

File No.: 04-1000-20-2019-765

May 28, 2020

s.22(1)

Dear s.22(1)

Re: **Request for Access to Records under the Freedom of Information and Protection of Privacy Act (the "Act")**

I am responding to your request of December 12, 2020 for:

Any correspondence, minutes, memos, reports, amendments or draft agreements related to the Hastings Racecourse Lease Agreement from any of the three parties (City of Vancouver, Great Canadian Gaming Corporation and Hastings Entertainment Inc.) to the previous agreement (which expired November 9, 2019), <https://vancouver.ca/files/cov/amendment-hastings-racecourse-operating-agreement-nov-2016.pdf>. Date range: January 1, 2016, to February 27, 2020.

All responsive records are attached. Some information in the records has been severed, (blacked out), under s.12(3)(b), s.13(1), s.14, s.21(1), s.22(1) of the Act. You can read or download these sections here:

http://www.bclaws.ca/EPLibraries/bclaws_new/document/ID/freeside/96165_00

In regards to severing under s.12(3)(b), please note the following: in-camera meetings are meetings held in the absence of the public. Council is only authorized to hold in-camera meetings under the circumstances set out in section 165.2 of the Vancouver Charter. In-camera decisions and reports are released when they are no longer considered sensitive. Released in-camera items may be viewed online here:

<https://covapp.vancouver.ca/councilMeetingPublic/InCameraInfoReleases.aspx>

Effective May 25, 2010, new templates and procedures were established in the City of Vancouver for the pro-active release of in-camera information, where release of the information has been determined to be no longer sensitive. The new procedures were requested by Council at the June 18, 2009, Standing Committee on City Services and Budgets meeting, in accordance with recommendations from a legal expert regarding improved handling of confidential information.

Under section 52 of the Act, and within 30 business days of receipt of this letter, you may ask the Information & Privacy Commissioner to review any matter related to the City's response to your FOI request by writing to: Office of the Information & Privacy Commissioner, info@oipc.bc.ca or by phoning 250-387-5629.

If you request a review, please provide the Commissioner's office with: 1) the request number (#04-1000-20-2019-765); 2) a copy of this letter; 3) a copy of your original request; and 4) detailed reasons why you are seeking the review.

Yours truly,

Cobi Falconer, FOI Case Manager, for

[Signature on file]

Barbara J. Van Fraassen, BA
Director, Access to Information & Privacy

Barbara.vanfraassen@vancouver.ca
453 W. 12th Avenue Vancouver BC V5Y 1V4

*If you have any questions, please email us at foi@vancouver.ca and we will respond to you as soon as possible. Or you can call the FOI Case Manager at 604.871.6584.

Encl.

:kt

Evans, Jerry

From: Chuck Keeling <ckeeling@gcgaming.com>
Sent: Thursday, August 22, 2019 11:11 AM
To: Evans, Jerry
Cc: Raj Mutti
Subject: Hastings backstretch- key notes
Attachments: Hastings briefing note- backstrect status.docx

Hi Jerry; in light of the CBSA raid on the Hastings' backstretch and the media attention it has generated, we put the attached together as it relates to the general working conditions of the backstretch area. For instance, the City has contacted us today about a building inspector visiting the sleeping rooms to review their condition.

With that in mind, we also wanted to forward the attached to you, in case you receive any questions from your colleagues and/or Council.

Feel free to let us know if you have any questions.

Thanks Jerry.

Chuck

Chuck Keeling
Vice President, Stakeholder Relations
and Responsible Gaming
Great Canadian Gaming Corp.
150 – 8831 River Road
Richmond, BC V6X 1Y6
Direct: 604.247.4197
Cell: 778.874.4942
ckeeling@gcgaming.com

----- Notice Regarding Confidentiality of Transmission
This message is intended only for the person to whom it is addressed and may contain information that is privileged and confidential. If you are not the intended recipient, you are hereby notified that any dissemination or copying of this is prohibited. Please notify us of the error in communication by telephone (604) 303-1000 or by return e-mail and destroy all copies of this communication. Thank you.

August 22/19

RE: Hastings Backstretch

Key points:

- There are approximately 50 sleeping rooms in the Hastings Racecourse backstretch area. They are assigned to trainers based on demand, and each trainer determines whether they will be used as an office or a sleeping room for one of their grooms.
- Of the 50 rooms, Hastings renovated 14 of them last off season (when the race season is not being conducted and the backstretch has been vacated as a result- the off season is considered November until February). The renovations included:
 - New vinyl flooring
 - New paint
 - New steel doors
 - New double pane windows
 - New beds
 - New lighting
 - New smoke detectors
- The rooms are assigned free of charge; for those that use them as sleeping quarters, it is unlikely that they could afford accommodation elsewhere in the city.
- Maintenance undertaken in recent years has concentrated on the racing surface itself, in consultation with the breed associations (the three organizations that represent those that race at Hastings).
- On the assumption that Hastings and the City of Vancouver consummate a lease extension, Hastings, in conjunction with the breed associations, is committed to capital upgrades to the backstretch facilities that would include:
 - Repaving of the backstretch area
 - Complete replacement of the works yard and cafeteria
 - Barn repairs that would include interior, exterior and roof upgrades
 - Renovation of more offices/sleeping rooms



CONFIDENTIAL

October 26, 2017

City of Vancouver
453 West 12th Avenue
Vancouver, BC, V5Y 1V4

Attn: Mr. Jerry Evans, Associate Director, Real Estate Services

s.21(1)

Dear Mr. Evans,

s.21(1)

s.21(1)

s.21(1)

s.21(1)

s.21(1)



s.21(1)



Please call me if you have any questions or concerns. I can be reached at 604-960-2589.

Yours truly,
Hastings Entertainment Inc.



Radek Kielar
Controller & Interim VP, Finance
Great Canadian Gaming Corporation

Encl:

s.21(1)



s.21(1)



s.21(1)





CONFIDENTIAL

October 26, 2017

City of Vancouver
453 West 12th Avenue
Vancouver, BC, V5Y 1V4

Attn: Mr. Jerry Evans, Associate Director, Real Estate Services

s.21(1)

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Dear Mr. Evans,

s.21(1)

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s.21(1)



s.21(1)



Please call me if you have any questions or concerns. I can be reached at 604-960-2589.

Yours truly,
Hastings Entertainment Inc.



Radek Kielar
Controller & Interim VP, Finance
Great Canadian Gaming Corporation

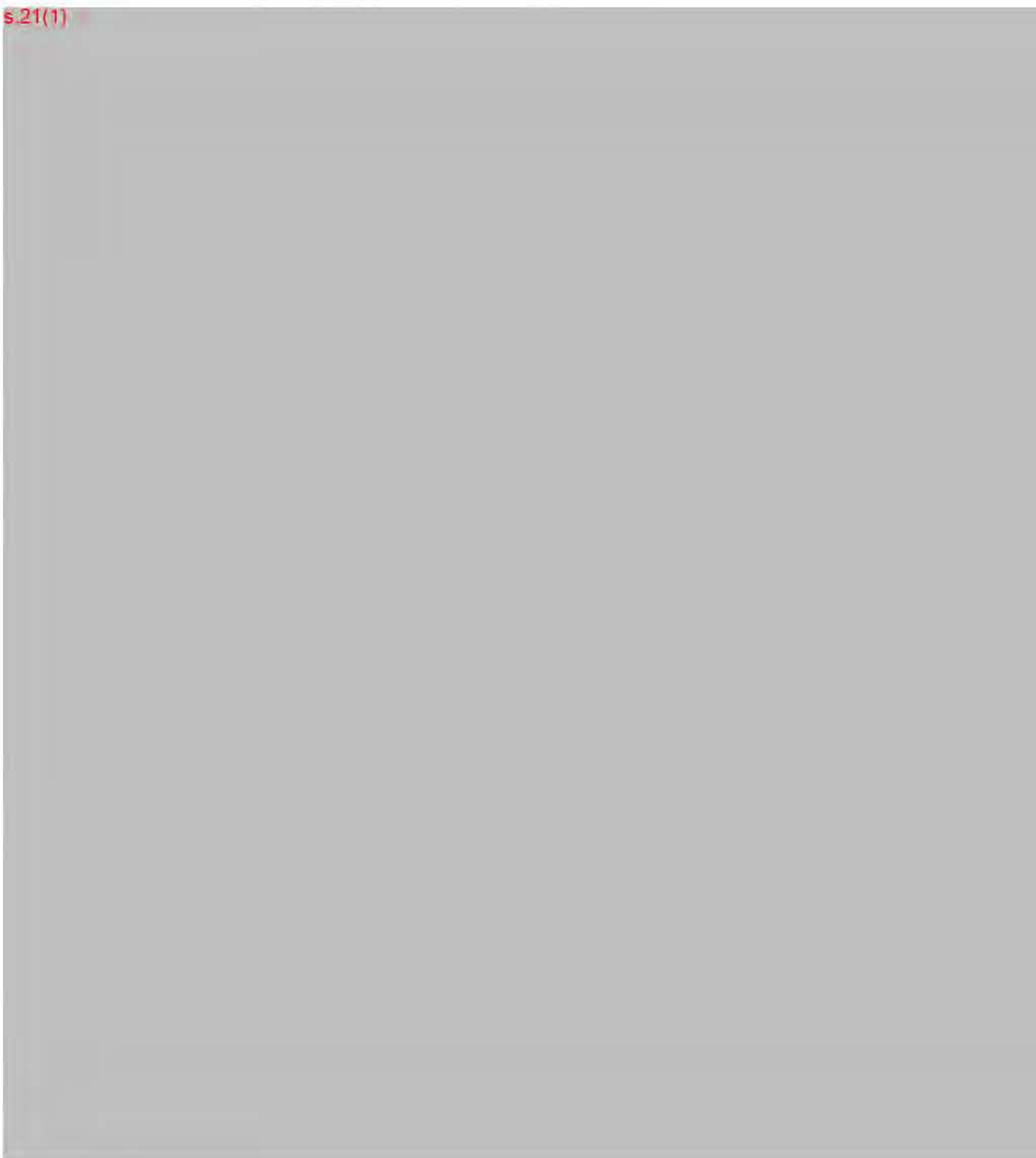
Encl:

