EXECUTION VERSION

FACILITIES OPERATIONS AGREEMENT

by and between

MARYLAND STADIUM AUTHORITY

and

THE MARYLAND JOCKEY CLUB, INC.

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THIS FACILITIES OPERATIONS AGREEMENT (this "**Agreement**") is made as of the date of latest execution below, but effective between the parties as of July 1, 2026, by and between MARYLAND STADIUM AUTHORITY, a body politic and corporate and an instrumentality of the State of Maryland ("**MSA**") and THE MARYLAND JOCKEY CLUB, INC., a Maryland non-stock corporation ("**TMJC**").

WHEREAS, in accordance with the Amended Racing and Community Development Act (as defined in Exhibit A to this Agreement), MSA is the owner of the Racing Facilities (as defined in Exhibit A to this Agreement);

WHEREAS, TMJC has been designated as the thoroughbred racetrack operator in accordance with the Amended Racing and Community Development Act;

WHEREAS, MSA desires to have TMJC operate, manage, maintain, and secure the Racing Facilities, and TMJC is willing to perform such services in accordance with the terms of this Agreement;

NOW, THEREFORE, WITNESSETH, that in consideration of the promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, MSA and TMJC agree as follows:

ARTICLE I
DEFINED TERMS AND RULES OF INTERPRETATION

Section 1.01 Defined Terms. Capitalized terms used in this Agreement shall have the meanings provided in Exhibit A to this Agreement, attached hereto and incorporated hereby as a substantive part of this Agreement. Unless otherwise defined in this Agreement, terms defined by the Amended Racing and Community Development Act shall have the meanings given in such act.

Section 1.02 Rules of Interpretation. Except where the context clearly provides or requires otherwise, this Agreement shall be interpreted in accordance with the following:

(a) The singular includes the plural, and the plural includes the singular.

(b) References to any gender include all genders.

(c) Article, section, and paragraph headings are used for convenience only and do not affect the interpretation of this Agreement.

(d) The words "include," "includes," and "including" are deemed to be followed by the phrase "without limitation."

(e) Any reference to a law or statute includes any modification, amendment, or re-enactment of it in effect from time to time.

(f) References to any agreement or document include that document as amended, modified, or supplemented from time to time.

(g) The word "or" is used in the inclusive sense (meaning "and/or").

(h) The word "racing" includes both (i) the participation of jockeys and horses in races, and (ii) the experience of spectators viewing such races at the Racing Facility or remotely.

ARTICLE II
GENERAL TERMS OF OPERATIONS

Section 2.01 Engagement of TMJC. MSA hereby retains and engages TMJC to be the exclusive operator of the Racing Facilities for the Term, and to supervise, direct, and control the operation, management, maintenance, and security of the Racing Facilities for the Term. TMJC accepts said retention and engagement, and agrees to operate, manage, maintain, and secure the Racing Facilities during the Term in accordance with the terms and conditions set forth in this Agreement and in compliance with all applicable laws (including SRC regulations and HISA rules).

Section 2.02 Licensed Property. Subject to the terms of this Agreement and the Amended Racing and Community Development Act, to carry out TMJC's rights and obligations under this Agreement, MSA hereby licenses to TMJC:

(a) The use of the Racing Facilities;

(b) The use of all trademarks or other intellectual property connected to the Racing Facilities to the extent owned or controlled by MSA;

(c) The use of all tangible personal property owned by MSA and acquired by MSA as part of or in connection with the Racing Facilities, subject to compliance by MSA and TMJC with the State Personal Property Requirements;

(d) The use of the Woodlawn Vase in connection with the Preakness in accordance with the terms of the Woodlawn Vase Agreement.

Section 2.03 General Authority of TMJC. Subject to the terms of this Agreement and the Amended Racing and Community Development Act, TMJC shall have exclusive supervision and control over the operation, management, maintenance, and security of the Racing Facilities and shall be solely responsible for the proper and efficient operation, management, maintenance, and security of the Racing Facilities as first-class facilities for the training or racing of thoroughbred horses, as applicable to each Racing Facility. Subject only to such limitations as are herein specifically imposed (including the State Personal Property Requirements, the Nonprofit Requirements, the Facility Bond Requirements, and the Preakness IP Obligations), TMJC shall have discretion and control, free from interference, interruption, or disturbance, in all matters relating to operation, management, maintenance, and security of the Racing Facilities, including charges for use or admission; credit policies; food and beverage services; employment policies; employee fringe benefits; receipt, holding, and disbursement of funds; maintenance of bank accounts; the procurement of inventories and services; pari-mutuel and related wagering; promotion and publicity; and, generally, control of all activities necessary for operation, management, maintenance, and security of the Racing Facilities. TMJC shall manage and operate the Racing Facilities so that their primary purpose shall be for thoroughbred horse racing (including the Preakness Events) and training, but TMJC may manage and operate the Racing Facilities for any

additional lawful purposes that do not interfere or conflict with the primary use of the Racing Facilities.

Section 2.04 Ancillary Service Agreements. Notwithstanding TMJC's general authority to select service providers for the Racing Facilities, so long as required by the terms of the Preakness IP Obligations and/or the Woodlawn Vase Agreement, TMJC shall continue to comply with relevant applicable terms and conditions in connection with its use of the Preakness IP Obligations and Woodlawn Vase Agreement.

Section 2.05 Procurement and Contract Provisions. TMJC agrees to and shall comply with all the Required Procurement Provisions set forth on Exhibit B attached hereto for all goods or services it procures and for which State funds are used to pay the vendor or contractor directly, or for which TMJC requests reimbursement.

Section 2.06 Maintenance Work Generally.

(a) (i) TMJC shall be solely responsible for ensuring the performance of and paying all costs of Maintenance Work at the Racing Facilities during the Term. TMJC may contract with third parties for the performance of or responsibility for the payment of the costs of Maintenance Work, but such contracts shall not relieve TMJC of its responsibility to MSA for the performance of all Maintenance Work reasonably necessary to operate and maintain the Racing Facilities as first-class facilities for the training or racing of thoroughbred horses, as applicable to each Racing Facility, including the provision of adequate security for the operations and patrons of the Racing Facilities.

(ii) TMJC agrees to continue to use a computerized maintenance management system (CMMS) or another system reasonably acceptable to MSA that will allow MSA to access maintenance records, monitor maintenance of the Racing Facilities, and plan for Capital Works, so long as the CMMS or other system continues to be provided at no cost to TMJC.

Section 2.07 Annual Maintenance Plan.

(a) No later than sixty (60) days prior to each calendar year of the Term, TMJC shall submit to MSA a proposed Annual Maintenance Plan for the next calendar year describing the Maintenance anticipated to be performed by TMJC during such calendar year and the budget therefor.

(b) MSA may notify TMJC within thirty (30) days after MSA's receipt of same of any MSA feedback with respect to components of the proposed Annual Maintenance Plan (including, for clarity, the omission of Maintenance that MSA believes should be performed in the next calendar year to ensure that the Racing Facilities are maintained in accordance with the requirements of this Agreement). TMJC shall consider such feedback in good faith, including by conferring with MSA as may be necessary or desirable to understand the basis for such feedback. MSA's review of the proposed Annual Maintenance Plan will not limit in any way MSA's rights under this Agreement with respect to any failure of TMJC to maintain the Racing Facilities as required by this Agreement.

(c) Prior to the start of the applicable calendar year, TMJC shall finalize the Annual Maintenance Plan and provide the final Annual Maintenance Plan to MSA. TMJC acknowledges and agrees that MSA shall be entitled to share the Annual Maintenance Plan with (i) BPW and the presiding officers of the Maryland General Assembly, and (ii) if necessary for MSA to comply with applicable law, other State agencies and officials.

(d) During each calendar year, except to the extent impeded by Force Majeure or the need for Emergency Repair, TMJC shall perform the work contemplated by the Annual Maintenance Plan. TMJC shall promptly notify MSA of any actual or reasonably anticipated material deviation from the Annual Maintenance Plan.

Section 2.08 Annual Maintenance Report. Within sixty (60) days after the end of each calendar year of the Term, TMJC shall provide a written report (the "**Annual Maintenance Report**") to MSA describing in reasonable detail the Maintenance completed by TMJC over the course of such calendar year. TMJC may also include in such Annual Maintenance Report a list of or other identification of items that it believes are Capital Repair issues at the Racing Facilities. TMJC acknowledges and agrees that MSA shall be entitled to share such Annual Maintenance Report with (a) BPW and the presiding officers of the Maryland General Assembly, and (b) if necessary for MSA to comply with applicable law, other State agencies and officials.

Section 2.09 No Capital Work Permitted or Required. Except as provided with respect to Emergency Repairs, nothing herein shall be construed to permit or require TMJC to make, install, finance, or otherwise directly pay for any Capital Work at any Racing Facility without the prior written agreement of MSA and TMJC.

Section 2.10 Emergency Repairs.

(a) Subject to Section 3.04, notwithstanding any other provision of this Agreement, TMJC is authorized to perform an Emergency Repair. If and to the extent any Emergency Repair is required at a Racing Facility, exceeds the cost of $50,000.00 in total repair costs, and is performed by TMJC, TMJC shall, as soon as reasonably practicable, notify MSA of such Emergency Repair and its impact on the Annual Maintenance Plan and TMJC's overall budget. If TMJC believes that the Emergency Repair constitutes a Capital Repair, TMJC may request reimbursement from MSA pursuant to Section 10.02 of this Agreement, and the cost of any such Emergency Repair that constitutes a Capital Repair shall not be deemed a Maintenance cost of TMJC.

(b) Emergency means a sudden and unexpected occurrence or condition which could not be reasonably foreseen, and which requires action to avoid or to mitigate damage to the environment or to health, safety, or welfare.

Section 2.11 Facility Security Generally. In addition to the security requirements set forth in Section 3.02, the following security, reporting, and notice requirements shall apply to Racing Facilities:

(a) MSA shall retain oversight authority regarding security governance and emergency preparedness. Such oversight shall not be construed as creating operational responsibility for security services.

(b) TMJC shall maintain and submit annually to MSA for review and comment, a Security Master Plan, Emergency Operations Plan, Cyber Security Plan, and Continuity of Operations Plan.

(c) Security Services employed, retained, or used shall be consistent with industry best practices, applicable laws, and reasonably accepted standards for major sports and entertainment venues.

(d) Annual Threat Assessment. No later than sixty (60) days prior to each calendar year, TMJC shall conduct an annual threat assessment of all the Racing Facilities.

(e) TMJC shall as soon as reasonably possible, notify MSA of any incident at any of the Racing Facilities involving death, serious injury, an active threat, violent crime, significant property damage, major operational disruption, or any incident that may create reputational risk to MSA, the State or the Racing Facilities.

ARTICLE III
SPECIFIC OPERATIONAL REQUIREMENTS

Section 3.01 Major Events.

