

FIRST AMENDMENT TO SECURITIES IMPOUND OF FUNDS AGREEMENT

THIS FIRST AMENDMENT TO SECURITIES IMPOUND OF FUNDS AGREEMENT (“First Amendment”) is made as of the ____ day of February, 2017, by and between **Onawa Racing, Inc.**, an Iowa corporation whose address for purposes of this Agreement and First Amendment is P.O. Box 119, Onawa, IA 51040 (the “Company”) and **Iowa-Nebraska State Bank**, a bank organized under the laws of the State of Nebraska whose address for the purposes of this Agreement and First Amendment is 902 10th Street, Onawa, IA 51040 (the “Impound Agent”).

RECITALS

WHEREAS, Company and Impound Agent entered into a Securities Impound of Funds Agreement dated February 25, 2016 (the “Agreement”) for which Impound Agent holds monies Company receives from the sale of securities (the “Impound Funds”);

WHEREAS, Company’s Disclosure Document discloses that the offering may be extended if the Company is close to the minimum offering proceeds goal which can yet be obtained in a reasonable amount of time;

WHEREAS, Company received the registration extension renewal from the State of Iowa Securities Office for the sale of securities to continue the offering through February 8, 2018 (the “Renewal Extension”);

WHEREAS, Company and Impound Agent desire to amend the Agreement to give Company additional time to increase the Impound Funds to meet or exceed the Minimum Subscription amount to release the Impound Fund to Company;

NOW, THEREFORE, in consideration of the mutual covenants in the Securities Impound of Funds Agreement and herein set forth, Company and Impound Agent agree as follows:

1. Pursuant to Section 10 of Extension of Closing Date, **Section 7 of Release or Return of Funds** is hereby deleted and replaced with the following:
 7. If, by the 25th day of February, 2018 (the “Closing Date”), the funds deposited in the Impound Account amount to or exceed \$100,000 (the “Minimum Subscription”), then the Impound Agent will release those funds, and all other funds deposited after that, to the Company provided that

- (a) the Impound Agent has provided the Administrator with a letter stating that \$100,000 has been deposited into the Impound Account before the Closing Date, and
 - (b) the Administrator has provided the Impound Agent and the Company with written consent to the release of funds from the Impound Agreement.
2. Except as otherwise defined or modified herein, all capitalized terms in this First Amendment shall have the meanings given to them in the Agreement.
 3. Except as expressly provided for in this First Amendment, the Agreement remains unmodified and in full force and effect pursuant to the terms thereof.
 4. This First Amendment may be executed in any number of counterparts, and each counterpart shall be deemed to be an original.

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

COMPANY: Onawa Racing, Inc.

IMPOUND AGENT: Iowa-Nebraska State Bank

By: Brett Ewing, President

By: _____