

Agenda Items # 5



2019 Indiana Horse Racing Operational Overview

11/30/18



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EXECUTIVE SUMMARY



Caesars Entertainment understands the significant economic impact of Indiana's horse racing and breeding industry, as well as the importance of the model relationships that both Harrah's Hoosier Park and Indiana Grand have cultivated with industry stakeholders.

With the two newest racetrack additions to its racing portfolio, Caesars Entertainment is now a major horse racing operator in North America.

Caesars Entertainment is committed to strengthening recognition and awareness for its diverse racing locations while continuing to build a foundation for growth, innovation and reinvention of horse racing.

2019 marks the first full year of Indiana pari-mutuel horse racing under the leadership of Caesars Entertainment. The 2019 Indiana Horse Racing Operational Plan is a broad outline of key goals, strategies, and tactics to further grow the sport of horse racing in Indiana, maintain the valuable economic impact to the state and host communities, and remain an innovative leader in the horse racing industry - at both a national and global level.

UPDATES - HARRAH'S HOOSIER PARK REBRAND



Hoosier Park Racing and Casino is now officially a part of the world-renowned Harrah's brand as Harrah's Hoosier Park Racing & Casino. While the rebrand is official, guests can look forward to even more exciting changes in 2019 including:

- Brand new VIP lounge on the casino floor with incredible views of the track
- Brand new carpeting
- Enhanced simulcast signal
- Renovated tote board and finish line landscaping
- Enhanced building signage and more



UPDATES - OPPORTUNITIES UNDER CAESARS ENTERTAINMENT

Racing by Caesars

Caesars Entertainment is currently in development of Racing by Caesars, an overarching brand for its racing properties and products. The new Racing by Caesars brand will include a brand standards system including enhancement and alignment of simulcast signal graphics, a new web site providing relevant and exciting racing content, cross-promotional opportunities between tracks, enhanced VIP experiences and more.

Horse Racing Task Force

Caesars Entertainment has created a strategic, enterprise-wide racing task force focused on reinvigorating horse racing in North America. The task force is comprised of corporate marketing, property marketing, and race track operators, and meets on a bi-weekly basis.

Leverage of Race Track and Sports Book Network

Both Harrah's Hoosier Park and Indiana Grand will have advertising exposure and promotional opportunities at all Caesars Entertainment racing destinations and sports book operations. Additionally, leveraging cross-track synergies open up opportunities for expanded industry marketing initiatives.

Advanced Deposit Wagering Agreements & Source Market Fees

It is hoped that contracts with the multitude of Advance Deposit Wagering (ADW) companies will be in place by the first of the year and source market revenues will now be received from state-wide horse players rather than the 25-mile radius that Harrah's Hoosier Park currently receives ADW revenues.

VIP Racing Program

- Revamp and launch of VIP racing program for Harrah's Hoosier Park, Indiana Grand, and Winner's Circles by the beginning of the 2019 racing season
- Dedicated executive host
- Exclusive benefits including premium access to VIP racing events, handicapping contests and promotions
- Direct marketing program including special e-blasts and direct mail

Expansion of Caesars Entertainment OTB Operations in Indiana

Caesars Entertainment is exploring the expansion of OTB operations in Indiana utilizing dormant OTB licenses.

2019 Indiana Legislative Session Agenda

Caesars Entertainment has a strong legislative agenda, resulting in economic benefits for the State of Indiana as well as the Indiana horse racing industry:

- Live Table Games at Harrah's Hoosier Park and Indiana Grand prior to 2020
- Legalized, regulated sports betting as an amenity to gaming and racing at Harrah's Hoosier Park, Indiana Grand and Winner's Circle OTBs

Breeders Crown 2020 & Quarter Horse Challenge Championship

Caesars Entertainment is pursuing the 2020 Breeders Crown at Harrah's Hoosier Park and the 2020 Quarter Horse Challenge Championship at Indiana Grand to further elevate the recognition and accomplishments of the Indiana horse racing industry.

HARRAH'S HOOSIER PARK UPDATE

2018 Highlights

- The Dan Patch Stakes handle of \$1,091,050 was up over last year's handle of \$1,006,250 or 8.4%
- The Dan Patch Stakes brought the Wonder from Down Under, Lazarus N, to Harrah's Hoosier Park as he won his North American debut and placed international spotlight on Harrah's Hoosier Park
- The championship meet featured \$5 million in high-caliber stakes schedule
- Not only did Indiana racing fans witness some of harness racing's biggest names battle it out in Grand Circuit racing action, Indiana's champions shined brightly on the Grand Circuit stage
- The 2018 meet saw horses like the richest harness horse of all time Foiled Again, World Champion McWicked, and 2017 Horse of the Year Hannelore Hanover compete
- Community Nights like Fright Night at the Races, Guns N Hoses, and many others saw increased attendance and participation on track
- Harrah's Hoosier Park instituted the first annual \$200,000 Caesars Trotting Classic
- The 2018 season also featured a record \$75,000 Guaranteed Hoosier High-5 Pool
- Harrah's Hoosier Park implemented a new Horsemen Appreciation Race Series at the end of the meet, directed towards horsemen who raced all season at the property
- Caesars Entertainment contributed \$3 million to the new maintenance building project

2018 Handle Results

- Live Handle - 2018 \$3,243,747 vs 2017 \$3,993,427 (-18.8%)
- Export Handle - 2018 \$81,011,194 vs 2017 \$84,490,104 (-4.1%)
- Australian Handle - 2018 \$12,842,761 vs 2017 \$11,361,196 (+13%)

NOTE: Harrah's Hoosier Park live and export handle numbers are skewed due to Breeders Crown Eliminations and Finals Weekends in 2017. The difference on export is \$3.9 million and live is \$357,000.

HARRAH'S HOOSIER PARK 2019 RACE DATES

Harrah's Hoosier Park will maintain a 160-day race meet, almost identical to the 2018 meet which was deemed a favorable program:

- March 29 - November 9
- Tuesdays - Saturdays 6:30 pm First Post

HARRAH'S HOOSIER PARK RACING PERSONNEL

Harrah's Hoosier Park will maintain its key racing personnel for the 2019 season, as well as its established race marketing internship program.

Trent McIntosh - SVP & General Manager
Rick Moore - VP & General Manager of Racing
Scott Peine - Director of Racing
Cooper Keeler - Track Superintendent
Andrew Paxon - Assistant Superintendent
Kim Stalhiem - Stall Superintendent
Steve Cross - Track Announcer
Becky Young - VP of Marketing
Kiersten Flint - VP of Advertising & Communications
Emily Gaskin - Race Commentator/Race Marketing Manager
Rose Flood - Race Marketing & Operations Administrator
Ron Parker - Director of Mutuels
Ryan Clendenen - Director of AV
Teena Walden - Dormitory Supervisor
John Combs - Backside Security Supervisor

Under Caesars Entertainment, the Harrah's Hoosier Park team will have enhanced training, resources, and benefits promoting employee retention and growth, superior guest service, responsible gambling initiatives, and business growth:

- Total Rewards - The World's Leading Gaming and Entertainment Loyalty Program
- Total Service - Customer Service and Engagement Program
- Total Return - Team Member Rewards Program
- Enhanced Benefits Packages, Including Positive Changes to Costs Associated
- Professional Development Opportunities
- Expanded Compliance and Ethics Training
- Responsible Gaming Training and Awareness Initiatives

2019 HORSEMEN'S AGREEMENT OVERVIEW (EXHIBIT A)

Harrah's Hoosier Park Racing & Casino has completed the 2019 agreement with the Indiana Standardbred Association by extending the term of the initial agreement. The initial agreement commenced January 1, 2018 and expires on December 31, 2018. The extended term shall commence on January 1, 2019 and expire on December 31, 2019.

HARRAH'S HOOSIER PARK 2019 CAPITAL INVESTMENTS

In addition to Caesars Entertainment's \$3 million contribution to the new maintenance building project, Harrah's Hoosier Park has \$1.3 million allocated for racing-specific capital investments in 2019. Below is an outline of the allocation, including items from Equipment Schedule (Exhibit D).

Item Description	Estimate	Timeline
John Deere Grader	\$331,500	1st Quarter
John Deere 524 Loader	\$137,700	1st Quarter
Refurbish Starting Gate Car	\$20,000	1st Quarter
(6) Ford F250 4WD	\$244,800	1st Quarter
(1) Ford F250 4WD Crew Cab	\$51,000	1st Quarter
International Semi	\$102,000	1st Quarter
Utility Trailer	\$10,200	2nd Quarter
International Box Truck	\$102,000	1st Quarter
(15) Dorm Room Heating/Air Conditioning Units	\$15,000	1st Quarter
Track Lighting	\$50,000	2nd Quarter
Phase Two of Fencing Project	\$62,372	2nd Quarter
Track Kitchen Restroom	\$25,000	1st Quarter
Paddock (Barn 17) Mats and Aglime / 2 Additional Barns	\$50,241	1st Quarter
Barn Lighting	\$14,221	1st Quarter
Water Truck Nozzles	\$7,590	1st Quarter
Trakus Number Pads	\$15,120	1st Quarter
Generator for Track Lighting	\$58,903	2nd Quarter
Terrace Lounge Furniture	\$50,000	1st Quarter
TOTAL	\$1,347,647	

HARRAH'S HOOSIER PARK 2019 MARKETING OVERVIEW

In 2019, Harrah's Hoosier Park Racing & Casino will continue to market its world-renowned harness racing product through advertising and broadcast, on-track promotions and programming, export promotional opportunities, strategic sponsorships and partnerships, player acquisition and relationship marketing, ongoing community events and outreach, and leverage of Caesars racing and sports book networks. With a comparable race marketing spend to 2018 and an emphasis on identifying and enhancing critical and new components, Harrah's Hoosier Park will continue to have a robust race marketing program in 2019. Below is an outline of marketing efforts:

2019 Race Marketing Overview

Harrah's Hoosier Park 2019 Race Marketing Breakdown
Racing-Specific Advertising (direct mail, internet, magazines, newspapers, local broadcast, TwinSpires, TVG, photography, etc.)
Weekly Promotional Programs
Special Racing Contests
Special Events (Giveaways, Décor, Entertainment, etc.)
Community Racing Events
Dan Patch Event & Export Initiatives
Marketing Supplies

Advertising & Broadcast Initiatives

- TVG race enhancements & featured race days
- Paid partnership with Harrah's Hoosier Park and Indiana Standardbred Association
- TwinSpires promotions & advertising
- Continued past performances featured in Daily Racing Form's Harness Eye
- Continued advertising with Hoosier Horse Review & Harness Racing Update
- Live broadcast and sponsorship with Post-time with Mike & Mike
- Continued sponsorship of Grand Circuit Racing at The Red Mile
- Continued sponsorship of Annual United States Harness Writers Association Dan Patch Awards Banquet

HARRAH'S HOOSIER PARK 2019 MARKETING OVERVIEW CONT.

On-Track Promotional Initiatives

- Daily racing contests
- Weekly guaranteed wagers
- VIP ownership program
- First Turn Stable fractional ownership group
- New Total Rewards® benefits launch
- Increased emphasis on simulcast wagering by targeting VIP players
- Fan appreciation special events throughout racing season
- Direct marketing – monthly play incentives
- Leverage Total Rewards® 50 million members
- Ongoing weekend entertainment & events
- Fantastic Fridays
- Family Fun Saturdays

Community Events & Outreach

- Madison County 4th grade field trips
- Animal Protection League - Petacular Weekend fundraiser
- Guns & Hoses (Madison County Police vs Fire Annual Event)
- National Future Farmers of America (FFA) Career Success Tours
- Kammy's Kause annual fundraiser
- Continued support of Standardbred Retirement Foundation and New Vocations Racehorse Adoption program
- Representation on newly formed Standardbred Aftercare Alliance Group
- Revitalize celebrity driver program

Group Sales Initiatives

- Group race sponsors
- Familiarization events & sales blitzes with local chambers & visitor bureaus
- Corporate/group night at the races
- Motorcoach growth
- Partnership with Sales Force, a Caesars enterprise-wide initiative

Sponsorships & Partnerships

- Indiana Standardbred Association/Indiana Standardbred Breed Development & USTA
- Cornerstone Stock Farm
- Victory Hill Farm
- Herald Bulletin
- Grey Goose
- Bacardi
- Scientific Games
- Miller Coors
- New Partnership Opportunities

HARRAH'S HOOSIER PARK 2019 MARKETING OVERVIEW CONT.

