

MANAGEMENT AGREEMENT

THIS AGREEMENT is made and entered into as of this 3rd day of May, 2018 (the "**Effective Date**")

B E T W E E N:

HORSE RACING ONTARIO, a not for profit corporation
incorporated under the laws of Canada

(hereinafter called "**Ontario Racing**")

- and -

ONTARIO RACING MANAGEMENT INC., a corporation
incorporated under the laws of Ontario

(hereinafter called "**ORM**")

RECITALS

- (i) Various parties have determined to work together to create an organization of Ontario horse racing industry representatives, including racetrack operators and industry associations, to provide strong, effective and efficient industry leadership with respect to issues affecting the entire Ontario horse racing industry (the "**Industry**"), including Industry administration and governance (collectively, the "**Purpose**"), commencing on the Effective Date.
- (ii) Ontario Racing was incorporated on or about April 30, 2018 to facilitate the fulfillment by the Industry of the Purpose.
- (iii) Ontario Racing was incorporated with the name "Horse Racing Ontario" but intends to carry on its operations as "Ontario Racing".
- (iv) OLG has agreed to provide certain financial support for the funding of purses for live horse racing in Ontario and certain related costs and expenses pursuant to a Funding Agreement for Live Horse Racing (the "**Funding Agreement**") to be made effective as of May 7, 2018 among OLG, Ontario Racing, ORM, and Woodbine Entertainment Group.
- (v) Ontario Racing and ORM wish to enter into this Agreement to provide for ORM to perform all material management and operating services, at the direction of and on behalf of Ontario Racing, including with respect to Ontario Racing's obligations under the Membership Agreement with all of its members and under the Funding Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSES that, in consideration of the above premises, the mutual covenants and agreements herein contained and other good and valuable consideration (the receipt and sufficiency of all of which are hereby acknowledged), Ontario Racing and ORM undertake and agree as follows:

ARTICLE I
INTERPRETATION

1.1 **Definitions**

In addition to any words or phrases which are defined in the text of this Agreement (including in any Schedules to this Agreement), whenever used in this Agreement, unless there is something in the subject matter or context inconsistent therewith, the following words and phrases shall have the respective meanings ascribed to them as follows:

“**Act of Insolvency**” has the meaning specified in the Funding Agreement;

“**AGCO**” means the Alcohol and Gaming Commission of Ontario, or any successor administrative body or bodies established by the Government in respect of the regulation of the Industry;

“**Agreement**” means this agreement and includes any schedule or exhibit hereto or thereto;

“**Agreement Event of Default**” has the meaning specified in the Funding Agreement;

“**Board**” means the board of directors of Ontario Racing;

“**Business Day**” means a day other than a Saturday, Sunday or statutory or civic holiday observed in Toronto, Ontario;

“**Claim**” means any claim, demand, liability, damage, loss, suit, dispute, civil or criminal litigation, action or cause of action, arbitration, or legal, administrative or other proceeding or governmental investigation, including appeals and applications for review, and all costs and expenses relating thereto;

“**Government**” means the government of Her Majesty the Queen in right of the province of Ontario, including any of its Ministries or agencies from time to time;

“**Laws and Regulations**” means, with respect to any Person, transaction, event or other matter, any law, rule, statute, regulation, order, judgement, decree, or other requirement having the force of law relating or applicable to such Person, transaction, event or other matter, from time to time;

“**Members**” means those Persons who have (i) applied for membership in Ontario Racing, (ii) entered into the Membership Agreement, and (iii) been admitted to be Members of Ontario Racing;

“**Membership Agreement**” means the membership agreement between Ontario Racing and all of its Members;

“**OLG**” means Ontario Lottery and Gaming Corporation;

“**Ontario Racing Payment**” has the meaning specified in Schedule B - Ontario Racing Payment;

“**ORM Expenses**” has the meaning specified in Section 3.2(b);

“**ORM Fees**” has the meaning specified in Section 3.1;

“**parties**” means the parties to this Agreement, and “party” means either one of them; and