Section 3.02 Preakness Events. During each year of the Term, TMJC shall cause the Preakness Events to be held annually at the Pimlico Facility or, if TMJC and MSA mutually agree that the Pimlico Facility is unfit or otherwise unable to host the Preakness Events for any reason, at the Laurel Park Facility or such other facility in Maryland reasonably acceptable to MSA.

(a) Security Plan.

(i) At least ninety (90) days prior to any Major Event, TMJC shall provide a traffic, overlay, medical, safety, and security plan for MSA's review and comment.

(ii) MSA may notify TMJC within thirty (30) days after MSA's receipt of same of any MSA feedback. TMJC shall consider such feedback in good faith, including by conferring with MSA as may be necessary or desirable to understand the basis for such feedback.

(iii) MSA's review and comment is solely for the protection of the State and the State's assets. TMJC shall remain solely liable for providing and paying for appropriate security. TMJC shall also be responsible for coordinating all medical, safety, and security plans and needs with third parties (including the applicable local government and its agencies, other units of the State, and the federal government and its agencies, as applicable).

(b) Reserved Space for State's Use.

(i) For any Major Event, TMJC shall reserve and provide a premium location for a mutually agreed upon number of guests benefitting the State's ownership and marketing of the facility, similar to other State owned sports and economic assets.

(ii) TMJC shall provide, or cause to be provided, all food and beverage service for the State's hospitality accommodations described in this subsection at cost, passed through without markup.

(c) Space for Use by City of Baltimore. With respect to each Major Event, prior to offering for sale to the general public, TMJC shall contact the Mayor of the City of Baltimore to offer reservation and use of premium space for that Major Event by the City of Baltimore at the cost that such space will be offered to the general public.

Section 3.03 Pimlico Facility.

(a) Pimlico Outparcels for Preakness 2027. MSA shall permit TMJC to use the Pimlico Outparcels for parking and operations in connection with the Preakness Events in 2027.

(b) Primary Racing Venue. As far in advance as reasonably possible, MSA shall notify TMJC of the date on which the Pimlico Facility will be ready to act as the primary venue for thoroughbred racing in Maryland. Subject to MSA's approval, not to be unreasonably withheld, TMJC shall develop and implement a plan for transitioning primary racing from the Laurel Park Facility to the Pimlico Facility as soon as practicable on or after the date provided by MSA. The parties shall endeavor in good faith to transition to the Pimlico Facility as the primary racing venue not more than ninety (90) days after the date specified in MSA's notice of availability.

(c) Parking and Transportation Plans. TMJC shall cooperate with the State and its applicable units, the City of Baltimore and its applicable agencies, and neighbors of the Pimlico Facility in the provision of adequate parking and efficient transportation plans for and around the Pimlico Facility. TMJC shall promptly notify MSA if any such plans require the participation or input of MSA as fee owner of the Pimlico Facility.

Section 3.04 Laurel Park Facility.

(a) As Primary Racing Venue. Until the parties implement the transition plan as provided in Section 3.03 above, the Laurel Park Facility shall remain the primary venue for thoroughbred races other than the Preakness Events.

(b) Racing at the Laurel Park Facility After Transition. From and after the transition to the Pimlico Facility as the primary racing venue, the primary purpose of the Laurel Park Facility shall be to operate as the Training Facility as envisioned by the Amended Racing and Community Development Act. Notwithstanding the foregoing, so long as the Laurel Park Facility is licensed as a racetrack by the SRC and subject to any requirements of such racetrack license (which TMJC acknowledges is outside the control of MSA), TMJC may also use the Laurel Park Facility for:

(i) Live racing for the greater of (1) twelve (12) race days per calendar year, (2) ten percent (10%) of the annual racing calendar, or (3) such greater number of race days as permitted in advance by MSA;

(ii) Simulcasting operations during non-racing days as a licensed racetrack and, unless otherwise required by the SRC under applicable law (which TMJC

acknowledges is outside the control of MSA), shall not be required to be separately designated or characterized as an off-track betting (OTB) facility for purposes of such simulcasting; and

(iii) Additional live racing on days that TMJC is unable to hold live races scheduled for the Pimlico Facility due to an act of god, ongoing emergency, or other cause as reasonably determined in good faith by TMJC with notice to MSA in advance or as soon as reasonable under the circumstances, which notice does not need to be in writing but may be provided in person, by telephone, or by email.

Subject to applicable law, TMJC may cause the Laurel Park Facility to be designated as an intertrack wagering location in accordance with the Business Regulations Article of the Maryland Annotated Code.

(c) Operation as the Training Facility. Unless and until a different facility is designated as the Training Facility in accordance with the terms of this Agreement and the Amended Racing and Community Development Act and made available to TMJC, TMJC shall operate the Laurel Park Facility as the Training Facility for the training of thoroughbred horses in Maryland and to support racing operations at the Laurel Park Facility and the Pimlico Facility. If the parties agree that the Laurel Park Facility is unfit or otherwise unable to act as the Training Facility, the parties shall work together in good faith to identify: (1) an alternate site for MSA to designate as the Training Facility under the terms of the Amended Racing and Community Development Act; and (2) if necessary, a funding source or sources for the acquisition and preparation of such site to serve as the Training Facility.

(d) Cooperation of the Parties. TMJC shall cooperate with MSA in the planning and execution of the removal of the existing improvements at the Laurel Park Facility that encroach on the right of way for Brock Bridge Road. The parties shall also work together to provide reasonable cooperation with any development of the parcel east of Brock Bridge Road that was previously part of the same tract as the Laurel Park Facility and subdivided shortly before the acquisition of the fee ownership of the Laurel Park Facility by MSA.

(e) Laurel Park Condition "As-Is". TMJC and MSA acknowledge and agree that the conditions of structures, backstretch housing, building systems, and other improvements at the Laurel Park Facility are substandard and in need of remediation. The Parties further acknowledge that MSA lacks funds or resources to remediate any such conditions and that TMJC has maintained continuous use, possession, and operational control of the Laurel Park Facility since January 1, 2025.

ARTICLE IV
MARKETING RIGHTS

Section 4.01 Revenues.

(a) TMJC shall have the exclusive right to receive all revenues from the exercise of the Marketing Rights set forth in this Article.

(b) TMJC shall make reasonable efforts to market and promote the facility in a manner that maximizes economic benefits to the State.

Section 4.02 Admissions and Amusement Taxes ("A&A Taxes").

(a) Nothwithstanding the general authority of TMJC set forth in Section 2.03, A&A Taxes collected by TMJC and remitted to the Comptroller, *shall not* be included in the calculation of revenues TMJC is entitled to retain, be reimbursed, or otherwise financially benefit from. A&A Taxes are taxes due to the State and subject to use and distribution in the sole discretion of the State which may include but not be limited to a percentage credited to MSA to be used as provided by law.

Section 4.03 General Rules for Marketing Rights.

(a) Unless and to the extent permitted by MSA in its sole and absolute discretion, the overall name of the Pimlico Facility shall remain "Pimlico Race Course." The foregoing shall not prevent the sale of Naming Rights that retain the historic name "Pimlico Race Course" and provide that the Pimlico Facility is sponsored (or similar words) by the purchaser of such sponsorship rights.

(b) Neither Advertising Signage nor names adopted pursuant to the Naming Rights shall:

(i) Contain racial epithets or obscenities;

(ii) Advertise, market, or promote tobacco or tobacco-related products;

(iii) Violate any applicable law; or

(iv) Be antithetical to the character of the Racing Facilities as prominent symbols of the State of Maryland (provided that any name, logo, or identifier that the general public associates with tobacco products or firearms shall be presumed to be antithetical to the character of the Racing Facilities, but any name, logo, or identifier of any other lawful business entity or facility, including a gaming or betting industry entity or facility, shall not be deemed antithetical, provided such entity or facility is licensed or otherwise authorized to conduct its business in the State under applicable law).

(c) Except as otherwise specifically provided in this Article or otherwise agreed by MSA in its reasonable discretion, any agreement with respect to Marketing Rights shall not be binding on MSA or any Replacement Operator but rather shall terminate upon the expiration or earlier termination of this Agreement.

Section 4.04 Naming Rights. Subject to the restrictions set forth in Section 4.03 above, MSA hereby grants to TMJC exclusive Naming Rights with respect to the Racing Facilities. Unless TMJC desires a waiver of any of the rules provided in Section 4.03 above (which waiver may be granted, withheld, or conditioned in MSA's reasonable discretion), the exercise of Naming Rights shall not require MSA's consent or approval. From and after the date TMJC notifies MSA of (a) TMJC's exercise of any one or more of the Naming Rights or (b) the existence of a naming rights agreement related thereto, MSA shall (x) adopt the nomenclature designated in such naming rights agreement for the Racing Facility or the portion thereof covered by such naming rights agreement and (y) refrain from using any other nomenclature for the Racing Facility or applicable

portion thereof in any documents, press releases, or other materials produced or disseminated by MSA to the public. Notwithstanding anything to the contrary contained in this Agreement, MSA reserves the following: (i) the non-exclusive right to use (but not sublicense), and allow MSA to use the names, designations, and associations granted by TMJC pursuant to its exercise of the Naming Rights for the purpose of promoting the general business activities of MSA, provided that such use is in accordance with the terms of any agreements with respect to the Naming Rights that have been disclosed to MSA, and for no other purpose and (ii) the non-exclusive right to use (but not sublicense) any symbolic representations of the Racing Facility for the above-listed purposes.

Section 4.05 Advertising Signage. Subject to the restrictions set forth in Section 4.03 above, MSA hereby grants TMJC the exclusive right to display and permit others to display Advertising Signage on the interior or exterior of the Racing Facilities.

Section 4.06 Intellectual Property, Trademarks. TMJC shall not knowingly violate the terms and conditions of any intellectual property or trademarks owned or under the control of third parties in connection with the use or operations of the Racing Facilities.

ARTICLE V
FINANCIAL AND REPORTING REQUIREMENTS

Section 5.01 Auditing.

(a) Cost of an Auditor. As long as required by law, TMJC shall reimburse MSA annually for the cost of one full-time auditor responsible for overseeing the financial transactions and records relating to (a) racing and community project costs and (b) ongoing operations.

(b) Access to Books, Records, and Meetings. TMJC shall cooperate with MSA's auditors and provide full and complete access to its books, records, and operations (including books, records, and operations of its subsidiaries) as follows:

(i) Employees or authorized representatives of MSA shall have reasonable access, upon reasonable prior notice, during all of TMJC's business hours to inspect TMJC's books and records, including those that are confidential by law, related to racing and community project costs and ongoing operations. This includes any matter related to horse racing, the Racing Facilities, or any other facilities owned, leased, or operated by TMJC or any of its subsidiaries.

(ii) Each officer or employee of TMJC shall provide any information that is reasonably determined to be needed for providing sufficient oversight of the financial transaction and records relating to racing and community project costs and ongoing operations, including information that otherwise would be confidential under any provision of law.

(iii) TMJC shall notify MSA of any significant deviations from the annual budget or other significant financial matters.