VIP/Relationship Marketing

- Dedicated relationship marketing contact
- Special VIP horse player events
- Monthly dining specials and/or hosted events
- On-track and simulcast incentives

Export Promotional Opportunities

- Enhanced simulcast graphics and AV package
- Behind-the-scenes camera shots and video exclusives
- On-air and Skype interviews
- Interactive social media feeds
- Trakus partnership
- Dedicated and experienced audio visual broadcast team
- Handicapping initiatives with TVG & TVG2
- Weekly guaranteed wagers
- Trackmaster partnerships
- Brisnet opportunities
- Incremental DRF advertising for guarantees & carry-over wagers

Caesars Racing Opportunities

- Cross-promotion of stakes races and other major racing events
- Cross-track handicapping contests
- Opportunity to explore national handicapping contest
- Increased awareness in Las Vegas and New Jersey sports books for daily racing
- Las Vegas and New Jersey sports book promotional campaigns for stakes races and other major racing events
- Relationship marketing opportunities/VIP visitation

Other

- Continued support of the Indiana Horse Racing Association's Hall of Fame, including planning, execution, sponsorship, and financial responsibility for annual induction event, participation on the board of directors, and housing the Hall of Fame display (including financial costs associated).

HARRAH'S HOOSIER PARK 2019 SIGNATURE RACES

Championship Racing Season

In 2017, Harrah's Hoosier Park introduced for the very first time a Championship Racing Season that encompassed its premier stakes program, along with Indiana's debut of the \$6 million Breeders Crown championship. Harrah's Hoosier Park continued the Championship Racing Season concept in 2018 with a \$5 million stakes season, highlighted by the \$300,000 Dan Patch Stakes and the newly renamed \$200,000 Caesars Trotting Classic.

In 2019, Harrah's Hoosier Park will continue the Championship Racing Season and its efforts to both build the Indiana racing program while hosting the best harness racing athletes in the world.



HARRAH'S HOOSIER PARK 2019 SIGNATURE RACES CONT.

In 2019, Harrah's Hoosier Park will enhance signature racing events by leveraging both the Harrah's and Caesars Entertainment brands while strategizing ways to grow and expand. Additionally, Harrah's Hoosier Park will capitalize on synergy opportunities for entertainment, broadcast, media buys, cross-track promotions and more.

\$300,000 Dan Patch Stakes

- Indiana's Richest Pacing Event
- Dan Patch Weekend Festival
- National headline entertainment & free family activities
- Promotional giveaways & drawings
- VIP party experience
- Premier racing viewing/dining packages
- Enhanced TVG Coverage
- TwinSpires promotional opportunities
- Return of on-track handicapping contest presented by Indiana Standardbred Association
- Expanded social media coverage and added promotional support for contenders
- Promotion and presence in Las Vegas and New Jersey sports books
- Explore ADW promotional campaign



\$200,000 Caesars Trotting Classic

- Caesars Trotting Race (Trotters Richest Race)
- Live Entertainment & free family activities
- Promotional giveaways & drawings
- VIP party experience
- Premier racing viewing/dining packages
- Enhanced TVG coverage
- TwinSpires promotional opportunities
- Expanded social media coverage and added promotional support for contenders
- Promotion and presence in Las Vegas and New Jersey sports books
- Explore ADW promotional campaign



Horsemen's Appreciation Race Series

- Strategic placement throughout the season
- Public relations efforts to horsemen
- Social media coverage

INDIANA GRAND UPDATE

2018 Highlights

- Indiana Derby once again set records for both handle and attendance. A total of \$3,628,578 was wagered on the 10-race card, eclipsing the previous track record handle of \$3,581,501 wagered in 2017. The Derby attendance was just under the 14,000 mark and has become Indiana's biggest summer sporting event
- The \$200,000 Caesars Stakes brought in some of the top three-year-old turf specialists in the country to be considered one of the top races for that day in North America. Indiana Grand's turf course continues to get rave reviews and the track held more than 200 races over the turf in 2018, a new record
- Indiana Grand implemented carryover wager that produced well over \$1mm in incremental handle
- Indiana Grand was re-certified by NTRA Safety and Integrity Alliance
- Indiana Grand had increased participation in National Handicapping Contest qualifier held at IGRC (guests come in from all over US and Canada to Shelbyville)
- Several new aspects helped boost the racing program in 2018, including the implementation of a new wager, the Pick-5. The wager soared to new heights in October with a carryover of \$190,529, a record for any type of carryover in the history of the track. This carryover subsequently led to more than \$900,000 in the pool the next day, which greatly increased overall handle
- Several special promotions and events were held during the racing season through partnerships with Indiana Thoroughbred Owners and Breeders Association (ITOBA), the Indiana Horsemen's Benevolent and Protective Association (HBPA) and the Quarter Horse Racing Association of Indiana (QHRAI), including Grand Mornings at the Track, Barn Crew of the Month, Boots 'N Brews, Back to School and two Quarter Horse Stakes Nights. These events complement the racing programs, bringing awareness and education toward the sport
- Indiana Grand hosted the fifth annual Indiana Horse Racing Hall of Fame Induction Ceremony, inducting Sarah McNaught and Howard "Pete" Peterson
- A \$1.2 million investment was initiated by Caesars Entertainment to replace the race course stairs (\$500,000) and track surface project (\$700,000) in late 2018

2018 Handle Results

- Live Handle – 2018 \$3,616,609 vs. 2017 \$3,854,767 (-6.2%)
- Export Handle – 2018 \$140,342,644 vs. 2017 \$142,100,076 (-1.2%)

INDIANA GRAND 2019 RACE DATES

Indiana Grand will maintain a 120-day race meet, almost identical to the 2018 meet which was deemed a favorable program:

- April 16 – Nov. 6
- Tuesdays, Wednesdays, Fridays – First Post: 2:05 pm
- Saturdays – First Post: 6:05 pm
- Thursdays, July 18 and September 5



INDIANA GRAND RACING PERSONNEL

Indiana Grand Racing & Casino will maintain its key racing personnel for the 2019 season, as well as its established race marketing internship program.

Ron Baumann - SVP & General Manager
Jon Schuster - VP & General Manager of Racing
Kevin Greely - Director of Racing
Jamie Dean - Director of Racing Operations
Roy Smith - Track Superintendent
Elena Lisle - Director of Marketing
Tammy Knox - Race Marketing Manager
Kiersten Flint - VP of Advertising & Communications
Rachel McLaughlin - Race Commentator and Production Manager
Bill Downes - Track Announcer
Nancy Ury-Holthus - On-air Commentator
Joe Melek - Mutuel Simulcast Coordinator
Terril Gabbard - Equine Facilities Manager
Rob Wesner - Mutuel Manager
Tim Dewitt - Racing Security Manager

Under Caesars Entertainment, the Indiana Grand team will have enhanced training, resources, and benefits promoting employee retention and growth, superior guest service, responsible gambling initiatives, and business growth:

- Total Rewards - The World's Leading Gaming and Entertainment Loyalty Program
- Total Service - Service-based Bonus Program for All Eligible Employees
- Total Return - Team Member Rewards Program
- Enhanced Benefits Packages, Including Positive Changes to Costs Associated
- Professional Development Opportunities
- Expanded Compliance and Ethics Training
- Responsible Gaming Training and Awareness Initiatives

2019 HORSEMEN'S AGREEMENT OVERVIEW

Overview of 2019 QHRAI Agreement Changes (Exhibit B)

- Change purse allocation for races canceled beyond control from \$250 to \$500 per horse
- Condition book draft to be available to QHRAI seven days before going to printer
- Added a winter meeting between meets to include one in February, along with December meeting
- Deleted no-longer effective ADW clause in contract
- Changed effective dates to reflect new contract time frames

Overview of 2019 HBPA Agreement Changes (Exhibit C)

- Deleted no-longer effective ADW clause in contract
- Changed time track facilities to remain open after the race meet to horsemen from 14 to 10 days
- Changed effective dates to reflect new contract time frames

INDIANA GRAND 2019 CAPITAL INVESTMENTS

Indiana Grand has more than \$1.1 million allocated for racing-related capital investments in 2019. Below is an outline of the allocation, including items from Equipment Schedule (Exhibit D). These allocations are in addition to a \$1.2 million investment initiated by Caesars Entertainment to replace the race course stairs (\$500,000) and track surface project (\$700,000) in late 2018.

Item Description	Estimate	Timeline
Pickup Truck 1	\$40,800	3rd Quarter
Pickup Truck 2	\$40,800	3rd Quarter
15-Passenger Van (Gate Crew)	\$51,000	2nd Quarter
JD Loader	\$102,000	1st Quarter
Tractor JD 304L	\$91,800	1st Quarter
Bucket for Tractor	\$10,200	1st Quarter
JD Motor Grader	\$331,500	1st Quarter
Starting Gate Semi 1	\$102,000	2nd Quarter
Starting Gate Semi 2	\$102,000	2nd Quarter
Equipment Total	\$872,100	
Box Truck	\$102,000	1st Quarter
Facilities Pickup Truck 1	\$51,000	1st Quarter
Facilities Pickup Truck 2	\$51,000	1st Quarter
Facilities Pickup Truck 3	\$40,800	1st Quarter
Frontside Operations Total	\$244,800	
TOTAL	\$1,116,900	

INDIANA GRAND 2019 MARKETING OVERVIEW

In 2019, Indiana Grand Racing & Casino will continue to market its Thoroughbred and Quarter Horse products through advertising and broadcast, on-track promotions and programming, export promotional opportunities, strategic sponsorships and partnerships, player acquisition and relationship marketing, ongoing community events and outreach, and leverage of Caesars racing and sports book networks. With a comparable race marketing spend to 2018 and an emphasis on identifying and enhancing critical and new components, Indiana Grand will continue to have a robust race marketing program in 2019.

2019 Race Marketing Overview

Indiana Grand 2019 Race Marketing Breakdown
Racing-Specific Advertising (direct mail, internet, magazines, newspapers, local broadcast, TwinSpires, TVG, photography, etc.)
Weekly Promotional Programs
Special Racing Contests
New Racing Promotional Events
Special Events (Giveaways, Décor, Entertainment, etc.)
Community Racing Events

Advertising & Broadcast Initiatives

- TVG racing enhancements each Tuesday and Wednesday throughout the meet as well as Indiana Derby and Caesars Stakes
- Joint partnerships with ITOBA, Indiana HBPA and QHRAI for events such as horse sales, promotional events and education opportunities
- Continued TwinSpires monthly promotions and specialty nights, including opening weekend, Indiana Derby and Caesars Stakes Day
- Implementation of Brisnet's new Betting Guide into handicapping tools for horseplayers
- Continued sponsorship of Music in the Park in Shelbyville
- Special appearance opportunities for Indiana Grand at other tracks and potential locations in Vegas through Caesars
- Potential increased racing coverage at Caesars-owned sports books in Vegas
- REACH magazine cover and offers to Central Indiana
- Continued Race of the Day with 1070 The Fan on the Dan Dakich Show three times per week

INDIANA GRAND 2019 MARKETING OVERVIEW CONT.