“**Person**” is intended to have a broad meaning and includes any individual, corporation, partnership, trustee or trust or unincorporated association and pronouns have a similar extended meaning;

“**Racetrack Members**” has the meaning specified in the Membership Agreement;

“**Services**” means the services to be performed by ORM for Ontario Racing pursuant to this Agreement, including the services set out in *Schedule A - Services*, as the same may be amended by Ontario Racing and ORM in accordance with the terms of the Agreement;

“**Statement of Purpose**” has the meaning specified in Section 2.4(a);

“**Taxes**” means all taxes, assessments, charges, dues, duties, rates, fees, imposts, levies and similar charges of any kind lawfully levied, assessed or imposed by any governmental authority under any applicable tax legislation, including Canadian federal, provincial, territorial, municipal and local, foreign or other income, capital, goods and services, harmonized sales, sales, use, consumption, excise, value-added, business, real/immovable property, personal property, transfer, franchise, withholding, payroll or employer health taxes, customs, import, anti-dumping or countervailing duties, Canada Pension Plan contributions, provincial pension plan contributions, employment insurance premiums and provincial workers' compensation payments, including any interest, penalties and fines associated therewith; and

“**TPA Amount**” has the meaning specified in *Schedule B - Ontario Racing Payment*.

1.2 Rules of Interpretation

In this Agreement the following rules shall apply to the interpretation thereof: (a) words denoting the singular include the plural and vice versa and words denoting any gender include all genders; (b) the words “include”, “includes” and “including” and other similar words and expressions shall in all cases be deemed to be followed by the words “without limitation”; (c) any reference to a statute shall mean the statute in force as at the Effective Date, together with all regulations promulgated thereunder, as the same may be amended, re-enacted, consolidated or replaced, from time to time, and any successor statute thereto, unless otherwise expressly provided; (d) references to any document, instrument or agreement, including this Agreement, (i) will include all exhibits, schedules and other attachments thereto, (ii) will include all documents, instruments or agreements issued or executed in replacement thereof, and (iii) will mean such document, instrument or agreement, or replacement or predecessor thereto, as amended, restated, amended and restated, modified or supplemented from time to time (to the extent permitted hereunder) and in effect at the given time; (e) when calculating the period of time within which or following which any act is to be done or step taken, the date which is the reference day in calculating such period shall be excluded; (f) unless otherwise specifically noted herein, all dollar amounts are expressed in Canadian currency; (g) the division of this Agreement into separate Articles, Sections, Schedules and Exhibits and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement; (h) references in this Agreement to “Articles”, “Sections”, “Schedules” and “Exhibits” refer, respectively, to Articles and Sections of, and Schedules and Exhibits to, this Agreement; (i) “hereunder”, “herein”, “hereto” and “hereof”, when used in this Agreement, refer to this Agreement and not to a particular Section or clause of this Agreement; (j) except as otherwise specifically defined or provided for in this Agreement, words or abbreviations which have well known or trade meanings are used in accordance with their recognized meanings; and (k) any rule of construction to the effect that any ambiguity is to be resolved against the drafting party shall not be applicable to the interpretation of this Agreement.

1.3 Accounting Principles

Wherever in this Agreement reference is made to generally accepted accounting principles or GAAP, such reference shall be deemed to be to the generally accepted accounting principles from time to time established and approved by The Chartered Professional Accountants of Canada ("CPA"), or any successor entity, and recommended in the CPA Canadian Handbook applicable as at the date on which such principles are to be applied and applied on a consistent basis.

1.4 Schedules

The following Schedules are attached to, incorporated into and form a part of this Agreement:

Schedule A	-	Services
Schedule B	-	Ontario Racing Payment

**ARTICLE II
SERVICES****2.1 Engagement to Provide Services**

Subject to the terms and conditions of this Agreement, Ontario Racing hereby engages ORM, and ORM hereby agrees to provide to Ontario Racing and to be engaged by Ontario Racing, in respect of the provision of the Services and to perform the Services as set out in accordance with this Agreement.