(iv) TMJC shall provide MSA with (1) non-audited financial statements, no less than quarterly, and (2) Audited Financial Statements prepared and certified by an independent certified accountant, no less than annually.

(v) TMJC's financial statement auditor (and any subcontractors) shall use commercially reasonable efforts to make available, upon request, appropriate personnel and relevant audit or engagement documentation necessary to permit MSA's auditors to evaluate and, as appropriate, use the work performed. Such access shall include the ability to communicate with TMJC's financial statement auditor(s) and review relevant audit plans, procedures performed, evidence obtained, and supporting documentation.

(vi) TMJC shall provide MSA with reasonable advanced notice of its board meetings and permit one or more authorized representatives to observe such meetings as a guest of TMJC (provided that MSA's representatives may be excluded to the same extent as other invitees when TMJC's board discusses sensitive matters).

Section 5.02 Annual Budget.

(a) TMJC shall prepare a budget in advance of each calendar year and submit it to MSA for review at least sixty (60) days prior to the start of such year. The budget shall include any anticipated request for funds from the Thoroughbred Purse Dedication Account as provided in Section 5.07 of this Agreement. MSA shall have thirty (30) days to review and provide written comments to TMJC. TMJC shall not be required to obtain MSA's approval of the budget but shall (i) correct any mathematical errors or items that would violate the terms of this Agreement noted in MSA's comments (including any failure to include amounts necessary for the proposed Annual Maintenance Plan), and (ii) give good-faith consideration to any other comments provided by MSA. TMJC shall provide a copy of its finalized budget prior to the start of the calendar year (or notify MSA that it adopted the budget as previously provided to MSA).

(b) TMJC shall provide MSA with updated budget information on at least a quarterly basis, including any material variances from the final budget. MSA's auditor shall have ongoing access to budget-related records as provided Section 5.01(b) hereof. Without limiting the foregoing, TMJC shall notify MSA promptly of any actual or anticipated deviation from the budget in excess of ten percent (10%) of any line item that exceeds $200,000.

Section 5.03 Confidential Information. To the fullest extent permitted by law (including being subject to the MPIA and OMA), MSA and MSA's employees shall maintain the confidentiality of TMJC's confidential financial information, confidential commercial information, and trade secrets, as well as any other information that may be maintained as confidential under the MPIA. Any MSA employee that has possession or knowledge of TMJC's confidential information may only disclose such information to another employee or authorized representative of MSA.

Section 5.04 Borrowing. TMJC shall not secure any financing with a pledge of its rights or interests in personal property owned by MSA under this Agreement without the consent of MSA which consent shall not be unreasonably withheld.

Section 5.05 Subsidiaries.

(a) TMJC shall maintain separate existence and finances of (i) Maryland OTB Facilities LLC, (ii) Maryland Turf Caterers, Inc., (iii) Racetrack Payroll Account, Inc., (iv) Maryland Thoroughbred Purse Account, Inc., and (v) any other subsidiary of TMJC.

(b) TMJC shall notify MSA when it creates any other subsidiary and the purpose for such subsidiary.

Section 5.06 Insurance.

(a) TMJC shall obtain and maintain adequate CGL and umbrella/excess liability insurance policies consistent with that maintained by other operators of horse racing and training facilities. MSA and the MSA Indemnitees shall be included as an additional insured on TMJC's CGL and umbrella/excess liability policies. Such policies shall include coverage of any indemnity provided by TMJC under this Agreement.

(b) With respect to any automobiles owned or leased by TMJC, TMJC shall obtain and maintain automobile liability insurance policies in accordance with law and consistent with customary business practice in Maryland.

(c) TMJC shall maintain adequate and appropriate personal property insurance coverage for the replacement of its personal property used in connection with any Racing Facility.

(d) TMJC agrees for itself and for its insurers, that neither TMJC nor its insurers may raise or use any governmental immunity from or limitation of liability for torts (including under the Maryland Tort Claims Act and/or the Maryland Local Government Tort Claims Act) in the adjustment of claims or in the defense of suits against MSA, unless requested by MSA.

Section 5.07 Operating Losses.

(a) The Amended Racing and Community Development Act (as currently codified as Md. Ann. Code, St. Gov. § 9-1A-28(b)(3)(iv)) provides that beginning with the first full Fiscal Year of thoroughbred racing operations at the reconstructed Pimlico Racing Facility, for any Fiscal Year that the thoroughbred racetrack operator reports an operating loss, MSA may prepare, properly approve, and submit a transmittal to the Comptroller requesting that the Comptroller issue a warrant to pay out the amount of the *operating loss* to the thoroughbred racetrack operator from the Thoroughbred Purse Dedication Account (the "Purse Dedication Account"). The procedures set forth in this section shall implement such provision for so long, and only for so long, as such statutory authorization remains in effect.

(b) Regardless of whether identified in the annual budget as provided in Section 5.02(a) above, TMJC shall provide a written notice to MSA requesting a payout from the Purse Dedication Account. Such written notice shall specify TMJC's operating loss incurred during the prior TMJC Fiscal Year. TMJC shall provide such notice not more than ninety (90) days after the close of the TMJC Fiscal Year in which TMJC incurred such operating loss. TMJC's notice shall include TMJC's current taxpayer identification number.

(c) Upon receipt of TMJC's notice of operating loss, and subject to Section 5.01, MSA shall verify the existence and calculation of the operating loss. TMJC shall cooperate with MSA in providing any additional information or documentation reasonably needed to complete such verification. Once satisfactorily verified, MSA shall prepare a transmittal notice ("Transmittal Notice") for the Comptroller. Said Transmittal Notice shall be subject to the approval of the MSA Executive Director and reported to the MSA board at its next regularly scheduled

meeting. MSA shall give notice to the State Racing Commission which otherwise receives, invests and distributes funds in the Purse Dedication Account, and shall submit the Transmittal Notice to the Comptroller for payout to TMJC in accordance with the Amended Racing and Community Development Act.

(d) TMJC acknowledges that reporting of such Transmittal Notice shall occur in open session unless circumstances justify a closed session under the OMA and, in its sole discretion, MSA's board approves the closed session in accordance with the OMA and the Maryland Stadium Authority Act.

(e) TMJC acknowledges that (i) any payout remains subject to the availability of funds for such purpose, and (ii) the Comptroller may deduct and offset from any such payout any amount that TMJC owes to the State of Maryland.

Section 5.08 Profits. If and to the extent TMJC accrues net income after payment of all operating expenses (including all Preakness IP Obligations), then to the fullest extent allowed under the Nonprofit Requirements, such net income shall be applied as follows:

(a) First, to the extent available, to the State to replenish amounts paid out in prior years from any thoroughbred purse account to cover TMJC's operating losses, as calculated under Section 10.646.1(j)(3) of the Maryland Stadium Authority Act;

(b) Second, for so long as required by law, ten percent (10%) of any remaining profits shall be distributed each year to the Pimlico Community Development Authority to be distributed to designated community development organizations assigned to the impacted communities for community development activities outlined in the adopted Pimlico Area Joint Plan; and

(c) Finally, to the RCD Facilities Fund to provide funding for future Capital Work at the Racing Facilities.

If and to the extent not permitted by the Nonprofit Requirements, TMJC shall apply such net income consistent with the Nonprofit Requirements and the purposes set forth in TMJC's Articles of Incorporation.

ARTICLE VI
INDEMNIFICATIONS BY TMJC

Section 6.01 Generally. To the fullest extent permitted by applicable law, TMJC hereby agrees and covenants to indemnify, defend, and hold harmless MSA and the MSA Indemnitees from and against any and all direct or third party claims, suits, costs, and damages of any kind and description (collectively, "Claims") directly or indirectly arising or alleged to arise out of (i) violations of Environmental Laws or (ii) third party Claims directly or indirectly arising or alleged to arise out of(a) TMJC's use, occupancy, operation, management, maintenance, or security of the Racing Facilities (including, for clarity, the performance of Maintenance Work and Emergency Repairs); and (b) TMJC's use or possession of the Woodlawn Vase (including any violation of the terms of the Woodlawn Vase Agreement) or TMJC's use or possession of any other artwork or artifacts provided to TMJC by MSA or an MSA Indemnitee;; provided, that, notwithstanding

anything herein, TMJC shall not be liable for any (i) Claims directly caused by or arising out of any Capital Works performed by or on behalf of MSA, and (ii) Claims directly or indirectly arising or alleged to arise out of (A) the gross negligence or willful misconduct of MSA or an MSA Indemnitee, (B) any material breach of this Agreement by MSA, or (C) any unknown condition of the Racing Facilities existing prior to the date of TMJC's operation of the Racing Facilities. The foregoing indemnity includes TMJC's agreement to pay all reasonable costs and expenses of defense, including reasonable outside attorneys' fees, incurred by MSA or any MSA Indemnitee. The foregoing indemnity shall apply, without limitation, to any liabilities imposed on any party indemnified hereunder as a result of any applicable law or theory of strict liability. The foregoing indemnity shall not be limited to damages, compensation, or benefits payable under insurance policies, workers' compensation acts, disability benefit acts, or other employee benefit acts. The terms of this Section 6.01 shall survive the expiration or termination of this Agreement.

ARTICLE VII
OPEN GOVERNMENT

Section 7.01 MSA Subject to MPIA and OMA. TMJC acknowledges that MSA is subject to the requirements of MPIA and OMA.

Section 7.02 TMJC Obligation to Identify Confidential Information. To the extent that TMJC desires to restrict public access to any report, any document, or any portion of any report or document that is not generally available to the public and contains trade secrets, confidential commercial information, confidential financial information, or other information with respect to which inspection by the public may be denied under MPIA, TMJC shall mark any such report, document, or portion thereof as "Confidential/Request Made to Deny Public Inspection."

Section 7.03 MSA Obligations under MPIA and OMA. TMJC acknowledges that (a) upon receipt of a request for information from a third-party under MPIA, MSA is required to make an independent determination regarding whether such information must be disclosed, and (b) MSA is required by OMA to make an independent determination regarding whether a matter or information pertaining to a matter justifies closing a meeting to the public.

ARTICLE VIII
LIMITATIONS ON MSA AND STATE OBLIGATIONS

Section 8.01 Generally. TMJC recognizes that all financial obligations of MSA hereunder or any other financial commitments by the State of Maryland are and shall be subject to appropriations and availability of funds. Nothing herein or in the Amended Racing and Community Development Act shall be construed to require:

(a) The State of Maryland to make an appropriation, levy any tax, or otherwise make funds available for or in connection with any Racing Facility; or

(b) MSA to borrow any funds, issue any bonds, or use any of its other funds for or in connection with any Racing Facility except as specifically authorized by the Amended Racing and Community Development Act or other applicable law and subject to the conditions thereof.