On-Track Promotional Initiatives

- Free daily racing contests for Total Rewards horseplayers
- VIP Ownership program with added value options for horse owners
- Grand Gesture Stable fractional ownership program
- New Total Rewards Benefits launch
- Direct marketing to rewards members
- Family-friendly activities during specialty nights
- Continued specialty wagers, such as the Pick-5 and Grand High 5
- National Horseplayers Championship Qualifying site to advance three to the finals in Vegas
- Quarter Horse Youth Racing Experience qualifying site to advance winner to the AQHA Bank of America finals
- Special guest appearances by nationally-known racing analysts on specialty days

Community Events & Outreach

- National FFA Convention Week Career Success Tours
- Riley Hospital for Children jockey visit
- First Friday sponsor in downtown Shelbyville
- Community food booths during specialty events to benefit area school organizations
- Welcome back BBQ and Crawfish Boil events for horsemen
- Continued annual support to Friends of Ferdinand, a racehorse aftercare program
- National Farm Safety Week education stations for all Shelby County fourth graders
- Continued annual support of Music in the Park in Shelbyville

Group Sales Initiatives

- Group race sponsors
- Familiarization events & sales blitzes with local chambers & visitor bureaus
- Corporate/group night at the races
- Indianapolis-based minority business and event sponsorships and partnerships
- Partnership with Sales Force, a Caesars enterprise-wide initiative
- Indiana Thoroughbred Breed Development
- Indiana Quarter Horse Breed Development

Sponsorships & Partnerships

- Indiana HBPA, ITOBA and QHRAI
- City of Shelbyville
- Shelby Parks and Recreation
- SCUFFY (Shelby County United Fund for You)
- Scientific Games
- New Partnership Opportunities

INDIANA GRAND 2019 MARKETING OVERVIEW CONT.

VIP/Relationship Marketing

- Dedicated relationship marketing contact
- Special VIP horse player events
- Monthly dining specials and/or hosted events
- On-track and simulcast incentives

Export Promotional Opportunities

- Expanded Social Media presence and posts
- Special appearances by Indiana Grand on-air talent with TVG, TwinSpires, Sirius Radio and other racing entities
- Brisnet expanded racing guide options for horseplayers
- Blood Horse National Stakes Guide advertising and listings

Caesars Racing Opportunities

- Cross-promotion of stakes races and other major racing events
- Cross-track handicapping contests
- Opportunity to explore national handicapping contest
- Increased awareness in Las Vegas and New Jersey Sports Books for daily racing
- Las Vegas and New Jersey Sports book promotional campaigns for stakes races and other major racing events
- Increased awareness and shelf space in Las Vegas and New Jersey Sports Books for live racing
- Relationship marketing opportunities/VIP visitation
- Cross-promotion of major stakes races with Harrah's Louisiana Downs
- Cross-promotion of on-track handicapping contests with Harrah's Louisiana Downs
- On-air racing talent spots and appearances with Harrah's Louisiana Downs
- Relationship marketing opportunities and expanded VIP visitation options for horseplayers

Other

- Continued support of the Indiana Horse Racing Association's Hall of Fame, including planning, execution, sponsorship, and financial responsibility for annual induction event, participation on the board of directors, and housing the Hall of Fame display (including financial costs associated).

INDIANA GRAND 2019 SIGNATURE RACES

In 2019, Indiana Grand will enhance signature racing events by leveraging both the Indiana Grand and Caesars Entertainment brands while strategizing ways to grow and expand. Additionally, Indiana Grand will capitalize on synergy opportunities for entertainment, broadcast, media buys, cross-track promotions and more. A basic overview of these events are below:

Grade III \$500,000 Indiana Derby and Grade III \$200,000 Indiana Oaks

- Indiana Derby Festival
- Entertainment & free family activities
- Promotional giveaways & drawings
- Improved VIP party experience & retail sales
- Premier racing viewing/dining packages
- Enhanced TVG coverage
- Twin Spires promotional opportunities
- Expanded social media coverage and added promotional support for contenders
- Promotion and presence in Las Vegas and New Jersey sports books
- Explore ADW Promotional Campaign



\$200,000 Caesars Stakes (Listed)

- 1070 The Fan Race of the Day Enhancement
- Promotional giveaways & drawings
- Enhanced TVG coverage
- Twin Spires promotional opportunities
- Expanded social media coverage and added promotional support for contenders
- Promotion and presence in Las Vegas and New Jersey sports books
- Explore ADW promotional campaign



Quarter Horse Stakes

- Entertainment & free family activities
- Promotional giveaways & drawings
- Twin Spires promotional opportunities
- Expanded Social media coverage and added promotional support for contenders
- Promotion and presence in Las Vegas and New Jersey sports books
- Explore ADW promotional campaign

2020 Quarter Horse Challenge Championship - Caesars Entertainment is also pursuing the 2020 Quarter Horse Challenge Championship at Indiana Grand to further elevate the recognition and accomplishments of the Indiana horse racing industry.

COMMITMENT TO COMMUNITY IMPACT

Corporate Social Responsibility (CSR) is a business' ongoing commitment to contribute to economic development while improving the quality of life of the workforce and their families as well as of the community and society at large. Caesars Entertainment places great importance on CSR, and remains committed to the state of Indiana and the communities in which it operates.

In 2019, both Harrah's Hoosier Park and Indiana Grand will introduce new CSR initiatives. Below is an overview of these initiatives:

PEOPLE, PLANET, PLAY contains CSR priorities representing our most important business impacts on people, our communities, society and the environment:



PEOPLE - Caesars Entertainment is committed to putting people first. This means promoting diversity and inclusion along with health and wellness, to create a great place to work. The company is dedicated to supporting local communities and providing positive economic contributions.

PLANET - Caesars Entertainment is committed to environmental stewardship. It's part of our Corporate Code of Commitment and represents our promise to preserve the planet for current and future generations. To carry out this promise, we initiated CodeGreen, and it has become part of the way we do things at Caesars Entertainment.

Caesars Entertainment's CodeGreen strategy drives environmental awareness and engagement, as well as performance, across the business. It is synonymous with environmental stewardship at Caesars Entertainment. A data-driven and disciplined environmental program that leverages the passion of our employees, CodeGreen also engages our guests and suppliers. CodeGreen was established in 2008, with a baseline year of 2007 for environmental targets and 2011 for our science-based goals.

PLAY - PLAY is what helps us thrive. PLAY is essential to our essence. PLAY makes people happy, relieves stress and connects people to others. PLAY helps fuel imagination and creates memorable experiences. That's why our mission of "inspiring grown-ups to play" is a very serious thing indeed. We believe that helping create a society that knows how to have fun and get the most out of life is an important part of the social value we generate. Of course, in a casino entertainment business, PLAY also means gaming. As long as gaming is fun, we're happy. To protect against the risks of gaming becoming a problem for some individuals, we maintain the most robust Responsible Gaming program in our industry, having led the industry in our commitment to Responsible Gaming for over 30 years. Forging connections and making everyone feel happy and at home are also parts of PLAY. Our responsible business practices, as well as our approach to diversity, equity and inclusion lets everyone be a winner.

COMMITMENT TO COMMUNITY IMPACT CONT.

SUPPORTING OUR COMMUNITIES - Supporting our communities comes naturally to us at Caesars Entertainment. We connect at all possible levels from within our organization to integrate seamlessly within our communities' governing bodies, economic, social and environmental lives. Our diverse employees are recruited from our local communities and they are motivated to connect through our PEOPLE PLANET PLAY initiatives supporting the community. We are also known for the public stand we take on social and environmental issues that affect our guests, our employees and our communities. Our leaders are often in the public eye, speaking out about issues that are close to our hearts.



HERO - Our HERO volunteer program enables, encourages and empowers team members to be leaders in our communities by embodying the spirit of People Planet Play.

Our properties maintain regular community engagement initiatives, and we are continuously overwhelmed by the passion, creativity, dedication and generosity of our team member HEROs. In 2017 alone, our Indiana team members logged over 14,707 volunteer hours engaging in their communities by volunteering at local food pantries, delivering meals through the Meals on Wheels program, participating in monthly Jeans for a Cause, donating items to various supply drives, rehabbing shelters and youth centers and planting produce in employee gardens. That's the equivalent of 204 full-time jobs throughout the year. With the addition of Harrah's Hoosier Park, Indiana Grand and Winner's Circle properties, the HERO program is anticipated to grow significantly in Indiana.

BOARDS & SERVANT LEADERSHIP - Both Harrah's Hoosier Park and Indiana Grand will promote servant leadership and encourage participation on boards and organizations at both a local and state level, at the same level as in years past.

SPONSORSHIPS & COMMUNITY RELATIONS - Both Harrah's Hoosier Park and Indiana Grand will continue their robust sponsorships and community relations programs in 2019, providing support for key organizations in host communities and in the state of Indiana.

A special sponsorships and donations committee will review each formal sponsorship and donation request, and will be empowered to award both financial and volunteer commitments. The properties will maintain a healthy budget for these efforts, and measure the results for community impact reporting.

TOURISM - Both Indiana Grand and Harrah's Hoosier Park continue to maintain the top two spots in the Indianapolis Business Journal's most popular tourism attraction list with more than six million annual visits. Caesars Entertainment is committed to making the properties tourism gateways to the state and to local communities.

FIRST AMENDMENT TO AGREEMENT

This First Amendment to the Agreement (this "First Amendment") is dated this 13th day of August, 2018, by and between HOOSIER PARK, L.L.C, whose business address is 4500 Dan Patch Circle, Anderson, IN 46013 ("Hoosier Park") and INDIANA STANDARD BRED ASSOCIATION whose business address is 311 American Legion Place, Greenfield, IN 46140 (the "ISA"). Hoosier Park and the ISA shall individually be referred to as "Party" and collectively as the "Parties."

RECITALS

WHEREAS, Hoosier Park and the ISA are parties to an Agreement dated March 1, 2018 (the "Agreement") wherein the Parties agree to certain terms and conditions by which the ISA's members race at Hoosier Park's facility located at 4500 Dan Patch Circle, Anderson, IN 46013;

WHEREAS, Hoosier Park and the ISA desire to amend the Agreement to extend the term and to modify certain other terms and conditions; and

NOW, THEREFORE, for good and valuable consideration, of which the Parties acknowledge receipt and in consideration of the mutual covenants and agreements contained herein, the Parties agree as follows:

MODIFICATIONS TO AGREEMENT

1. Section 2, "Terms and Scope of the Agreement" subpart "a" is hereby deleted in its entirety and replaced with the following:

"a. The effective date of this Agreement shall be January 1, 2018 and, unless sooner terminated as provided herein, shall expire on December 31, 2018 (the 'Initial Term'). Upon conclusion of the Initial Term, an extended term shall be deemed to have commenced on January 1, 2019 and shall expire on December 31, 2019 (the 'First Extended Term')."

The remainder of Section 1, including subpart "b" shall remain unchanged.

2. Section 21, "Notices," is hereby deleted in its entirety and replaced with the following:

"Notices. All notices, requests, demands or other communications as may be required by this Agreement shall be in writing and, served either by certified mail, return receipt requested, or by personal delivery. Such notices, requests, demands or other communications shall be deemed to have been given when deposited in the United States Mail (as set forth above) or actually delivered by personal delivery. For all purposes of this Agreement, the following are the addresses of the Parties:

To Hoosier Park:

Hoosier Park, LLC
Attention: General Manager
4500 Dan Patch Circle
Anderson, IN 46013

With a copy, which shall not constitute notice, to:

Caesars Enterprise Services, LLC
Attention: General Counsel
One Caesars Palace Drive
Las Vegas, NV 89109.

To the ISA:

Indiana Standardbred Association
c/o Jack Keininger, President
7990 North 475 East
Rochester, IN 46975

With copies, which shall not constitute notice, to:

Joe Putnam - 1st Vice President
811 West Cabriolet Way
Pendleton, IN 46064

and

Richard Keaton - 2nd Vice President
Indiana Standardbred ISA
737 Green Meadows Drive - Ste. 300
Greenfield, IN 46140

Either Party may amend the person or address for notices, demands, or other communications in writing to the other party from time to time."

All capitalized terms used in this First Amendment and not otherwise defined shall have the meanings set forth in the Agreement.

This First Amendment may be executed in counterparts, which together shall constitute a complete document. Unless otherwise prohibited by any applicable laws or regulations, this First Amendment may be signed electronically, and such electronic signature shall be deemed, and shall have the same legal force and effect as, an original signature. An electronic copy thereof shall be deemed, and shall have the same legal force and effect as, an original document.

In the event of a conflict between any of the provisions in the Agreement and this First Amendment, the terms of this First Amendment shall control. It is expressly understood and agreed by the Parties that this First Amendment shall serve as a supplement to the Amendment and all terms, conditions and provisions of the Amendment, unless specifically amended or modified herein, shall continue in full force and effect.

IN WITNESS WHEREOF, the Parties have executed this First Amendment on the respective date(s) indicated.

HOOSIER PARK, L.L.C.