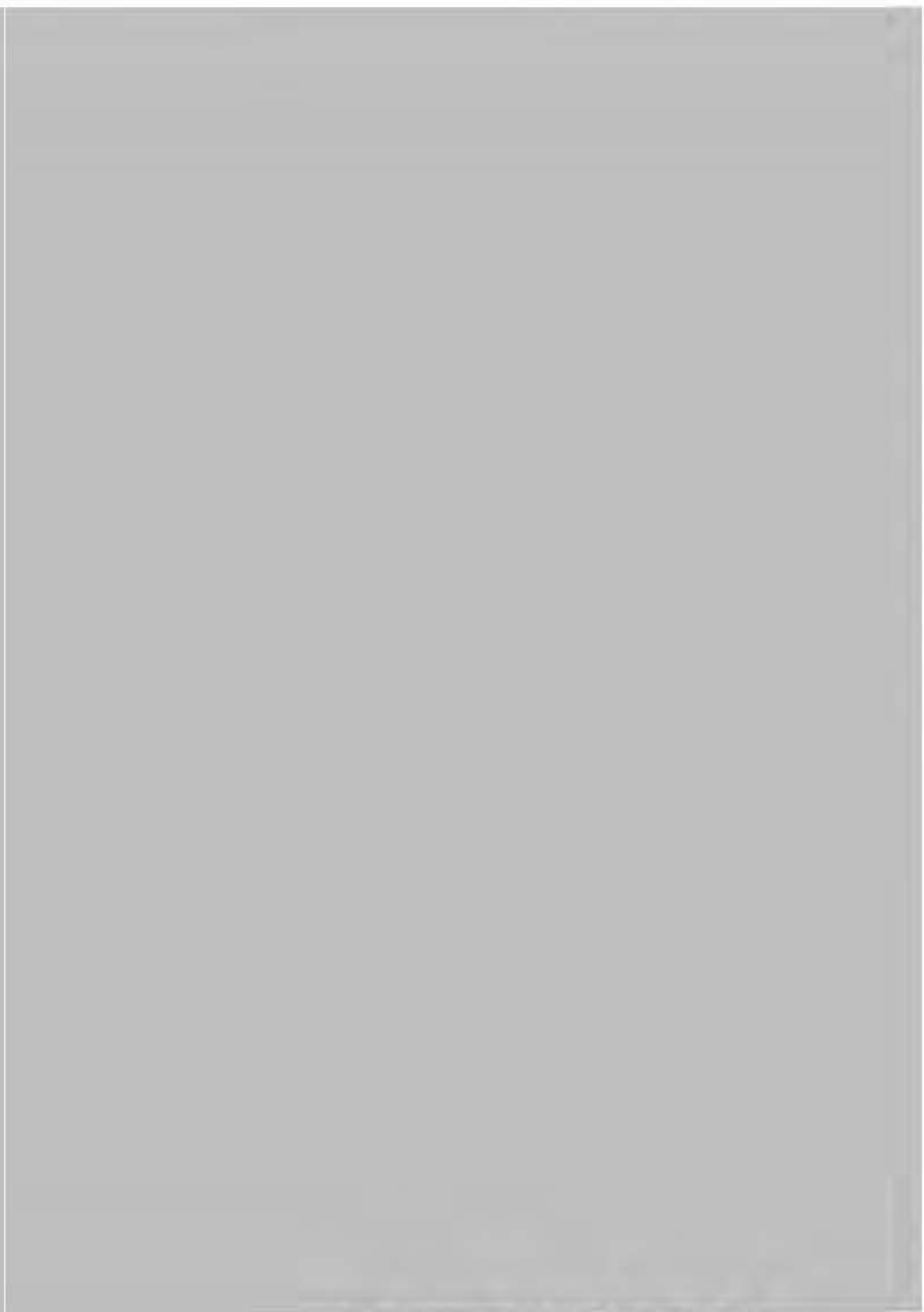
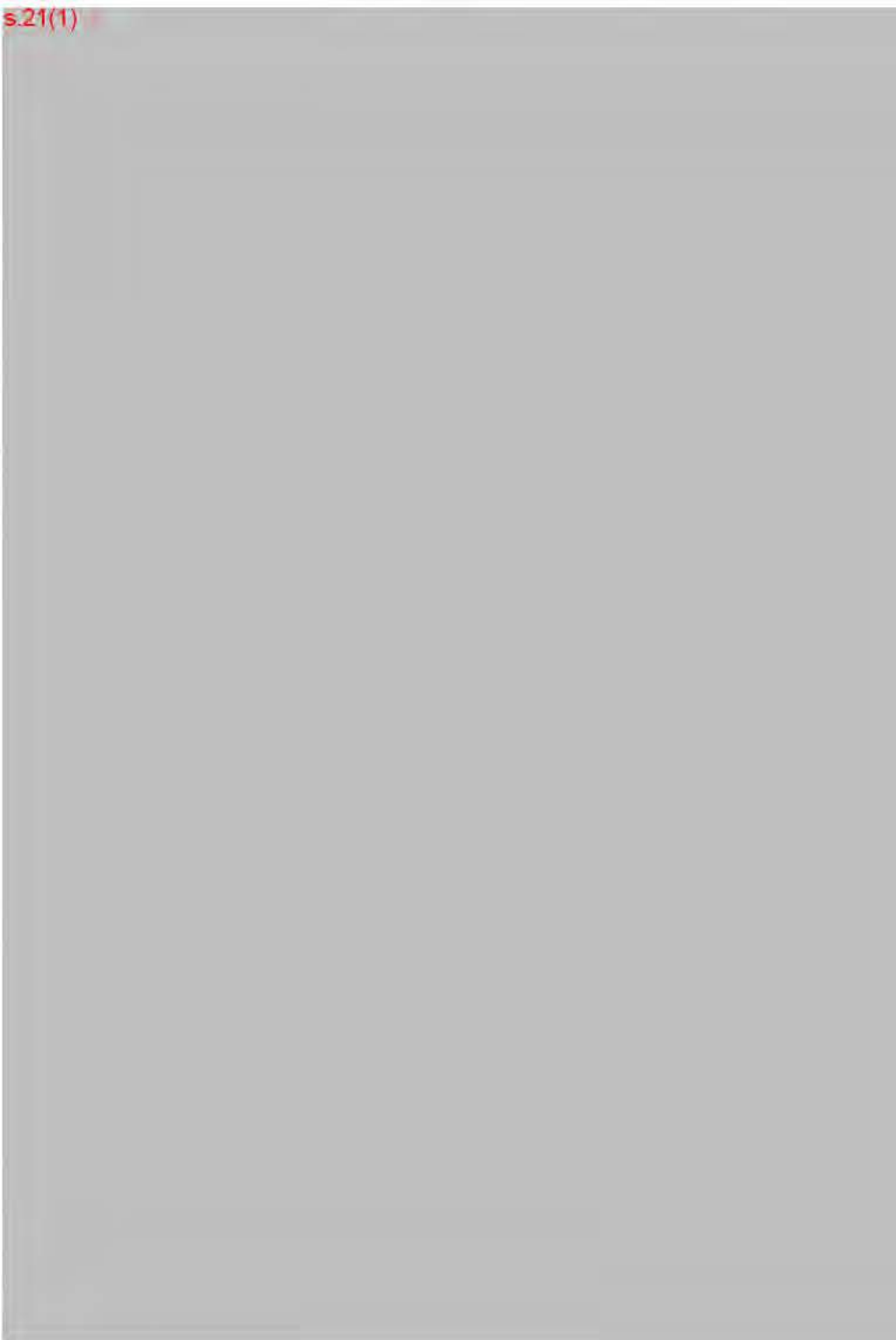
s.21(1)



s.21(1)















s.21(1)



Tanya Ruskowski

From: Chuck Keeling
Sent: Monday, January 16, 2017 4:53 PM
To: Tanya Ruskowski
Subject: FW: Licence Extension and Amendment Agreement - Hastings Park Childcare Centre
Attachments: Kiwassa - Extension Agreement.pdf

Could you have Terrance execute and send to Jerry at the city?

Real Estate and
Facilities Management
Ref'd to: *Jerry Evans*
JAN 18 2017

Chuck Keeling
Vice President, Stakeholder Relations and
Responsible Gaming
Great Canadian Gaming Corporation
150 – 8831 River Road
Richmond, BC V6X 1Y6
Direct 604.247.4197
Cell 778.874.4942
ckeeling@gcgaming.com

File No:.....



From: Evans, Jerry [<mailto:jerry.evans@vancouver.ca>]
Sent: Thursday, January 12, 2017 1:50 PM
To: Chuck Keeling
Cc: DiFonzo, Dino
Subject: Licence Extension and Amendment Agreement - Hastings Park Childcare Centre

Hi Chuck,

Hope all is well with you, and all the best for 2017!

Please find attached the Licence Extension and Amendment Agreement for the Hastings Park Childcare Centre that requires signing by HEI and GCGC. Please sign five (5) original signed copies and return all five copies to my attention. Once the agreement has been fully executed by the City one copy will be sent back to you for your records

Best Regards

Jerry Evans, B.Sc., MRICS
Director of Real Estate Services | Real Estate Services | Real Estate and Facilities Management
CITY OF VANCOUVER 507 West Broadway, Suite 400 Vancouver BC V5Z 0B4
t: 604.873.7430 | f: 604.873-7064 | e: jerry.evans@vancouver.ca

THIS LICENCE EXTENSION AND AMENDMENT AGREEMENT (this “**Agreement**”) is dated for reference this 9th day of January, 2017, but made with effect as of November 10, 2016,

BETWEEN:

CITY OF VANCOUVER, a municipal corporation with offices
at 453 West 12th Avenue, Vancouver, British Columbia V5Y 1V4

(the “**City**”)

AND:

KIWASSA NEIGHBOURHOOD SERVICES ASSOCIATION,
a society with offices at 2425 Oxford Street, Vancouver, BC V5K 1M7

(Society Registration No. S-0003938)

(the “**Society**”)

AND:

**HASTINGS ENTERTAINMENT INC. and
GREAT CANADIAN GAMING CORPORATION**, bodies
Corporate, both having a registered and records office at
Suite 1500, Royal Centre, 1055 West Georgia Street,
Vancouver, BC V6E 4N7

(together the “**Operator**”)

Facility:

Name of child care centre: Hastings Park Childcare Centre

Civic address: 150 North Renfrew Street

Extension Term:

until November 9, 2019

Licence Fee:

\$1.00 per year

WITNESSES THAT WHEREAS:

- A. The City is the owner of Hastings Park. The City has granted to the Operator a license and management agreement dated November 1, 2007 (the **"Operating Agreement"**) of the Hastings Park Horse Racetrack and associated buildings (the **"Racetrack Site"**);
- B. Pursuant to the Operating Agreement and the Permanent Child Care Facility agreement dated October 25, 2007, the Operator was required to construct and be financially responsible for a childcare facility at Hastings Park (the **"Facility"**);
- C. By resolution made at its meeting on November 2, 2010, the City's elected council appointed the Society as operator of the Facility and directed that the Society be granted a licence of the Facility with the Operator as a party thereto;
- D. By a licence agreement dated April 1, 2011 (the **"Licence Agreement"**) between the City, the Operator and the Society, the City granted the Society a licence to operate the Facility from March 31, 2011 (the date of issuance of the occupancy permit for the Facility) until November 10, 2012;
- E. With City Council's approval with respect to each extension and pursuant to an Amending Agreement dated the 23rd day of October, 2012 and a further Amending Agreement dated the 22nd day of October, 2014, the City and the Operator extended the Operating Agreement to expire on November 9, 2016;
- F. On November 1 and 2, 2016, City Council approved the further extension of the Operating Agreement for a period of three years commencing on November 10, 2016 and expiring November 9, 2019, and the City and the Operator have entered into an Amendment to Hastings Park Operating Agreement dated November 7, 2016 to extend the Term of the Operating Agreement as such (the **"November 2016 Amendment"**);
- G. The Society has been in continuous occupation of the Facility from March 31, 2011 to the date of this Agreement, and continues to operate the Facility under the terms of the Licence Agreement. It was the intention of the parties to extend the Licence Agreement to terminate concurrently with the Operating Agreement; and
- H. The parties are now desirous of extending the Licence Agreement to ensure the continued operation of the Facility for the same period that the Operator continues its occupation of the Racetrack Site in accordance with the November 2016 Amendment.

NOW THEREFORE for consideration (the receipt and sufficiency of which the parties hereto acknowledge and agree), the parties hereto covenant and agree as follows:

- 1. All capitalized terms used herein shall have the same meanings ascribed to them in the Licence Agreement, unless the context otherwise requires.
- 2. The parties hereto covenant and agree that the Term of the Licence Agreement is hereby extended and shall expire concurrently with the Operating Agreement on November 9, 2019.

3. Except as hereby expressly modified, the Licence Agreement is hereby ratified and confirmed by the City, the Society and the Operator to the effect and with the intent that the Licence Agreement and this Agreement shall be read and construed as one document.

4. No alteration or amendment of the Licence Agreement or this Agreement shall have effect unless the same is in writing and duly executed by the parties to be charged.

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

6. Time shall be of the essence of this Agreement.

7. In the event of any conflict between the terms and conditions of the Licence Agreement and the terms and conditions of this Agreement, the terms and conditions of this Agreement will prevail.

8. This Agreement may be executed in counterparts which may be delivered electronically or by facsimile transmission and which together shall constitute the whole agreement.

IN WITNESS WHEREOF the parties hereto have executed this agreement as of the day and year first above written.

CITY OF VANCOUVER

per:

Authorized Signatory

KIWASSA NEIGHBOURHOOD SERVICES ASSOCIATION

per:

Authorized Signatory

Authorized Signatory

HASTINGS ENTERTAINMENT INC.

per:

Authorized Signatory

Authorized Signatory

GREAT CANADIAN GAMING CORPORATION

per:

Authorized Signatory

Authorized Signatory

This is the signatory page of a licence extension and amendment agreement between the City of Vancouver as licensor and Kiwassa Neighbourhood Services Association as licensee concerning Hastings Park Childcare Centre with Hastings Entertainment Inc. and Great Canadian Gaming Corporation as parties.

Evans, Jerry

From: Evans, Jerry
Sent: Tuesday, December 13, 2016 11:04 AM
To: Dawson, Mahshid
Cc: Krueger, Gregory
Subject: RE: RTS11622 -Extension and Amendments to Hastings Park Operating Agreement

Hi Mahshid,

s.13(1)

s.12(3)(b), s.13(1)

s.12(3)(b), s.13(1)

s.13(1)

Jerry Evans, B.Sc., MRICS
Director of Real Estate Services | Real Estate Services | Real Estate and Facilities Management
CITY OF VANCOUVER 507 West Broadway, Suite 400 Vancouver BC V5Z 0B4
t: 604.873.7430 | f: 604.873-7064 | e: jerry.evans@vancouver.ca

From: Dawson, Mahshid
Sent: Monday, December 05, 2016 1:19 PM
To: Evans, Jerry
Cc: Krueger, Gregory
Subject: RE: RTS11622 -Extension and Amendments to Hastings Park Operating Agreement

Hi Jerry,

s.12(3)(b), s.13(1)

s.12(3)(b), s.13(1)

Kind regards
Mahshid Dawson, CPA, CA
Manager of Financial Reporting
Finance, Risk and Supply Chain Managment
City of Vancouver | 453 West 12th Ave, Vancouver, BC V5Y 1V4
T: 604.673.8376
mahshid.dawson@vancouver.ca

From: Evans, Jerry
Sent: Thursday, December 01, 2016 5:02 PM
To: Dawson, Mahshid
Cc: Ng, Giana
Subject: Re: RTS11622 -Extension and Amendments to Hastings Park Operating Agreement

Hi Mashid,

s.12(3)(b), s.13(1)

Jerry

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Dawson, Mahshid
Sent: Thursday, December 1, 2016 4:19 PM
To: Evans, Jerry
Cc: Ng, Giana
Subject: RE: RTS11622 -Extension and Amendments to Hastings Park Operating Agreement

Hi Jerry,

s.12(3)(b), s.13(1)

s.12(3)(b), s.13(1)

Kind regards,
Mahshid Dawson, CPA, CA
Manager of Financial Reporting
Finance, Risk and Supply Chain Managment
City of Vancouver | 453 West 12th Ave, Vancouver, BC V5Y 1V4
T: 604.673.8376
mahshid.dawson@vancouver.ca

Communications - Confidential Issue Note

Issue: Hastings Park - Operations
Department: Licences and Inspections
Date: November 25, 2016
Responsible: Bill Aujla, REFM

Key Facts Regarding the Issue:

On November 7 2016 The City of Vancouver entered into an agreement with Hastings Entertainments Inc. and Great Canadian Gaming Corporation, to extend the Hastings Racecourse Operating Agreement for a further three years.

Key Messages:

- This is a three year extension
- Expires November 2019
- Various public/ community benefits continue to be secured (see Article 2.2) including permanent childcare and community events

Background:

The original agreement commenced in 2007, following Council approval in 2004 of a rezoning to allow the introduction of slot machines.

FAQ's:

Q: What are the changes to liquor and gaming in this amendment?

See clauses (Article 4 and 6). These provide the Operator with the option to pursue applications to add gaming tables and to make an application to amend its liquor license to permit the service of alcoholic beverages on the Slots Floor.

s.13(1)



Q: What provisions for change are there?

The backstretch area in the Take Back Area (Article 5) could potentially be reduced and some of the existing buildings (stables) could be demolished and be in line with this agreement. If this occurs it will reduce the number of stables in the Backstretch area, which could be a concern to the horsemen and horse racing community.

No decision has been made regarding timing of that take back occurring which would be subject to funding, and may not occur during the term of the extended agreement.

Article 6 outlines that 'the Operator acknowledged that the City may commend a public engagement consultation to provide visioning for the future use of the Site.'

Q: Who signed this agreement for the City?

The agreement was signed by Andrew Francis in Law for and behalf of Francie Connell, Director, Legal Services.

Communications Contact: Rena Kendall-Craden
Program Area Contact: Jerry Evans
Spokesperson: Jerry Evans. For regulatory go to Kaye Krishna or Kaye Llewellyn-Thomas
File Created: Nov 25, 2016
File Updated: Nov 28, 2016
File Location:

November 21, 2016

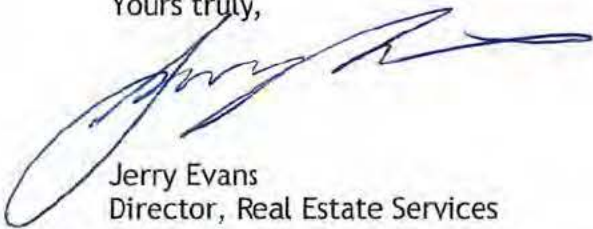
Chuck Keeling
Vice President, Stakeholder Relations and Responsible Gaming
Great Canadian Gaming Corporation
150 - 8831 River Road
Richmond, BC V6X 1Y6

Dear Chuck:

RE: Amendment to Hastings Park Operating Agreement

Please find enclosed one fully executed copy of the Amendment to Hastings Park Operating Agreement for your records.

Yours truly,



Jerry Evans
Director, Real Estate Services
City of Vancouver
Real Estate & Facilities Management
#320 - 507 West Broadway
Vancouver, BC V5Z 0B4
tel: 604.873 7430

JE/

Enclosure

Letter- Amendment to Operating Agreement Nov2016.docx

Evans, Jerry

From: Evans, Jerry
Sent: Wednesday, November 02, 2016 9:13 AM
To: Johnston, Sadhu
Cc: Impey, Patrice; Aujla, Bill; Greenberg, Jeff
Subject: Hastings Racecourse - Question at in camera meeting today

Hi Sadhu,

Further to the question raised by Cllr. Meggs in regard to the revenue sharing model and the percentage that that revenue share represents of the total slots revenues received by the province, as follows:

Provincial annual net income (2016) from slots at racetracks.

The combined total annual net income that the province receives from slots at both Hastings and Fraser Downs is \$39.12 million. Of that net income the province contributes \$9.78 million (25% of the total) to the Horse Industry Budget.

BC Horse Racing Industry Funding Allocation:

The BC Horse Racing Industry (Thoroughbred and Standardbred) operates with two funding streams; income from horse racing wagering, and income from slot machines at Elements/Fraser Downs casino and slot machines at Hastings (25% of slots net income).

The 2016 Horse Industry Budget includes \$17.88 million from industry wagering, and \$9.78 million from slots revenues. The combined income is then distributed in an agreed upon formulae that gives 33.63% to the Thoroughbred sector, 23.16% to the Standardbred sector, and 43.2% to the Operator of both tracks.

Horse Industry Budget -

Monies go towards the following:

Horse racing sector:

-purses
-breeders' supplements (to encourage breeding in the province) -racing incentives (to encourage owners to buy horses from other jurisdictions and then keep the horses in BC).

Track Operator:

Contribution towards covering operational costs associated with the conduct of live racing.

