

PACIFIC ADMINISTRATION

Ram Narayan

Thank you for your request.

Attached are copies of the Certificates to be issued and Policy Text for DE events as requested.

This Policy provides coverage only for PCA DE Events and Club DE Events that operate using the same format as PCA DE Events. This Policy DOES NOT COVER Test & Tune Days, Open Track Days or Racing of any kind. Covered days are per car per designated driver and in accordance with Schedule "A" of the Certificate (i.e. two (2) drivers sharing one (1) car on one (1) calendar day = two (2) insured days).

Please complete the following:

- a) make a copy of the materials.
- b) date and sign the certificate copies where indicated on ALL pages.
- c) make a cheque in the amount of \$1,624.00 USD payable to PACIFIC INSURANCE.
- d) send the signed copy and cheque by FedEx to:

Laurel DE Management, Inc.
7570 Talbot Trail
Blenheim, Ontario,
CANADA, N0P 1A0

- e) complete Schedule "A" on page TWO as required. List designated drivers separately.

The package is forwarded to the insurer on your behalf.

Call Laurel DE Management any time toll free at 866-518-1110 or cell 416-618-5833.

Thank you, enjoy and be safe!

PACIFIC ADMINISTRATION

PACIFIC INSURANCE CORPORATION

"On-Track Insurance designed by Racers for Racers"

CERTIFICATE OF "ON-TRACK" INSURANCE: P – PCA/DE-30/07-0098

RAM NARAYAN

This Certificate is proof of a contract of on-track physical crash damage insurance between named insured and insurer. In return for the premium charged and the statements contained in the application, the contract provides only the coverage outlined in this Certificate. All other terms of the Policy remain the same unless stated otherwise in this Certificate. Insurer will provide insured with a copy of the Policy if requested.

Coverage is per incident and is subject to the terms and conditions as set out in the Policy. Unless otherwise agreed, the insurance coverage described in this Certificate is null and void if the total premium due has not been paid 24 Hrs prior to the time insured vehicle is towed/driven on track. The premium due is earned as of the moment insured vehicle is first towed/driven on track ("track" = race course, pits, pit lane, pit entrance/exit). Issuance of this Certificate does not constitute waiver of outstanding premiums and related costs.

Insured failing to disclose a material fact/risk prejudicial to insurer or submitting fraudulent and/or misleading claim or making a false statement in respect of a claim under the contract shall cause this insurance cover to be null and void and the right of insured to recover indemnity is forfeited. Insured shall have 30 days from date of damage to forward properly completed original proof of loss form together with required supporting materials to insurer as specified in the Policy and proof of loss. **SEE SECTION 5 OF POLICY.**

Policy Period Effective From	Year 2007	Month 10	Day 06	To	Year 2008	Month 10	Day 05
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Described Vehicle

Year	Make and Model	Serial No.	Declared Value
2001	Porsche 911 Carrera	WP0AA29951S623182	US \$40,000.00
2005	Lotus Elise	SCCPC111X5HL30416	US \$40,000.00
2003	Honda S2000	JHMAT11463T000075	US \$20,000.00

Rating Information

Series PCA/DE	Circuit See Schedule "A"	Location See Schedule "A"	Race/Test See Schedule "A"
Owner Ram Narayan	Driver(s) Ram Narayan	Team N/A	Insured Ram Narayan

Insurance Coverages

Cover Chassis	Engine Yes	Drivetrain Yes	Wheels No	Fire Yes
INSURED VALUE US \$40,000.00 US \$20,000.00	DEDUCTIBLE US \$6,000.00 US \$5,000.00	DISCOUNTS US \$N/A	POLICY PREMIUM US \$1,624.00	

PYMT CH	PAID US \$Nil	O/S US \$	TOTAL PREMIUM DUE US \$1,624.00
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INSURED SHALL REPORT ALL ON-TRACK DAMAGE IN WRITING WITHIN 24 HRS OF OCCURRENCE AND SUBMIT COMPLETED ORIGINAL PROOF OF LOSS WITH SUPPORTING MATERIAL WITHIN 30 DAYS. FAILURE TO DO SO RENDERS COVERAGE NULL AND VOID AND RIGHT OF INSURED TO RECOVER INDEMNITY IS FORFEITED. SEE SECTION 5 OF POLICY.