BY:



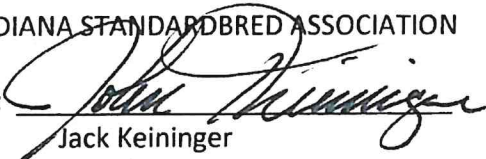
Richard B. Moore
VP and General Manager of Racing

Date

8/28/18

INDIANA STANDARD BRED ASSOCIATION

By:



Jack Keininger
President

Date

8-24-18

2019 HBPA CONTRACT

THIS AGREEMENT entered into this ___ day of December, 2018, by and between CENTAUR ACQUISITION, LLC, an Indiana limited liability company (Indiana Grand) and the INDIANA HORSEMEN'S BENEVOLENT AND PROTECTIVE ASSOCIATION, INC., an Indiana not-for-profit corporation (HBPA).

WHEREAS, the HBPA is a trade organization composed of owners and trainers (HBPA Members) of Thoroughbred race horses;

WHEREAS, the HBPA represents that it is the "horsemen's association" representing Thoroughbred owners and trainers for purposes of I.C. 4-31-8-6 and the "horsemen's group" representing Thoroughbred owners and trainers for purposes of 15 U.S.C. § 3001, *et seq.*; and

WHEREAS, the HBPA provides benevolent programs and other services for HBPA Members and their employees who are engaged in racing at Indiana Grand's racing facility; and

WHEREAS, the parties hereto want to cause a closer and more understanding relationship among horsemen, the HBPA Members, the HBPA, Indiana Grand and the public;

NOW, THEREFORE, in consideration of the promises and mutual covenants contained herein, the parties agree as follows:

1. Term of Agreement. This Agreement shall be effective from January 1, 2019–December 31, 2019 and, unless sooner terminated as provided herein, shall remain effective until the contract is executed for 2020 racing meet (Term).
2. Scope of Agreement. Except as otherwise specifically set forth herein, this Agreement shall apply to race meetings and pari-mutuel wagering conducted at the Indiana Grand racing facility at Shelbyville, Indiana (Racetrack) and to pari-mutuel wagering conducted at satellite wagering facilities licensed to Indiana Grand and located in the State of Indiana (Satellite Facility).
3. Exclusive Representation. The HBPA is the exclusive representative of HBPA Members and of all Thoroughbred owners and trainers stabled at Indiana Grand or who have horses approved for entry in Thoroughbred races at Indiana Grand.
4. Horsemen's Account. Indiana Grand will maintain a separate account, to which Indiana Grand shall credit all amounts required by paragraphs 7 and 9, below, and from which Indiana Grand shall pay all amounts required by paragraphs 5, 8, 10, 13, and 14, below, including money owing to Thoroughbred horsemen regarding purses, stakes, rewards, claims and deposits (Thoroughbred Horsemen's Purse Account). All portions of purse money shall be made

available to earners thereof within forty-eight (48) hours (dark days and Sundays excluded) after the result of the race in which such money was earned has been declared official, unless the stewards shall order money withheld until final adjudication of a dispute determining which persons are entitled to such money in dispute. No portion of such money, other than jockey fees and amounts required or permitted by this Agreement, shall be deducted by Indiana Grand unless requested in writing by the person to whom such monies are payable or his duly authorized representative.

For each race cancelled because of inclement weather, mechanical failure, electrical failure, or for any other reason, the owner shall be reimbursed Seven Hundred Fifty Dollars (\$750.00) from the Thoroughbred Horsemen's Purse Account for each horse entered in the cancelled races. No reimbursement shall be made in the event that: (1) notice of cancellation is posted in the racing office, texted to those subscribing to the Indiana Grand texting service and posted on the Indiana Grand website eight (8) or more hours prior to post time; or (2) a horse has been scratched prior to the cancellation of the race. Indiana Grand will make reasonable efforts to run back any race that is cancelled.

Indiana Grand shall on a monthly basis furnish the President and Executive Director of HBPA a detailed schedule showing all deposits made to and expenses paid from the Thoroughbred Horsemen's Purse Account for the preceding month.

5. Payment for Administrative expenses. For the period January 1, 2019, through December 31, 2019, Indiana Grand shall deduct 3% (three percent) from the allocations to the Thoroughbred Horsemen's Purse Account described in Section 7, Subsections A. through G., and pay such amounts to HBPA to be used by the HBPA solely at its discretion for its administrative expenses and for services to its members. Such payments shall be made by Indiana Grand throughout the term of the Agreement in current monthly installments as such funds are received, regardless of overpayment/underpayment in the Thoroughbred Horsemen's Purse Account. No deduction shall be made for administrative expenses from slot funds allocated to the Thoroughbred Horsemen's Purse Account.
6. Race Cards; Simulcasting.
 - A. Minimum Number. During the live race meet at the Racetrack, Indiana Grand agrees to hold a minimum of nine (9) live races (as long as it does not cause an overpayment of purses during the meet) per card, with additional race (s) provided there is an adequate supply of Thoroughbred horses. The HBPA shall use its best efforts to supply Indiana Grand with an adequate supply of horses to conduct each race meet covered by the Agreement. Indiana Grand shall be allowed to simulcast additional Thoroughbred races to supplement the live race card.

- B. Simulcast Signal. Indiana Grand in its sole discretion will decide the price or cost, type, time and schedule of all simulcast signals to, and from, the Racetrack and to each Satellite Facility, on all days including live race days. The cost of such simulcast signals shall be reasonable market rates.
 - C. HBPA Authorization. During the Term of this Agreement, the HBPA authorizes Indiana Grand to negotiate and contract with simulcast receiving facilities, including off track wagering facilities located outside Indiana, which are subject to the Interstate Horse Racing Act of 1978, 15 U.S.C. §3001, et. seq. (Act), for the conduct of off-track Thoroughbred wagering. Indiana Grand will inform, and seek the approval of, the HBPA prior to Indiana Grand sending its signal to any receiving jurisdiction outside of Indiana.
7. Allocations to Purses. During the term of this Agreement and except as otherwise provided herein, Indiana Grand shall credit the following amounts to the Thoroughbred Horsemen's Purse Account for disbursement, in complete satisfaction of Indiana Grand's obligation for purses, under the following situations:
- A. Live Racing. When Thoroughbred racing is live at the Racetrack, eight percent (8%) of the live gross handle generated at the Racetrack shall be credited to the Thoroughbred Horsemen's Purse Account as prescribed by state statute.
 - B. Satellite Wagering - In-State. When Thoroughbred racing is live at the Racetrack, five percent (5%) of the live gross handle generated by said live racing at any Indiana Grand Satellite Facility shall go to the Thoroughbred Horsemen's Purse Account as prescribed by state statute.
 - C. Satellite Wagering - Out-of-State. When Indiana Grand simulcasts a Thoroughbred race run live at the Racetrack to an out-of-state facility, 50% of the net receipts generated by simulcasting on that race, including any source market fees and distribution and communication fees received by Indiana Grand (net of reasonable expenses incurred by Indiana Grand) on the simulcast of that Thoroughbred race run live at the Racetrack, shall go to the Thoroughbred Horsemen's Purse Account. For purposes of this Subsection C, "net receipts" shall mean all funds received by Indiana Grand under the applicable contracts less any applicable excise taxes.
 - D. Simulcast Receiving. Purse Allocations. When a race is simulcast to the Racetrack or a Satellite Facility, five percent (5%) of gross handle generated by simulcasting on that race shall be allocated between the Thoroughbred Horsemen's Purse Account, Indiana Grand Standardbred

Purse Account, and the Indiana Grand Quarter Horse Purse Account according to IHRC rule.

E. Source Market Fees Received After Rule Adoption. This paragraph refers to Source Market Fees collected by Indiana Grand from a secondary pari-mutuel organization licensed by the IHRC that offers advanced deposit wagering, pursuant to a contract with Indiana Grand. Net Source Market Fees received by Indiana Grand shall be distributed in the manner prescribed by IC 4-31-7.5-18.

F. Definitions. For purposes of this Section 7:

- (1) "Gross handle" means all sums wagered by patrons less refunds.
- (2) "Net revenues" means the gross handle on such race or races reduced only by money returned to patrons by refund or payoff, pari-mutuel taxes due and payable and host track fees.
- (3) "Live racing" and "live race meeting" mean the entire period that a live race meeting is in progress, from the first race day of the meeting through the last day of it, inclusive of all days between.
- (4) "Net source market fees" means the difference between source market fees received by Indiana Grand from a licensed secondary pari-mutuel operator minus the amount of all reasonable expenses incurred by Indiana Grand to generate source fees.

8. Purses.

A. Purse Schedules and Condition Books. Using its best judgment in estimating attendance, pari-mutuel handle, and breakage, Indiana Grand shall establish a tentative average daily overnight purse schedule for each race meeting and will exercise due care to avoid underpayment or overpayment of purses at all race meetings.

Indiana Grand will also deliver to the HBPA, within twenty-one (21) days before each race meeting, its first condition book and proposed purse schedules. Indiana Grand will send a copy of its stall application blank, stakes purse program and condition books for each race meeting to the President of the HBPA for review prior to printing.

The condition book shall state that the racing secretary will card any Indiana Bred Allowance or maiden race(s) carried over from the previous day and any race listed in the body of the book which receives eight (8) or more betting interests at entry time unless the total of all such carried

over races and races for that day exceed the number of races being carded for that day.

- B. Overpayment - Underpayment of Purses. Indiana Grand will make a best faith effort to insure that all amounts credited to the Thoroughbred Horsemen's Purse Account under paragraphs 7 and 9 of this Agreement through the end of the Thoroughbred meet are paid out by the end of the Thoroughbred meet. Further, Indiana Grand will meet with HBPA on a bi-weekly basis to review the status of the Thoroughbred Horsemen's Purse Account at the request of the HBPA.

- C. Minimum Purses. No Thoroughbred race shall be run at Indiana Grand during the Term of this Agreement with a purse less than the minimum purse established by the Indiana Horse Racing Commission for any race meeting, but in no event less than Eight Thousand Dollars (\$8,000.00).

- D. Purse Notices. The pari-mutuel handle, the pari-mutuel handle commission, breakage and purse distribution figures, and the percentage figures that represent the relationship between purses and the total of pari-mutuel income and breakage shall be posted on the bulletin board in the Racing Secretary's office each day of a race meeting. Indiana pari-mutuel handle figures shall be provided within forty-eight (48) hours after they are available to the President of the HBPA at the address provided below.

- E. Stakes Race Purses. Indiana Grand may, at its sole option, apply purse money to either purses for Stakes Races (Stakes Race Purses) or purses for overnight races. If the total amount paid by Indiana Grand to horsemen in Stakes Race Purses in any calendar year exceeds eighteen percent (18%) of the total amount paid in purses, such excess shall not be used to satisfy any of Indiana Grand's purse obligations under this Agreement.

- F. Payment of Purses. Indiana Grand agrees to distribute purses in the following manner, excluding stakes:

<u>No. of Starters</u>	2	3	4	5	6	7	8	9	10	11	12
First	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%
Second	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%

Third	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Fourth		6%	6%	5%	5%	5%	5%	5%	5%	5%
Fifth			4%	3%	3%	2%	1%	1%	1%	1%
Sixth				2%	1%	1%	1%	1%	1%	1%
Seventh					1%	1%	1%	1%	¾ %	½ %
Eighth						1%	1%	1%	¾ %	½ %
Ninth							1%	½ %	½ %	½ %
Tenth								½ %	½ %	½ %
Eleventh									½ %	½ %
Twelfth										½ %

G. 2019 Purse Distribution. Notwithstanding anything to the contrary set forth in this Agreement, purses will be distributed for the 2019 race meeting based upon a reasonable estimate of purse money to be generated from all sources during the term of this Agreement. Actual purse money generated and not paid during the live meet, in addition to purse money generated after that date through December 31, 2019, from whatever source, shall be allocated to the appropriate purse account for the 2020 racing year in accordance with the rules of IHRC.