Section 8.02 No Obligation on MSA's Other Funds. MSA shall have no obligation to use any of its own money, whether appropriated or nonbudgeted, to pay for any costs or expenses related to the Racing Facilities, except as available from the RCD Financing Fund, the RCD Facilities Fund, the proceeds of bonds issued in accordance with the Amended Racing and Community Development Act, or other amounts specifically appropriated and available to MSA for use in connection with the Racing Facilities, subject to any conditions on any such appropriation.

Section 8.03 RCD Facilities Fund. TMJC recognizes that: (a) funds deposited into the RCD Facilities Fund may be transferred to the RCD Financing Fund if and to the extent necessary to cover debt service for bonds issued in accordance with the Amended Racing and Community Development Act, and (b) all amounts in the RCD Financing Fund and RCD Facilities Fund are State funds that may be reduced or appropriated for other purposes by the General Assembly.

Section 8.04 Revenues from Development of the Pimlico Outparcels. To the extent permitted by law, MSA shall allocate net revenues payable and paid to MSA from the developed Pimlico Outparcels as follows:

(a) 50% of net revenues shall be deposited into a capital expense fund (the "Cap Ex Fund"); and

(b) 50% of net revenues shall be deposited into the RCD Facilities Fund.

Section 8.05 Net revenues from the Pimlico Outparcels does not include A&A Taxes due to the Comptroller, or any percentage of A&A Taxes which may be allocated to MSA.

Section 8.06 Personal Liability of Public Officials. In carrying out any of the provisions of the Agreement, or in exercising any power or authority granted to them by or within the scope of this Agreement, there shall be no personal liability upon the members of MSA, either personally or as officials of the State, it being understood that in all such matters they act solely as agents and representatives of MSA.

Section 8.07 Governmental Immunities. Nothing in any term or provision of this Agreement shall waive, limit, or otherwise affect in any way the limitations, immunities, or notice requirements applicable to claims against MSA as a unit of the State.

ARTICLE IX
CAPITAL WORKS

Section 9.01 Annual Capital Works Plan.

(a) No later than sixty (60) days prior to each State Fiscal Year of the Term, MSA shall provide to TMJC a proposed Annual Capital Works Plan for the next State Fiscal Year describing the Capital Works anticipated to be performed by MSA during such State Fiscal Year and the budget therefor. Until completed, MSA shall include the Pimlico Initial Capital Works Program and the Laurel Park Initial Capital Works Program in the Annual Capital Works Plan. In developing the Annual Capital Works Plan, unless otherwise reasonably determined by MSA or as required by applicable law (including any limitation on uses with respect to any specific appropriation), MSA shall prioritize the following in its Annual Capital Works Plan:

(i) Until completed, the Pimlico Initial Capital Works Program and the Laurel Park Initial Capital Works Program, prioritizing improvements necessary for backstretch housing and for the training and racing of thoroughbred horses;

(ii) Capital Repairs to the Pimlico Facility and Capital Repairs to the Laurel Park Facility in connection with its use as the Training Facility;

(iii) Capital Repairs to remedy the Laurel Park Known Capital Deficits;

(iv) All other Capital Repairs to the Laurel Park Facility; and

(v) Any Capital Improvements requested by TMJC.

(b) TMJC may notify MSA within thirty (30) days after TMJC's receipt of same of any TMJC feedback with respect to components of the proposed Annual Capital Works Plan (including, for clarity, the omission of Capital Repairs that TMJC believes should be performed in the next State Fiscal Year to ensure that the Racing Facilities are suitable for the purposes of this Agreement). MSA shall consider such feedback in good faith, including by conferring with TMJC as may be necessary or desirable to understand the basis for such feedback.

(c) Prior to the start of the applicable State Fiscal Year, MSA shall finalize the Annual Capital Works Plan and provide the final Annual Capital Works Plan to TMJC. TMJC acknowledges and agrees that the Annual Capital Works Plan shall be a public document.

(d) During each State Fiscal Year, except to the extent impeded by Force Majeure and subject to Article VIII of this Agreement, MSA shall perform the work contemplated by the Annual Capital Works Plan. TMJC shall cooperate with and accommodate MSA's performance of the Annual Capital Works Plan.

Section 9.02 Funding of Capital Works. TMJC acknowledges that MSA's obligations with respect to Capital Works are limited as set forth in Article VIII and specifically as follows:

(a) MSA's obligations with respect to the Pimlico Initial Capital Works Program and the Laurel Park Initial Capital Works Program are limited and subject to the availability of (i) proceeds of bonds issued in accordance with the Amended Racing and Community Development Act and subject to the requirements of the Amended Racing and Community Development Act with respect to minimum amounts to be spent on each Racing Facility, and (ii) funds in the RCD Facilities Fund not committed or dedicated to other purposes.

(b) MSA's obligations with respect to all other Capital Works are limited and subject to the availability of (i) funds in the RCD Facilities Fund not committed or dedicated to other purposes, or (ii) other appropriations by the State.

ARTICLE X
REIMBURSEMENT PROCEDURES

Section 10.01 In General. Except as otherwise specifically provided herein, TMJC shall not be entitled to reimbursement from MSA for any of its expenses nor authorized to bind MSA to any obligation.

Section 10.02 Procedure. Subject to Section 2.06, if TMJC is entitled to request reimbursement under the provisions of this Agreement, the following procedures shall apply:

(a) In its request for reimbursement, TMJC shall either (i) identify the date and manner of prior approval for such expense, or (ii) with respect to an Emergency Repair, provide documentation reasonably satisfactory to MSA that it was necessary and qualifies as a Capital Repair. TMJC shall include its current tax identification number in any request for reimbursement.

(b) With its request for reimbursement, TMJC shall submit supporting documentation reasonably satisfactory to MSA demonstrating the actual expenditure of 100% of the amount requested for reimbursement. Supporting documentation may include contracts, invoices, purchase orders, or similar records of transactions between TMJC and third parties, together with evidence of payment thereof.

(c) Upon receipt of TMJC's request for reimbursement and supporting documentation, MSA shall verify the amount. TMJC shall provide additional information requested by MSA necessary to process and approve the reimbursement request. When approved, MSA shall prepare and submit a transmittal requesting that the Comptroller payout reimbursable amounts to TMJC from funds available in the RCD Facilities Fund.

(d) TMJC acknowledges that, if MSA board approval is required, approval of such reimbursement shall occur in open session unless circumstances justify a closed session under OMA and, in its sole discretion, MSA's board approves the closed session in accordance with OMA and the Maryland Stadium Authority Act.

(e) TMJC acknowledges that (i) any payout remains subject to the requirements set forth in Section 5.01, (ii) the availability of funds in the RCD Facilities Fund, and (iii) the Comptroller's right to deduct and offset from any such payout any amount that TMJC owes to the State of Maryland.

(f) If TMJC's request for reimbursement is not approved by MSA, TMJC may notify MSA that it disputes MSA's decision and then MSA shall adjudicate the dispute as a contested case under Title 10, Subtitle 3 of the State Government Article (provided that MSA may delegate all or a portion of the adjudication to the Office of Administrative Hearings).

Section 10.03 Limitation. If and to the extent MSA is obligated to reimburse TMJC under any specific provision of this Agreement, such obligation is expressly limited to the availability of uncommitted funds in the RCD Facilities Fund and expressly limited by the terms of Article VIII of this Agreement. Notwithstanding the unavailability of funds, if and to the extent uncommitted funds in the RCD Facilities Fund become available later, and expressly limited by the terms of Article VIII of this Agreement, TMJC shall be reimbursed.

ARTICLE XI
RELATIONSHIP OF THE PARTIES

Section 11.01 TMJC Not a State Entity. In accordance with the Amended Racing and Community Development Act, TMJC, as the thoroughbred racetrack operator shall remain a nonstock corporation formed under the laws of the State and not operated for profit and may not be construed to be an agency or instrumentality of the State or a unit of the executive branch of the State for any purpose. In furtherance thereof, TMJC and MSA agree that:

(a) The relationship between TMJC and MSA shall be such that the general public is aware that TMJC is separate and distinct from MSA and any of MSA's units or programs.

(b) TMJC may not use any MSA telephone number, address, or website as the telephone number, address, or website for TMJC.

(c) All solicitations, activities, and advertisements by TMJC shall use the name of TMJC (or any registered trade name) and shall be identified clearly as an activity of TMJC, separate and distinct from MSA.

(d) Trademarks, service marks, logos, seals, or the name of the State of Maryland, MSA, or any of their units may be used by TMJC only pursuant to a revocable license and only in a manner that makes clear that TMJC is not a unit of the State or MSA.

(e) In matters of joint concern or activities jointly sponsored by TMJC and MSA (or any other unit of the State), the complete legal names and identifying marks of all parties shall be used, and the respective roles of each entity shall be identified clearly to third parties.

Section 11.02 Nature of Relationship. MSA has contractually engaged TMJC to operate, manage, maintain, and secure the Racing Facilities. The parties are not partners nor principal and agent. TMJC shall have no authority to bind the State or MSA, and MSA shall have no authority to bind TMJC.

Section 11.03 Independent Contractor Status. TMJC is an independent contractor and neither TMJC nor its employees, agents or representatives shall be considered employees, agents, or representatives of the State or of MSA. Nothing contained in this Agreement is intended or should be construed as creating the relationship of co-partners, joint venturers, or any other form of association between TMJC and the State or MSA.

ARTICLE XII
ALTERNATIVE USE PLAN

Section 12.01 Preparation of Alternative Use Plan. If thoroughbred racing is no longer a lawful activity or is otherwise rendered not commercially viable (whether as a result of a change in law or regulation or due to Capital Deficits), TMJC shall prepare, subject to MSA's approval, a plan for alternative uses for the Racing Facilities that provide a necessary or beneficial public purpose and, with respect to the Pimlico Facility, a process for community input that is facilitated by the Pimlico Community Advisory Board (or its legal successor).

Section 12.02 Dispute. If there is a dispute between TMJC and MSA regarding (a) whether thoroughbred racing is no longer a lawful activity or is otherwise rendered not commercially viable, and/or (b) the contents of the plan for alternative uses, then MSA shall adjudicate the dispute as a contested case under Title 10, Subtitle 3 of the State Government Article (provided that MSA may delegate all or a portion of the adjudication to the Office of Administrative Hearings).

Section 12.03 BPW Approval. TMJC and MSA shall deliver the plan for alternative uses to BPW along with the notice to BPW that thoroughbred racing is no longer a lawful activity or is otherwise rendered not commercially viable.

Section 12.04 Conditional Termination of Agreement. This Agreement shall terminate one hundred eighty (180) days (or such longer period as TMJC and MSA may agree upon) after delivery of notice and the plan for alternative uses to BPW unless BPW rejects the alternative uses plan provided by TMJC and MSA.

Section 12.05 Rejection of Plan by BPW. If BPW rejects the plan prior to the scheduled termination date for this Agreement, this Agreement shall not terminate and TMJC shall be required to amend or replace the plan until BPW is satisfied.