Authorization: Date: Insured: Policy Received:
"W. Kofski"

SCHEDULE "A"

VERIFICATION OF INSURED DAYS (SEASON):

CERTIFICATE OF "ON-TRACK" INSURANCE: P - PCA/DE-30/07-0098

RATES APPLY TO A TOTAL OF THIRTY (30) INSURED "DE" TRACK DAYS WHETHER OR NOT ALL THIRTY DAYS FOR WHICH COVERAGE HAS BEEN PURCHASED ARE USED. TO BIND COVERAGE FOR ONE OR MORE OF THE THIRTY DAYS, PLEASE INSERT ONE DATE PER "DE" TRACK DAY ALONG WITH NAME OF VENUE AND EVENT DESCRIPTION (i.e. DRIVER ED). FAX THIS PAGE TO LAUREL CONSULTING GROUP LTD. AT 519-676-7966 NO LATER THAN SEVEN (7) DAYS PRIOR TO THE EVENT DATE. REPEAT THIS PROCESS FOR EACH DAY OR SERIES OF DAYS UNTIL ALL THIRTY INSURED DAYS HAVE BEEN USED.

#	EVENT DATE	VENUE	EVENT DESCRIPTION
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PACIFIC INSURANCE CORPORATION

CERTIFICATE OF "ON-TRACK" INSURANCE: P - PCA/DE-30/07-0098

NOTICE

THE COVER THAT YOU ARE REQUESTING TO PURCHASE IS BEING ISSUED BY AN INSURANCE COMPANY THAT IS NOT LICENSED IN THE UNITED STATES OF AMERICA OR CANADA. THIS COMPANY IS CALLED A "NON-ADMITTED" OR "SURPLUS LINES" INSURER.

THIS INSURANCE COMPANY IS NOT SUBJECT TO THE FINANCIAL SOLVENCY REGULATIONS AND ENFORCEMENTS WHICH APPLY TO STATE, U.S. OR CANADIAN LICENSED COMPANIES.

THIS INSURANCE COMPANY DOES NOT PARTICIPATE IN ANY OF THE INSURANCE GUARANTEE FUNDS CREATED BY STATE, U.S. AND CANADIAN LAW. THEREFORE, THESE FUNDS WILL NOT PAY YOUR CLAIM OR PROTECT YOUR ASSETS IF THE INSURANCE COMPANY BECOMES INSOLVENT AND IS UNABLE TO MAKE PAYMENTS AS PROMISED.

FOR ADDITIONAL INFORMATION YOU SHOULD CONTACT YOUR INSURANCE AGENT/BROKER, "SURPLUS LINE" BROKER, THE STATE DEPARTMENT OF INSURANCE OR PROVINCIAL INSURANCE COMMISSION.

Date:

Insured:

Pacific Insurance Corporation, North American Administration:

Laurel Consulting Group Ltd.,
390 Bay Street, Suite 1615, Toronto, Ontario, M5H 2Y2

Telephone: 888-305-4442
519-676-1136

Facsimilie: 519-676-7966

PACIFIC INSURANCE CORPORATION

On Track Physical Crash Damage Indemnity Policy *(Manuscript)*

AUTOMOBILE

DRIVER EDUCATION ONLY

PACIFIC INSURANCE CORPORATION

On Track Physical Crash Damage Indemnity Policy (*Manuscript*)

AUTOMOBILE

DRIVER EDUCATION ONLY

TABLE OF CONTENTS

1.	Agreement.....	1
2.	SECTION ONE - Covered Property	
	1. Chassis.....	1
	2. Drivetrain.....	1
	3. Engine.....	1
3.	SECTION TWO - Covered Causes of Loss.....	2
4.	SECTION THREE - Exclusions and Limitations.....	2 & 3
5.	SECTION FOUR - General Conditions.....	3 & 4
6.	SECTION FIVE - Claims.....	5 & 6
7.	SECTION SIX - General Terms.....	6

PACIFIC INSURANCE CORPORATION

On Track Physical Crash Damage Indemnity Policy (*Manuscript*)

AUTOMOBILE - DRIVER EDUCATION ONLY

AGREEMENT

By accepting this Policy, you agree:

- 1) The statements and information in the Application and/or Certificate are accurate and complete;
- 2) The statements and information are based upon representations you made to us;
- 3) We have issued this Policy in reliance upon your representations.