H. Payment of Trainer's Fee. Except as otherwise provided herein, Indiana Grand shall deduct a ten percent (10%) trainer's fee from each purse paid for horses finishing first, second, or third (Trainer's Fee). The Trainer's Fee shall be deposited in the account maintained by Indiana Grand for benefit of the trainer of record for the horse that earned the purse. An owner, lessee or trainer of a horse may elect to instruct Indiana Grand to not deduct the Trainer's Fee by delivering to Indiana Grand (Attn: Horsemen's Bookkeeper) a written statement signed by the owner or

lessee that the Trainer's Fee is not to be deducted from the purse awarded to a specific horse (Election Statement). The Election Statement shall be effective on the third race day immediately following the date upon which the Election Statement was received by Indiana Grand.

- I. Purse Reports. The Director of Racing will provide the HBPA President and Executive Director with an up-to-date purse report every week, beginning when the live race meet starts, until the final week of live racing is captured on the report.

9. Other Revenues.

- A. Media Rights. If Indiana Grand shall increase its annual revenues from the sale or licensing to a third party of its television, radio or other media transmission rights, including cable, network or subscription transmissions, but excluding interstate and intrastate simulcasting pursuant to which revenues are paid under this Agreement (hereinafter called "Media Rights"), Indiana Grand and the HBPA shall negotiate an appropriate adjustment to Thoroughbred purses in the year the increases revenue is paid to and earned by Indiana Grand. Prior to execution, Indiana Grand shall notify the members of the Racing Committee of the material terms and conditions of all contracts it negotiates under the terms of which it sells or licenses its Media Rights and shall give consideration to the position expressed by the HBPA members. In no event shall this or any other provision of this Agreement be construed or interpreted as an admission or acknowledgment by Indiana Grand that any person, entity or group other than Indiana Grand has a proprietary right in or to the Media Rights relating to any event hosted and/or sponsored by Indiana Grand.
- B. Sponsorship Revenues. Indiana Grand shall pay to Thoroughbred Horsemen's Purse Account an amount equal to thirty percent (30%) per year of all monies paid to Indiana Grand by third parties in consideration for which the payer receives the right, either alone or with other consideration, to have its name, logo or other identification of its choosing identified with one or more Thoroughbred horse races, conducted and run by Indiana Grand at the Racetrack. Sponsorship revenues subject to this provision shall be limited to monies paid in cash or equivalent to Indiana Grand and shall not include the value of "in kind" contribution or payments of goods or services flowing from said third parties to Indiana Grand. In no event shall this or any other provision of this Agreement be construed or interpreted as an admission or acknowledgment by Indiana Grand that any person, entity or group other than Indiana Grand has a proprietary right in or to any sponsorship revenues, except as specifically set forth herein.

10. Shared Trackus Expense. HBPA authorizes and directs Indiana Grand to deduct from the Thoroughbred Horsemen's Purse Account each month HBPA's share of the daily Indiana Grand Trackus fee, which share shall be determined as follows:

Daily Fee x number of race days in the month ÷ 2, x number of Thoroughbred races ÷ the total number of Thoroughbred and Quarter horse races = HBPA Trackus Share (HBPA Share).

EXAMPLE: $\$750 \times 20 \text{ days} \div 2 \times \frac{160}{200} = \$6,000.00$ is HBPA Share.

10.1 Shared TVG Expense. HBPA authorizes and directs Indiana Grand to deduct from the Thoroughbred Horsemen's Purse Account one-half (1/2) of the programming fees Indiana Grand pays to TVG to broadcast Thoroughbred races originating from Indiana Grand's racetrack.

10.2 Shared Reduced Takeout Expense. HBPA authorizes and directs Indiana Grand to deduct from the Thoroughbred Horsemen's Purse Account one-half (1/2) of the amount of any reduced takeout Indiana Grand actually suffers, which is approved by the IHRC. Such deductions shall not exceed four and three-fourths percent (4 ¾%) of the amount wagered on any particular race at Indiana Grand or its satellite facility.

11. Stalls and Track Facilities.

A. Stalls and Track Facilities. Indiana Grand shall make available stall space to Thoroughbred horsemen during each race meeting without charge. The racing strip, barns, dormitories and other facilities at the Racetrack (Backside Facilities) necessary for training purposes shall be made available by Indiana Grand without charge to horsemen who have stalls allocated for the upcoming race meeting 35 days prior to beginning of the current meet (barring unforeseen circumstances), the track kitchen facilities will open two weeks prior to the race meet, and the barn area and dormitories shall also open 35 days prior to beginning of meet. Indiana Grand shall make water and electricity available to each barn during the above periods without charge and will, at its own expense, keep the racetrack properly harrowed and watered during the periods before and after the end of each race meeting.

In addition, during the racing season, Indiana Grand will make the racing surface available for training (6) days per week beginning 35 days prior to beginning of current meet and continuing thereafter until the end of live racing. The starting gate to be available 2 weeks prior to beginning of current meet for schooling and work outs five (5) days per week. Clockers will be available six (6) days per week during training and prior to the meet.

After the current meet has ended, Indiana Grand will for a period of ten (10) days without cost to the HBPA or HBPA Members: (1) Allow horsemen to keep their horses stabled in stalls in the barn area of the Racetrack as assigned by Indiana Grand; (2) Make the racing surface available for training six (6) days per week; and (3) Provide a clocker during post-meet training days.

B. Vendors. Indiana Grand may not impose upon horsemen any exclusive arrangement concerning farriers, feed men, tack supplies, or any other suppliers or providers of service customarily used by owners and trainers. Indiana Grand will use its best efforts to keep unlicensed persons in the above categories off its premises.

C. Stall Applications. Before each race meeting, Indiana Grand shall establish a reasonable cutoff date for the submission of stall applications. Indiana Grand shall, in the exercise of its sole business judgment, approve or disapprove applications for stalls. The conditions for stabling shall be as set forth on Exhibit A hereto and such conditions shall not be materially modified without the consent of the HBPA. Indiana Grand will consider, among other things, the following criteria in allocating stalls to horsemen for use during race meetings:

- (1) The general quality of the horses listed on the stall application;
- (2) The quality of the racetrack(s) where the horses listed on the stall application have previously raced;
- (3) The number of starts a trainer listed on the application has made at past Indiana Grand race meetings;
- (4) The financial and professional integrity of the trainer listed on stall application;
- (5) The total number of stalls requested by a trainer in relation to the number of unallocated stalls;
- (6) The best interest of Indiana Grand and Thoroughbred racing; and
- (7) Investments made in Indiana horses and farms.

By accepting a stall, a horseman shall be required to use his or her best efforts to run his or her horses during the race meeting consistent with the horses' physical condition, fitness and race conditions.

12. Racing Committee. During the Term of this Agreement, Indiana Grand and the HBPA shall organize and maintain a joint committee (Racing Committee). The HBPA shall not appoint more than four (4) representatives to the Racing

Committee. Indiana Grand shall not appoint more than four (4) representatives to the Racing Committee. The Racing Committee shall meet at least once not more than seventy (70) days, nor less than forty (40) days before the Thoroughbred race meetings and at least once within seven (7) days after Thoroughbred race meeting. The Committee shall meet once a month, or as needed, to discuss such things as backside issues, promotion, publicity, track conditions, other matters that relate to attendance, pari-mutuel handle, the quality of racing, health benefit programs, death benefits, drug and alcohol abuse programs, and any other program that will aid and assist the racing industry in Indiana to care for its personnel at the highest possible level. The Committee shall keep minutes of its discussions, recommendations and decisions.

13. Dues Collection. HBPA has imposed membership dues on HBPA Members in the amount of \$10.00 per horse per start at the Racetrack (Dues). Dues shall be collected from each owner, on behalf the owner and trainer. Indiana Grand agrees to deduct Dues from the accounts it maintains for HBPA Members and remit the Dues to HBPA in the month immediately following the month when the Dues were collected.

14. Uplink and Related Transmission Expenses. HBPA authorizes and directs Indiana Grand to deduct from the Thoroughbred Horsemen's Purse Account \$100 per race, for every live thoroughbred race run from the Thoroughbred Horsemen's Purse Account to help defray the satellite uplink costs and related transmission expenses for export Simulcasting.

15. Representations and Warranties.

A. HBPA. In addition to the representations and warranties contained elsewhere in this Agreement, the HBPA warrants, represents to and covenants with Indiana Grand that during the Term:

- (1) This Agreement has been approved by its Board of Directors of the HBPA;
- (2) This Agreement is valid and enforceable according to its terms;
- (3) The HBPA is the "horsemen's association" representing Thoroughbred owners and trainers for purposes of I.C. 4-31-8-6 and the "horsemen's group" representing Thoroughbred owners and trainers for purposes of 15 U.S.C. § 3001, *et seq.*;
- (4) The HBPA and its officials shall not participate in, delay, interrupt, dispute, or cause temporary or permanent cessation or

suspension of racing at Indiana Grand during any race meeting and that they will not threaten, intimidate, interfere with or interrupt any agent, servant or employee of Indiana Grand or another person participating in racing at Indiana Grand;

- (5) Each HBPA official shall use all of his or her powers of persuasion and all legal means at their disposal to ensure that all HBPA Members and other backside personnel comply with the terms of this Agreement;
- (6) The HBPA and its officials shall use their best efforts to respond to requests for consents and other approvals by Indiana Grand in a timely and business-like manner, considering the need of Indiana Grand to move quickly and decisively;
- (7) This Agreement will be made available for review by HBPA Members and all other licensed owners, trainers, employees and backside personnel at the HBPA office;
- (8) The HBPA shall use its best efforts to ensure that the backside area of the Racetrack is maintained in a safe, clean and orderly condition;
- (9) The HBPA shall not discriminate against horsemen at Indiana Grand who are not members in connection with any provision of this Agreement; and
- (10) The HBPA shall use its best efforts to provide health and welfare benefits to backstretch personnel.

C. Indiana Grand. In addition to the representations and warranties contained in this Agreement, Indiana Grand warrants, represents to and covenants with the HBPA that during the Term:

- (1) This Agreement has been approved by its Board of Managers of Indiana Grand's sole member, or, as appropriate, by its General Manager;
- (2) This Agreement is valid and enforceable according to its terms;
- (3) Indiana Grand and its officers, managers and employees shall not without good cause participate in, delay, interrupt, dispute, or cause temporary or permanent cessation or suspension of racing at Indiana Grand during any race meeting and shall not threaten, intimidate or otherwise coerce any horsemen, HBPA Member, employee or representative thereof;

- (4) Indiana Grand shall use its best efforts to keep the backside area of the Racetrack in a safe, clean, and orderly condition;
 - (5) Indiana Grand shall use its best efforts to assist the HBPA in developing health and welfare programs for backstretch personnel; and
 - (6) Indiana Grand shall use its best efforts to reschedule any programmed race lost due to cancellation.
16. Governmental Approval. Nothing contained in the Agreement shall be construed as requiring either party to perform any term or terms when such performance is contrary to law or requires prior governmental approval; provided, however, both parties shall use their best efforts to obtain governmental approval if such is required including approval by the IHRC.
17. Threats of Boycotts by Individual Members. In the event any representative of the HBPA becomes aware of any HBPA Member or Members who is or are threatening to boycott a race at the Racetrack, or any member or members of any horsemen's group or individual horsemen threatening to do likewise, then, in such events, the HBPA shall call a general meeting of horsemen. Notice of such meeting shall be provided to Indiana Grand under Paragraph 23 and Indiana Grand shall be given an opportunity to appear at such general meeting for the purpose of explaining its position regarding the controversy.
18. Right to Terminate.
 - A. Boycotts. If, during the Term, Indiana Grand is prevented from conducting a scheduled race due to the concerted action of HBPA Members of the HBPA, and/or its officers or directors, which results in a boycott of a scheduled race, then, in such event, Indiana Grand shall have the right to terminate this Agreement by giving written notice to the HBPA. The HBPA shall have until 10:00 A.M. of the next day to prevent the boycott of future races and to provide evidence to Indiana Grand that the boycott has been prevented. If the HBPA fails to prevent the boycott by that time, then Indiana Grand may terminate this Agreement immediately without further action or notice to the HBPA. Such termination shall not constitute an election of remedies nor shall it constitute an election of remedies nor shall it constitute a waiver of Indiana Grand's other remedies in law or equity.
 - B. Default. Without limiting Indiana Grand's right under Subsection A of this Section, either party may terminate this Agreement upon the other party's failure to substantially perform as required under the terms of this Agreement and such failure continues for fifteen (15) days following the date written notice of default, describing the failure or default in reasonable detail, is mailed or delivered pursuant to Paragraph 23. Such

termination shall not constitute an election of remedies nor shall it constitute a waiver of a party's other remedies in law or equity.