ARTICLE XIII
TERMINATION FOR DEFAULT

Section 13.01 TMJC Event of Default. The occurrence of any of the following shall be a "**TMJC Event of Default**":

(a) The (i) filing by TMJC of a voluntary petition in bankruptcy; (ii) adjudication of TMJC as a bankrupt; (iii) approval as properly filed by a court of competent jurisdiction of any petition or other pleading in any action seeking reorganization, rearrangement, adjustment or composition of, or in respect of TMJC under the United States Bankruptcy Code or any other similar state or federal law dealing with creditors' rights generally, unless, with respect to any involuntary proceeding, such petition is dismissed within ninety (90) days after filing; (iv) TMJC's assets are levied upon by virtue of a writ of court of competent jurisdiction, unless such levy is released or bonded within ninety (90) days; (v) assignment by TMJC of all or substantially all of its assets for the benefit of creditors; (vi) Insolvency of TMJC; (vii) initiation of procedures for involuntary dissolution of TMJC, unless within ninety (90) days after such filing, TMJC causes such filing to be stayed or discharged; (viii) TMJC ceases to conduct thoroughbred racing and training in Maryland; and (ix) appointment of a receiver, trustee or other similar official for TMJC, or TMJC's property, unless within ninety (90) days after such appointment, TMJC causes such appointment to be stayed or discharged.

(b) The failure of TMJC to keep, observe, or perform any of the material terms, covenants, or agreements contained in this Agreement on TMJC's part to be kept, performed, or observed (other than those referred to in the preceding subsections of this section) if: (i) such failure is not remedied by TMJC within thirty (30) days after Actual Receipt of notice from MSA to TMJC of such failure (with TMJC initiating curative action as soon as commercially reasonable after receipt of such notice from MSA) or (ii) in the case of any such failure that cannot with due diligence and good faith be cured within thirty (30) days after Actual Receipt of notice, (1) TMJC

fails to commence to cure such default within thirty (30) days after notice from MSA to TMJC of such failure (with TMJC initiating curative action as soon as commercially reasonable after receipt of such notice from MSA), or (2) TMJC fails to prosecute diligently the cure of such failure to completion within such additional period as may be reasonably required to cure such failure with diligence and in good faith; provided, however, such period shall not exceed one hundred eighty (180) days after Actual Receipt of notice from MSA if such default, (A) presents a present and material risk to public health or safety or of loss of human life, or (B) materially impairs MSA's right, title, and interest in a Racing Facility. The term "Actual Receipt" means, with respect to any notice for default in this Section 13.01, the time at which the notice of default is delivered to the recipient's address for notices under this Agreement, or comes into the recipient's possession by another means, as shown by (a) a signed delivery receipt or courier confirmation, (b) the recipient's written acknowledgment (an email reply counts, but an automated reply does not), or (c) other reasonable evidence of delivery. "Actual Receipt" in this Section 13.01 does not include constructive or deemed receipt, such as receipt presumed from mailing, posting, or the passage of time.

Section 13.02 MSA Remedies Upon a TMJC Event of Default. Upon the occurrence of any TMJC Event of Default, MSA may (subject to the applicable cure periods), in its sole discretion, pursue any one or more of the following remedies after delivery of notice to TMJC:

(a) MSA may (but under no circumstance shall be obligated to) terminate this Agreement and upon such termination MSA may forthwith reenter and repossess the Racing Facilities, without demand or notice of any kind (except as otherwise set forth herein).

(b) MSA may (but under no circumstance shall be obligated to), during the pendency of any TMJC Event of Default, suspend any reimbursements pending under Article X of this Agreement.

(c) MSA may exercise any and all other remedies available to MSA at law or in equity (to the extent not otherwise specified or listed in this section), including claims for damages, injunctive relief, and specific performance, subject to any limitations thereon set forth in this Agreement.

ARTICLE XIV
DUTIES OF TMJC UPON EXPIRATION OR EARLIER TERMINATION OF THIS AGREEMENT

Section 14.01 Upon the expiration or earlier termination of this Agreement, TMJC shall, at no cost to the State, MSA, or any other unit of the State:

(a) Vacate the Racing Facilities and return the Racing Facilities to the custody and control of MSA, in good order and repair subject to ordinary wear and tear;

(b) Return to MSA all personal property that was provided to TMJC under this Agreement, in good order and repair subject to ordinary wear and tear (to the extent not previously disposed of or replaced in accordance with this Agreement);

(c) Unless otherwise provided in an approved plan for alternative use and also subject to the rights and interests of third parties, at MSA's election, TMJC shall sell to MSA or a Replacement Operator, as directed by MSA, TMJC's personal property used in connection with the Racing Facilities at the then current fair market value.

ARTICLE XV
NONDISCRIMINATION PROVISIONS

Section 15.01 Nondiscrimination in Employment. TMJC agrees:

(a) Not to discriminate in any manner against an employee or applicant for employment because of race, color, religion, creed, age, sex, sexual orientation, gender identification, marital status, national origin, ancestry genetic information or any otherwise unlawful use of characteristics, or disability of a qualified individual with a disability unrelated in nature and extent so as to reasonably preclude the performance of the employment, or the individual's refusal to submit to a genetic test or make available the results of a genetic test;

(b) To post and to cause subcontractors to post in conspicuous places available to employees and applicants for employment, notices setting forth the substance of clause (a), above.

Section 15.02 Nondiscrimination in Commerce.

(a) As a condition of entering into this Agreement, TMJC represents and warrants that it has and will comply with the State's Commercial Nondiscrimination Policy, as described under Title 19 of the State Finance and Procurement Article of the Annotated Code of Maryland. As part of such compliance, TMJC may not discriminate on the basis of race, color, religion, ancestry, national origin, sex, age, marital status, sexual orientation, sexual identity, genetic information or an individual's refusal to submit to a genetic test or make available the results of a genetic test or on the basis of disability, or other unlawful forms of discrimination in the solicitation, selection, hiring, or commercial treatment of subcontractors, vendors, suppliers, or commercial customers, nor shall TMJC retaliate against any person for reporting instances of such discrimination. TMJC shall provide equal opportunity for subcontractors, vendors, and suppliers to participate in all of its public sector and private sector subcontracting and supply opportunities, provided that this clause does not prohibit or limit lawful efforts to remedy the effects of marketplace discrimination that have occurred or are occurring in the marketplace. TMJC understands that a material violation of this clause shall be considered a material breach of this Agreement and may result in termination of this Agreement, disqualification of TMJC from participating in State contracts, or other sanctions. This clause is not enforceable by or for the benefit of, and creates no obligation to, any third party.

(b) TMJC agrees to cooperate in any investigation conducted by the State pursuant to the State's Commercial Nondiscrimination Policy as set forth under Title 19 of the State Finance and Procurement Article of the Annotated Code of Maryland, and to provide any documents relevant to any investigation that are requested by the State. TMJC understands that violation of this clause is a material breach of this Agreement and may result in contract termination, disqualification by the State from participating in State contracts, and other sanctions.

ARTICLE XVI
DRUG AND ALCOHOL-FREE WORKPLACE

Section 16.01 For purposes of this Article, terms defined in COMAR 21.11.08 shall have the same meanings when used herein.

Section 16.02 TMJC certifies and agrees that, with respect to its employees to be employed under this Agreement, TMJC shall:

(a) Maintain a workplace free of drug and alcohol abuse during the term of the contract;

(b) Publish a statement notifying its employees that the unlawful manufacture, distribution, dispensing, possession, or use of drugs, and the abuse of drugs or alcohol is prohibited in the business' workplace and specifying the actions that will be taken against employees for violation of these prohibitions;

(c) Prohibit its employees from working under the influence of drugs or alcohol;

(d) Not hire or assign to work on this Agreement anyone who the business knows, or in the exercise of due diligence should know, currently abuses drugs or alcohol and is not actively engaged in a bona fide drug or alcohol abuse assistance or rehabilitation program;

(e) Promptly inform the appropriate law enforcement agency of every drug-related crime that occurs in its workplace if the business has observed the violation or otherwise has reliable information that a violation has occurred;

(f) Establish drug and alcohol abuse awareness programs to inform its employees about:

(i) The dangers of drug and alcohol abuse in the workplace;

(ii) The business's policy of maintaining a drug and alcohol-free workplace;

(iii) Any available drug and alcohol counseling, rehabilitation, and employee assistance programs; and

(iv) The penalties that may be imposed upon employees who abuse drugs and alcohol in the workplace;

(g) Provide all employees engaged in the performance of this Agreement with a copy of the statement required by subsection (b) hereof;

(h) Notify its employees in the statement required by subsection (b) hereof, that as a condition of continued employment on this Agreement, the employee shall:

(i) Abide by the terms of the statement; and

(ii) Notify the employer of any criminal drug or alcohol abuse conviction for an offense occurring in the workplace not later than 5 days after a conviction;

(i) Notify MSA within 10 days after either receiving notice under clause (h)(ii) hereof or otherwise receiving actual notice of a conviction;

(j) Within 30 days after either receiving notice under subclause (h)(ii) hereof or otherwise receiving actual notice of a conviction, impose either of the following sanctions or remedial measures on any employee who is convicted of a drug or alcohol abuse offense occurring in the workplace:

(i) Take appropriate personnel action against an employee, up to and including termination; or

(ii) Require an employee to satisfactorily participate in a bona fide drug or alcohol abuse assistance or rehabilitation program; and

(k) Make a good faith effort to maintain a drug and alcohol-free workplace through implementation of this section.

Section 16.03 TMJC acknowledges and agrees that:

(a) This Agreement is conditioned upon compliance with COMAR 21.11.08 and this Article;

(b) The violation of the provisions of COMAR 21.11.08 or this Article shall be cause to suspend payments under or terminate this Agreement for default under COMAR 21.07.01.11 or 21.07.03.15, as applicable; and

(c) The violation of the provisions of COMAR 21.11.08 or this section in connection with this Agreement may, in the exercise of the discretion of BPW, result in suspension and debarment of the business under COMAR 21.08.03.

ARTICLE XVII
NOTICES

Section 17.01 Notices. All notices, demands, requests, and other written communications given or delivered under this Agreement shall be (a) in writing, signed by the Party giving such notice, demand, request, or other communication, (b) addressed to the other Party's representatives, as defined in this Section, and (c) sent by (i) United States certified mail, postage prepaid, return receipt requested, (ii) hand delivery, (iii) FedEx or a similar nationally recognized overnight courier service, or (iv) electronic mail with a confirmation copy delivered promptly thereafter by another method set forth in this Section (where such confirmation copy may be received subsequently). All such notices, demands, requests, or other communications shall be deemed to have been given for all purposes of this Agreement upon the date of receipt or refusal, except that whenever under this Agreement (A) a notice is delivered after 5:00 p.m. (local time) on any day, or (B) a notice is either

received on a day that is not a business day or is required to be delivered on or before a specific day that is not a business day, the day of receipt or required delivery shall automatically be extended to the next business day. All notices shall be delivered to the following addresses and persons:

If to TMJC:	Bill Knauf President and General Manager The Maryland Jockey Club 198 Laurel Race Track Road Laurel, Maryland 20725 Email: Bill.Knauf@marylandracing.com
With concurrent copy to (which: Shall not constitute formal delivery Of notice)	Brian G. Filler Miles & Stockbridge 1201 Pennsylvania Avenue, NW Suite 900 Washington, DC 20004 Email: bfiller@milesstockbridge.com
If to MSA:	Gary A. McGuigan Executive Vice President Capital Projects Development Group Maryland Stadium Authority 351 West Camden Street, Suite 300 Baltimore, Maryland 21201 Email: gmcguigan@mdstad.com
With concurrent copy to:	Cynthia M. Hahn Assistant Attorney General Office of the Attorney General 333 West Camden Street, Suite 500 Baltimore, Maryland 21201 Email: chahn@oag.maryland.gov

Either Party may designate a change of designated recipient and address by written notice to the other Party, in the manner set forth above.

