in a manner consistent with the manner in which their Member Accounts are required to be adjusted pursuant to such Treasury Regulation Section.

Section 7.4 Curative Allocations. The allocations set forth in Section 7.3 (the “Regulatory Allocations”) are intended to comply with certain requirements of the regulations promulgated pursuant to the Code. It is the intent of the Members that, to the extent possible, all Regulatory Allocations shall be offset either with other Regulatory Allocations or with special allocations of other items of Company income, gain, loss or deduction pursuant to this Section 7.4. Therefore, notwithstanding Section 7.2, but subject to Section 7.3, the Manager shall make such offsetting special allocations of Company income, gain, loss or deduction as are appropriate so that, after such offsetting allocations are made, each Member’s Member Account balance is, to the extent possible, equal to the Member Account balance such Member would have had if the Regulatory Allocations were not part of the Agreement and all Company items were allocated

pursuant to Section 7.2. In applying this Section 7.4, the Manager shall take into account future Regulatory Allocations under Section 7.3(a) and Section 7.3(b) that, although not yet made, are likely to offset other Regulatory Allocations previously made under Section 7.3(e) and Section 7.3(f).

Section 7.5 Code Section 704(c) Allocations. In accordance with Code Section 704(c), gross income, gain, loss and deduction with respect to any property contributed to the capital of the Company shall solely for tax purposes, be allocated among the Members so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its fair market value at time of contribution. In the event the Gross Asset Value of any Company Property is adjusted pursuant to the definition of Gross Asset Value, subsequent allocations of income, gain, loss and deduction with respect to such asset shall take account of any variation between the adjusted basis of such asset for federal income tax purposes and its Gross Asset Value in the same manner as under Code Section 704(c) and the Treasury Regulations thereunder. Any elections or other decisions relating to such allocations, including the choice of permissible method under Treasury Regulation Section 1.704-3, shall be made by the Manager in any manner that reasonably reflects the purpose and intention of this Agreement. Allocations pursuant to this Section 7.5 are solely for purposes of federal, state and local income taxes and shall not affect, or in any way be taken into account in computing, any Member's Member Account or share of items of the Company's gross income, gains, losses, deductions and credits, or distributions pursuant to any provision of this Agreement.

Section 7.6 Distributions.

(a) Operating Cash Flow. The Company shall distribute its Operating Cash Flow to the Members pro rata, in accordance with their Percentage Interests. Operating Cash Flow shall be distributed to the Members not less frequently than quarterly.

(b) Capital Cash Flow. The Company shall distribute its Capital Cash Flow to the Members, pro rata, in accordance with their Percentage Interests. Capital Cash Flow shall be distributed to the Members promptly after the event giving rise to such Capital Cash Flow.

Section 7.7 General Distribution Rules.

(a) A Member may not receive a distribution to the extent that, after giving effect to the distribution, all liabilities of the Company, other than liabilities to Members on account of their Capital Contributions, would exceed the fair value of the Company's assets.

(b) The Company shall withhold taxes with respect to any distribution to the extent required by law, and any amount so withheld shall be treated as a distribution to such Member.

ARTICLE 8

FISCAL YEAR, BOOKS AND RECORDS,
AND FINANCIAL STATEMENTS

Section 8.1 Books of Account and Records. At all times during the term of the Company, the Company shall keep or cause to be kept at the Company's principal office the following items:

- (a) a copy of this Agreement and all amendments hereto;
- (b) a current list, in alphabetical order, of the full name and last known business, residence, or mailing address of each Manager, Member and Assignee of a Member and the Membership Interests held by each Member and Assignee;
- (c) a copy of the Articles and all amendments thereto, together with executed copies of any powers of attorney pursuant to which any amendment has been executed;
- (d) copies of the Company's federal state, and local income tax returns and reports, if any, for the five most recent years; and
- (e) the Company's financial books and records.