19. Indemnification. The HBPA shall indemnify and hold harmless Indiana Grand from and against any damage, deficiency, loss, action, judgment, cost and expense (including reasonable attorneys' fees) resulting from any claim, demand or cause of action made or brought by a member, or other person, because of any payment made to the HBPA under the provisions of Paragraphs 5, 7, 8 or 9, as well as the collection of Trainer's Fees, pursuant to Section 8.H or Dues pursuant to Section 13.
20. Further Assurances. The HBPA and Indiana Grand shall execute such assignments, instruments and documents and shall give such further assurances as may be necessary to accomplish the purpose and intent of this Agreement.
21. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which shall constitute the same instrument
22. Rights of Others. Nothing contained in this Agreement shall be construed as giving a HBPA Member a preference with respect to the eligibility to race, to obtain stalls, to share in purses, to purchase admission tickets for racing events or to participate in any benefit provided by Indiana Grand to horsemen.
23. Notices. All notices, requests, demands or other communications as may be required by this Agreement shall be in writing and, if mailed, shall be by certified mail, return receipt requested, and shall be deemed given when received by the party to whom notice is directed. For purposes of this Agreement, the following are the representatives to be noticed and the addresses of the parties, unless and until a different representative or address is provided by a party in a written notice given as provided in this Section:

Indiana Grand:

Jon Schuster
4200 N. Michigan
Shelbyville, IN 46176

HBPA:
Joe Davis
President Indiana HBPA
1682 Asher Court
Hebron, KY 41048

Copy to:
Brian Elmore
Executive Director Indiana HBPA
PO Box 288
Fairland, Indiana 46126-9998

24. Waivers. No waiver of any breach of this Agreement or any terms hereof shall be effective unless such waiver is in writing and signed by the party against whom such

waiver is claimed. No waiver of any breach shall be deemed to be a waiver of any other or any subsequent breach.

25. Applicable Law. This Agreement is executed and delivered in the State of Indiana and shall be construed and enforced in accordance with the laws of that state.
26. Severability. If any provision of this Agreement is declared invalid by any tribunal, or becomes invalid or inoperative by operation of law, the remaining provisions of this Agreement shall not be affected thereby and shall remain in full force and effect.
27. Assignment. This Agreement shall not be assigned by the HBPA without the written approval of Indiana Grand.
28. Entire Agreement; Modification. This is the entire agreement between the parties and supersedes all prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof. No modification, variation or amendment of this Agreement shall be effective unless such modification, variation or amendment is in writing and has been signed by the parties hereto.
29. Binding Effect. This Agreement shall inure to the benefit of, extend to and be binding upon representatives, successors and assigns of Indiana Grand and HBPA.

IN WITNESS WHEREOF; the parties have executed this Agreement effective as of December __, 2018.

CENTAUR ACQUISITION, LLC
D/B/A Indiana Grand Racing and Casino

By: _____
Jon Schuster, Vice President and General
Manager of Racing

INDIANA HORSEMEN'S BENEVOLENT
AND PROTECTIVE ASSOCIATION, INC.

By: _____
Joe Davis, President

2019 QHRAI CONTRACT

THIS AGREEMENT entered into December __, 2018, by and between Centaur Acquisition, LLC d/b/a INDIANA GRAND RACING and CASINO, an Indiana limited liability company (Indiana Grand) and QUARTER HORSE RACING ASSOCIATION OF INDIANA, an Indiana not-for-profit corporation (QHRAI).

WHEREAS, QHRAI is a trade organization composed of owners, trainers, breeders and sire owners of Quarter Horse race horses (QHRAI Members);

WHEREAS, QHRAI represents that it is the "horsemen's association" representing Quarter Horse owners and trainers for purpose of I.C. 4-31-8-6; and

WHEREAS, QHRAI provides benevolent programs and other services for QHRAI Members and their employees who are engaged in racing at Indiana Grand's racing facility; and

WHEREAS, the parties hereto want to cause a closer and more understanding relationship among horsemen, QHRAI Members, QHRAI, Indiana Grand and the public;

NOW, THEREFORE, in consideration of the promises and mutual covenants contained herein, the parties agree as follows:

1. Term of Agreement. This agreement shall be effective from January 1, 2019 – December 31, 2019 and, unless sooner terminated as provided herein, shall remain effective until the contract is executed for 2020 racing meet (Term).
2. Scope of Agreement. Except as otherwise specifically set forth herein, this Agreement shall only apply to race meetings and pari-mutuel wagering conducted at the Indiana Grand racing facility at Shelbyville, Indiana (Racetrack) and to pari-mutuel wagering conducted at satellite wagering facilities licensed to Indiana Grand and located in the State of Indiana (Satellite Facility).
3. Exclusive Representation. The QHRAI is the exclusive representative of QHRAI Members and of all Quarter Horse owners, trainers, breeders and sire owners stabled at Indiana Grand or who have horses approved for entry in Quarter Horse races at Indiana Grand, except those persons who state in writing that they do not desire to be represented by the QHRAI.
4. Horsemen's Account. Indiana Grand will maintain a separate account denominated with sufficient funds in such account to pay all money owing to Quarter Horse regarding purses, stakes, rewards, claims and deposits (Quarter Horse Purse Account). All portions of purse money shall be made available to earners thereof within forty-eight (48) hours (dark days and Sundays excluded)

after the result of the race in which such money was earned has been declared official, unless the stewards shall order money withheld until final adjudication of a dispute determining which persons are entitled to such money in dispute. No portion of such money, other than jockey fees, shall be deducted by Indiana Grand unless requested in writing by the person to whom such monies are payable or his duly authorized representative. For each race cancelled because of inclement weather, mechanical failure, electrical failure, or for any other reason, the owner shall be reimbursed Five Hundred Dollars (\$500.00) from the Quarter Horse Purse Account for each horse entered in the cancelled races. No reimbursement shall be made in the event that: (1) notice of cancellation is posted in the racing office, texted to those subscribing to the Indiana Grand texting service and posted on the Indiana Grand website eight (8) or more hours prior to post time; or (2) a horse has been scratched prior to the cancellation of the race. Indiana Grand will make an effort to run back any race that is cancelled.

5. Payment for Administrative expenses. Indiana Grand shall deduct 3% (three percent) for the period January 1, 2019, through December 31, 2019, from the allocations to the Quarter Horse Purse Account described in Section 7, Subsections A. through C., and pay such amounts to QHRAI to be used by the QHRAI solely at its discretion for its administrative expenses and for services to its members. Such payments shall be made throughout the term of the Agreement in current monthly installments as such funds are received, regardless of overpayment/underpayment in the Quarter Horse Purse Account. No deduction shall be made for administrative expenses from slot funds allocated to the Quarter Horse Purse Account.
- 5.1 Shared TVG Expense. QHRAI authorizes and directs Indiana Grand to deduct from the Quarter Horse Purse Account one-half (1/2) of the programming fees Indiana Grand pays to TVG to broadcast Quarter Horse races originating from Indiana Grand's racetrack.
6. Race Cards; Simulcasting.
 - A. Simulcast Signal. Indiana Grand in its sole discretion will decide the price or cost, type, time and schedule of all simulcast signals to, and from, the Racetrack and to each Satellite Facility, on all days including live race days. The cost of such simulcast signals shall be normal market rates.
 - B. QHRAI Authorization. During the Term of this Agreement, the QHRAI authorizes Indiana Grand to negotiate and contract with simulcast receiving facilities, including off track wagering facilities located outside Indiana, which are subject to the Interstate Horse Racing Act of 1978, 15 U.S.C. §3001, et. seq. (Act), for the conduct of off-track Quarter Horse wagering. Indiana Grand will inform, and seek the

approval of, the QHRAI prior to Indiana Grand sending its signal to any other receiving jurisdiction.

7. Allocations to Purses. During the term of this Agreement and except as otherwise provided herein, Indiana Grand shall credit the following amounts to the Quarter Horse Purse Account for disbursement, in complete satisfaction of Indiana Grand's obligation for purses, under the following situations:
 - A. Live Racing. When Quarter Horse racing is live at the Racetrack, eight percent (8%) of the live gross handle generated at the Racetrack shall be credited to the Quarter Horse Purse Account as prescribed by state statute.
 - B. Satellite Wagering - In-State. When Quarter Horse racing is live at the Racetrack, five percent (5%) of the live gross handle generated by said live racing at any Indiana Satellite Facility shall go to the Quarter Horse Purse Account as prescribed by state statute.
 - C. Satellite Wagering - Out-of-State. When Indiana Grand simulcasts a Quarter Horse race run live at the Racetrack to an out-of-state facility, 50% of the net receipts generated by simulcasting on that race, including any source market fees and distribution and communication fees received by Indiana Grand (net of expenses incurred by Indiana Grand) on the simulcast of that Quarter Horse race run live at the Racetrack, shall go to the Quarter Horse Purse Account. For purposes of this Subsection C, "net receipts" shall mean all funds received by Indiana Grand under the applicable contracts less any applicable excise taxes.
 - D. Advanced Deposit Wagering. The advance deposit wagering chapter of the Indiana Code, IC 4-31-7.5 (ADW Statute) is incorporated by reference and made a part of this Agreement. Net Source Market Fees (defined below) shall be allocated as required by the ADW Statute. Net Source Market Fees means the difference between (1) source market fees received by Indiana Grand from a licensed Secondary Pari-Mutuel Organization, minus (2) the amount of expenses incurred by Indiana Grand.
8. Purses.
 - A. Purse Schedules and Condition Books. Using its best judgment in estimating attendance, pari-mutuel handle, and breakage, Indiana Grand shall establish a tentative average daily overnight purse schedule for each race meeting and

will exercise due care to avoid underpayment or overpayment of purses at all race meetings. Indiana Grand will also deliver to the QHRAI, at least seven (7) days prior to the “final” condition book draft going to the printer, its first condition book and proposed purse schedules.

- B. Overpayment - Underpayment of Purses. Indiana Grand will make a best faith effort to insure that all Quarter Horse purse monies earned through the end of the Quarter Horse meet are paid out by the end of the Quarter Horse meet.

- C. Minimum Purses. No Quarter Horse race shall be run at Indiana Grand during the Term of this Agreement with a purse less than the minimum purse established by the Indiana Horse Racing Commission for any race meeting, but in no event less than Three Thousand Five Hundred Dollars (\$3,500.00).

- D. Purse Notices. The pari-mutuel handle, the pari-mutuel handle commission, breakage and purse distribution figures, and the percentage figures that represent the relationship between purses and the total of pari-mutuel income and breakage shall be posted on the bulletin board in the Racing Secretary's office each day of a race meeting. Indiana pari-mutuel handle figures shall be provided within forty-eight (48) hours after they are available to the President of the QHRAI at the address provided below.

- E. Payment of Purses. Indiana Grand agrees to distribute purses in the following manner, excluding stakes:

<u>No. of Starters</u>	<u>10</u>
First	55%
Second	20%
Third	10%
Fourth	5%
Fifth	3%
Sixth	2%
Seventh	1.5%
Eighth	1.5%

Ninth	1%
Tenth	1%

For any races with less than ten horses, the applicable extra unpaid purse allocation will revert to the Quarter Horse Purse Account.

F. 2019 Purse Distribution. Notwithstanding anything to the contrary set forth in this Agreement, purses will be distributed for the 2018 race meeting based upon a reasonable estimate of purse money to be generated from all sources during the term of this Agreement. Actual purse money generated and not paid during the live meet, in addition to purse money generated after that date through December 31, 2019, from whatever source, shall be allocated to the appropriate purse account for the 2020 racing year in accordance with the rules of the Indiana Horse Racing Commission.

G. Purse Reports. The Director of Racing will provide the QHRAI President and Executive Director with an up-to-date purse report every two weeks, beginning when the live race meet starts, until the final week of live racing is captured on the report.