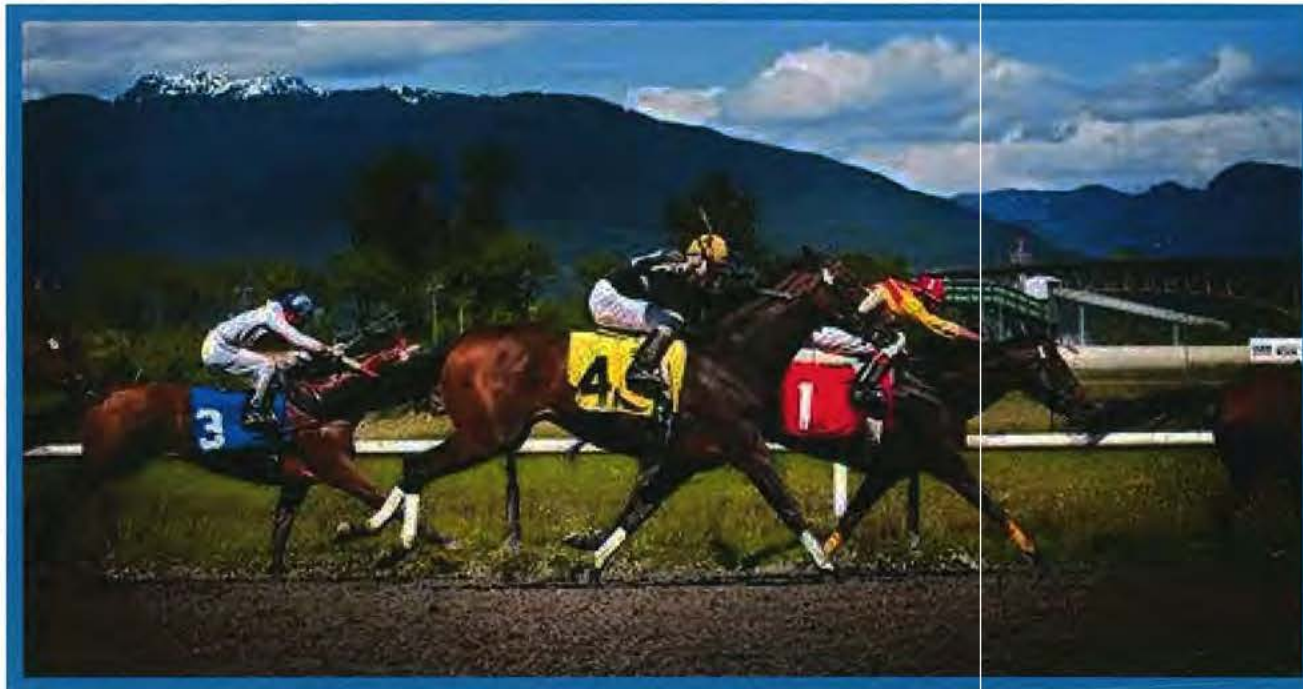
You may wish to forward directly to Cllr Meggs, or we can wait until in camera meeting today to answer.

Jerry Evans, B.Sc., MRICS

Director of Real Estate Services | Real Estate Services | Real Estate and Facilities Management
CITY OF VANCOUVER 507 West Broadway, Suite 400 Vancouver BC V5Z 0B4
t: 604.873.7430 | f: 604.873-7064 | e: jerry.evans@vancouver.ca

Extension and Amendments to Hastings Park Operating Agreement(Hastings Racecourse)

SCANNED



Vancouver City Council (In Camera) RTS 11622 – November 1, 2016

In Camera Rationale: Section 165.2(1) of the *Vancouver Charter*: (e) the acquisition, disposition or expropriation of land or improvements, if the Council considers that disclosure could reasonably be expected to harm the interests of the City; (k) negotiations and related discussions respecting the proposed provision of an activity, work or facility that are at their preliminary stages and that, in the view of the Council, could reasonably be expected to harm the interests of the City if they were held in public.



HASTINGS RACECOURSE OPERATING AGREEMENT

Site Area (45 acres)





QUESTIONS / DISCUSSION

Evans, Jerry

From: Evans, Jerry
Sent: Friday, October 21, 2016 12:59 PM
To: 'Chuck Keeling'
Subject: RE: Amendment to Hastings Park Operating Agreement
Attachments: blackline.pdf

Hi Chuck,

As discussed last week, the Hasting Operating Agreement as a licence agreement only provides the Operator certain limited rights being a non-exclusive right or license to use the Site. Given the limited rights afforded to the Operator under this type of legal agreement the City would not provide indemnities or non-disturbance clauses. As you know the licence agreement has been in effect since 2007, and has enabled Operator to undertake their racetrack and slots operations. In the event that the City does take back portions of the Site what I can say is that the City will work in a collaborative manner with the Operator to mitigate any operational impacts, if any, to ensure that the Operator is able to undertake Horse Racing Operations and Slots Operations as defined in the Operating Agreement.

As also mentioned in our conversation last week, other than the Take Back Area as defined in the Amendment, any other areas of the site would require the mutual agreement of both parties before they could be taken back. So this would allow plenty of opportunity to develop a collaborative agreed upon approach to deal with operational issues that may be of concern.

I'm also attaching for your review a latest blacklined version of the Amendment agreement provided to me by our Legal Services. In section 5.1 I asked them to add additional wording to clarify that the City has the obligation to be responsible at his sole cost for demolition and removal costs for buildings, structures or improvements. I've added a section 2.7 that is simply an acknowledgement that the Operator will continue with the Licence Agreement between the City, Operator and Society for the childcare. And finally 5.7.1, is corrected to indicate "20%".

In regard to the access to the infield in inclement weather conditions, my suggestion/ thoughts on that was to have some agreed upon arrangement (perhaps an MOU) directly between the Operator and the PNE about what measures need to be in place in inclement weather conditions so that access to the infield is still enabled, but not causing extra costs to the Operator as a result of damage to racetrack. If I'm understanding the arrangement correctly the racecourse receives a fee which is a percentage of net revenues. In an MOU the parties could agree that if there are additional costs to protect the track it would be deducted of the gross parking revenues, then both the PNE and the racetrack receive their proportionate share?

Once you have had time to review please get back to me with any comments. As mentioned previously we are now on the November 1st council agenda, assuming we can finalize everything early next week.

Regards,

Jerry Evans, B.Sc., MRICS

Director of Real Estate Services | Real Estate Services | Real Estate and Facilities Management
CITY OF VANCOUVER 507 West Broadway, Suite 400 Vancouver BC V5Z 0B4
t: 604.873.7430 | f: 604.873-7064 | e: jerry.evans@vancouver.ca

From: Chuck Keeling [mailto:ckeeling@gcgaming.com]
Sent: Tuesday, October 18, 2016 2:55 PM
To: Evans, Jerry
Subject: RE: Amendment to Hastings Park Operating Agreement

Jerry- I think we are almost there, but can you remind me of what you stated on anything related to a non-disturbance clause (not the indemnification issue- I understand your rationale on that one), unless it was similar to your point about indemnifying us? And in absence of a indemnification clause would you willing to state in an email that the "city would be open to a discussion about how to rectify any business interruption or impact should it occur as a result of city-based activity" (or something like that)?

And finally, can you remind me what you have suggested around our position related to consent to access to the track and infield based on our concern regarding inclement weather? I recall us talking about it, and your suggestion about possibly keeping out of the lease, but I don't actually recall if we agreed to anything regarding that.

Thanks.

Chuck

Chuck Keeling
Vice President, Stakeholder Relations and
Responsible Gaming
Great Canadian Gaming Corporation
150 – 8831 River Road
Richmond, BC V6X 1Y6
Direct 604.247.4197
Cell 778.874.4942
ckeeling@gcggaming.com



From: Chuck Keeling
Sent: Thursday, October 13, 2016 1:01 PM
To: 'Evans, Jerry'
Cc: Tsai, Ginny; Desmond Balakrishnan (Desmond.Balakrishnan@mcmillan.ca)
Subject: RE: Amendment to Hastings Park Operating Agreement

Hi Jerry.

We've now had a chance to review and would like to propose the following:

s.21(1)

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s.21(1)

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Thanks Jerry- happy to discuss further if there is value. I've also cc'ed our legal counsel.

Chuck

Chuck Keeling
Vice President, Stakeholder Relations and
Responsible Gaming
Great Canadian Gaming Corporation
150 – 8831 River Road
Richmond, BC V6X 1Y6
Direct 604.247.4197
Cell 778.874.4942
ckeeling@gcgaming.com



From: Evans, Jerry [<mailto:jerry.evans@vancouver.ca>]
Sent: Wednesday, October 05, 2016 2:33 PM
To: Chuck Keeling
Cc: Tsai, Ginny
Subject: Amendment to Hastings Park Operating Agreement

Hi Chuck,

Thanks for your patience on this one. I have had a number of competing work priorities of late.

Please find attached a draft version of the Amendment. Our Legal Services department is currently reviewing this draft, so there may be some amendments to follow. Given that time is ticking by, I wanted to get it out to you sooner rather than later so that you can review.

Once you have had time to review, I am available to answer any questions or comments that you may have. I'm also copying our lawyer Ginny Tsai on this email, as you may wish to pass on her contact details to your lawyer.

Best regards,

Jerry Evans, B.Sc., MRICS

Notice Regarding Confidentiality of Transmission

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s.13(1), s.21(1)

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s.13(1), s.21(1)

Evans, Jerry

From: Tsai, Ginny
Sent: Friday, October 14, 2016 5:27 PM
To: Evans, Jerry
Cc: Greenberg, Jeff
Subject: RE: Amendment to Hastings Park Operating Agreement
Attachments: blackline.pdf; Amendment to Hastings Park Operating Agreement (00571820-2xD3527).pdf; council report comments (00571843xD3527).pdf

Hi Jerry,

s.14

A large rectangular area of the email body is redacted with a solid grey background.

Best regards,
Ginny

Ginny Tsai
Solicitor | Legal Services | City of Vancouver
t: 604.873.7063

This message may be confidential and subject to solicitor-client privilege. Confidentiality and privilege are not lost by this message having been sent to the wrong person. If you are not the intended recipient, please notify us immediately by return e-mail and destroy this message. Any use of this message by an unintended recipient is prohibited.

From: Evans, Jerry
Sent: Friday, October 14, 2016 3:10 PM
To: Tsai, Ginny
Cc: Greenberg, Jeff
Subject: RE: Amendment to Hastings Park Operating Agreement

s.14

A rectangular area of the email body is redacted with a solid grey background.