ARTICLE XVIII
FORCE MAJEURE

Section 18.01 Force Majeure. When a Force Majeure occurs, the party prevented from or delayed in performing its obligations under this Agreement shall promptly notify the other Party as soon as reasonably possible under the circumstances giving a reasonably detailed description of the Force Majeure and the reasons that it prevents or delays the Party's performance under this Agreement. The Party that issues notice of a Force Majeure must as soon as reasonably practicable (i) resume performance of its obligations under this Agreement, and (ii) use reasonable efforts (y)

to minimize or mitigate the effects of the prevention or delay caused by the Force Majeure and (z) to fulfill its obligations under the Agreement.

ARTICLE XIX
MISCELLANEOUS PROVISIONS

Section 19.01 Governing Law. Notwithstanding any other provision of this Agreement, the provisions of this Agreement shall be governed by the laws of the State of Maryland and the parties hereto expressly agree that the courts of the State of Maryland, and only such courts, shall have jurisdiction to decide any question arising hereunder after all administrative remedies, if any, have been exhausted.

Section 19.02 Cross-Default. Any breach, failure to perform, or Event of Default by TMJC under the Exclusive License Agreement by and between TMJC and the Maryland Economic Development Corporation, as may be amended from time to time, shall constitute an automatic and immediate TMJC Event of Default under this Agreement. Upon the occurrence of such cross-default, MSA shall be entitled to exercise any and all remedies available to it under this Agreement, at law, or in equity.

Section 19.03 Severability. If any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement, and in lieu of such invalid, illegal, or unenforceable provision, there shall be added automatically as a part of this Agreement a provision as similar in terms to such invalid, illegal, or unenforceable provision as may be possible and be valid, legal, and enforceable. Each part of this Agreement is intended to be severable.

Section 19.04 No Waiver. The failure of either Party to enforce, insist upon, or comply with any of the terms of this Agreement, or a Party's waiver of the same in any instance, shall not be construed as a general waiver or relinquishment of any such terms, conditions, or covenants, but the same shall be and remain at all times in full force and effect.

Section 19.05 No Arbitration. Notwithstanding any other provision of this Agreement, no dispute or controversy under this Agreement shall be subject to binding arbitration.

Section 19.06 Entire Agreement. This Agreement (including all exhibits) represents the entire and integrated agreement between MSA and TMJC and supersedes all prior negotiations, representations, or agreements, either written or oral.

Section 19.07 Amendment. This Agreement may be amended by and only by an instrument executed and delivered by each party hereto.

Section 19.08 Assignment. This Agreement may not be assigned by either party, in whole or in part without the written consent of the other; provided, however, that MSA may assign any or all of its rights under this Agreement to the State of Maryland or any agency or department thereof.

Section 19.09 No Third-Party Beneficiaries. Unless otherwise specifically and clearly provided, (a) nothing contained in this Agreement shall create a contractual relationship with or a

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cause of action in favor of a third party against either MSA or TMJC; and (b) there are no intended third-party beneficiaries of this Agreement.

Section 19.10 Non-Hiring of State Employees. No official or employee of the State (as defined in State Government Article § 15-102, Annotated Code of Maryland) whose duties as such official or employee include matters relating to or affecting the subject matter of this Agreement shall, during the pendency or term of this Agreement and while serving as an official or employee of the State, become or be an employee of TMJC or any entity that is a subcontractor on this Agreement.

Section 19.11 Time of the Essence. Time is of the essence in the performance of the obligations of TMJC and MSA under this Agreement.

Section 19.12 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

Section 19.13 Electronic Signatures and Records. To the fullest extent permitted by applicable law (including, but not limited to, the Federal Electronic Signatures in Global and National Commerce Act and the Maryland Uniform Electronic Transactions Act), the parties agree that (a) this Agreement may be electronically signed, (b) an electronic signature to this Agreement shall be as effective as a handwritten signature for purposes of validity, enforceability, authentication, and admissibility, and (c) an electronic record of this Agreement shall be as effective as a paper record for purposes of authentication and admissibility.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered on their respective behalf.

WITNESS:

_____

THE MARYLAND JOCKEY CLUB, INC.

By: Bill Knauf
Name: Bill Knauf
Title: President & General Manager
Date: October 26, 2026

WITNESS:

_____

MARYLAND STADIUM AUTHORITY

By: _____
Name:
Title:
Date:

SimplyAgree Sign signature packet ID: b326cb96-3bd6-4304-8be6-0528cc6432a4

cause of action in favor of a third party against either MSA or TMJC; and (b) there are no intended third-party beneficiaries of this Agreement.

Section 19.10 Non-Hiring of State Employees. No official or employee of the State (as defined in State Government Article § 15-102, Annotated Code of Maryland) whose duties as such official or employee include matters relating to or affecting the subject matter of this Agreement shall, during the pendency or term of this Agreement and while serving as an official or employee of the State, become or be an employee of TMJC or any entity that is a subcontractor on this Agreement.

Section 19.11 Time of the Essence. Time is of the essence in the performance of the obligations of TMJC and MSA under this Agreement.

Section 19.12 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

Section 19.13 Electronic Signatures and Records. To the fullest extent permitted by applicable law (including, but not limited to, the Federal Electronic Signatures in Global and National Commerce Act and the Maryland Uniform Electronic Transactions Act), the parties agree that (a) this Agreement may be electronically signed, (b) an electronic signature to this Agreement shall be as effective as a handwritten signature for purposes of validity, enforceability, authentication, and admissibility, and (c) an electronic record of this Agreement shall be as effective as a paper record for purposes of authentication and admissibility.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered on their respective behalf.

WITNESS:

Jason F. Weintraub

_____

THE MARYLAND JOCKEY CLUB, INC.

By: _____
Name:
Title:
Date:

WITNESS:

_____

MARYLAND STADIUM AUTHORITY

By: _____
Name:
Title:
Date:

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WITNESS:

THE MARYLAND JOCKEY CLUB, INC.

_____

By: _____
Name:
Title:
Date:

WITNESS:

MARYLAND STADIUM AUTHORITY

By: _____
Name: Lindsey V. Parker
Title: Executive Director
Date: October 28, 2026

Exhibit A – Defined Terms

The "**1/ST Ancillary Services Agreements**" means the service agreements with affiliates of 1/ST Holdings Inc. identified on Exhibit E to that certain Exclusive License Agreement, dated as of June 28, 2024, by and between 1/ST Maryland LLC and MTROA, as modified in connection with the purchase of 1/ST Maryland LLC by MEDCO.

"**Advertising Signage**" means all advertising signs, including names, logos, and business identifiers, that may be located at a Racing Facility at any time, including any and all such advertising media in or affixed to a Racing Facility or any part thereof, including static signs, video and/or audio displays, holograms, electronic insertions in any communications or display media, billboards, clocks, concourses, seats, fences, and grandstands.

The "**Amended Racing and Community Development Act**" means the Racing and Community Development Act of 2020, 2020 Md. Laws Ch. 590 (S.B. 987), as amended by the Annual Corrective Act, 2021 Md. Laws Ch. 109 (S.B. 877), the Act Concerning Horse Racing—Extension of Maryland Horse Racing Act and Establishment of Maryland Thoroughbred Racetrack Operating Authority, 2023 Md. Laws Ch. 111 (S.B. 720), the Act Concerning Horse Racing—Racing Facility Ownership and Construction—Racing Operations, 2024 Md. Laws Ch. 410 (H.B. 1524), the Budget Reconciliation and Financing Act of 2025, 2025 Md. Laws Ch. 604 (H.B. 352), and the Act Concerning Economic Development—Horse Racing Facilities, Prince George's County Blue Line Corridor Facilities, and Bus Rapid Transit—Alterations, 2026 Md. Laws Ch. 376 (H.B. 1581).

"**Annual Capital Works Plan**" means the plan and budget for Capital Works at the Racing Facilities prepared by MSA and provided to TMJC prior to the applicable State Fiscal Year in accordance with Section 9.01 of this Agreement.

"**Annual Maintenance Plan**" means the plan and budget for Maintenance of the Racing Facilities prepared by TMJC and provided to MSA prior to the applicable calendar year in accordance with Section 2.07 of this Agreement.

"**Annual Maintenance Report**" shall have the meaning given in Section 2.08 of this Agreement.

"**Audited Financial Statements**" shall mean the balance sheet as of December 31 of each year during the Term, and the related statements of earnings and cash flows other schedules and accompanying notes for the year then ended relating to the Operator's (TMJC) operations. These statements must be prepared in accordance with generally accepted accounting principles and accompanied by a report issued by an independent certified public accountant or accounting firm selected by the Operator (TMJC).

"**BPW**" means the Maryland Board of Public Works.

"**Capital Improvement**" means any Capital Work to improve a Racing Facility with the addition of a wholly new Capital Item (*i.e.*, excluding any Capital Repair).

"**Capital Item**" means any item, feature, component, or other element of a Racing Facility that (i) constitutes a fixture or otherwise is or becomes part of the real property under Maryland law, and (ii) may be treated as a capital asset in accordance with GAAP.

"**Capital Repair**" means any Capital Work reasonably necessary to refurbish (in a manner that either extends the useful life thereof or increases the productivity thereof) or replace any Capital Item, including any Capital Work necessitated by: (i) any material defects in design, construction, or installation of a Capital Item; (ii) physical obsolescence; (iii) functional obsolescence; (iv) requirements imposed by any applicable law; (v) requirements of any insurance carrier insuring any portion of a Racing Facility; or (vi) requirements of any manufacturer, supplier, or installer of any Capital Item that is stipulated in the operating manual therefor. Capital Repair does not include routine maintenance of a Capital Item or any repair of a Capital Item that would not be treated as a capital expense under GAAP.

"**Capital Work**" means any work (including all labor, supplies, materials, equipment, costs of permits and approvals, and design and engineering costs) that (i) is reasonably necessary to refurbish (in a manner that either extends the useful life thereof or increases the productivity thereof), replace, or add any Capital Item to a Racing Facility, and (ii) may be treated as a capital expense in accordance with GAAP. Capital Work shall not include the installation of overlays or other temporary structures at any Racing Facility and any costs related thereto.

