

**FIRST AMENDMENT AND CONSENT TO MATERIAL CHANGES
FOR SUBSCRIPTION AGREEMENT
FOR
ONAWA RACING, INC.**

THIS FIRST AMENDMENT AND CONSENT TO THE SUBSCRIPTION AGREEMENT (the “First Amendment and Consent”) is made as of the ____ day of February, 2017, by and between Onawa Racing, Inc., an Iowa corporation whose address for purposes of this First Amendment and Consent is P.O. Box 119, Onawa, IA 51040 (the “Company”) and the undersigned, _____, a/an _____ (individual/corporation/partnership/tenants-in-common/trust/other) whose address for purposes of this First Amendment is _____ (the “Investor”).

RECITALS

WHEREAS, Investor signed a Subscription Agreement for Onawa Racing, Inc. dated _____ (the “Subscription Agreement”) to subscribe \$ _____ for _____ shares of Class B Common Stock in the Company;

WHEREAS, Investor’s subscribed funds are currently held in the Onawa Racing, Inc. Impound Account at Iowa-Nebraska State Bank located in Onawa, IA pursuant to the Securities Impound of Funds Agreement dated February 25, 2016 (the “Impound Agreement”).

WHEREAS, Investor, prior to subscribing such funds, reviewed Company’s Disclosure Document dated _____ and Company’s Buy Sell Agreement dated November 12, 2015, as amended;

WHEREAS, Company desires to renew the securities offering for such shares of Class B Common Stock in the Company for an additional year through February 8, 2018 (the “Termination Date”) and extend the Closing Date of the Impound Agreement to February 25, 2018;

WHEREAS, Company also desires to make material changes to the terms of the securities offering and Impound Agreement, including lowering the Minimum Number of Securities Offered, also called Minimum Subscription, from 300 Shares or \$300,000 down to 100 Shares or \$100,000 which may increase risk factors and dilution for Investor’s subscribed funds.

WHEREAS, Iowa-Nebraska State Bank currently holds approximately \$100,000 of Impound Funds pursuant to the Impound Agreement;

WHEREAS, Company desires to make such material change because the City of Onawa executed amendments to the Development Agreement, Minimum Assessment Agreement, and Ground and Commercial Leases in order to provide an Economic Development Grant of \$300,000 and an Additional Grant (grants defined in the agreements) for \$500,000 upon Company obtaining a minimum subscription of \$100,000;

WHEREAS, Company may begin development in 2017 as soon as it receives approval from investors to lower the minimum offering, meets the updated Minimum Subscription of \$100,000, and receives release of the Impound Funds from Iowa-Nebraska State Bank;

WHEREAS, therefore, Investor has the right to either (1) reconfirm the investment by consenting to the material changes to lower the Minimum Subscription or (2) rescind the investment by requesting return of Investor's subscribed funds.

NOW THEREFORE, in consideration of the mutual covenants in the Subscription Agreement and herein set forth, Company and Investor agree as follows:

1. The Subscription Agreement shall be amended to add the following language:

“The term Minimum Subscription, as used in this Agreement, shall have the same meaning as defined in the Securities Impound of Funds Agreement dated February 25, 2016, as amended, by and between Onawa Racing, Inc. and Iowa-Nebraska State Bank (the “Impound Agreement).”

“The term Termination Date, as used in this Agreement, shall have the meaning same meaning as the term “Closing Date” defined in the Impound Agreement.”

2. Before submitting this First Amendment and Consent, Investor represents to Company that she/he/it has received and reviewed the material changes in the Company's amended Disclosure Document dated February 8, 2017 and Company's Buy Sell Agreement dated November 12, 2015, as amended.
3. Except as otherwise defined or modified herein, all capitalized terms in this First Amendment and Consent shall have the meanings given to them in the respective agreements including the Subscription Agreement, Impound Agreement, and amended Disclosure Document.
4. Except as expressly provided for in this First Amendment and Consent, the Subscription Agreement remains unmodified and in full force and effect pursuant to the terms thereof.
5. This First Amendment and Consent may be executed in any number of counterparts, and each counterpart shall be deemed to be an original.

6. **INVESTOR CONSENT:** (Check one of the following)

I, the undersigned investor or authorized representative of investor entity, have reviewed the amended Disclosure Document dated February 8, 2017, received answers to any and all questions presented to Company, and

RECONFIRM MY INVESTMENT AND CONSENT TO THE MATERIAL CHANGES.

OR

RESCIND MY INVESTMENT AND DO NOT CONSENT TO THE MATERIAL CHANGES and hereby REQUEST RETURN of such subscription funds within 45 days.

IN WITNESS THEREOF, the parties have executed this First Amendment and Consent on the ____ day of February, 2017.

INVESTOR - INDIVIDUAL SUBSCRIPTION:

Investor No.1 (print name above)

Investor No. 2 (print name above)

Street (residence address)

Street (residence address)

City State Zip

City State Zip

Telephone

Telephone

ONAWA RACING, INC.

By: _____

Date: _____

Title: _____

INVESTOR - ENTITY SUBSCRIPTION:

On behalf of the entity named below, you represent that you have full power and authority to execute this First Amendment and Consent. You also represent that investment in the Company is not prohibited by any of the governing documents of the entity.

Name of Entity

By: _____
Signature of trustee, partner or
authorized officer

Date

Title: _____

Street Address

Taxpayer ID Number

City State Zip

Telephone

ONAWA RACING, INC.

By: _____

Date: _____

Title: _____