Thanks
Jerry

From: Evans, Jerry
Sent: Friday, October 14, 2016 2:56 PM
To: Tsai, Ginny
Cc: Greenberg, Jeff
Subject: RE: Amendment to Hastings Park Operating Agreement
Importance: High

Hi Ginny,

s.14

A large rectangular area of the document is redacted with a solid grey fill, spanning most of the width and a significant portion of the height of the top section.

Jerry

From: Tsai, Ginny
Sent: Thursday, October 13, 2016 4:56 PM
To: Evans, Jerry
Cc: Greenberg, Jeff
Subject: FW: Amendment to Hastings Park Operating Agreement

Hi Jerry,

s.14

A large rectangular area of the document is redacted with a solid grey fill, spanning most of the width and a significant portion of the height of the middle section.

Best regards,
Ginny

Ginny Tsai
Solicitor | Legal Services | City of Vancouver
t: 604.873.7063

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From: Chuck Keeling [<mailto:ckeeling@gcgaming.com>]
Sent: Thursday, October 13, 2016 1:01 PM
To: Evans, Jerry
Cc: Tsai, Ginny; Desmond Balakrishnan (Desmond.Balakrishnan@mcmillan.ca)
Subject: RE: Amendment to Hastings Park Operating Agreement

Hi Jerry.

We've now had a chance to review and would like to propose the following:

s.21(1)

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s.21(1)

A rectangular area of the document is redacted with a solid grey fill.

s.21(1)

A large rectangular area of the document is redacted with a solid grey fill.

Thanks Jerry- happy to discuss further if there is value. I've also cc'ed our legal counsel.

Chuck

Chuck Keeling
Vice President, Stakeholder Relations and
Responsible Gaming
Great Canadian Gaming Corporation
150 – 8831 River Road
Richmond, BC V6X 1Y6
Direct 604.247.4197
Cell 778.874.4942
ckeeling@gcgaming.com



From: Evans, Jerry [<mailto:jerry.evans@vancouver.ca>]
Sent: Wednesday, October 05, 2016 2:33 PM
To: Chuck Keeling
Cc: Tsai, Ginny
Subject: Amendment to Hastings Park Operating Agreement

Hi Chuck,

Thanks for your patience on this one. I have had a number of competing work priorities of late.

Please find attached a draft version of the Amendment. Our Legal Services department is currently reviewing this draft, so there may be some amendments to follow. Given that time is ticking by, I wanted to get it out to you sooner rather than later so that you can review.

Once you have had time to review, I am available to answer any questions or comments that you may have. I'm also copying our lawyer Ginny Tsai on this email, as you may wish to pass on her contact details to your lawyer.

Best regards,

Jerry Evans, B.Sc., MRICS
Director of Real Estate Services | Real Estate Services | Real Estate and Facilities Management
CITY OF VANCOUVER 507 West Broadway, Suite 400 Vancouver BC V5Z 0B4
t: 604.873.7430 | f: 604.873-7064 | e: jerry.evans@vancouver.ca

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Evans, Jerry

From: Cheng, Grace
Sent: Tuesday, October 04, 2016 6:25 AM
To: Evans, Jerry
Subject: RE: Hastings Racecourse in camera report

sorry about the tardiness...

s.13(1)

is this what you are looking for?

thx.

grace

From: Evans, Jerry
Sent: September 29, 2016 2:24 PM
To: Cheng, Grace
Subject: RE: Hastings Racecourse in camera report

Awesome Thanks!

Here's the link to host revenues last fiscal year for Hastings

<http://www2.gov.bc.ca/assets/gov/sports-recreation-arts-and-culture/gambling/gambling-in-bc/reports/fin-rpt-local-gov-revenue.pdf>

Vancouver: \$1,097,346.30 (April 2015 to Mar 2016).

Jerry

From: Cheng, Grace
Sent: Thursday, September 29, 2016 1:48 PM
To: Evans, Jerry
Subject: RE: Hastings Racecourse in camera report

That should work...give me a \$ and I can work that out!

Grace

From: Evans, Jerry
Sent: Thursday, September 29, 2016 11:40 AM
To: Cheng, Grace
Subject: Hastings Racecourse in camera report

Hi Grace,

We are going to Council in October to get approval for a 3 year extension of the Operating Agreement. One of the Guiding Principles approved by Council back in May was that:

s.12(3)(b)

s.13(1)



Thanks

Jerry Evans, B.Sc., MRICS

Director of Real Estate Services | Real Estate Services | Real Estate and Facilities Management

CITY OF VANCOUVER 507 West Broadway, Suite 400 Vancouver BC V5Z 0B4

t: 604.873.7430 | f: 604.873-7064 | e: jerry.evans@vancouver.ca

Evans, Jerry

From: Busch, Yemodish
Sent: Friday, September 30, 2016 2:03 PM
To: Evans, Jerry
Subject: RE: Hastings Racecourse, Contract 10814

Hi Jerry,

- The Operating Fee is paid up to November 9, 2016
- The Community Legacy Fee and Green Fee are paid until October 31, 2016.
- 2015 CPI is paid on both the Operating Fee and Community Legacy Fee.
- There is one small error in calculating the CPI - when Accounting calculated the 2015 CPI increase, they used the month of December 2015 rate of 122.4; however, as per the lease it should have been the annual average for 2015 @ 121.9. Therefore, COV has over charged them. Henry Woo, the manager of operation will be back to work on Monday and I will talk to him to get it fixed at that point. The total overcharge by COV for the 2015 CPI increase for both Operating /Community Legacy Fees is approximately \$5,400.00 + GST (5%).

To answer your question. Hastings Entertainment has paid to the following;

Operating Fee, January 1, 2016 – **November 9, 2016** = \$857,923.50 + GST (please note the OP Fee is pro-rated to Nov. 9/2016 from the \$1M agreed)

CPI increase on Operating Fee for 2015 adjusted in 2016= \$111,000.00 + GST (2015 CPI is paid)

Community Legacy Fee, November 1, 2015 – **October 31, 2016** = \$100,000 + GST (is paid up to October 31, 2016)

CPI increase on Legacy Fee for 2015 adjusted in 2016 = \$11,000.00 + GST – (2015 CPI is paid)

Greening Fee, November 1, 2015 – October 31, 2016 = \$500,000.00 + GST (is paid up to October 31, 2016)

No CPI is required on Greening Fee.

Please let me know if I can provide you more information.

Thank you,

Yemodish (Yemi) Busch

Supervisor, Property Clerks | Real Estate Services | Real Estate and Facilities Management

CITY OF VANCOUVER 507 West Broadway, Suite 400 Vancouver BC V5Z 0B4

t: 604.873.7427 | f: 604.873-7064 | e: yemodish.busch@vancouver.ca

Courier Documents to: City of Vancouver, Real Estate and Facilities Management, Attn: Yemi Busch, #320-507 W Broadway, Vancouver, BC V5Z 0B4

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From: Evans, Jerry
Sent: Thursday, September 29, 2016 3:34 PM
To: Busch, Yemodish
Subject: Hastings Racecourse

Hi Yemi,

Can you find out what the current CPI adjusted Operating fees are for Hastings Racecourse i.e. what they paid in 2016.

Operating fees are the Annual Operating Fee , Greening Fee, Legacy Fund fee I believe.

Thanks,

Jerry Evans, B.Sc., MRICS

Director of Real Estate Services | Real Estate Services | Real Estate and Facilities Management

CITY OF VANCOUVER 507 West Broadway, Suite 400 Vancouver BC V5Z 0B4

t: 604.873.7430 | f: 604.873-7064 | e: jerry.evans@vancouver.ca

Evans, Jerry

From: Evans, Jerry
Sent: Thursday, August 11, 2016 9:08 AM
To: Greenberg, Jeff; Dragnea, Irina
Cc: Tsai, Ginny
Subject: RE: Extension and Amendment to the Hastings Racecourse Operating Agreement

Hi Jeff,

Will try and arrange a quick meeting before you go on vacation. I appreciate that September 20th is tight, and we can extend to next meeting in early October. Just don't want it to get too close to expiry date in November.

Irina: Can you please try and find a time for a meeting with Jeff and Ginny, today or tomorrow. Probably 30 minutes will do.

Thanks
Jerry

From: Greenberg, Jeff
Sent: Wednesday, August 10, 2016 10:41 AM
To: Evans, Jerry
Cc: Tsai, Ginny
Subject: RE: Extension and Amendment to the Hastings Racecourse Operating Agreement

Hi Jerry

Ginny is going to assist me with this matter. She is Excellent !!!!

Your proposed timing is extremely challenging and likely not possible as I am away from the office as of Friday and I need to be involved in reviewing any Draft Agreement before it gets sent certainly to HEI (the "Operator") and so I will be staying involved with Ginny in terms of the drafting. As you know, there is a long history here and we need to keep that in mind as we move forward.

I think an internal meeting is a good idea if there is time this week. Please try and arrange for the 3 of us and anyone else you want to attend.

I believe that you can concurrently with the drafting of the Extension and Amendment work on your Council Report, but I do not believe we will have a Draft agreement available for the end of August so you may wish to push your target dates out a couple of weeks.

Please give me a call to discuss if any concerns or just try and arrange a meeting

Thanks

Jeff

Jeff Greenberg
Solicitor
City of Vancouver
(p) 604-871-6368
(f) 604-873-7445

From: Evans, Jerry
Sent: Tuesday, August 09, 2016 6:11 PM
To: Greenberg, Jeff
Subject: Extension and Amendment to the Hastings Racecourse Operating Agreement

Hi Jeff,

As you know, on May 31, 2016 ratified the Guiding Principles and Negotiation Considerations to guide staff in the negotiation of an amended operating Agreement with extended term. And furthermore Council directed staff to commence negotiations for an amended Operating Agreement with a minimum term of three years. Terms all subject to Council approval.

RES has negotiated the principle terms for the amended terms of the Operating Agreement, extended for a further three (3) year term to expire November 9th, 2019. The next step is to prepare a draft Extension and Amending Agreement. Once HEI have reviewed and agreed the draft of the Extension and Amending Agreement a report to Council will seek approval for the extension and amended terms. I'm now seeking your help in preparing the draft Agreement.