9. Shared Trackus Expense. QHRAI agrees to pay monthly to Indiana Grand its share of the daily Indiana Grand Trackus fee, which shall be determined as follows:

Daily Fee x number of race days in the month ÷ 2, x number of Quarter Horse races ÷ the total number of Quarter Horse and Thoroughbred horse races = QHRAI Trackus Share (QHRAI Share).

EXAMPLE: \$750 x 20 days ÷ 2 x $\frac{40}{200}$ = \$1,500.00 is QHRAI Share.

10. Stalls and Track Facilities.

A. Stalls and Track Facilities. Indiana Grand shall make available stall space to Quarter Horse horsemen during each race meeting without charge. The racing strip, barns, dormitories and other facilities at the Racetrack (Backside Facilities) necessary for training purposes shall be made available by Indiana Grand without charge to horsemen who have stalls allocated for the upcoming race meeting on March 15, 2019 (barring unforeseen circumstances), the track kitchen will open on April 2, 2019, and the barn area and dormitories shall also open on March 15, 2019. Indiana Grand shall make water and electricity available to each barn during the above periods without charge and will, at its own expense, keep the racetrack properly harrowed and watered during the periods before and after the end of each race meeting.

In addition, during the racing season, Indiana Grand will make the racing surface available for training (6) days per week beginning 35 days prior to beginning of current meet and continuing thereafter until the end of live racing. The starting gate to be available 2 weeks prior to beginning of current meet for schooling and work outs five (5) days per week. Clockers will be available six (6) days per week during training and prior to the meet.

After the current meet has ended, Indiana Grand will for a period of fourteen (10) days without cost to the QRHAI or QHRAI Members: (1) Allow horsemen to keep their horses stabled in stalls in the barn area of the Racetrack as assigned by Indiana Grand; (2) Make the racing surface available for training six (6) days per week; and (3) Provide a clocker during post-meet training days.

- B. Vendors. Indiana Grand may impose upon horsemen any exclusive arrangement concerning farriers, feed men, tack supplies, or any other suppliers or providers of service customarily used by owners and trainers that it deems reasonable and appropriate. Indiana Grand will use its best efforts to keep unlicensed persons in the above categories off its premises.
- C. Stall Applications. Before each race meeting, Indiana Grand shall establish a cutoff date for the submission of stall applications. Indiana Grand shall, in the exercise of its sole business judgment, approve or disapprove applications for stalls. The conditions for stabling shall be as set forth on Exhibit A hereto and such conditions shall not be materially modified without the consent of the QHRAI. Indiana Grand will consider, among other things, the following criteria in allocating stalls to horsemen for use during race meetings:
- (1) The general quality of the horses listed on the stall application;
 - (2) The quality of the racetrack(s) where the horses listed on the stall application have previously raced;
 - (3) The number of starts a trainer listed on the application has made at past Indiana Grand race meetings;
 - (4) The financial and professional integrity of the trainer listed on stall application;
 - (5) The total number of stalls requested by a trainer in relation to the number of unallocated stalls;
 - (6) The best interest of Indiana Grand and Quarter Horse racing; and
 - (7) Investments made in Indiana horses and farms.

By accepting a stall, a horseman shall be required to use his or her best efforts to run his or her horses during the race meeting consistent with the horses' physical condition, fitness and race conditions.

11. Uplink. The QHRAI will reimburse Indiana Grand \$100 per race, for every live Quarter Horse race run from the Quarter Horse Purse Account to help defray the satellite uplink costs for export Simulcasting.
12. Representations and Warranties.
 - A. QHRAI. In addition to the representations and warranties contained elsewhere in this Agreement, the QHRAI warrants, represents to and covenants with Indiana Grand that during the Term:
 - (1) This Agreement has been approved by its Board of Directors of the QHRAI;
 - (2) This Agreement is valid and enforceable according to its terms;
 - (3) The QHRAI is the "horsemen's association" representing Quarter Horse owners and trainers for purposes of I.C. 4-31-8-6;
 - (4) The QHRAI and its officials shall not participate in, delay, interrupt, dispute, or cause temporary or permanent cessation or suspension of racing at Indiana Grand during any race meeting and that they will not threaten, intimidate, interfere with or interrupt any agent, servant or employee of Indiana Grand or another person participating in racing at Indiana Grand;
 - (5) Each QHRAI official shall use all of his or her powers of persuasion and all legal means at their disposal to ensure that all QHRAI Members and other backside personnel comply with the terms of this Agreement;
 - (6) The QHRAI and its officials shall use their best efforts to respond to requests for consents and other approvals by Indiana Grand in a timely and business-like manner, considering the need of Indiana Grand to move quickly and decisively;
 - (7) The QHRAI shall use its best efforts to ensure that the backside area of the Racetrack is maintained in a safe, clean and orderly condition;

- (8) The QHRAI shall not discriminate against horsemen at Indiana Grand who are not members in connection with any provision of this Agreement; and

B. Indiana Grand. In addition to the representations and warranties contained in this Agreement, Indiana Grand warrants, represents to and covenants with the QHRAI that during the Term:

- (1) This Agreement has been approved by its Board of Managers of Indiana Grand's parent, or, as appropriate, by its General Manager;
- (2) This Agreement is valid and enforceable according to its terms;
- (3) Indiana Grand and its officers, directors and employees shall not threaten, intimidate or otherwise coerce any horsemen, QHRAI Member, employee or representative thereof;
- (4) Indiana Grand shall use its best efforts to keep the backside area of the Racetrack in a safe, clean, and orderly condition;
- (5) Indiana Grand shall use its best efforts to assist the QHRAI in developing health and welfare programs for backstretch personnel; and
- (6) Indiana Grand shall use its best efforts to reschedule any programmed race lost due to cancellation.
- (7) Indiana Grand shall meet with representatives from the QHRAI at a mutually convenient time prior to December, 2019, and additionally will meet again in February, 2020, to discuss and receive recommendations from QHRAI regarding the following years program including, but not limited to: purse structure, races; dates for all quarter horse days; and use of purse surplus.

13. Governmental Approval. Nothing contained in the Agreement shall be construed as requiring either party to perform any term or terms when such performance is contrary to law or requires prior governmental approval; provided, however, both parties shall use their best efforts to obtain governmental approval if such is required including approval by the Indiana Horse Racing Commission.

14. Default. Either party may terminate this Agreement upon the other party's failure to substantially perform as required under the terms of this Agreement and such failure continues for fifteen (15) days following the date written notice of default is mailed or delivered pursuant to Paragraph 19. Such termination shall not

constitute an election of remedies nor shall it constitute a waiver of a party's other remedies in law or equity.

15. Indemnification. The QHRAI shall indemnify and hold harmless Indiana Grand from and against any damage, deficiency, loss, action, judgment, cost and expense (including reasonable attorneys' fees) resulting from any claim, demand or cause of action made or brought by a member, or other person, because of any payment made to the QHRAI under the provisions of Paragraphs 5, 7, 8, 9 or 12.
16. Further Assurances. The QHRAI and Indiana Grand shall execute such assignments, instruments and documents and shall give such further assurances as may be necessary to accomplish the purpose and intent of this Agreement.
17. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which shall constitute the same instrument
18. Rights of Others. Nothing contained in this Agreement shall be construed as giving a QHRAI Member a preference with respect to the eligibility to race, to obtain stalls, to share in purses, to purchase admission tickets for racing events or to participate in any benefit provided by Indiana Grand to horsemen.
19. Notices. All notices, requests, demands or other communications as may be required by this Agreement shall be in writing and, if mailed, shall be by certified mail, return receipt requested, and shall be deemed given when received by purposes of this Agreement, the following are the addresses of the parties:

Indiana Grand:

Jon Schuster
4200 N. Michigan
Shelbyville, IN 46176

QHRAI:

Copy to:

Paul Martin, President
3409 W Bethel Ave.
Muncie, Indiana 47304

Teresa Myers, Secretary
9439 W 200 S
Dunkirk, In 47336

20. Waivers. No waiver of any breach of this Agreement or any terms hereof shall be effective unless such waiver is in writing and signed by the party against whom such waiver is claimed. No waiver of any breach shall be deemed to be a waiver of any other or any subsequent breach.
21. Applicable Law. This Agreement is executed and delivered in the State of Indiana and shall be construed and enforced in accordance with the laws of that state.
22. Severability. If any provision of this Agreement is declared invalid by any tribunal, or becomes invalid or inoperative by operation of law, the remaining provisions of this Agreement shall not be affected thereby and shall remain in full force and effect.
23. Assignment. This Agreement shall not be assigned by the QHRAI without the written approval of Indiana Grand.
24. Entire Agreement; Modification. This is the entire agreement between the parties and supersedes all prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof. No modification, variation or amendment of this Agreement shall be effective unless such modification, variation or amendment is in writing and has been signed by the parties hereto.

IN WITNESS WHEREOF; the parties have executed this Agreement effective as of December __, 2018.