Section 8.2 Inspection; Confidentiality. All documents required to be maintained at the Company's principal office under Section 8.1, as well as true and full information regarding the state of the Company's business, financial condition and other information regarding the affairs of the Company as is just and reasonable and any other information required pursuant to the Act, shall be made available during ordinary business hours for inspection and copying at the reasonable request and expense of any Member. Each Member agrees that it will not, and will use its reasonable efforts to cause its employees, officers, directors, partners, representatives and advisors not to (i) disclose the information in any reports provided to or made available to such Member or any other information concerning the Company to any Person without the prior written consent of the Manager or (ii) disclose the identity of any other Member; provided, that any Member may make such disclosures (x) as it reasonably believes may be required by law, regulation or rule of any governmental authority or any court order or other legal process, (y) as it reasonably believes may be necessary to be disclosed in connection with a tax audit of such Member or (z) to the extent the information being disclosed is available through public sources or is obtained by such Member from a Person who, to such Member's knowledge, is not prohibited from conveying such information by any contractual, legal or fiduciary obligation to any Person.

Section 8.3 Fiscal Year. The "Fiscal Year" of the Company shall begin on January 1 and end on December 31 in each year, except that the first year of the Company shall be that period (even if less than twelve months) beginning on the Effective Date and ending on the next following December 31 and the final year of the Company shall be that period beginning on the first day of such year and ending on the date of cancellation of the Articles.

Section 8.4 Tax Reports. On or before the ninetieth (90th) day following the end of each Fiscal Year of the Company, the Company shall cause to be prepared and delivered to

each Member all information with respect to the Company necessary for the Members' federal and state income tax returns, including a Form K-1 or its equivalent.

Section 8.5 Financial Reports. As soon as practicable, but in no event more than ninety (90) days after the close of each Fiscal Year, the Company shall cause to be delivered to the Members an annual report (the "Annual Report") containing a balance sheet and related statements of income, Members' equity and cash flows as of the end of its Fiscal Year, all of which shall be prepared in accordance with generally accepted accounting principles in the United States ("GAAP") and accompanied by an auditor's report containing an opinion of the Company's independent certified public accountants. The Company shall use its reasonable efforts to deliver to any Member, upon such Member's request, a copy of any regularly prepared financial report provided to the Company by a Person engaged to manage the operations of the Property.

ARTICLE 9

TAX MATTERS

Section 9.1 Tax Matters Member. Canton Motorsports shall be the Person designated pursuant to Section 6231(a)(7) of the Code for purposes of federal and state income tax matters. The Manager and Members shall provide such information as the Tax Matters Member may reasonably request for such purposes, and the Manager shall provide such clear and unequivocal direction as shall be necessary for the Tax Matters Member to carry out his duties in such capacity.

Section 9.2 Tax Returns. The Company shall cause the preparation and timely filing of all tax returns required to be filed by the Company pursuant to the Code and all other tax returns deemed necessary and required in each jurisdiction in which the Company does business.

Section 9.3 Deductions and Elections. The Company shall, to the extent permitted by applicable law and regulations, elect to claim those tax positions as the Tax Matters Member for tax matters, acting upon the direction of the Manager, determines to be most favorable to the Members. No Member or Manager shall take any action or refuse to take any action which would cause the Company to forfeit the benefits of any tax election previously made or agreed to be made. Each Member shall promptly supply the Company with any information necessary to give effect to such tax elections.

Section 9.4 Tax Status of Company. The Company shall be treated as a partnership for tax purposes.

ARTICLE 10

MANAGER'S AND MEMBERS' LIABILITY AND INDEMNITY

Section 10.1 Manager's and Members' Liability.

(a) To the fullest extent permitted by the Act and all other applicable law, no Manager or Member shall be personally liable or obligated under a judgment, decree or order of a court, or in any other manner, for the debts, liabilities, or obligations of the Company, whether arising in contract, tort or otherwise.