2.2 Scope and Purpose of Services

- (a) Except as specifically provide otherwise in this Agreement, ORM shall be responsible for all aspects of the Services and for ensuring that the Services are provided and performed as required and contemplated by this Agreement. The performance by ORM of the Services shall be in furtherance of the Statement of Purpose, and shall be performed in fulfillment of the obligations of Ontario Racing under the Funding Agreement (including with respect to any Approved Annual Business Plan) and the Membership Agreement, without limiting the obligations of ORM under the Funding Agreement.
- (b) For certainty, and without in any way limiting the description of the Services or any other provision of this Agreement, it is the intention and expectation of the parties that ORM will perform all of the obligations of Ontario Racing under the Funding Agreement, as well as in respect of all interactions by Ontario Racing with Members, including under the Membership Agreement, on behalf of Ontario Racing, other than those obligations which can only be performed or provided by Ontario Racing as a result of any Laws and Regulations. ORM shall not take any action or omit to take any action that will result in Ontario Racing failing to comply with its obligations under the Funding Agreement or the Membership Agreement.
- (c) If any services, functions or responsibilities not specifically described or set out in the description of the Services are reasonably required for, incidental to and could reasonably be considered to be within the scope of the relevant Services, for the proper performance and provision of the Services, then such services, functions or responsibilities shall be deemed to be implied and included within the scope of the Services, to the same extent and in the same manner as if specifically set out in this Agreement.

- (d) This Agreement is subject to the terms of the Funding Agreement and the Membership Agreement. In the event of any conflict or inconsistency between the terms of this Agreement and the Funding Agreement or the Membership Agreement, the terms of the Funding Agreement or the Membership Agreement, as applicable, shall prevail to the extent of such conflict or inconsistency.

2.3 Ontario Racing Acknowledgement

Ontario Racing acknowledges that it shall at all times cooperate with ORM and provide such advice and counsel as is reasonably requested by ORM from time to time as ORM considers necessary or desirable for it to provide the Services in accordance with the terms of this Agreement. Further, Ontario Racing covenants and agrees that it shall not take any steps or actions to frustrate, or which would reasonably be considered to be able to frustrate, the provision of the Services by ORM pursuant to and in accordance with this Agreement.

2.4 ORM Acknowledgements

- (a) ORM acknowledges that it has received a copy of, and has reviewed and understands, the 'statement of the purpose' of the Corporation, as set out in the Articles of Incorporation of Ontario Racing (the "**Statement of Purpose**"), and, in the provision of the Services hereunder, covenants and agrees that it shall at all times comply with and perform and deliver the Services in a manner that is consistent with, and in furtherance of, the Statement of Purpose.
- (b) Ontario Racing acknowledges that it has received a copy of, and reviewed and understands, the Membership Agreement and the Funding Agreement, and covenants and agrees that it shall at all times comply with and perform and deliver the Services in accordance with each of the obligations of Ontario Racing set out in the Membership Agreement and the Funding Agreement.

2.5 Exclusivity

This engagement is exclusive and Ontario Racing will not obtain from, engage the services of or permit the delivery to Ontario Racing of any services the same as or similar to the Services by any third party during the Term. Notwithstanding the foregoing, nothing in this Agreement shall be deemed to restrict in any way the freedom of Ontario Racing to conduct as it sees fit any of its other businesses or activities whatsoever.

2.6 Compliance with Laws and Regulations

ORM will at all times comply with and abide by, and otherwise be in material compliance, with all Laws and Regulations in the delivery and performance of the Services.

2.7 Use of Subcontractors

In connection with the performance of its obligations under this Agreement, including the provision of the Services or the performance of any task or tasks comprising part or parts of the Services, ORM shall be entitled to engage the assistance of such subcontractors as ORM may from time to time determine. Notwithstanding ORM's use of any subcontractors, ORM shall remain responsible to Ontario Racing for performing the Services and for carrying out its obligations under and in accordance with the terms and conditions of this Agreement.