In essence the amended terms should encapsulate the following:

- A three year extension of the Initial term to expire November 9th, 2019
- Operating fees remain the same as currently payable.
- As required for civic uses, a potential reconfiguration of the Backstretch or use of infield during extended term . This would result in a reduction in site area controlled by HEI.
- Any reduction in the Site area to result in a commensurate reduction in Minimum Operating Fee based on the proportion of the site area reduced.
- That a public engagement/ future planning process may commence during the extended term
- Amendment to the Parking Management Plan to also include the current informal parking arrangement between PNE/ HEI during the PNE Fair.
- HEI may well make an application to amend the Rezoning By-law to allow for the introduction of electronic table games (or table games). So consideration needs to be given to any required amendments to the Operating Agreement, in the event that By-law amendments are approved by Council. Can this eventuality be incorporated into the Operating Agreement so that any changes to the By-Law do not require going back to Council to seek approval to amend the terms of the Operating Agreement that relate to such matters?
- HEI may well make an application for a liquor license that allows alcohol to be served on the slots floor. Can this eventuality be incorporated into the Operating Agreement so that any liquor license changes do not require going back to Council to seek approval to amend the terms of the Operating Agreement?

I think it would be helpful to meet to discuss in some further detail. I understand that given your other work commitments, you may have another lawyer also working on the file? Can you please advise.

In terms of timing, I'm looking to get an in camera Council date for end of September. And therefore aiming to get a draft Agreement to HEI in August.

Regards,

Jerry Evans, B.Sc., MRICS

Evans, Jerry

From: Chuck Keeling <ckeeling@gcgaming.com>
Sent: Tuesday, July 05, 2016 12:46 PM
To: Evans, Jerry
Cc: Darren MacDonald; Mario s.22(1)
Subject: Hastings' lease extension
Attachments: Hastings 2.jpg

Hi Jerry; below is the series of bullet points we are proposing to form the basis of a new lease extension, based on the feedback we received from you and Bill in early June.

- s.21(1)

-

-

-

-

-

-

-

s.21(1)

Thanks, and have a great trip.

Chuck

Chuck Keeling
Vice President, Stakeholder Relations and
Responsible Gaming

Great Canadian Gaming Corporation
150 – 8831 River Road
Richmond, BC V6X 1Y6
Direct 604.247.4197
Cell 778.874.4942
ckeeling@gcgaming.com




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Evans, Jerry

From: Imai, Charlene
Sent: Wednesday, June 01, 2016 9:54 AM
To: Aujla, Bill; Evans, Jerry; Llewellyn-Thomas, Kathleen; Impey, Patrice; Hutch, Dave; Greenberg, Jeff; Dragnea, Irina; Holvor, Laura; Zak, MaryClare
Subject: s.12(3)(b)



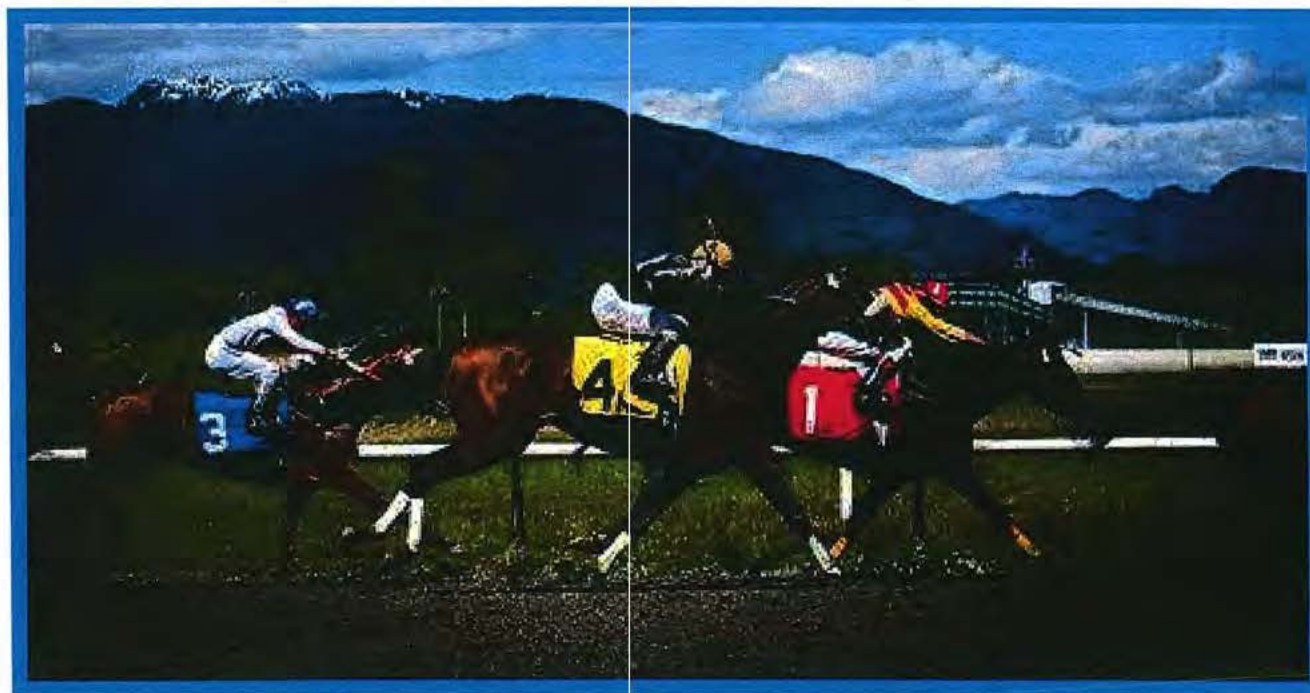
s.12(3)(b)



Char
Charlene K. Imai
Meeting Coordinator
Council Operations
City Clerk's Department
City of Vancouver
Tel: 604.873.7657

SCANNED

Proposed Extension and Amendments to Hastings Racecourse Operating Agreement



Vancouver City Council (In Camera) RTS 11459 – May 31, 2016

In Camera Rationale: Section 165.2(1) of the *Vancouver Charter*: (k) negotiations and related discussions respecting the proposed provision of an activity, work or facility that are at their preliminary stages and that, in the view of the Council, could reasonably be expected to harm the interests of the City if they were held in public; and Section 165.2(1)(i) the receipt of advice that is subject to solicitor-client privilege, including communications necessary for that purpose.



HASTINGS RACECOURSE OPERATING AGREEMENT

Site Area (45 acres)





LAW DEPARTMENT

File No.: LS-19-02192-001

MEMORANDUM

January 14, 2020

TO: Katrina Leckovic, City Clerk

CC: Jerry Evans, Director, Real Estate Services *(with enclosure)*

FROM: Ginny Tsai, Solicitor, Legal Services

RE: **Amendment to Hastings Park Operating Agreement**

Attached please find document for filing:

TYPE OF AGREEMENT	One copy of signed AMENDING AGREEMENT
DATE OF AGREEMENT (If this date is execution date and there is more than one date, use the latest date as the date of the agreement)	November 4, 2019
PARTIES (complete names)	CITY OF VANCOUVER and HASTINGS ENTERTAINMENT INC. and GREAT CANADIAN GAMING CORPORATION
CIVIC ADDRESS (no abbreviations – must be searchable)	188 North Renfrew Street
LEGAL DESCRIPTION (no abbreviations – must be searchable)	A Portion of Lot 90 Except Part in Plan 13045 Town of Hastings Suburban Lands Plan 100; A Portion of Block X, Except Part in Explanatory Plan 13247, Town of Hastings Plan 17745; and Portions of Eton Street and Nootka Street adjacent to the said Remainders of Lot 90 and Block X
EXPIRY DATE (indicate "N/A" if there is no expiry date)	November 9, 2024

RETENTION DATE (if there is an expiry date, fill in the date that the City clerk may send this document to Records – usually one year after expiry date)	November 9, 2034
REMINDER DATE (if there are no expiry/retention dates. THIS MUST BE FILLED IN – the lawyer can help to determine when this agreement could possibly be sent to Records – City Clerk's will use this date to remind us to review the agreement to determine whether it can be sent to Records)	N/A
WHO TO NOTIFY (this may be more than one person) [make sure you indicate the person's name, department (including division) and telephone number]	Ginny Tsai, Solicitor, Legal Services 604-873-7063 Jerry Evans, Director, Real Estate Services 604-873-7430
FILE NUMBER (Law Department file number)	LS-19-02192-001



Ginny Tsai
 Phone: 604-604-873-7063
 Fax: 604-873-7445

:hkg
 Attachment

AMENDMENT TO HASTINGS PARK OPERATING AGREEMENT

THIS AMENDING AGREEMENT (this “Agreement”) dated for reference the 4th day of November, 2019,

AMONG:

CITY OF VANCOUVER, a municipal corporation with offices at
453 West 12th Avenue, Vancouver, British Columbia, V5Y 1V4

(the “City”)

AND:

HASTINGS ENTERTAINMENT INC., (Inc. No. 626095), a company
having a registered office at 1500 Royal Centre
1055 West Georgia Street, Vancouver, British Columbia, V6E 4N7,
incorporated pursuant to the laws of the Province of British
Columbia

(“HEI”)

AND:

GREAT CANADIAN GAMING CORPORATION (Inc. No. 388982), a
company having a registered office at 1500 Royal Centre, 1055
West Georgia Street, Vancouver, British Columbia, V6E 4N7,
incorporated pursuant to the laws of the Province of British
Columbia

(“GCGC”, and together with HEI, the “Operator”)

WITNESSES THAT WHEREAS:

A. The City is the owner of all and singular those certain lands and premises situate in the City of Vancouver, Province of British Columbia, legally described as a portion of Lot 90 Except Part in Plan 13045 Town of Hastings Suburban Lands Plan 100; a portion of Block X, Except Part in Explanatory Plan 13247, Town of Hastings Plan 17745; and portions of Eton Street and Nootka Street adjacent to the said Remainders of Lot 90 and Block X, upon a portion of which lands and premises are situate a horse racetrack, a grandstand building, stables, paddocks, jockey quarters and attendant facilities and various other facilities and improvements (collectively, the “Site”);

B. On July 22, 2004, City Council approved, subject to a number of conditions, an application by the Operator to amend CD-1 By-law No. 3656 for 2901 East Hastings Street to permit the installation and operation of a maximum of 900 slot machines, which has subsequently been reduced to 600 slot machines as a prior-to condition to issuance of Development No. DE409601 (the “Slot Operations”) within specific areas

of the Site and on October 4, 2005, Council enacted the Rezoning By-Law to permit the Slot Operations as a use on the Site;