CENTAUR ACQUISITION, LLC
D/B/A Indiana Downs

By: _____
Jon Schuster, Vice President and General
Manager of Racing

QUARTER HORSE RACING ASSOCIATION
OF INDIANA

By: _____
Paul Martin, President

EQUIPMENT SUMMARY & PLAN

Year	Brand	Model	Description / Use	ID Number	Year Acq'd	Life	Scheduled Replacement	Inflation Allowance 2018 Replace Cost	Years Out	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
									2018	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Hoosier Park - Backside Maintenance & Operations																								
Andrew Paxson																								
Pickup Trucks																								
1995	Chevrolet	4x4	Backside General	Replace ALL w/ F250 4WD	2011	7	2019	\$ 40,000		\$ 40,800					\$ 45,046							\$ 51,744		
2004	Chevrolet	Silverado Flatbed	Pickup Supplies, BS Trash	4 Crew Cab	2011	7	2019	\$ 40,000		\$ 40,800					\$ 45,046							\$ 51,744		
2007	Chevrolet	2500HD	Fleet Maint & Haul Horses	CK, AP, Misc, Fac	2012	7	2019	\$ 40,000		\$ 40,800					\$ 45,046							\$ 51,744		
2008	Ford	F150	Backside Maintenance	Regularcab for Balance Bed - 6.75 ft crew cabs	2011	7	2019	\$ 40,000		\$ 40,800					\$ 45,046							\$ 51,744		
2014	Dodge	Ram 1500	Cooper - Crew Cab	Bed - 8 ft for Regular Cab	2016	7	2019	\$ 50,000		\$ 51,000					\$ 56,308							\$ 64,680		
2017	Ford	F250	Andrew - Crew Cab	XLT Trim Package	2017	7	2024	\$ 50,000							\$ 56,308							\$ 64,680		
2017	Ford	F250	General TM - Crew Cab		2017	7	2024	\$ 50,000							\$ 56,308							\$ 64,680		
2017	Ford	F250	General TM & Snow		2017	7	2024	\$ 40,000							\$ 45,046							\$ 51,744		
2017	Ford	F250	General TM & Snow		2017	7	2024	\$ 40,000							\$ 45,046							\$ 51,744		
2016	Ford	350 Transit Van	Paddock - WC Shuttle		2016	7	2024	\$ 50,000							\$ 56,308							\$ 64,680		
2017	Ford	T-250 Transit Van	Housekeeping		2017	7	2024	\$ 40,000							\$ 45,046							\$ 51,744		
2017	Ford	T-250 Transit Van	Special Projects		2017	7	2024	\$ 40,000							\$ 45,046							\$ 51,744		
Gators																								
2017	John Deere	PR15 Gator TS MY16	Backside Security		2017	5	2022	\$ 8,500					\$ 9,201				\$ 10,158					\$ 11,216		
2017	John Deere	PR15 Gator TS MY16	Backside Security		2017	5	2022	\$ 8,500					\$ 9,201				\$ 10,158					\$ 11,216		
2017	John Deere	PR15 Gator TS MY16	Backside Security		2017	5	2022	\$ 8,500					\$ 9,201				\$ 10,158					\$ 11,216		
2017	John Deere	PR15 Gator TS MY16	IHRC		2017	5	2022	\$ 8,500					\$ 9,201				\$ 10,158					\$ 11,216		
2017	John Deere	PR15 Gator TS MY16	Track Maintenance		2017	5	2022	\$ 8,500					\$ 9,201				\$ 10,158					\$ 11,216		
2017	John Deere	PR15 Gator TS MY16	Track Maintenance		2017	5	2022	\$ 8,500					\$ 9,201				\$ 10,158					\$ 11,216		
2017	John Deere	PR15 Gator TS MY16	Backside Housekeeping		2017	5	2022	\$ 8,500					\$ 9,201				\$ 10,158					\$ 11,216		
2017	John Deere	PR15 Gator TS MY16	Backside Maintenance		2017	5	2022	\$ 8,500					\$ 9,201				\$ 10,158					\$ 11,216		
2016	John Deere	825i 4-Seat Gator	BS Maint & Events		2016	5	2022	\$ 15,000					\$ 16,236				\$ 17,926					\$ 19,792		
Equipment																								
1991	Ford	L-8000 Semi	Haul Manure Disp. Trailer		2011	20	2019	\$ 100,000		\$ 102,000														
2011	Intl	4300	Wash Stall Pump (primary)		2017	10	2025	\$ 100,000							\$ 114,869									
1995	Chevrolet	Kodiak	Wash Stall Pump (backup)	Eliminate in 2025	2025		Eliminate																	
2008	Bobcat	S185	General Material Moving	Replace w/ John Deere	2011	10	2021	\$ 50,000			\$ 53,060											\$ 64,680		
2006	Bobcat	463	Cleaning Stalls	Replace w/ John Deere	2011	15	2021	\$ 30,000			\$ 31,836													
2017	JCB	541-70 Telehandler	Move Manure		2017	5	2022	\$ 120,000				\$ 129,892					\$ 143,411					\$ 158,337		
1998	Caterpillar	416C Backhoe	Dispose at Auction - August		2011		2011																	
NEW	John Deere	310K backhoe	Loading & Excavation	Expect August Delivery	2018	10	2028	\$ 111,000	\$ 111,000									\$ 135,308						
2005		Util Trailer - Tan Axel	Haul Horses to Purdue	Replace with Murphy's	2005	14	2019	\$ 10,000		\$ 10,200													\$ 13,459	
2000	Miller	Generator/Welder				15	2020	\$ 10,000			\$ 10,404													
Snow Management																								
1997	Caterpillar	938G Wheel Loader	Replace w/ JD 524 Loader																					
		Large Snow Box					2025	\$ 6,000						\$ 6,892										
2017	JCB	541-70 Telehandler																						
		Medium Snow Box			2016	15	2031	\$ 4,000														\$ 5,174		
NEW	John Deere	310K backhoe																						
NEW		Medium Push Box	Expect June Delivery		2018	15	2033	\$ 4,000	\$ 4,000														\$ 5,383	
2018	John Deere	5090 Loader tractor	Landscaping																					
NEW		Medium Push Box	Expect June Delivery		2018	15	2033	\$ 4,000	\$ 4,000														\$ 5,383	
2017	Ford	F250	General TM & Snow																					
2017		Snow Plow Blade			2017	10	2027	\$ 7,500									\$ 8,963							
2017		Salt Spreader			2017	10	2027	\$ 5,000									\$ 5,975							
2017	Ford	F250	General TM & Snow																					
2017		Snow Plow Blade			2017	10	2027	\$ 7,500									\$ 8,963							
2017		Salt Spreader			2017	10	2027	\$ 5,000									\$ 5,975							

EQUIPMENT SUMMARY & PLAN

Inflation Allowance
2018
Replace
Cost

SCHEDULED REPLACEMENT

Years Out	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15								
	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%								
2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033								
Frontside Operations																							
Hoosier Park - Joe Noel																							
Vehicles																							
2008		Old Shuttle - Seats Rem	Catering	Comb Funct with Box Trk	2012		Eliminate																
2007	Isuzu	NPR HD	Receiving Box Truck	Intl - 20 ft, dock height	2016	10	2019	\$ 100,000		\$ 102,000				\$ 124,337									
2000	Chevrolet	C1500	Frontside Trash Truck	Replace with F250	2012	7	2019	\$ 40,000		\$ 40,800				\$ 45,046	\$ 51,744								
2008	Ford	F150	Electrician	Replace with F250	2008	7	2019	\$ 40,000		\$ 40,800				\$ 45,046	\$ 51,744								
2017	Ford	F250	Trash Pickup		2018	7	2019	\$ 40,000	\$ 40,000					\$ 45,046	\$ 51,744								
2017	Ford	F150	Frontside Maintenance	Replace with F250	2018	7	2024	\$ 40,000	\$ 15,000					\$ 45,046	\$ 51,744								
2016	Glaval	Ford E350 Chassis	Shuttle Bus		2016	6	2020	\$ 90,000						\$ 93,636	\$ 105,449								
2016	Glaval	Ford E350 Chassis	Shuttle Bus		2016	6	2020	\$ 90,000						\$ 93,636	\$ 105,449								
2016	Glaval	Ford E350 Chassis	Shuttle Bus		2016	6	2020	\$ 90,000						\$ 93,636	\$ 105,449								
2016	Glaval	Ford E350 Chassis	Shuttle Bus		2016	6	2020	\$ 90,000						\$ 93,636	\$ 105,449								
2016	Ford	Explorer Interceptor	Security		2016	5	2021	\$ 40,000						\$ 42,448	\$ 46,866								
2016	Ford	Explorer Interceptor	Security		2016	5	2021	\$ 40,000						\$ 42,448	\$ 46,866								
2016	Ford	Explorer Interceptor	Security		2016	5	2021	\$ 40,000						\$ 42,448	\$ 46,866								
2015	Chevrolet	City Express	New Haven - Delivery Van		2016	8	2024	\$ 30,000						\$ 33,785	\$ 38,047								
Gators																							
2017	John Deere	PR15 Gator TS MY16	Frontside Landscaping		2017	5	2022	\$ 8,500						\$ 9,201	\$ 10,158								
2017	John Deere	PR15 Gator TS MY16	Frontside Landscaping		2017	5	2022	\$ 8,500						\$ 9,201	\$ 10,158								
2017	John Deere	PR15 Gator TS MY16	Frontside Cleanup w/ Cart		2017	5	2022	\$ 9,500						\$ 10,283	\$ 11,353								
2016	John Deere	825i 4-Seat Gator	FS & BS Maintenance	Trade-In	2016	5	2022	\$ 15,000						\$ 16,236	\$ 17,926								
2018	John Deere	825i 2-seat w/ Cab, Blade	Snow & General Maint	June Delivery	2018	5	2022	\$ 20,000	\$ 20,000					\$ 21,649	\$ 23,902								
Landscaping																							
Trucks																							
2002	Intl	4900	Landscape Watering Truck		2015	10	2023	\$ 150,000						\$ 165,612	\$ 201,880								
2017	Ford	F350 w/ Dump Bed	Landscape Dump Truck		2017	10	2027	\$ 110,000						\$ 131,460									
Equipment																							
2018	John Deere	5090 Loader tractor	Landscaping		2018	10	2028	\$ 81,000	\$ 81,000					\$ 98,739									
		Straight Blade	Tractor Attachment					\$ 5,000						\$ 5,202	\$ 5,743								
		Roto Tiller	Tractor Attachment					\$ 5,000						\$ 5,202	\$ 5,743								
		Aerator	Tractor Attachment					\$ 5,000						\$ 5,202	\$ 5,743								
		Box Blade	Tractor Attachment					\$ 5,000						\$ 5,202	\$ 5,743								
		Bush Hog mower	Tractor Attachment					\$ 5,000						\$ 5,202	\$ 5,743								
		Finish Mower	Tractor Attachment					\$ 5,000						\$ 5,202	\$ 5,743								
2016	John Deere	915	Small Zero Turn Mower		2016	5	2020	\$ 7,500						\$ 7,803	\$ 8,615								
2015	John Deere	930	72" Zero Turn Mower		2015	5	2020	\$ 11,000						\$ 11,444	\$ 12,636								
2015	John Deere	930	72" Zero Turn Mower		2015	5	2020	\$ 11,000						\$ 11,444	\$ 12,636								
2015	John Deere	930	72" Zero Turn Mower		2015	5	2020	\$ 11,000						\$ 11,444	\$ 12,636								
Sub-Toal - Hoosier Park																							
								\$ 446,000	\$ 999,200	\$ 458,296	\$ 212,242	\$ 286,303	\$ 491,316	\$ 799,575	\$ 748,369	\$ 562,397	\$ 477,439	\$ 436,400	\$ 211,995	\$ 1,255,559	\$ 949,507	\$ 975,755	\$ 1,067,274

EQUIPMENT SUMMARY & PLAN

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Year	Brand	Model	Description / Use	ID Number	Year Acq'd	Life	Scheduled Replacement	Inflation Allowance 2018 Replace Cost	Years Out	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
									2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	
Frontside Operations																									
Glendel Cobel																									
Vehicles																									
?	?	?	Receiving Box Truck			10	2019	\$ 100,000		\$ 102,000									\$ 124,337						
2015	Dodge	Ram	Facilities Pickup Truck		2015	7	2019	\$ 50,000		\$ 51,000				\$ 56,308							\$ 64,680				
2015	Ford	F250	Facilities Pickup Truck	1FT7X2B66FEB76411	2015	7	2019	\$ 50,000		\$ 51,000				\$ 56,308							\$ 64,680				
2014			Shuttle Bus	Dispose at Auction	2014	6	2020	\$ 90,000			\$ 93,636					\$ 105,449								\$ 121,128	
2014			Shuttle Bus	Dispose at Auction	2014	6	2020	\$ 90,000			\$ 93,636					\$ 105,449								\$ 121,128	
2015			Shuttle Bus	7	2015	6	2020	\$ 90,000			\$ 93,636					\$ 105,449								\$ 121,128	
2015			Shuttle Bus	8	2015	6	2020	\$ 90,000			\$ 93,636					\$ 105,449								\$ 121,128	
2017			Shuttle Bus	9	2017	6	2020	\$ 90,000			\$ 93,636					\$ 105,449								\$ 121,128	
2017			Shuttle Bus	10	2017	6	2020	\$ 90,000			\$ 93,636					\$ 105,449								\$ 121,128	
2017			Shuttle Bus	11	2017	6	2020	\$ 90,000			\$ 93,636					\$ 105,449								\$ 121,128	
2017			Shuttle Bus	12	2017	6	2020	\$ 90,000			\$ 93,636					\$ 105,449								\$ 121,128	
2018	Ford	Explorer Interceptor	Frontside Security		2018	5	2018	\$ 40,000	\$ 40,000			\$ 42,448				\$ 46,866					\$ 51,744				
2016	Ford	Explorer Interceptor	Frontside Security	1FM5K8AR5GGD04501	2016	5	2021	\$ 40,000			\$ 42,448					\$ 46,866					\$ 51,744				
2008	Ford	F150	Change to Ford Explorer	1FTPW14V228FB34123		5	2019	\$ 40,000	\$ 40,800		\$ 42,448					\$ 46,866					\$ 51,744				
Gators																									
2016	John Deere	Gator TS	Rose - Trash Cleanup		2016	5	2022	\$ 8,500				\$ 9,201					\$ 10,158						\$ 11,216		
New	John Deere	Gator TS	Frontside Maintenance	June Delivery	2018	5	2022	\$ 8,500	\$ 8,500			\$ 9,201					\$ 10,158						\$ 11,216		
Equipment																									
2018		Custom	Garage Press Wash Trailer		2018	10	2028	\$ 30,000											\$ 36,570						
Sub-Toal - Indiana Grand									\$531,500	\$ 1,116,900	\$ 971,734	\$ 137,957	\$ 173,730	\$ 813,708	\$ 698,221	\$ 702,996	\$ 984,194	\$ 191,812	\$ 213,324	\$ 491,133	\$ 1,128,735	\$ 1,047,821	\$ 963,879	\$ 1,960,930	
TOTAL HOOSIER PARK AND INDIANA GRAND									\$977,500	\$ 2,116,100	\$ 1,430,030	\$ 350,199	\$ 460,034	\$ 1,305,024	\$ 1,497,796	\$ 1,451,364	\$ 1,546,590	\$ 669,252	\$ 649,724	\$ 703,128	\$ 2,384,295	\$ 1,997,329	\$ 1,939,634	\$ 3,028,204	
									2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	
									1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	