

Appendix 3



October 17, 2013

Joseph Pennachetti, City Manager
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Rod Phillips
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Dear Mr. Pennachetti:

I understand that Toronto Executive Committee will be considering the new Municipal Contribution Agreement (MCA) on October 30, 2013. As such, I would like to provide some clarification on two points that have arisen over the course of our discussions with you about the new agreement.

1. Municipal consent for live table games.

As you know, municipal choice is an important element of OLG's modernization. OLG has always been clear that we will respect a municipality's decision regarding hosting a new casino or expanding an existing one.

OLG is currently conducting a fair and competitive procurement process to select private sector service providers to run the day-to-day operations of gaming sites. During the Request for Proposal phase of the procurement process, OLG will ensure that potential service providers are made aware of a city's conditions. For Toronto, this means that private sector service providers will be required to follow Council's resolution of May 21, 2013, and will not be permitted to add live table games to OLG Slots at Woodbine. OLG is open to any future Council resolutions that would explicitly amend the current position, and in the event of such a resolution, our instructions to service providers would change accordingly.

If Toronto City Council chooses to enter into the new MCA, that decision will not alter OLG's instructions to service providers that live table games are not permitted at Woodbine. Toronto will continue to receive a percentage of slot revenue, as per the formula set out in the MCA. If the Council chooses to permit the addition of live table games at Woodbine at a future date, the City will also receive a percentage of table revenue, as per the same formula.



2. Community Recognition Program.

The MCA provides for the City's participation in the Community Recognition Program, a new program that will help municipalities increase public awareness and transparency about how hosting fees are used to benefit local communities. Under the program, OLG will work cooperatively with host municipalities to develop an initiative that highlights the community use of hosting fees in a manner that reflects the preferences of the city. OLG plans to financially support this initiative in each host municipality.

I hope this clarifies any questions you may have. If you have any further concerns, please don't hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read 'Rod Phillips', written over a large, light-colored scribble or watermark.

Rod Phillips
President & CEO
Ontario Lottery and Gaming Corporation