

EXECUTED VERSION

AMENDMENT TO MUNICIPALITY CONTRIBUTION AGREEMENT

THIS AMENDMENT TO MUNICIPALITY CONTRIBUTION AGREEMENT (this "**Amendment**") made as of the ____ day of _____, 2022 (the "**Effective Date**"),

BETWEEN:

**ONTARIO LOTTERY AND GAMING
CORPORATION**

(hereinafter referred to as "**OLG**")

- and -

THE CITY OF HAMILTON, with its administrative
office located at 71 Main Street West, 2nd Floor,
Hamilton, ON L8P 4Y5

(hereinafter referred to as the "**Municipality**").

WHEREAS OLG and the Municipality (the "**Parties**" and each a "**Party**") are parties to that certain Municipality Contribution Agreement dated as of September 27, 2013 (the "**Contribution Agreement**");

AND WHEREAS capitalized terms that are used but not defined in this Amendment, including in the recitals hereto, have the respective meanings specified in the Contribution Agreement;

AND WHEREAS pursuant to the Contribution Agreement, the Municipality is entitled to receive from OLG in respect of each Operating Year an Annual Contribution, which is defined and calculated by reference to a percentage of Electronic Games Revenue and Live Table Games Revenue, subject to the terms and conditions of the Contribution Agreement;

AND WHEREAS OLG is willing to conduct and manage Sports and Other Betting (as defined below) at the Location, if OLG's service provider wishes to offer Sports and Other Betting at the Location;

AND WHEREAS the Parties are entering into this Amendment in accordance with Section 19 of the Contribution Agreement for the purpose of amending the manner in which the Annual Contribution will be calculated if and when Sports and Other Betting is operated at the Location;

NOW THEREFORE THIS AMENDMENT WITNESSES THAT in consideration of the respective covenants and agreements of the Parties herein contained and for other good and valuable consideration (the receipt and sufficiency of which are acknowledged by each Party), the Parties agree as follows:

1. **Amendment to Section 1 (*Definitions*)**

From and after the Effective Date, Section 1 of the Contribution Agreement is hereby amended by inserting the following definitions in such Section in alphabetical order:

“**Sports and Other Betting**” means, (a) with respect to sports betting, the making of a bet or placing of a wager on any actual sport event or any other athletic contest, race or fight, and (b) with respect to other betting, the making of a bet or placing of a wager on (i) video games that are played competitively, (ii) any non-sporting event (for greater certainty, other than Electronic Games and Live Table Games) where real-world factual occurrences are the contingency on which an outcome is determined (“Novelty Events”), and (iii) any pay-to-play sport betting product that allows participants to assemble a virtual team composed of real players in a given sport and compete against other virtual teams based on the performance of those players in real matches. The making of a bet or placing of a wager on horse racing or on a computer-generated presentation of a random number draw that provides sport-like visual presentation for entertainment purposes only, so that the outcome of the “event” is determined by a random number generator rather than actual sports, players or Novelty Events, does not constitute Sports and Other Betting;”

“**Sportsbook Revenue**” means, for any period, the sum of net revenue generated from Sports and Other Betting at the Location, if any, calculated in accordance with International Financial reporting Standards or such other Canadian generally accepted accounting principles as OLG adopts from time to time in its sole discretion. For greater certainty, the Sportsbook Revenue will only include the net revenue generated from Sports and Other Betting at the Location and will not include any revenue whatsoever from other products or services provided by OLG at the Location;”

2. **Amendments to Section 3 (*Payments*)**

From and after the Effective Date, Section 3(a) of the Contribution Agreement is amended by deleting the provisions thereof in their entirety and replacing them with the following:

“3 **Payments**

(a) During the Term and subject to the terms and conditions of this Agreement, the Municipality shall be entitled to receive from OLG in respect of each Operating Year the amount (the “**Annual Contribution**”) equal to the sum of (A) + (B) + (C), where:

(A) is the aggregate (without duplication) of:

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(i) 5.25% of the Electronic Games Revenue, if any, generated in such Operating Year that is less than or equal to \$65 million; plus

(ii) 3.00% of the Electronic Games Revenue, if any, generated in such Operating Year, that is more than \$65 million and less than or equal to \$200 million; plus

(iii) 2.50% of Electronic Games Revenue, if any, generated in such Operating Year, that is more than \$200 million and less than or equal to \$500 million; plus

(iv) 0.50% of Electronic Games Revenue, if any, generated in such Operating Year, that is more than \$500 million;

(B) is 4.00% of Live Table Games Revenue, if any, generated during such Operating Year; and

(C) is 4.00% of Sportsbook Revenue, if any, generated during such Operating Year.”

3. **Amendment to Exhibit A (*Calculation of Annual Contribution*)**

From and after the Effective Date, Exhibit A of the Agreement is amended by deleting the provisions thereof in their entirety and replacing them with Exhibit A attached to this Amendment.

4. **Effect of Amendment on Contribution Agreement**

Except as modified by this Amendment, the Contribution Agreement remains unchanged and in full force and effect.

5. **Electronic Execution**

Delivery of an executed signature page to this Amendment by either Party by electronic transmission will be as effective as delivery of a manually executed copy of this Amendment by such Party.

[The next page is the signature page.]

IN WITNESS WHEREOF the Parties have executed this Amendment as of the
Effective Date.

**ONTARIO LOTTERY AND GAMING
CORPORATION**

by _____

Name:

Title:

Date:

("I have the authority to bind OLG.")

THE CITY OF HAMILTON

Name:

Title:

Date:

Name:

Title:

Date:

("I/We have the authority to bind the
Municipality.")

EXHIBIT A

Calculation of Annual Contribution

For example and by way of illustration only: if the Electronic Games Revenue, the Live Table Games Revenue and the Sportsbook Revenue for an Operating Year is \$650 million, \$100 million and \$10 million respectively and as further described in Table A below, then the applicable Annual Contribution for such Operating Year would be \$20,112,500.

TABLE A

	Electronic Games Revenue (in millions)	Live Table Games Revenue (in millions)	Sportsbook Revenue (in millions)	Annual Contribution Quarterly Payment (in millions)
Operating Year Quarter No. 1 (March 1 – June 30)	\$100	\$25	\$2.5	$[(0.0525 \times \$65) + (0.03 \times \$35)] + [0.04 \times \$25] + [0.04 \times \$2.5] = \$5.5625$
Operating Year Quarter No. 2 (July 1 – September 30)	\$175	\$22	\$2.2	$[(0.03 \times \$100) + (0.025 \times \$75)] + [0.04 \times \$22] + [0.04 \times \$2.2] = \$5.843$
Operating Year Quarter No. 3 (October 1 – December 31)	\$170	\$23	\$2.3	$[0.025 \times \$170] + [0.04 \times \$23] + [0.04 \times \$2.3] = \5.262
Operating Year Quarter No. 4 (January 1 – March 31)	\$205	\$30	\$3.0	$[(0.025 \times \$55) + (0.005 \times \$150)] + [0.04 \times \$30] + [0.04 \times \$3.0] = \$3.445$
Total	\$650	\$100	\$10	\$20.1125