(b) If a Member has received the return of any part of its Capital Contributions in violation of this Agreement or the Act, or if a Member has erroneously received other distributions to which it is not entitled pursuant to the provisions of this Agreement, then such Member shall be liable to the Company for a period of two (2) years thereafter for the amount of the Capital Contributions wrongfully returned or other such distributions erroneously received.

(c) Any liability of a Member to the Company under this Article 10 can be waived or compromised pursuant to action of the Manager. A Member who is subject to an obligation to repay any Capital Contribution to the Company as required by this Agreement shall make such repayment on demand by the Company. No Member shall be liable to the Company, its creditors or any other Member with respect to any amounts paid to such Member as profit-sharing, loan repayment, interest, salary, wage, rental royalty, fee or payment for value given and which is not paid to such Member as a return of such Member's Capital Contributions.

Section 10.2 Right to Indemnification.

(a) Subject to the limitations and conditions provided in this Section 10.2 and in the Act, each Person (an "Indemnified Person") who was or is made a party or is threatened to be made a party to or is otherwise involved in, any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitrative or investigative (a "Proceeding"), or any appeal in such a Proceeding, or any inquiry or investigation that could lead to such a Proceeding, by reason of the fact that he, she or it was or is (i) a Member (including without limitation the Tax Matters Member in his capacity as such) or Manager, (ii) the legal representative of, or a manager, director, officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of, a Member or Manager (a "Legal Representative"), or (iii) an agent of the Company, shall be indemnified by the Company against judgments, penalties (including excise and similar taxes and punitive damages), fines, settlements and reasonable costs and expenses (including without limitation attorneys' fees) actually incurred by such Indemnified Person in connection with such Proceeding if (x) such Indemnified Person acted in good faith and in a manner he, she or it reasonably believed to be in the best interest of the Company and, with respect to any criminal action or proceeding, had no reasonable cause to believe his, her or its conduct was unlawful and (y) the Indemnitee's conduct did not constitute gross negligence or willful or wanton misconduct. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its

equivalent, shall not, of itself, create a presumption that the Indemnified Person did not act in good faith and in a manner which he, she or it reasonably believed to be in the best interests of the Company or, with respect to any criminal action or proceeding, that the Indemnified Person had reasonable cause to believe that his, her or its conduct was unlawful.

(b) Indemnification under this Section 10.2 shall continue as to a Person who has ceased to serve in the capacity which initially entitled such Person to indemnity hereunder. The rights granted pursuant to this Section 10.2 shall be deemed contract rights, and no amendment, modification or repeal of this Section 10.2 shall have the effect of limiting or denying any such rights with respect to actions taken or Proceedings arising prior to any such amendment, modification or repeal.

(c) The right to indemnification conferred by Section 10.2(a) shall, in the reasonable discretion of the Manager, include the right to be paid or advanced by the Company for the reasonable expenses incurred in advance of the final disposition of the Proceeding and without any determination as to the Person's ultimate entitlement to indemnification; provided, however, that the payment of such expenses incurred in advance of the final disposition of a Proceeding shall be made only upon delivery to the Company of a written affirmation by such Person of his, her or its good faith belief that he, she or it has met the standard of conduct necessary for indemnification under this Section 10.2 and a written undertaking, by or on behalf of such Person, to repay all amounts so advanced if it shall ultimately be determined that such Person is not entitled to be indemnified under this Section 10.2 or otherwise.

(d) The right to indemnification and the advancement and payment of expenses conferred by this Section 10.2 shall not be exclusive of any other right which a Person may have or hereafter acquire under any law (common or statutory), provision of this Agreement, other agreements or otherwise.

(e) The Company may purchase and maintain insurance, at its expense, to protect itself and any Person who is or was serving as a Member, Manager, employee or agent of the Company, or any Person who is or was serving as a Legal Representative, against any expense, liability or loss, whether or not the Company would have the power to indemnify such Person against such expense, liability or loss under this Section 10.2.