ARTICLE III
PAYMENT FOR SERVICES

3.1 **ORM Fees**

ORM shall receive payment for the Services provided hereunder (the "ORM Fees") in accordance with Schedule B – Ontario Racing Payment.

3.2 **Expenses**

- (a) Ontario Racing and ORM shall each be solely responsible for any costs or expenses incurred by it in fulfilling its respective obligations under this Agreement, except to the extent otherwise specifically referred to in this Agreement.
- (b) Subject to the provisions of Schedule B – Ontario Racing Payment, Ontario Racing shall reimburse ORM for all reasonable third-party and out-of-pocket costs and expenses incurred by ORM in providing the Services (the "ORM Expenses").

3.3 **Taxes**

Ontario Racing will be responsible for any Tax that is imposed on and payable by Ontario Racing by any taxing authority in Ontario or of the federal government of Canada in respect of any of the ORM Fees payable or the Services provided pursuant to this Agreement. ORM will timely remit to the appropriate taxing authorities all applicable sales, use, value-added, services, consumption and goods and services taxes which it collects from Ontario Racing in respect of any such Tax charged. Except as set out in this Section 3.3, each party shall be responsible for all other Taxes payable in respect of its own business and operations.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES

Each of the parties hereto hereby represents and warrants to the other party as follows:

- (a) it has the full right, power and authority to enter into and carry out its obligations under this Agreement and is duly authorized by all necessary and appropriate corporate or other action to execute and deliver this Agreement;
- (b) it has the full right, power and authority to enter into and carry out its obligations under every other agreement or document to be entered into by it as contemplated or provided for in this Agreement and is duly authorized by all necessary and appropriate corporate or other action to execute and deliver each such agreement;
- (c) it has no prior commitments, arrangements or agreements with any other person which might interfere with, or preclude the carrying out of its obligations under this Agreement and any other agreement to be entered into by it as contemplated or provided for in this Agreement; and
- (d) it currently holds or will obtain, and will continue to hold at all times during the term of this Agreement, all licences, consents and approvals necessary or required to enable it to carry out its obligations under this Agreement and any other agreement to be entered into by it as contemplated or provided for in this Agreement.

ARTICLE V

INDEMNIFICATION

5.1 **Indemnity**

Each party (the "**Indemnifying Party**") shall indemnify and hold harmless the other party and its directors, officers, shareholders and employees (each, an "**Indemnified Person**") from any Claims by the Indemnified Person resulting from or arising out of bad faith or the wilful misconduct, negligence or fraudulent act in connection with this Agreement by the Indemnifying Party, or its officers, directors, shareholders or employees. The foregoing indemnity shall include legal expenses reasonably incurred by the Indemnified Person to defend any action, suit or proceeding commenced by a third party based in whole or in part upon allegations indicating that the Indemnifying Party has been guilty of such bad faith or wilful misconduct, negligence or fraudulent act, provided that the truth of such allegations is established in a court of competent jurisdiction.

5.2 **Notice of Claim**

In the event that either party receives notice of a Claim in respect of which it or another Indemnified Person intends to seek indemnification from the other party pursuant to Section 5.1, it shall promptly notify the Indemnifying Party of such fact and permit the Indemnifying Party, at the Indemnifying Party's option, to conduct the defence (including any settlement discussions) with counsel acceptable to the Indemnified Person, provided that no settlement shall be effective without the approval of the Indemnified Person. The Indemnified Person shall co-operate in any such defence.

5.3 **Limitations**

Under no circumstances shall ORM or its officers, directors, shareholders or employees, be liable, responsible or accountable in damages or otherwise for any action taken or failure to act on behalf of Ontario Racing within the scope of the authority conferred on ORM (or its officers, directors, shareholders or employees) by this Agreement unless such action or omission was performed or omitted fraudulently or in bad faith or constitutes wanton and willful misconduct or negligence or is in breach of the terms and conditions of this Agreement. Notwithstanding any other provision of this Agreement, the liability of each party, and their respective directors, officers, employees and agents, to the other party, whether founded in tort or breach of contract or otherwise, shall be limited to the loss sustained by such other party as a result of direct damage sustained by such other party. Without limitation, a party shall not be liable for any indirect or consequential losses, including loss of profits, business interruption losses, or any losses as a result of Claims by third parties. In no event shall a party be liable for aggravated or non-compensatory damages, including punitive or exemplary damages, whether by statute, in tort or contract.