C. By way of an Operating Agreement dated November 1, 2007 among the City and the Operator (the **"Original Operating Agreement"**), the City granted to the Operator a non-exclusive right to use the Site for the purpose of, among other things, conducting the Slots Operations for an initial term of five years commencing on November 10, 2007 and expiring November 9, 2012 (the **"Slots Term"**), all in accordance with the terms and conditions of the Original Operating Agreement;

D. On July 25, 2012, City Council approved, subject to a number of conditions, the extension of the Term of the Original Operating Agreement for a further period of two years commencing on November 10, 2012 and expiring November 9, 2014 (the **"First Extension Term"**), and the parties hereto entered into an Amending Agreement dated the 23rd day of October, 2012 (the **"First Amending Agreement"**), which extended the Term and the Slots Term on the terms and conditions contained in the First Amending Agreement;

E. On October 15, 2014, City Council approved the further extension of the Term and the Slots Term under the Original Operating Agreement (as amended by the First Amending Agreement) for a further period of two years commencing on November 10, 2014 and expiring November 9, 2016 (the **"Second Extension Term"**), and the parties hereto entered into an Amending Agreement dated the 22nd day of October, 2014 (the **"Second Amending Agreement"**), which extended the Term and the Slots Term on the terms and conditions contained in the Second Amending Agreement;

F. On November 1 and 2, 2016, City Council approved the further extension of the Term and the Slots Term under the Original Operating Agreement (as amended by the First Amending Agreement and the Second Amending Agreement) for a period of three years commencing on November 10, 2016 and expiring November 9, 2019 (the **"Third Extension Term"**), and the parties hereto entered into an Amending Agreement dated for reference the 7th day of November, 2016 (the **"Third Amending Agreement"**), which extended the Term and the Slots Term on the terms and conditions contained in the Third Amending Agreement;

G. On July 23, 2019, City Council approved the further extension of the Term and the Slots Term under the Original Operating Agreement (as amended by the First Amending Agreement, the Second Amending Agreement and the Third Amending Agreement) for a period of five years commencing on November 10, 2019 and expiring November 9, 2024;

G. In this Agreement, the Original Operating Agreement, as amended by the First Amending Agreement, the Second Amending Agreement and the Third Amending Agreement, shall be collectively referred to herein as the **"Operating Agreement"**; and

H. The parties hereto have agreed to amend the Operating Agreement and extend the Term and the Slots Term, on the terms and conditions contained herein.

NOW THEREFORE THIS AGREEMENT WITNESSES that for consideration (the receipt and sufficiency of which is hereby acknowledged by the parties), the parties hereto covenant and agree as follows:

ARTICLE 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

Capitalized terms used herein have the meanings ascribed to such terms in the Operating Agreement unless otherwise specifically defined herein.

1.2 Interpretation

Wherever the singular or masculine is used in this Agreement the same shall be deemed to include the plural or the feminine or the body corporate, and vice versa.

ARTICLE 2 EXTENSION OF TERM

2.1 Extension of Term

Each of the Term and the Slots Term under the Operating Agreement shall be extended for a further period of five years commencing November 10, 2019 and expiring November 9, 2024 (the “**Fourth Extension Term**”), subject to any early termination rights as contained in the Operating Agreement. Provided there is mutual agreement between the parties hereto, and subject to further Council approval, the parties may extend the Term and the Slots Term for a further period of five years upon the expiry of the Fourth Extension Term.

2.2 Operating Agreement Applies

Except as otherwise expressly set out herein, all terms and conditions of the Operating Agreement shall apply during the Fourth Extension Term, including but not limited to the Operator’s requirement to pay the Operating Fees, the Hastings Park Greening Fee and the annual Community Legacy Fund Fee, together with the Operator’s requirement to provide the community benefits under the Operating Agreement such as the Permanent Childcare Facility, Access to the Infield, Movie Nights at the Track, Groom School and Learning Centre, Local Hiring Initiatives and Community Days, subject to any CPI Inflation Adjustment, as applicable, provided for under the Operating Agreement.

2.3 Not Renewal

The Fourth Extension Term shall not be considered a renewal of the Operating Agreement and the Operator will not be subject to the renewal provisions of the Operating Agreement including, but not limited to, the requirement to construct or provide Renewal Term Capital Improvements, and the Operator shall have no right of renewal of the Operating Agreement.

2.4 Definition of Expiry Date

The definition of Expiry Date contained in Section 1(nn) of the Operating Agreement shall be deleted in its entirety and replaced with the following:

“(nn) **“Expiry Date”** means the date that is 17 years after the Commencement Date;”

2.5 Section 107 of the Operating Agreement

Section 107 of the Operating Agreement shall be deleted in its entirety and replaced with the following:

“107. The City may, in its discretion and with prior written approval of the City, permit the Operator to continue to use the Site after the end of the Fourth Extension Term and without the execution and delivery of a new operating agreement or any renewal thereof, provided that there shall be no tacit renewal of this Agreement or the Fourth Extension Term hereby granted and the Operator shall be deemed to be using the Site, or any portions thereof, on a month to month basis, for the same Operating Fees and otherwise upon the same terms, conditions and provisos as set forth in this Agreement insofar as the same are applicable to a month to month use of the Site with the Minimum Operating Agreement Fees, Additional Percentage Fees and all other Operating Fees paid on a monthly basis as required by the City and subject to the terms of the City’s approval.”

2.6 Childcare Facility Agreement

During the Fourth Extension Term, the Operator covenants and agrees that the Operator shall continue to perform and observe all of the Operator’s obligations, liabilities and covenants contained in the Licence Agreement dated April 1, 2011 (as amended) between the Operator, the City and the Society regarding the operation of the Childcare Facility.

2.7



**ARTICLE 3
LIVE RACING REQUIREMENTS**

3.1 Live Racing Requirements

The City Manager may, in his discretion, amend from time to time the number of Minimum Live Racing Days and the number of Minimum Live Races required to be conducted by the Operator under the Operating Agreement during the

Fourth Extension Term, taking into consideration the recommendations of the B.C. Horse Racing Industry Management Committee and the authorizations provided by Governmental Authorities responsible for horse racing events in the Province of British Columbia, but otherwise the Minimum Live Racing Days and the Minimum Live Races requirements under the Operating Agreement will remain in full force and effect, unamended.

ARTICLE 4 SPECIAL EVENTS

4.1 Special Events

The Operator agrees to work collaboratively with the City to support special events and other potential shared uses of the Site, provided there will be no negative impacts to the Horse Racing Operations either financially or operationally. Any special event or other potential shared use of the Site shall be subject to prior mutual agreement between the parties hereto, each acting reasonably.

ARTICLE 5 TAKE BACK AREA

5.1 Reduction of Site

Subject to the terms and conditions of this ARTICLE 5, the parties agree that the City shall have the right, at any time, and from time to time, during the Fourth Extension Term, to take back from the Operator on a permanent basis for the sole and exclusive use of the City or the City's Personnel those areas of the Site outlined in red and hatched on the plan attached as Schedule A hereto (the "Take Back Area"). For certainty, the City may take back that portion of the Take Back Area outlined in red and hatched on the plan or any portion thereof as may be required for civic uses (including Temporary Modular Housing) from time to time, and the Site will thereafter be deemed to be reduced in size after each such taking and such areas that have been taken back by the City shall no longer be under the control of the Operator and removed from the definition of "Site" for the purposes of the Operating Agreement.

Without limiting the foregoing, at any time during the Fourth Extension Term, the City may wish to take back other portions of the Site. If the City communicates to the Operator its wishes to take back other portions of the Site, and if the City and the Operator are in mutual agreement at such time to give back such portions of the Site to the City, the parties may proceed and the provisions of this ARTICLE 5 will apply *mutatis mutandis*. For certainty, in the event any other portions of the Site are taken back by the City pursuant to this clause, any resulting demolition and removal of any buildings, structures or other improvements thereon shall be at the City's sole cost and expense.

5.2 Notice

The City agrees that the City will provide the Operator with a minimum of six months' prior written notice of its intention to take back all or any portion of the Take Back Area and advise the Operator of the effective date of such

taking in any such written notice. For certainty, the City may provide more than one notice during the Fourth Extension Term and take back portions of the Take Back Area over time.

5.3 Minimum Operating Fees

The parties hereto covenant and agree that from and after the effective date of any reduction in size of the Site, the Minimum Operating Fees shall also be deemed to be reduced in a proportionate manner. For the purposes of this Section, the parties hereby agree that the Site as at the date of this Agreement is 17.95 hectares (the "Total Area"). Any reduction in the size of the Site and any corresponding pro rata reduction in Minimum Operating Fees shall be calculated on the basis of the size of the portion of the Take Back Area that has been taken back by the City as compared to the Total Area, which reduction in the Total Area shall be calculated by the City Surveyor.

5.4

~~5.21(1)~~

5.5 Demolition of Existing Buildings

From and after the effective date of any notice provided in accordance with Section 5.2, the City shall have the right to reenter upon the Take Back Area and demolish and remove any buildings, structures or other improvements thereon, at the City's sole cost and expense. The City shall be solely responsible for any costs relating to redevelopment of those portions of the Take Back Area that have been taken back by the City. From and after any such effective date, the City shall be permitted to permit any invitees onto such lands, including the general public.

ARTICLE 6 ACKNOWLEDGMENTS

6.1 City's Acknowledgment

The City acknowledges that the Operator may apply for and pursue the approvals necessary for adding table gaming, including electronic table games, as a permitted use on the Site, which gaming is currently prohibited under the Operating Agreement and included in the definitions of Expanded Gaming and Prohibited Gaming in the Operating Agreement. Notwithstanding the City's acknowledgment set out herein, and notwithstanding any approvals the Operator may obtain from any Governmental Authority other than the City, any amendments to the definitions of Expanded Gaming and/or Prohibited Gaming

and the addition of any new permitted uses on the Site will be subject to Section 4 of the Operating Agreement.

6.2 Operator's Acknowledgment

In the event that Council approves any changes to the permitted uses of the Site, including without limitation, any changes to the definitions of "Slots Operations" or "Prohibited Gaming", then the Operating Agreement shall be required to be further amended and the Operator shall have no rights to conduct any new uses, or Expanded Gaming or any expanded "Slots Operations" or "Horse Racing Operations" until such date that the Operating Agreement has been amended to the satisfaction of the City.