(f) If Section 10.2(a) or any portion thereof shall be invalidated on any ground by any court of competent jurisdiction, then the Company shall nevertheless indemnify and hold harmless each Indemnified Person as to costs, charges and expenses (including without limitation attorneys fees), judgments, fines and amounts paid in settlement with respect to any action, suit or proceeding, whether civil, criminal, administrative or investigative to the full extent permitted by any applicable portion of this Article 10 that shall not have been invalidated and to the fullest extent permitted by applicable law.

ARTICLE 11

TRANSFERS

Section 11.1 Transfer Restrictions.

(a) Except as provided in this Article 11 and with the consent of the Manager (which may be granted or withheld in the exercise of his sole discretion), no Member shall, directly or indirectly, sell, transfer, assign, endorse, mortgage, pledge, hypothecate, grant an option to any Person to acquire, grant a security interest in, or otherwise dispose of or encumber its Membership Interest or any voting or economic benefit therein. With the consent of the Manager (which may be granted or withheld in the exercise of his sole discretion) and the approval of the Members holding a Majority of the Percentage Interests and upon compliance with the requirements determined by the Manager, a Person acquiring a Membership Interest shall be admitted to the Company as a Substitute Member pursuant to the Act.

(b) A Member shall cease to be a Member (and shall cease to have the power to exercise any rights of being a Member) when the Member has transferred its Membership Interests to one or more transferees, whether or not such transferees are or become admitted as Substitute Members.

Section 11.2 Non-Consensual Transfers.

(a) Any purported transfer of a Membership Interest or any economic interest therein not in compliance with Section 11.1 shall be null and void, regardless of any notice provided to the Company, and shall not create any obligation or liability of the Company to the purported transferee, and any Person purportedly acquiring any Membership Interest or any economic interest therein purportedly transferred in violation of Section 11.1 shall not be entitled to admission to the Company as a Substitute Member.

(b) In the case of an attempted transfer of any Membership Interest or any economic benefit therein that is not in compliance with Section 11.1, the parties engaging or attempting to engage in such transfer shall indemnify and hold harmless the Company and the other Members from all cost, liability, and damage that any of such indemnified Persons may incur (including without limitation incremental tax liability and attorneys' fees and expenses) as a result of such transfer or attempted transfer and the enforcement of this indemnity.

Section 11.3 Death of Member; Other Termination of Membership.

(a) In the event of the death of a Member who is an individual or upon a Bankruptcy with respect to such Member or if a court of competent jurisdiction adjudges such a Member to be incompetent to manage his or her Person or property, such individual shall cease to be a Member, but the Member's executor, trustee, administrator, guardian, conservator, or other legal representative may exercise the Member's rights (including the transfer of the Member's Membership Interest to an heir or beneficiary under a will or trust or by intestate succession) for purposes of settling such Member's estate or administering such Member's property. If a Member is a corporation, trust or other entity and is dissolved or terminated, such

entity shall cease to be a Member, but the Member's rights may be exercised by its legal representative or successor for purposes of liquidating and winding up the affairs of such entity.

(b) In the event of death or dissolution of a Member, any successor to the Membership Interest of the affected Member as a result thereof shall be deemed to be the transferee of the entire interest of the affected Member and may be admitted as a Substitute Member upon satisfaction of the requirements of Section 11.1(a).

ARTICLE 12

DISSOLUTION AND WIND-UP

Section 12.1 Winding Up. The Company shall dissolve and commence to wind up its affairs upon the occurrence of any of the following:

- (a) the sale or disposition of all or substantially all of the Company Property;
- (b) the dissolution of the Company by the written consent of Members holding at least eighty percent (80%) of the Percentage Interests;
- (c) the entry of a decree of judicial dissolution under the Act;
- (d) the failure of the Company to have any Members for ninety (90) consecutive days;
- (e) the occurrence of any event which requires dissolution of a limited liability company under the Act; or
- (f) pursuant to Section 15.22 hereof.