In return for the payment of the premium and subject to all the terms of this Policy, we will provide the physical on-track crash damage indemnity insurance as stated in this Policy and confirmed in the Certificate.

SECTION ONE

COVERED PROPERTY

We cover the following components as specified by the insured and confirmed in the Certificate:

1. CHASSIS

- a) tub, frame, unibody, body shell
- b) all metal, fiberglass, composite, plastic and glass body and aerodynamic parts
- c) paint, decals (special paint, paint schemes, decals and graphics must be specified by photograph and valued prior to coverage)
- d) braking system components
- e) steering and suspension system components

2. DRIVETRAIN

Transmission, transmission mounts, gearbox, gear shifter, clutch, drive shaft, axle, differential and differential housing and ancillary electrical and cooling systems. Coverage for transmission will cover the cost of actual physical damage caused by and resulting directly from a crash or collision including labour costs **except** parts and labour in connection with a routine rebuild as determined by the adjuster.

3. ENGINE

Block, engine mounts, heads, internal moving parts, fuel and air delivery system, turbo charger and super charger systems, exhaust system and ancillary cooling and electrical

systems. Coverage for engine will cover the cost of actual physical damage caused by and resulting directly from a crash or collision including labour costs **except** parts and labour in connection with a routine rebuild of the engine as determined by the adjuster.

SECTION TWO

COVERED CAUSES OF LOSS

Subject to the exclusions and limitations in Section 3, we cover **only** the following causes of loss for components as specified by the insured and confirmed in the Certificate:

1. Actual physical damage to specified components caused by and resulting directly without intervening cause from a crash or collision involving the insured vehicle while the vehicle is on track during a covered "DE" event and while the vehicle is being driven by a driver designated in the Certificate.

Crash and collision are defined to mean an impact between the insured vehicle and an object other than contact between the tire(s) of the vehicle and track debris that results in tire deflation or failure.

2. FIRE: Damage due to fire is a covered cause of loss if the fire is caused by, results directly from and occurs within the course of a single and continuous crash event, and, fire coverage has been specified in the Certificate. A crash event ends when the vehicle first comes to a complete stop after the collision which first caused that crash event.

SECTION THREE

EXCLUSIONS AND LIMITATIONS

We will not pay for damage caused in the following circumstances or caused directly or indirectly by any of the following:

1. Wanton or negligent or unsafe act of any individual. Acts of terrorism.
2. Engine or drivetrain damage due to driver abuse including over revving of engine, missed shifts, power shifting, shifting without clutch and failing to match engine and transmission speed while shifting.
3. Accumulated damage caused by: close contact driving including denting, hitting and scraping of body parts or driving a line that takes the insured vehicle over curbing.
4. Vehicle driven by other than designated driver.
5. Vehicle in stationary position and not under care and control of designated driver.
6. Activity or inactivity of track control, safety and rescue personnel.
7. Fire due to mechanical or electrical causes.
8. Improper or substandard assembly or maintenance of vehicle or its components.
9. Use of improper or substandard parts, components, fluids and fuels.

10. Failure of electronic engine management, electronic transmission, electronic steering, electronic braking / ABS or traction control systems.
11. Wear and tear of vehicle or its components that occurs under normal track use conditions especially due to the set up of vehicle.
12. While vehicle is in paddock or stationary in pits.
13. While vehicle is being worked on for any purpose and by any means.