ARTICLE VI

TERM AND TERMINATION

6.1 **Term and Renewal**

The term of this Agreement shall commence on the Effective Date and shall terminate contemporaneously with the termination or satisfaction of all obligations of Ontario Racing under the Funding Agreement (the "**Term**").

6.2 **Early Termination**

- (a) Ontario Racing may, at its option and in its sole discretion, immediately terminate this Agreement by delivery of written notice thereof to ORM upon the occurrence of any of the

following events of default, and any delay in providing such notice will not in any way affect such right:

- (i) this Agreement ceases to be a legal, valid and binding obligation of ORM in accordance with its terms except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and similar Laws and Regulations limiting the enforcement of creditors' rights generally and by general principles of equity;
 - (ii) in the event of any transfer, assignment or other disposition by ORM of the whole or any part of this Agreement or any of ORM's rights hereunder, in each case without the prior written consent of Ontario Racing in accordance with Section 7.4;
 - (iii) the occurrence of an Act of Insolvency of ORM, or if ORM ceases or threatens to cease to carry on business generally or admits its inability to pay or fails to pay its debts generally, in each case unless any of the foregoing circumstances is the result of a failure by Ontario Racing to comply with any of its obligations under this Agreement, including to pay all of the Ontario Racing Payment as provided herein;
 - (iv) an Agreement Event of Default occurs under the Funding Agreement as a result of any act or omission of ORM, either with respect to (i) ORM's obligations, covenants and agreements under the Funding Agreement, or (ii) Ontario Racing's obligations, covenants and agreements under the Funding Agreement if (A) ORM is responsible for the performance of such obligations, covenants and agreements of Ontario Racing pursuant to this Agreement and (B) the act or omission of ORM was not directed by Ontario Racing;
 - (v) there is any material inaccuracy or material misrepresentation in any representation or warranty of ORM in this Agreement or in any document delivered to Ontario Racing by ORM pursuant to this Agreement and, if such inaccuracy or misrepresentation is capable of being cured, such inaccuracy or misrepresentation has not been cured within 30 days following the date on which Ontario Racing notifies ORM in writing of such inaccuracy or misrepresentation; or
 - (vi) ORM fails to perform or comply with any one or more obligations, covenants or agreements of ORM in this Agreement that is not referred to elsewhere in this Section 6.2(a), and if such failure is capable of being cured, such failure has not been cured within 30 days following the date on which Ontario Racing notifies ORM in writing of such failure.
- (b) ORM may, at its option and in its sole discretion, immediately terminate this Agreement by delivery of written notice thereof to Ontario Racing upon the occurrence of any of the following events of default, and any delay in providing such notice will not in any way affect such right:
- (i) this Agreement ceases to be a legal, valid and binding obligation of Ontario Racing in accordance with its terms except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and similar Laws and Regulations limiting the enforcement of creditors' rights generally and by general principles of equity;

- (ii) in the event of any transfer, assignment or other disposition by Ontario Racing of the whole or any part of this Agreement or any of Ontario Racing's rights hereunder, in each case without the prior written consent of ORM in accordance with Section 7.4;
- (iii) the occurrence of an Act of Insolvency of Ontario Racing, or if Ontario Racing ceases or threatens to cease to carry on business generally or admits its inability to pay or fails to pay its debts generally, in each case unless any of the foregoing circumstances is the result of a failure by ORM to comply with its obligations under this Agreement;
- (iv) an Agreement Event of Default occurs under the Funding Agreement as a result of any act or omission of Ontario Racing or for which Ontario Racing is responsible, unless such act or omission was the result of any act or omission of ORM that was not directed by Ontario Racing;
- (v) there is any material inaccuracy or material misrepresentation in any representation or warranty of Ontario Racing in this Agreement or in any document delivered to ORM by Ontario Racing pursuant to this Agreement and, if such inaccuracy or misrepresentation is capable of being cured, such inaccuracy or misrepresentation has not been cured within 30 days following the date on which ORM notifies Ontario Racing in writing of such inaccuracy or misrepresentation; or
- (vi) Ontario Racing fails to perform or comply with any one or more obligations, covenants or agreements of Ontario Racing in this Agreement that is not referred to elsewhere in this Section 6.2(b), and if such failure is capable of being cured, such failure has not been cured within 30 days following the date on which ORM notifies Ontario Racing in writing of such failure.