**ARTICLE 7
PNE PARKING**

7.1 Parking and Access Management Plan

The parties hereby agree to amend the Parking and Access Management Plan attached as Schedule "K" to the Operating Agreement to add the current informal parking arrangement between the PNE and the Operator during the Exhibition Period, which arrangement currently permits the PNE to use the infield area of the Site as outlined in red and hatched on the plan attached as Schedule B hereto (the "Infield Area") for parking purposes during the Exhibition Period. The Infield Area will be made available to the PNE for a fee payment payable to the Operator, based on a profit sharing arrangement between the Operator and the PNE, calculated as twenty percent (20%) of the net revenue. The parking arrangement will not be available on Live Racing Days. During the Fourth Extension Term, the Operator agrees to continue to permit such parking usage during the Exhibition Period and shall not deny the PNE access to the Infield Area for parking purposes during the Exhibition Period, except on Live Racing Days.

**ARTICLE 8
MISCELLANEOUS**

8.1 Enurement

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

8.2 Operating Agreement Ratified and Confirmed

Except as hereby expressly modified, the Operating Agreement is hereby ratified and confirmed by the parties hereto to the effect and with the intent that the Operating Agreement and this Agreement shall be read and construed as one document and that references in the Operating Agreement to "this Agreement" shall be read and construed to mean the Operating Agreement as modified by this Agreement.

8.3 Counterparts and Electronic Transmission

This Agreement may be executed in counterparts and each executed counterpart will be considered an original, and all executed counterparts

together will constitute this Agreement. A signed copy of this Agreement may be delivered by e-mail, fax or other electronic transmission.

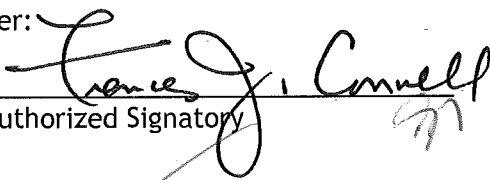
8.4 Severability

The invalidity of any paragraph of this Agreement will not affect any other paragraph of this Agreement, but this Agreement will be construed as if such invalid paragraph were omitted.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective authorized signatories as of the date first written above.

CITY OF VANCOUVER

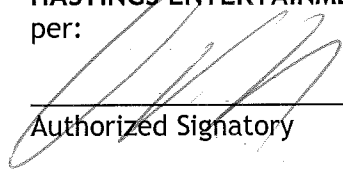
per:



Authorized Signatory

HASTINGS ENTERTAINMENT INC.

per:

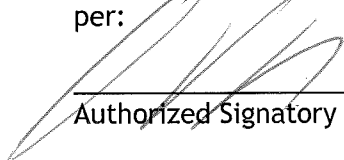


Authorized Signatory

Authorized Signatory

GREAT CANADIAN GAMING CORPORATION

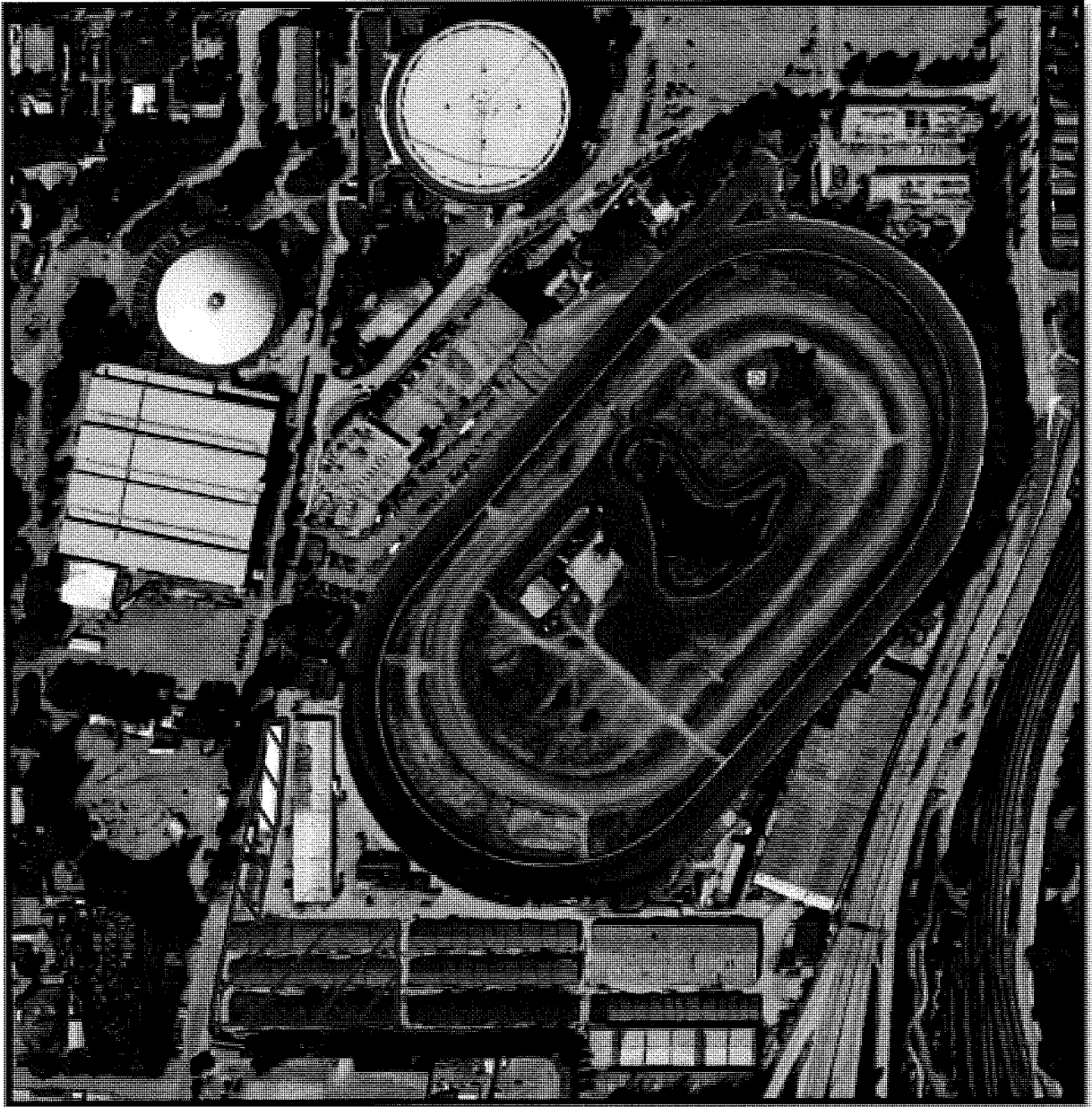
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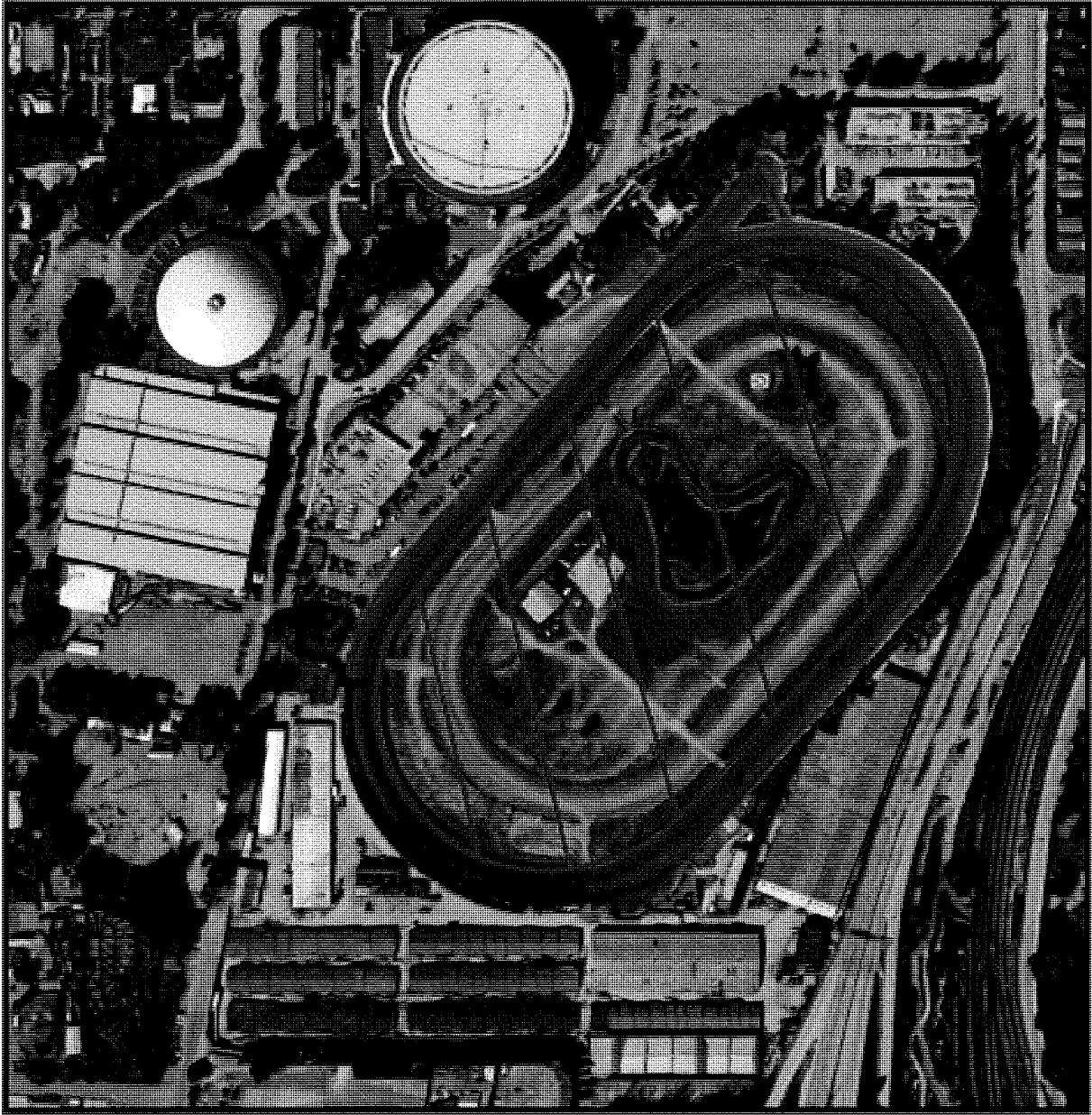
Schedule A
Take Back Area



{01239346v3}

Schedule B

Infield Area





Schedule C

Backstretch Area

Hastings Racecourse



-  Hastings Racecourse Lease Area
-  Hastings Racecourse Back Stretch

Schedule D

Hastings Racecourse 5 year Capex Plan and Barn Rehabilitation and Paving Plan