Section 12.2 Authority to Wind-Up. All winding-up activities shall be managed by the agent appointed for this express purpose by the Manager. Pursuant to of the Act, upon dissolution of the Company and until the filing of Articles of Dissolution as provided in the Act, the Person winding up the Company's affairs may, in the name of and on behalf of the Company, prosecute and defend suits, settle and close the Company's business, dispose of and convey the Company Property, discharge the Company's liabilities and distribute to the Members any remaining Capital Cash Flow or other Company Property, all without affecting the liability of the Members.

Section 12.3 Settlement and Distribution. In settling accounts after dissolution, the assets of the Company shall be distributed as follows:

- (a) to creditors, including Members who are creditors to the extent otherwise permitted by law, in satisfaction of liabilities of the Company other than liabilities for distributions to Members under the Act;

(b) to the establishment of reserves for contingencies or unforeseen liabilities and obligations of the Company, which reserves may be paid over to a bank or other party chosen by the Manager, to be held in escrow for payment of such contingent or unforeseen liabilities; and

(c) then, to the Members in the order set forth in Section 7.6(b) hereof.

Such amounts shall be distributed by the end of the Fiscal Year during which the dissolution of the Company occurs (or, if later, within 90 days of such dissolution). At the expiration of such time period as the Manager shall deem advisable, the remaining balance of any reserve established in accordance with clause (b) shall be distributed in the manner set forth in clause (c).

Section 12.4 Termination. Upon completion of the distribution of the assets of the Company as provided in this Article 12, the Company shall be terminated, and the Manager or other agent appointed as set forth in Section 12.2 in charge of winding-up the Company's business shall cause the filing of the Articles of Dissolution pursuant to the Act and shall take all such other actions as may be necessary to terminate the Company.

Section 12.5 Claims of the Members. The Members shall look solely to the Company Property for the return of their Capital Contributions, and if the assets of the Company remaining after payment or discharge of the debts or liabilities of the Company are insufficient to return such Capital Contributions, the Members shall have no recourse against the Company, the Manager or any other Member or former Member or any other employee or agent of the Company.

ARTICLE 13

NOTICES

All notices required or permitted to be delivered hereunder shall be in writing and shall be deemed to have been given when delivered personally to the party to be notified or upon receipt when deposited in the United States mail certified, with return receipt requested, or upon receipt when deposited with a nationally-recognized overnight delivery service, postage and charges prepaid, addressed as follows:

(a) if to the Company, addressed to the Company's principal office;

(b) if to a Member, addressed to such Member's address for purposes of notice which is set forth on Exhibit C and contained in the Company's records; any Member may change its address or representative to be notified by written notice to the Company; and

(c) if to the Manager, addressed to the Manager's address for purposes of notice which is contained in the Company's records; the Manager may change his address or representative to be notified by written notice to the Company.

ARTICLE 14

REPRESENTATIONS AND WARRANTIES

Section 14.1 Representations and Warranties by Opticon. To induce Canton Motorsports to enter into this Agreement, Opticon represents and warrants to Canton Motorsports as follows:

(a) Any and all information, reports, papers and other data heretofore furnished to Canton Motorsports in connection with the Project, or hereafter furnished to Canton Motorsports or the Company, are, or when delivered will be, true, and correct in all material respects; all financial data furnished with respect to Opticon or any of its affiliates have been, or when delivered will have been, prepared in accordance with generally accepted accounting principles consistently applied, and fully and accurately present the financial condition of the subjects thereof as of the dates thereof, and with respect to the financial data heretofore furnished, no materially adverse change has occurred in the financial condition completed therein.

(b) There are no actions, suits or proceedings pending, or to its knowledge, threatened, against it or its Affiliates.

(c) The execution and delivery of this Agreement, and consummation of the transactions contemplated hereby, has been duly authorized by all requisite corporate or limited liability company action (as the case may be) and does not violate any agreement, applicable law or order to which it or its property is subject or bound.

(d) It has good and valid title to the Rights and has the full right, power and authority to convey to the Company, and permit the Company to utilize, the Rights in connection with the development and operation of the Project.