6.3 Events Upon Termination

Upon termination or expiration of this Agreement for any reason whatsoever all rights granted and obligations created under this Agreement shall immediately terminate, except those which are listed in this Agreement as surviving the termination of this Agreement. In addition, upon termination or expiry of this Agreement ORM shall be permitted to terminate all third party agreements it may have entered into with respect to the provision of the Services, or, at the option of Ontario Racing, shall assign anyone or more of such agreements to Ontario Racing, and ORM shall cooperate with ORM to effect any such assignments following the expiry of the Term or the earlier termination of this Agreement. ORM shall do all things and take all steps reasonably necessary to facilitate the effective transition of its rights and obligations under this Agreement to Ontario Racing or one or more designees of Ontario Racing, and shall execute and deliver all deeds, certificates, declarations and other documents necessary or desirable to effect such transfer.

ARTICLE VII GENERAL

7.1 Relationship of the Parties

It is understood and agreed that the parties' relationship is not that of a partner and/or agent and that neither party nor any of its employees or agents shall have any power, authority or right to act as an agent for the other or make any representation or incur any obligation on behalf of or bind the other party in any manner, except as specifically provided for in this Agreement including in Section 2.2(b).

7.2 Excusable Delay/Force Majeure

In the event that either party is prevented, delayed or interrupted in performing its obligations under this Agreement due to any occurrence beyond its control, such as, but not limited to, acts of God, acts of war, riot, fire, flood or other disaster, strikes, walkout or communication line or power failure, then such prevention, delay or interruption shall not be construed to be a default under this Agreement and such party shall be liable to the other for any prevention, delay or interruption in the performance of such obligations resulting from such occurrence or any loss or damage resulting therefrom.

7.3 Severability

If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable because it is invalid or in conflict with any law of any relevant jurisdiction, the validity of the remaining provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Agreement did not contain the particular provisions held to be unenforceable.

7.4 Assignment

Neither party shall transfer or assign this Agreement or any part hereof, or any of its respective rights or obligations hereunder, without the prior written consent of the other party, which consent may be arbitrarily withheld.

7.5 Entire Agreement

This document embodies the entire agreement of the parties and there are no additional terms, conditions, representations, inducements and/or warranties of any kind or nature whatsoever existing among the parties hereto or any of them other than as set forth or incorporated or specifically contemplated herein.

7.6 Amendment

This Agreement may not be modified or amended, except by a written document signed by each of the parties hereto.

7.7 Further Assurances

Each of the parties to this Agreement shall upon the request of the other party, do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered all such further acts, deeds, documents, assignments, transfers, conveyances and assurances as may be reasonably necessary to give full effect to this Agreement.

7.8 No Waiver of Default

No action or failure to act by a party shall constitute a waiver of any right or duty afforded it under this Agreement, nor shall any such action or failure to act constitute an approval of or acquiescence in any breach of this Agreement, except as may be specifically agreed in writing.

7.9 Notices

Any notice, consent, approval, agreement, writing or other communication required or permitted under this Agreement (each, a "**Notice**") shall be in writing. Any Notice delivered or to be delivered by a party to this Agreement shall be sufficiently given if delivered personally to the party at the following addresses

To ORM: Ontario Racing Management Inc.
555 Rexdale Blvd.
Toronto, Ontario M9W 5L2

Attention: General Counsel

To Ontario Racing: Horse Racing Ontario
555 Rexdale Blvd.
Toronto, Ontario M9W 5L2

Attention: President

and shall be deemed to be received on the day of delivery provided that if such day is not a Business Day, it shall be deemed to have been received on the next following Business Day.