"**Emergency Repairs**" means repairs that (a) are not included in the Annual Maintenance Plan or the Annual Capital Works Plan, and (b) must be completed as expeditiously as possible to prevent immediate or imminent damage to any significant component of a Racing Facility or that would immediately or imminently render any material portion of a Racing Facility's mechanical, electrical, or plumbing systems, or other significant component thereof, unusable.

"**Environmental Laws**" means all applicable federal, state, and local laws, regulations, and rules to prevent pollution, manage agricultural waste, and protect natural resources, including but not limited to the Clean Water Act, State agricultural nutrient management rules, soil conservation requirements, and local zoning, wet waste, and chemical use.

The "**Facility Bond Requirements**" mean any restrictions or requirements applicable to a Racing Facility as necessary or otherwise reasonably required by MSA to comply with the terms of any financing of Capital Works at such Racing Facility.

"**Force Majeure**" means any act, event, or condition that (i) materially and adversely affects the affected party's ability to perform the relevant obligations under this Agreement or delays such affected party's ability to do so, (ii) is beyond the reasonable control of the affected party by the exercise of commercially reasonable efforts, including the expenditure of any reasonable sum of money, and (iii) is not due to the affected party's fault or negligence.

"**GAAP**" means generally accepted accounting principles as in effect from time to time in the United States, consistently applied.

"**HISA**" means the Horseracing Integrity and Safety Authority, a national non-profit organization created to establish and enforce uniform safety, integrity, and anti-doping rules across

U.S. thoroughbred horse racing under the supervision of the Federal Trade Commission in accordance with and pursuant to the Horseracing Integrity and Safety Act of 2020.

"**Insolvency**" or "**Insolvent**" means, with respect to TMJC as of any date of determination, the occurrence of any one or more of the following events:

1. Custodial Takeover: The appointment of, or the taking possession by, a custodian, receiver, liquidator, assignee, trustee, or sequestrator of TMJC, or of any substantial part of the TMJC's property or venue operating accounts;

2. General Assignment: The making by TMJC of a general assignment for the benefit of its creditors; or

3. Unconditional Debt Default: The failure by TMJC to satisfy, bond, or stay any final judgment, tax lien, or municipal assessment exceeding [Insert Dollar Threshold, e.g., $250,000] within thirty (30) days of entry, or the failure to cure an accelerated default under any primary credit facility or financing arrangement.

The "**Laurel Park Facility**" means the real property, subsurface areas, improvements and equipment located in Anne Arundel County, Maryland, in the area bound by Laurel Race Track Road, Whiskey Bottom Road, Brock Bridge Road, and Fort Meade Road.

"**Maintenance Work**" means all work (including all labor, supplies, materials, and equipment) that is of a routine nature and is reasonably necessary for the cleaning and routine care of and preventative maintenance and repair for any property, structures, surfaces, facilities, fixtures, equipment, furnishings, improvements, and components that form any part of a Racing Facility or the tangible personal property used in connection therewith that is reasonably necessary to operate and maintain the Racing Facilities as first-class facilities for the training or racing of thoroughbred horses (including the replacement of any tangible personal property licensed by MSA to TMJC under paragraph 2.03(c) if and when such property reaches the end of its useful life or is lost, stolen, or damaged beyond repair), as applicable to each Racing Facility. Maintenance Work shall include at least the following: (a) preventative or routine maintenance that is stipulated in the operating manuals for the components or equipment of a Racing Facility or otherwise undertaken as such components or equipment degrade or fail from normal use; (b) periodic testing of building systems, such as mechanical, card-key security, fire alarm, lighting, video, and sound systems; (c) ongoing trash removal; (d) regular maintenance procedures for heating, ventilation and air conditioning, plumbing, electrical, roof and structural systems, and vertical lift systems (*e.g.*, escalators and elevators); (e) painting of or application of protective materials to components of the Racing Facility; (f) touch-up work to brick, structural and decorative steel, concrete, flooring materials, and gates; (g) cleaning prior to, during and following all events at the Racing Facility; (h) routine changing of light bulbs, ballasts, fuses and circuit breakers as they fail in normal use; (i) the provision of 24-hour security services at the Racing Facility (including the cost of any law enforcement or security services for any event); (j) utilities, including, but not limited to, electricity, natural gas, steam, and water/sewage; (k) fire alarm maintenance; (1) maintenance contractors, including plumbing repair and maintenance; (m) pest control and management;; (n) regular maintenance of building control systems; (o) regular maintenance of videoboards and related video control systems, audio speakers and control systems, and other electronic systems

appropriate for a first-class Racing Facility; (p) maintenance of all race track and training surfaces (including of all subsurface conditions) appropriate for a first-class Racing Facility (including compliance with all applicable laws and industry standards), and (q) all other work necessary for the day-to-day operation of the Racing Facilities. Except as otherwise specifically provided in this Agreement, Maintenance Work shall also include the installation of all overlays or other temporary structures at any Racing Facility and all costs related thereto.

"**Major Events**" means and includes (a) the Preakness Events, and (b) any other event held at a Racing Facility with an anticipated attendance of 20,000 or more persons.

"**Marketing Rights**" means all rights with respect to Naming Rights and Advertising Signage.

"**MEDCO**" means the Maryland Economic Development Corporation or any successor entity to which TMJC owes the Preakness IP Obligations in exchange for the use and control of the Preakness IP Rights.

"**MSA Indemnitees**" means MSA, the State of Maryland, and each of their respective employees, agents, departments, divisions, units, officials, officers, and representatives.

"**MPIA**" means the Public Information Act, currently codified as Title 4 of the General Provisions Article of the Annotated Code of Maryland.

"**MTROA**" means the Maryland Thoroughbred Racetrack Operating Authority, formerly a body corporate and politic and a public instrumentality of the State, as to which MSA is its sole successor as of July 1, 2026 by the terms of the Amended Racing and Community Development Act.

"**Naming Rights**" means the right to (i) name a Racing Facility, any portion thereof, and any operations therefrom, (ii) give designations and associations to any portion of a Racing Facility or the operations therefrom, and (iii) designate vendors or suppliers of goods and services at a Racing Facility as being the official (or other similar designation) vendor or supplier of such goods and services at the Racing Facility and to grant to such vendors or suppliers the right to advertise such designation.

The "**Nonprofit Requirements**" mean the rules and restrictions applicable to TMJC as a not-for-profit entity under Section 501(c)(4) of the Internal Revenue Code of 1986, as amended, and IRS regulations pursuant thereto, as the same may be amended or replaced from time to time.

"**OMA**" means the Open Meetings Act, currently codified as Title 3 of the General Provisions Article of the Annotated Code of Maryland.

The "**Pimlico Facility**" means the real property, subsurface areas, improvements and equipment located in Baltimore City, Maryland, in the area bound by the Pimlico Road Parcel, West Belvedere Avenue, Park Heights Avenue, Hayward Avenue, Winner Avenue, West Rogers Avenue, and West Northern Parkway. The Pimlico Facility does not include the Pimlico Outparcels.

The "**Pimlico Outparcels**" mean the parcels of land in the area generally bound by Winner Avenue, West Northern Parkway, Stuart Avenue, and West Rogers Avenue, specifically:

"**Pimlico Outparcel A**" consisting of the parcels designated as Block 4463, Lots 1, 3, 5, 7, 9, 11, 13, 17, and 21 on the tax maps of Baltimore City (generally bound by Winner Avenue, West Northern Parkway, Bland Avenue, and West Rogers Avenue).

"**Pimlico Outparcel B**" consisting of the parcels designated as Block 4464, Lots 1, 6, 7, 9, 11, 13, 16, 19, 22, 23, and 24 (generally bound by Bland Avenue, West Northern Parkway, Key Avenue, and West Rogers Avenue, but excluding Block 4464, Lot 25).

"**Pimlico Outparcel C**" consisting of the parcels designated as Block 4488, Lots 1, 6, 8, 9, and 10 (generally bound by Key Avenue, West Northern Parkway, Woodcrest Avenue, and West Rogers Avenue, but excluding Block 4488, Lot 5).

"**Pimlico Outparcel D**" consisting of the parcels designated as Block 4489, Lots 1, 5, 6, 7, and 8 (generally bound by Woodcrest Avenue, West Northern Parkway, Merville Avenue, and West Rogers Avenue).

"**Pimlico Outparcel E**" consisting of the parcels designated as Block 4490, Lots 1 and 2 (generally bound by Merville Avenue, West Northern Parkway, Stuart Avenue, and West Rogers Avenue).

"**Preakness Events**" shall mean the annual Preakness Stakes and Black-Eyed Susan Stakes, together with undercard races and other sanctioned events and activities related thereto hosted by TMJC or any person operating on behalf of or under license from TMJC.

The "**Preakness IP Obligations**" means the obligations of TMJC to MEDCO (in exchange for the use and control of the Preakness IP Rights as required by MEDCO in connection with MEDCO's acquisition, financing, or refinancing of the Preakness IP Rights.

The "**Preakness IP Rights**" means the rights acquired by TMJC pursuant to its agreement with MEDCO with respect to the intellectual property pertaining to the Preakness and Black-Eyed Susan events.

The "**Racing Facilities**" consist of the Pimlico Facility, the Laurel Park Facility, and, if and to the extent separate from the Laurel Park Facility, the Training Facility. Each of the Racing Facilities are a "**Racing Facility**."

The "**RCD Facilities Fund**" means the Racing and Community Development Facilities Fund established by the Amended Racing and Community Development Act, as codified in Md. Ann. Code, Econ. Dev. § 10-657.3.

The "**RCD Financing Fund**" means the Racing and Community Development Financing Fund established by the Amended Racing and Community Development Act, as codified in Md. Ann. Code, Econ. Dev. § 10-657.2.

"**Replacement Operator**" means an entity other than TMJC that satisfies the requirements to be a "thoroughbred racetrack operator" and designated as such by MSA under the terms of the Amended Racing and Community Development Act.

"**Security Services**" means personnel, equipment, systems, planning, coordination, administration, monitoring, and other actions reasonably necessary to provide for the safety and security of patrons, employees, contractors, visitors, State assets, Preakness intellectual property, and Racing Facilities, and shall include:

(a) 24-hour security coverage for the Racing Facilities, including access control and patrol functions;

(b) event security services and crowd management for all racing events and other Major Events;

(c) development, maintenance, testing, and implementation of security, safety, emergency operations, incident management, evacuation, severe weather, and business continuity plans;

(d) coordination and cooperation with federal, state, and local law enforcement, fire, emergency medical services, emergency management agencies, transportation agencies, and other public safety partners;

(e) credentialing, identification, and access control procedures for employees, contractors, participants, vendors, media, and guests;

(f) operation, monitoring, inspection, maintenance, testing, repair, and replacement of security-related systems and equipment, including video surveillance systems, access control systems, credentialing systems, intrusion detection systems, emergency communications systems, security command center systems, and associated security infrastructure;

(g) threat assessment, risk analysis, intelligence coordination, suspicious activity reporting, and incident documentation;

(h) traffic management, parking security, perimeter security, and pedestrian safety measures associated with Racing Facility operations and events;

(i) security staffing, training, supervision, certification, and deployment necessary to maintain appropriate security operations;

(j) protection of State-owned assets, intellectual property, artifacts, equipment, and other property located at or used in connection with the Racing Facilities;

(k) maintenance of all records relating to security incidents, investigations, security system testing, inspections, training, and emergency preparedness activities; and

(l) all other services reasonably necessary to ensure the safe, secure, and uninterrupted operation of the Racing Facilities and Major Events.