Section 14.2 Representations and Warranties of Canton Motorsports. To induce Opticon to enter into this Agreement, Canton Motorsports represents and warrants to Opticon as follows:

(a) It has good and valid title to the Property, and the Property is subject to no monetary liens and other security interests.

(b) There are no actions, suits or proceedings pending, or to its knowledge, threatened, against it or its Affiliates.

(c) The execution and delivery of this Agreement, and consummation of the transactions contemplated hereby, has been duly authorized by all requisite corporate or limited liability company action (as the case may be) and does not violate any agreement, applicable law or order to which it or its property is subject or bound.

(d) At such time as the conditions set forth in Section 15.22 hereof have been satisfied or waived, it will endeavor to obtain, on behalf of the Company, all Permits necessary for development of the Project.

ARTICLE 15 MISCELLANEOUS

Section 15.1 Governing Law. This Agreement shall be deemed to be made under and shall be construed in accordance with the laws of the State of Maryland, without giving effect to any conflict of laws rules.

Section 15.2 Jurisdiction; Costs. All actions or proceedings in any way, manner or respect, out of or from or related to this Agreement shall be litigated only in any State or Federal courts sitting in the State of Maryland, except to the extent that the parties to such dispute have expressly agreed to another forum in any separate agreement to which they are parties. Each Member and Manager hereby consents and submits to the jurisdiction of any state or federal court located within said county and state and hereby waives any rights he, she or it may have to transfer or change the venue of any such litigation. The prevailing party in any litigation in connection with this Agreement shall be entitled to recover from the other party all costs and expenses, including without limitation reasonable fees and expenses of attorneys and paralegals, incurred by such party in connection with any such litigation.

Section 15.3 Severability. If any provision of this Agreement or the application thereof to any Person or circumstance shall be invalid, illegal or unenforceable to any extent, the remainder of this Agreement shall not be affected and the application of such affected provisions shall be enforced to the greatest extent permitted by law.

Section 15.4 Headings. All Articles, Sections or subsection captions and the Table of Contents contained in this Agreement are for convenience only and shall not be deemed part of this Agreement.

Section 15.5 Plurals and Pronouns. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural as the identity of the Person may require.

Section 15.6 Time. In computing any period of time pursuant to this Agreement, the day of the act, event or default from which the designated period of time begins to run shall not be included, but the time shall begin to run on the next succeeding day. The last day of the period so computed shall be included, unless it is a Saturday, Sunday or legal holiday, in which event the period shall run until the end of the next day which is not a Saturday, Sunday or legal holiday.

Section 15.7 Entire Agreement. This Agreement, including without limitation all exhibits and schedules to any of the foregoing, constitute the complete and entire agreement among the Members with respect to the matters contained herein and supersede all prior

agreements, arrangements and understandings related to the subject matter hereof, whether verbal or written, express or implied.

Section 15.8 Amendment. This Agreement may be amended by a written instrument executed by Members holding a Majority of the Percentage Interests outstanding. Notwithstanding the foregoing, and except as otherwise provided herein (i) an amendment or modification reducing a Member's share of distributions from the Company is effective only with that Member's consent; (ii) an amendment or modification reducing the required vote or other measure for any consent or vote in this Agreement is effective only with the consent or vote of each Person having the vote or other measure theretofore required; and (iii) an amendment that would modify the limited liability of a Member or materially adversely effect a Member's rights as set forth in this Agreement is effective only with that Member's consent.

Section 15.9 Method of Execution. The Agreement may be executed in counterparts (including telecopied signature pages followed by original copies), no one of which need be executed by all Members, each of which, however, shall be deemed an original for all purposes, and all of which shall constitute but one and the same Agreement.