7.10 Parties in Interest

This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

7.11 Survival

The parties hereby agree that the provisions of ARTICLE V, ARTICLE VI, and ARTICLE VII shall survive the termination or expiry of this Agreement.

7.12 Third Parties

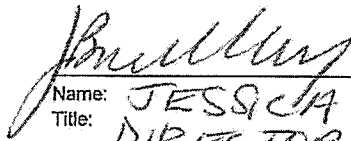
Except as specifically set forth or referred to herein, nothing herein is intended or shall be construed to confer upon or give to any Person, other than the parties hereto and their respective successors or permitted assigns, any rights or remedies under or by reason of this Agreement.

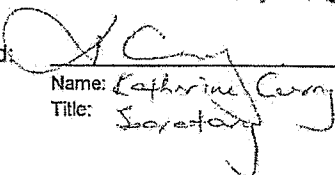
7.13 Law of Contract

This Agreement shall be construed and enforced in accordance with the laws in force in the Province of Ontario, which laws shall govern the rights of the parties.

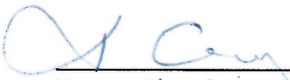
IN WITNESS WHEREOF the parties hereto have executed this Agreement on the day and year first above written.

HORSE RACING ONTARIO

By: 
Name: JESSICA BUCKLEY
Title: DIRECTOR

And: 
Name: Katherine Cuning
Title: Secretary

ONTARIO RACING MANAGEMENT INC.

By:  _____
Name: Katherine Curry
Title: Executive Director

And: _____
Name:
Title:

SCHEDULE A

SERVICES

Without in any way limiting the generality of Section 2.2 of the Agreement:

(a) To enable Ontario Racing to fulfill and comply with all of the obligations and responsibilities of Ontario Racing set out in the Funding Agreement, ORM shall perform the Services described herein, including and without in any way limiting the foregoing:

- (i) receiving from OLG and distributing to all Racetrack Members the Annual Payment, as provided in Article 2 and Article 3 of the Funding Agreement. For further clarity, the Annual Payment received from OLG and distributed to Racetrack Members is explicitly a flow through transaction;
- (ii) preparing each Proposed Annual Business Plan (as defined in the Funding Agreement), as provided in Article 5 of the Funding Agreement, submitting each Proposed Annual Business Plan to the Board for review and approval, discussing each Proposed Annual Business Plan with OLG as required from time to time and resolving any disputes relating thereto (subject to Board approval) and implementing and monitoring the Approved Annual Business Plan (as defined in the Funding Agreement);
- (iii) preparing audited financial statements of Ontario Racing for delivery to OLG, as provided in Article 7 of the Funding Agreement; and
- (iv) performing and complying with all of Ontario Racing's regulatory and other reporting obligations under the Funding Agreement

(b) Further and without in any way limiting the foregoing, ORM shall, in furtherance of Ontario Racing's Statement of Purpose and its obligations under the Funding Agreement:

- (i) provide administration and funding management with respect to the Quarterhorse, Standardbred and Thoroughbred HIP programs;
- (ii) manage a central race office, including managing bank accounts, purse payments and staking programs, with a mandate of ensuring the highest standard possible in quality and competitive racing, for both overnights and stake racing at each Racetrack Member's racetrack;
- (iii) establish live race schedules and post times for all Racetrack Members' racetracks, with a mandate of maximizing pari-mutuel wagering for all Racetrack Members;
- (iv) brand and promote wagering of Ontario live races through all wagering channels, including seeking opportunities to increase Joint Venture Revenue (as defined in the Membership Agreement);
- (v) establish co-op or group purchasing of common services, where applicable and available; subject to each Racetrack Member's right to decline to participate in such co-op or group purchasing if such Racetrack Member wishes to continue its existing group purchasing arrangements in respect of one or more services;
- (vi) establish, administer and enforce common racetrack rules and regulations, where and to the extent it is reasonably practical to do so;