SECTION FOUR

GENERAL CONDITIONS

1. The insurance coverage described in this Policy and any related Certificate is null and void if the total premium due has not been paid in full by the time insured vehicle is towed/driven on track. A cheque returned marked NSF or subject to a "stop payment" does not constitute payment. Issuance of a Certificate does not constitute waiver of outstanding premiums and related costs. The premium due is earned as of the moment insured vehicle is first towed/driven on track ("on track" shall include the race course, pits, pit lane, pit entrance/exit).
2. The maximum amount of coverage within the Policy period shown in the Certificate is the insured value less the deductible regardless of the number of incidents resulting in crash damage. The deductible shall apply in full to each individual incident resulting in crash damage.
3. The insured must notify us prior to a Certificate being issued of any existing, latent or potential flaw, defect or damage affecting the vehicle or its individual components and of the crash history of the vehicle about which it knows or ought to have known.
4. Insured failing to disclose a material fact or risk prejudicial to insurer or submitting fraudulent and/or misleading claim or making a false statement in respect of a claim under this Policy shall cause this insurance cover to be null and void and the right of insured to recover indemnity is forfeited. Any change material to the risk and within the control and knowledge of the insured voids the contract unless we are notified in writing prior to use of the vehicle next after the material change was known or ought to have been known.
5. Coverage may be canceled by the insured only in the event:
 - a) the covered "DE" event is officially canceled prior to the commencement of any on-track activities,
 - b) a DNS for the insured vehicle is officially declared prior to the commencement of any on-track activities,
 - c) the designated driver is certified medically unfit to drive prior to the commencement of any on-track activities, or;
 - d) in the discretion of the underwriter.Cancellation of coverage is subject to a charge of 10% of the total policy premium as set out on the Certificate. Transfer of coverage to another date is subject to the discretion of the underwriter.
6. Coverage may be canceled by the insurer at its discretion any time prior to an on track incident and in such event, the policy premium shall be returned without deduction.

7. We will not pay for damage in any one occurrence until the adjusted cost of the damage exceeds the deductible amount shown in the Certificate. We will then pay the adjusted cost of the damage up to the applicable insured value only (i.e. in the aggregate), less the amount of the deductible. **In this Policy the “adjusted cost” of the damage shall take into account and include the salvage value of any damaged part(s) replaced.**
8. In the event of loss or damage covered by this Policy we will, at our option and within Policy limits, either:
 - a) pay the adjusted cost of repairing the damaged part or vehicle.
 - b) pay the adjusted cost of replacing the damaged part or vehicle.
 - c) repair, rebuild or replace the damaged part or vehicle with another part or vehicle of like kind and quality.

In case of loss or damage to any part of covered property consisting of several parts when complete, we will only pay for the adjusted value of the damaged part. The availability of new or rebuilt parts shall not be considered in determining the adjusted cost value.
9. We will not pay more for covered damage on a repair or replacement cost basis than the least of:
 - a) the amount actually spent to repair or replace the damaged property, and;
 - b) our adjusted cost of repair or replacement.
10. For total car replacement value coverage it is the obligation of the insured to declare and warrant the actual replacement value of the vehicle and we will rely on this value for the purpose of providing coverage. **In the event that either the actual replacement value of the vehicle or the amount claimed is greater than the declared replacement value, we will pay only such portion of the adjusted loss as the total sum insured bears to the actual replacement value of the vehicle.**
11. We will not pay for any loss or damage or costs relating to design, drafting, R&D, testing, upgrades, mold fabrication, fluids, waste removal, taxes, customs, duties, transportation, towing, shipping, storage, courier and mail services or costs related to obtaining expert opinions.
12. Coverage under the Certificate/Policy is intended to be primary coverage for the covered “DE” event. If there is other insurance or promise of indemnity covering the same loss or damage, we will pay only the adjusted cost of covered loss or damage in excess of the amount finally due from the other insurance or promise of indemnity whether or not you collect on it.
13. Upon payment of the adjusted cost of replacing the damaged part or vehicle, the salvage, if any, shall vest in the insurer. No payments shall be made under this Policy unless the insured confirms possession and control of the damaged parts for salvage.
14. We will not pay for any loss or damage resulting from legal liability or loss of use of the vehicle. The insurer shall have full rights of subrogation in the claim.
15. **In the event of loss or damage covered by this Policy, the repair of such loss or damage shall be completed only by a designated repair facility.** The insured shall, at its own expense, deliver the insured vehicle to the designated repair facility in a timely manner so as to comply with all Policy provisions.