Section 15.10 Title to Assets. Title to the Company Property and all other assets acquired by the Company shall be held in the name of the Company. No Member shall individually have any ownership interest or rights in and to specific Company Property or any other assets of the Company. No Member shall have any right to seek or obtain a partition of the Company Property or other assets of the Company, nor shall any Member have the right to any specific assets of the Company upon the liquidation of or any distribution from the Company.

Section 15.11 Nature of Membership Interest A Member's Membership Interest shall be personal property for all purposes.

Section 15.12 No Third Party Rights. None of the provisions contained in this Agreement shall be for the benefit of or enforceable by any third parties, including without limitation creditors of the Company or any Member.

Section 15.13 Binding Agreement. Subject to the restrictions on the disposition of Membership Interest and other interests in the Company contained herein, the provisions of this Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective heirs, personal representatives, successors and permitted assigns.

Section 15.14 Effect of Waiver or Consent. A waiver or consent, express or implied, to or of any breach or default by any Person in the performance by that Person of his, her or its obligations hereunder or with respect to the Company is not a consent or waiver to or of any other breach or default in the performance by that Person of the same or any other obligations of that Person. Failure on the part of a Person to complain of any act or to declare any Person in default hereunder, irrespective of how long that failure continues, does not constitute a waiver by that Person of his, her or its rights with respect to that default. The failure of the Company or any Member or Manager to insist upon strict performance of a covenant or condition hereunder shall not be a waiver of its right to demand strict compliance therewith in the future.

Section 15.15 Further Assurances. Each Member shall execute and deliver any additional documents and instruments and perform any additional acts that the Manager may deem necessary or appropriate to effectuate and perform the provisions of this Agreement and the transactions contemplated herein.

Section 15.16 Disclosure and Waiver of Conflicts. In connection with the preparation of this Agreement, the Members acknowledge and agree that each of the Members has had the opportunity to retain separate legal counsel.

Section 15.17 Power of Attorney. Each Member hereby irrevocably makes, constitutes and appoints the Manager, acting through any authorized agent, with full power of substitution, as his, her or its true and lawful attorneys-in-fact and agents of the Member to make, execute, sign, acknowledge, swear to, deliver, record and file at the appropriate office in his, her or its name, place and stead:

(a) Any amendments to the Articles or any other documents, certificates and instruments considered necessary or appropriate by the Person executing the same to carry out fully the provisions of this Agreement; and

(b) Any conveyance, instrument or document which may be required or appropriate to effect the admission or withdrawal of any Member or the continuation of the Company as otherwise authorized under this Agreement.

This power of attorney is a special power of attorney coupled with an interest; is irrevocable and shall survive the death, disability or legal incapacity of any Member; may be exercised by the Manager by a facsimile signature or by executing any instrument with a single signature as attorney-in-fact for all Members; shall survive an assignment by a Member of all or any portion of his, her or its interest in the Company, except that where the Assignee has been admitted as a Substitute Member this special power of attorney shall survive such assignment only for the purpose of enabling the Manager to execute, acknowledge and file any instrument necessary to effect such substitution.

Section 15.18 Remedies. The remedies of the Members and others hereunder are cumulative and shall not exclude any other remedies to which a Member may be lawfully entitled. The Members acknowledge that all legal remedies for any breach of this Agreement may be inadequate, and therefore they consent to any appropriate equitable remedy: provided, however, that any failure of a Member to abide by the terms of this Agreement, or any other failure to adhere to the terms of this Agreement which costs the Company legal and court costs to enforce same shall render the breaching Member liable to the Company for any such fees and costs.

Section 15.19 Appraisal Rights. No appraisal rights shall be available to any Members with respect to any Membership Interest in connection with any amendment of this Agreement, any merger or consolidation in which the Company is a constituent party or the sale of all or substantially all of the Company's assets.

Section 15.20 Section References. References to specific sections of the District Act are to the Act as in effect on the date hereof and shall be deemed to be references to corresponding provisions of the Act as it may be amended from time to time.