- (vii) consult and cooperate with the AGCO on the establishment and enforcement of the applicable Rules of Racing (or equivalent rules and regulations);
- (viii) administer and manage all equine welfare programs;
- (ix) market and promote the Industry as a vital part of Ontario's agricultural, sports, entertainment and gaming sectors, including marketing and promotion of horse ownership;
- (x) develop, promote and work with regulators to generate new revenue for the Industry via new and/or enhanced pari-mutuel wagering products or other revenue streams;
- (xi) report to and liaise with OLG with respect to Industry funding matters; and
- (xii) monitor and report to all Members and to OLG regarding all pre determined benchmarks and Government funding accountability standards for all Racetrack Members.

Books and Records

(a) ORM shall keep and maintain complete and accurate records and books of account in which shall be entered the particulars of all matters in respect of the business and operations of Ontario Racing and ORM's activities related to this Agreement, and as are appropriate or customary to be entered into records and books of account maintained by Persons engaged in any similar business (the "Books and Records"). The Books and Records shall be prepared in accordance with generally accepted accounting principles, consistently applied. The Books and Records shall at all times be maintained at the principal office of ORM and shall be available for inspection by Ontario Racing and its representatives during normal working hours on any Business Day.

(b) Without limiting the foregoing, the Books and Records shall include all relevant financial information in respect of (1) the conduct of pari-mutuel betting carried on pursuant to this Agreement, the Membership Agreement and the Funding Agreement, including gross wagering handle, Commissions and Deductions (as such terms are defined in the Membership Agreement), and (2) all payments made or received by Ontario Racing (or ORM, on behalf of Ontario Racing) pursuant to the Funding Agreement and the Membership Agreement.

Delivery of Information

ORM shall furnish to Ontario Racing, to each Member and to the Government from time to time, in a form approved by the Board or required by the Government, such information in respect of the business and operations of Ontario Racing or ORM and all activities undertaken pursuant to this Agreement, the Membership Agreement or the Funding Agreement, as the Board shall reasonably require or as required by the Government from time to time.

ORM agrees that each Racetrack Member shall be entitled to request from ORM from time to time, and ORM shall provide to such Racetrack Member, in respect of races conducted at such Racetrack Member's racetrack, wagering data and customer demographic information relating to wagers made through the ADW platform (including any similar or replacement technologies) and all digital platforms and other electronic technologies that generate, store and process such data and which ORM or Woodbine Entertainment Group may administer on behalf of the Racetrack Members in the future, to the extent that such data and information is available.

SCHEDULE B

ONTARIO RACING PAYMENT

In consideration for the Services, Ontario Racing shall pay to ORM the ORM Fees and reimburse ORM for the ORM Expenses as follows:

(a) during the period commencing on the Effective Date and ending on March 31, 2019, Ontario Racing shall pay to ORM the full amount of the funding received by Ontario Racing pursuant to the 2018/2019 Transfer Payment Agreement between Ontario Racing and the AGCO (the "**TPA Amount**"); and

(b) from and after April 1, 2019 until the expiry of the Term or the earlier termination of this Agreement, Ontario Racing shall pay to ORM the Administration Payment (as such term is defined in the Funding Agreement), less any amount required by Ontario Racing to pay for direct costs and expenses incurred by Ontario Racing relating to the operation and administration thereof, as agreed in advance by ORM and Ontario Racing, both acting reasonably.

The TPA Amount and the Administration Payment are collectively referred to as the "**Ontario Racing Payment**".

The parties acknowledge and agree that:

- (i) in no event shall the combined amount of the ORM Fees and the ORM Expenses exceed the Ontario Racing Payment; and
- (ii) subject to paragraph (b) above, Ontario Racing shall pay the Ontario Racing Payment to ORM as and when Ontario Racing receives the Ontario Racing Payment notwithstanding the timing of any of the Services provided hereunder or anything else contained in this Agreement.