"**SRC**" means the Maryland State Racing Commission.

"**State**" means the State of Maryland.

"**State Fiscal Year**" means the fiscal year for the State which, unless modified, is the period beginning on July 1 of each year through and inclusive of June 30 of the following calendar year. Each State Fiscal Year is designated by the calendar year in which it ends. For example, the period from July 1, 2026 through June 30, 2027 is State Fiscal Year 2027.

The "**State Personal Property Requirements**" mean State inventory control and disposal laws, regulations, and policies applicable to tangible personal property owned by MSA.

"**Term**" means the period from July 1, 2026, through and including June 30, 2062, unless (i) sooner terminated in accordance with the terms of this Agreement, or (ii) renewed and extended by the parties by an amendment to this Agreement.

The "**Thoroughbred Purse Dedication Account**" or "**Purse Dedication Account**" means that portion of the Maryland Purse Dedication Account (established by Md. Ann. Code, St. Gov. § 9-1A-28(a)) allocated to thoroughbred racing under Md. Ann. Code, St. Gov. § 9-1A-28(c)(1), subject to the amounts payable under Md. Ann. Code, St. Gov. § 9-1A-28(b)(3)(i)-(iii).

The "**Training Facility**" means the Laurel Park Facility unless and until MSA designates another location as the "training facility" under the authority granted by the Amended Racing and Community Development Act and in accordance with the terms of this Agreement.

The "**Woodlawn Vase**" means that certain original trophy, currently knowns as the "Woodlawn Vase," that has historically been presented to the connections of the winners of the Preakness Stakes.

The "**Woodlawn Vase Agreement**" means that certain Woodlawn Vase Loan Agreement originally by and between The Maryland Jockey Club of Baltimore City, Inc., and MTROA, dated as of June 28, 2024, but having a term commencing January 1, 2027, with respect to the lending and copying of the Woodlawn Vase for use in connection with the Preakness Events in 2027 and each year thereafter.

EXHBIT B
TO FACILITIES OPERATIONS AGREEMENT

REQUIRED PROCURMENT PROCESS AND TERMS
(Reimbursement From State Funds)

WHEREAS TMJC desires to be able to request reimbursement from the State for certain expenditures as described and set forth in the Facilities Operations Agreement by and between TMJC and the MSA, to which this Exhibit B is an attachment and made a part thereof; and

WHEREAS in order for MSA to reimburse TMJC expenses with State funds, TMJC must comply with certain procurement processes and procedures.

I. Procurements Procedures.

Standards for procurements reimbursable with State funds under this Facilities Operations Agreement ("FOA").

(1) Provide public confidence in the procurement procedures.
(2) Ensure the fair and equitable treatment of all personnel who respond to solicitations and enter into contracts or agreements to provide services, goods, or conduct work of any kind at a Racing Facility.
(3) Meet the Minority Business Enterprise Goals as established by the State.
(4) If appropriate, offer procurements to Small Businesses in accordance with the Small Business Reserve ("SBR") goals established by the State. SBR requirements are found in State Finance & Procurement §§ 14-501 - 14-505 and related Code of Maryland Regulations 21.11.01 and generally apply to procurements valued between $50,000 and $500,000 .
(5) Provide competitive procurement opportunities that encourage robust participation in bids and proposals.

II. Advertising.

TMJC shall advertise its competitive solicitations on its own website and MSA shall include procurement opportunities offered by TMJC on the MSA website.

III. Bid Protest, Contested Procurements.

(1) TMJC is solely responsible for all bid protests, contested procurements, or other matters arising from the solicitation and contract award.

(2) Neither TMJC nor any third party shall be entitled to rely upon the dispute provisions set forth in MSA's Procurement Policies and Procedures.

(3) TMJC shall bear the costs of any protest including litigation costs in connection with its procurement practices.

(4) All TMJC solicitations shall include the following language:

"*The Maryland Stadium Authority is not the procurement agency for the solicitation and shall not accept bid protests or other objections to the solicitation (if any), or the contract, if any if awarded."*

REQUIRED SOLICIATION PROVISIONS

The following terms and provisions must be included in solicitations resulting in costs or expenses to TMJC for which it requests reimbursement from MSA.

Anti-Bribery
The Offeror warrants that neither it nor any of its officer, directors, or partners not any of its employees who are directly involved in obtaining or performing contracts with any public body has been convicted of bribery, attempted bribery, or conspiracy to bribe under the laws of any state or of the federal government or has engaged in conduct since July 1, 1977, which would constitute bribery, attempted bribery, or conspiracy to bribe under the laws of any state or the federal government.

Arrearages
By submitting a response to this solicitation, a vendor shall be deemed to represent that it is not in arrears in the payment of any obligation due and owing the State of Maryland, including the payment of taxes and employee benefits, and that it shall not become so in arrears during the term of the contract if selected for contract award.

Buy Clean Maryland
STATE FINANCE & PROCURMENT §§ 4-901 – 4-905
Applies only to capital projects that are funded solely by State funds.

Effective July 1, 2026

Contingent Fees
The Contractor warrants that it has not employed or retained any person, partnership, corporation, or other entity, other than a bona fide employee or agent working for the Contractor, to solicit or secure this agreement, and that it has not paid or agreed to pay any person, partnership, corporation, or other entity, other than a bona fide employee or agent, any fee or any other consideration contingent on the making of this agreement.

Contractor's Invoices
Contractor shall include its Taxpayer Identification Number on the face of each invoice billed to TMJC. If a Purchase Order document is issued, the Purchase Order Number must be included.

Drug And Alcohol Free Workplace

Work or services to be provided under this Agreement will be performed on or for the benefit of a Racing Facility owned by the Maryland Stadium Authority; and funding for this Agreement may be provided in part or in full by or through the State of Maryland. Therefore, the contractor warrants that the contractor shall comply with COMAR 21.11.08 Drug and Alcohol Free Workplace, and that the contractor shall remain in compliance throughout the term of the Contract.

Maryland Law Prevails
This solicitation and any resulting contract or agreement shall be construed, interpreted, and enforced according to the laws of the State of Maryland.

MBE Notice
Minority business enterprises are encouraged to respond to this solicitation.

Non-Discrimination In Employment
If awarded a contract pursuant to this solicitation, the Contractor agrees to (a) not to discriminate in any manner against an employee or applicant for employment because of race, color, religion, creed, age, sex, sexual orientation, general identification, marital status, national origin, ancestry, genetic information or any otherwise unlawful use of characteristics, or disability of a qualified individual with a disability unrelated in nature and extent so as to reasonably preclude the performance of the employment, or the individual's refusal to submit to a genetic test or make available the results of a genetic test; (b) to include a provision similar to that contained in subsection (a) above in any underlying subcontract except a subcontract for standard commercial supplies or raw materials; and (c) to post and cause subcontractors to post in conspicuous places available to employees and applicants for employment, notices setting forth the substance of this clause.

Non-Visual Access Clause

If procurement is for technology that would fall under this category, recommended for solicitation and contract. If it is in only one, should be included in the solicitation documents.

The bidder or offeror warrants that the information technology offered under this bid or proposal (1) provides equivalent access for effective use by both visual and nonvisual means; (2) will present information, including prompts used for interactive communications, in formats intended for both visual and nonvisual use; (3) if intended for use in a network, can be integrated into networks for obtaining, retrieving, and disseminating information used by individuals who are not blind or visually impaired; and (4) is available, whenever possible, without modification for compatibility with software and hardware for nonvisual access. The bidder or offeror further warrants that the costs, if any, of modifying the information technology for compatibility with software and hardware used for nonvisual access will not increase the cost of the information technology by more than 5 percent. For purposes of this section, the phrase "equivalent access"

means that the ability to receive, use and manipulate information and operate controls necessary to access and use information technology by nonvisual means. Examples of equivalent access include keyboard controls used for input and synthesized speech, Braille, or other audible or tactile means used for output.

Prompt Payment Of Subcontractors

Funding for this Contract may be provided by or through the State of Maryland by a full or partial reimbursement to TMJC. The State of Maryland's *Prompt Payment of Subcontractors* applies to this Contract. This contract and all subcontracts issued under this contract at any tier are subject to the provisions of State Finance and Procurement Article, §15-226, Annotated Code of Maryland References to "undisputed amount", "prime contractor", "contractor" and "subcontractor" have the meanings stated in COMAR 21.10.08.01.

A contractor shall promptly pay its subcontractors an undisputed amount to which a subcontractor is entitled for work performed under this contract within 10 days after the contractor receives a progress payment or final payment for work under this contract.

A contractor shall include in its subcontracts for work under the contract, wording that incorporates the provisions, duties, and obligations of 6.1 a-c: State Finance and Procurement Article, §15-226, Annotated Code of Maryland; and COMAR 21.10.08.

Public Information Notice

The services provided or the work performed under this contract are on State-owned property and may be funded in whole or in part by or through the State. Bid, proposal, contract and other related information shall be disclosed to the State, its agents or representatives upon its request.

Responsibility for Claims and Liability

The Contractor shall be responsible for all damage to life and property due to its activities or those of its agents or employees, in connection with the services required under the contract. Further, it is expressly understood that the Contractor shall indemnify and save harmless the State and the Maryland Stadium Authority, its officers, agents, and employees from and against all claims, suits, judgments, expenses, actions, damages and costs of every name and description, including reasonable attorney's fees and litigation expenses arising out of or resulting from the negligent performance of the services of the Contractor under the contract.

Retainage

If the contractor has furnished a 100 percent payment security and 100 percent performance security:

The percent for retainage may not exceed 5 percent of the contract amount. In addition to retainage, TMJC may withhold from payments otherwise due a contractor an amount it reasonably believes is necessary to protect the State's interests in the Racing Facility. A contractor may not retain from a payment due a subcontractor a percent of the payment greater than the percent for retainage

retained by TMJC. A subcontractor may not retain from a payment due a lower-tier subcontractor a percent of the payment greater than the percentage of payments retained from the subcontractor. A contractor and a subcontractor are not prohibited from withholding an amount in addition to retainage if the contractor or subcontractor determines that a subcontractor's performance under the subcontract provides reasonable grounds for withholding the additional amount.