Section 15.21 Motorsports and Exposition Center Operations. It is acknowledged and agreed that the Property is part of a larger parcel of real property, consisting of approximately 453 acres in Canton, North Carolina owned by Canton Motorsports (the "Overall Site"), upon which Overall Site a mixed use motorsports park, exposition center, hotel and associated amenities are to be developed and operated by Canton Motorsports (the "Motorsports and Exposition Center"). Accordingly, and without limitation of the provisions of Section 5.4 hereof, Opticon and the Company hereby: (a) waive any interest in the Motorsports and Exposition Center and any revenues or profits to be derived therefrom; (b) acknowledge and agree that Canton Motorsports may conduct its operations in connection with the Motorsports and Exposition Center in any manner that Canton Motorsports deems appropriate; and (c) waive any claim or cause(s) of action that such activities interfere with or damage the operations of the Project. The above notwithstanding, and to the extent reasonably necessary for the development and/or operation of the Project, Canton Motorsports will grant to the Company easements and other rights with respect to the balance of the Overall Site, provided same do not interfere with the current or intended development and/or operation of the Motorsports and Exposition Center.

Section 15.22 Completion of Due Diligence. It is acknowledged and agreed that the Members have not completed their due diligence concerning the feasibility of developing the Project on the Property. In addition, the Members have not yet procured financing for the development and operation of the Project nor have they formulated or agreed upon the Development Plan, the Project Manuals, the description of the Property or any development or operating budgets for the Company. Accordingly, until satisfactory completion of these endeavors, which will be evidenced by written agreement of the Members that the conditions expressed in this Section 15.22 have been satisfied and/or waived, either Member may terminate this Agreement and all further obligations hereunder, by written notice to the other. At such time as the Members acknowledge in writing that the conditions set forth in this 15.22 have been satisfied and/or waived, the Lease shall be entered into and Opticon shall convey the Rights to the Company. The Members shall each contribute to the Company fifty percent (50%) of any amounts reasonably required to fund the Company's expenses in completing its due diligence concerning the feasibility of developing the Project on the Property. In the event of termination of this Agreement pursuant to this Section 15.22, Opticon shall have no further interest in the Property and Canton Motorsports shall have no further interest in the Rights.

This Agreement is executed as of the date first written above.

MEMBERS:

OPTICON INTERNATIONAL CANADA,
INC., a Canadian corporation

By: _____
Name:
Title:

CANTON MOTORSPORTS, L.L.C., a
Maryland limited liability company

By: _____
Name: Stephen C. Westmoreland
Title: Manager

Signature page to Operating Agreement

Exhibit A

Description of the Property

A portion of the Overall Site to be agreed to by the Members, such description to be added by amendment at the time of such agreement.

Exhibit B

Description of the Project

An indoor winter sports complex as described generally in that brochure entitled “The City Wintersports Centre, a Design Concept from O.I.C.”.

Exhibit C

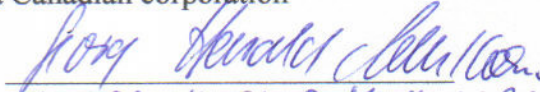
Names, Addresses, Capital Contributions and Percentage Interests of the Members
Revised Effective January 1, 2004

<u>Member Name and Address</u>	<u>Initial Capital Contributions</u>	<u>Percentage Interest</u>
Canton Motorsports, L.L.C. _____ _____	\$1,000.00	50%
Opticon International Canada, Inc. _____ _____	\$1,000.00	50%

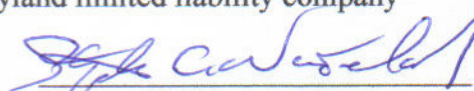
This Agreement is executed as of the date first written above.

MEMBERS:

OPTICON INTERNATIONAL CANADA,
INC., a Canadian corporation

By: 
Name: GEORG HARALD MEHLHORN
Title: CEO

CANTON MOTORSPORTS, L.L.C., a
Maryland limited liability company

By: 
Name: Stephen C. Westmoreland
Title: Manager

Signature page to Operating Agreement