SECTION FIVE

CLAIMS

1. The insured shall, at its own expense, have the onus of proving the claim. Upon the occurrence of any loss or damage to the insured property, the insured shall:

- a) Give notice of the loss or damage in writing to the insurer within **twenty-four (24) hours** of its occurrence, and;
- b) have **thirty (30) days** from date of damage to forward properly completed original Proof of Loss Form together with required supporting materials to insurer. Supporting materials shall consist of photographs depicting the damage in precise detail together with copies of paid source / sublet invoices, canceled cheques and signed source / sublet estimates giving a complete inventory of the damaged and destroyed parts and showing in detail the quantities, costs, actual cash value, replacement cost value and particulars of the loss. Particulars of the loss shall include a detailed description of the nature of the damage, specific reasons along with supporting evidence for replacement rather than repair of crash damaged parts and a breakdown of all labour hours and hourly rates. ***No materials submitted to prove damage which are received later than thirty (30) days from date of damage will be accepted or considered.***

FAILURE TO COMPLY WITH THIS PARAGRAPH 1, SECTIONS (a) AND (b) RENDERS THE INSURANCE COVER DESCRIBED IN THIS POLICY AND RELATED CERTIFICATE(S) NULL AND VOID AND THE RIGHT OF THE INSURED TO RECOVER INDEMNITY IS FORFEITED.

2. It is the insured's obligation after any loss or damage to insured property to:

- a) ***immediately after occurrence of loss or damage when vehicle returns to the paddock or is placed in a compound, take photographs depicting the damage in precise detail.***
- b) obtain a signed track or "DE" event management report confirming: *i) the occurrence of the on-track incident which resulted in crash damage to the insured vehicle, and ii) that there were no other on-track incidents which resulted in crash damage to the insured vehicle.*
- c) at the insured's expense retain and store all damaged parts.
- d) protect damaged parts from any further damage as they belong to the insurer.
- e) keep detailed records of the damage and any repaired or replacement parts including signed estimates, paid invoices, canceled cheques and work orders.
- f) do not allow unauthorized persons access to damaged parts.
- g) designate a knowledgeable person with authority to deal with the claim.
- h) allow reasonable access to all crash damaged parts for the purpose of inspection and verification of the crash damage being claimed.

3. Insured submitting a fraudulent and/or misleading claim or making a false statement in respect of a claim under this Policy shall cause this insurance cover to be null and void and the right of insured to recover indemnity is forfeited.

4. Upon receipt of the completed proof of loss and supporting materials the claim for repair and/or replacement of crash damaged parts will be adjusted within Policy limits. Damaged parts will be assessed on issues of:

- a) structural integrity for repair (repair is at our discretion and will be valued in accordance with Section Four, conditions 8,9 and 10).
- b) expedited repair or replacement.
- c) salvage of repairable parts replaced with new parts.

If no further inspection or information is required, the adjusted cost value of the claim will be submitted to the insured for approval. Upon receiving written approval for the adjusted cost value from the insured, payment of this amount as final loss settlement will be provided in exchange for a signed full and final release **only** if you have complied fully with all the terms of the Policy.

5. In the absence of the insured's written approval of the adjusted cost value for the claim, the insurer may make a final settlement offer. The insured will have thirty (30) days within which to accept the final settlement offer after which time the offer shall expire.

SECTION SIX

GENERAL TERMS

1. The insured acknowledges and agrees that the insurance coverage evidenced by the related Certificate and governed by this Policy has been arranged and placed on an unsolicited basis.
2. This Policy shall be construed and governed pursuant to the laws of the Province of Ontario, Canada. In the event of any dispute(s) arising out of or relating to this Policy the dispute(s) shall, upon thirty (30) days written notice by either party to the other, be finally settled exclusively by arbitration in accordance with the rules of the American Arbitration Association. Any arbitration proceeding conducted under this paragraph shall be conducted in Toronto, Ontario and each party shall bear its own costs with respect to any arbitration. **The insured hereby acknowledges and agrees that the terms and conditions of this Policy shall prevail over any law, statutory or regulatory provision that would otherwise be applicable based on residency and location of insured property.**
3. This Policy contains all the agreements between you and us concerning the insurance coverage provided. The Policy's terms can be amended or waived only by endorsement issued by us and made part of this Policy.
4. The English language text of this Policy shall be the original and shall control in the event of any question concerning the meaning of its terms.
5. If any provisions of this Policy are, by judgment of a court of competent jurisdiction, declared to be illegal, the remaining provisions shall, notwithstanding such nullity, remain in full force and effect.
6. All amounts expressed in this Policy and any related Certificate are in United States currency, unless otherwise specified in the Certificate.