

*Re: The transfer application of Caesars Entertainment Corporation
to acquire the permits, licenses and related assets and liabilities of
Centaur Gaming LLC and/or any of its affiliates*

A Report for the Indiana Horse Racing Commission

Considerations and Recommendations for the Commission



May 29, 2018

Prepared by:



Racing, Gaming & Entertainment LLC

Principal: F. Douglas Reed

Content

Executive Summary1

Introduction.....2

Process and Overview2

The Current Situational Analysis – Indiana Horse Racing Industry Today.....4

Track Reports.....7

 Harrah’s Louisiana Downs – Casino Slots & Racing (LAD)7

 Harrah’s Philadelphia Casino and Racetrack(PHL) 10

 Turfway Park (TP) 13

 Bluegrass Downs (BgD)..... 14

 Thistledown (TDN)..... 14

SWOT Analysis 16

Conclusions & Recommendations..... 20

Appendices 24

 Appendix A – Interview Question Template 25

 Appendix B – Photographs from site visits..... 31

 Appendix C – Track Statistical Comparison 50

 Appendix D – Author’s biographical sketch and CV 53

Executive Summary

The Indiana Horse Racing Commission is in the process of evaluating a sale, permitting and related licensing for both racing operations in the state of Indiana. As part of the commission's due diligence they are charged with the responsibility to investigate and evaluate the appropriateness of any permit holder. In addition, the commission must keep in mind the statutory charge of the regulatory body which includes: safety, integrity, promotion of racing and protecting the interest of the public.

As part of this ongoing process F. Douglas Reed, principal of RGE LLC (Appendix D) was contracted to review the current state of Indiana horse racing, evaluate some of the current racino operations of Caesars Entertainment Corporation and make recommendations for the commission to consider regarding this matter.

The process included; research, site visits, numerous interviews with stakeholders and knowledgeable parties, along with the Reed's 40+ years of experience to compile this report.

The report contains detailed analysis of the Indiana horse racing environment and several Caesars properties. The current state of Indiana horse racing would certainly be described by such words as harmonious, healthy in comparison to other jurisdictions and the culture and facilities are thought of by stakeholders to be in excellent condition.

The operations of the Caesars properties visited each had unique situations that had an impact on those facilities and the environment. The following key items were noted in most cases:

- the financial resources and competitive environment as expected would have a significant impact;
- the relationships between stakeholders and track management were for the most part good but the quality of this relationship was credited to the fact that Caesars had knowledgeable and familiar racing managers that related well with the other stakeholders and;
- Caesars cared and invested in safety and would invest in other racing maintenance, facilities etc., but the latter often moved forward after some pressure or nudging by other stakeholders.

Other items were noted in the report but either varied by the site analyzed or were not deemed as critical to all stakeholders and the overall culture. Some of those items (while important to individual stakeholders) often did not affect everyone directly.

Based on the analysis the following two major recommendations were suggested. One, that Caesars present a detailed operational plan each year that must be approved by the commission before race dates would be allocated. After approval by the Commission, this operational plan would be a commitment by Caesars. If changes were necessary after approval, Caesars would be required to seek approval for such changes. Two, that some safeguards be put in place to ensure the racing management is empowered and knowledgeable of all aspects of racing and foster the key relationships with stakeholders similar to what was viewed in the case of Indiana, Louisiana and Philadelphia.

In addition to the two recommendations above, a number of other considerations were suggested. One, a fund for backstretch improvements and marketing could be created in lieu of those requirements in the operational plan. The funds would support those efforts on a yearly basis. Steps could also be taken to ensure that safety and integrity are maintained at the facilities. There are a number of recommendations that could be made on specific issues in the SWOT, but since the commission is in the best position to determine which of the opportunities and which of the threats not previously addressed is critical, the author will make no attempt to make a value judgement on those opportunities and threats outlined in the SWOT analysis.

Introduction

F. Douglas Reed, principal of RGE LLC (**Appendix “D”** biographical sketch and CV) entered into a professional services contract with the Indiana Horse Racing Commission to “provide consulting services to the Commission in relation to the transfer application of Caesars Entertainment Corporation to acquire the permits, licenses and related assets and liabilities of Centaur Gaming LLC and/or any of its affiliates¹.”

The purpose of this report is to provide the Commission with an evaluation of the horse racing operations of Caesars Entertainment Corporation (Caesars) at properties where they have or had ownership and management of those properties. The report will also provide an assessment of the current racing industry environment in Indiana and what impacts the change of ownership may have. It will conclude with recommendations to preserve and/or enhance the racing industry in Indiana.

Process and Overview

The information and analysis and recommendations were derived from the following methodology.

There are three properties currently owned/operated by Caesars/Harrah’s that conduct live racing. They are Harrah’s Louisiana Downs – Casino Slots & Racing (LAD), Harrah’s Philadelphia Casino & Racetrack (PHL) and Bluegrass Downs (BgD.) The two racing properties that Caesars currently operates that had live racing during the timeline of this report were visited in person. Since the focus of this report is the horse racing industry and operations, no casino only properties owned by Caesars were visited. In addition to the aforementioned racetracks, Turfway Park(TP) in Kentucky and Thistledown (TDN) (now called: Jack Thistledown Racino) in Ohio were previously partially owned by Caesars/Harrah’s and some interviews regarding those operations (when Caesars had an ownership interest) were conducted.

The two tracks visited were LAD in March near the end of their live Quarter Horse race meet and PHL in April that included their opening night of the Standardbred racing season. During those visits approximately 20 people at each location were interviewed including the management of the racetrack and horsemen. Any stakeholder group in that jurisdiction that were not available to meet in person were interviewed by phone. The facilities were examined, photographs taken on both the “frontside” and “backstretch” or paddock barn. More time was spent in the racing areas of the facilities versus the casino area given the purpose of the report.

Interviews were conducted with stakeholders in Ohio and Kentucky with people familiar with the racing operations during the time which Caesars had an ownership interest there. Also, interviews were conducted with all key stakeholders in the Indiana horse racing industry to assess the current benchmark of state of the industry today.

The interviews included track managers, appropriate breed specific members of the horsemen’s associations, breeders’ associations, racing commissions, and former track managers. This was done to gain as broad and varied a perspective as possible. In total over 55 interviews were conducted either in person or by phone to help eliminate any one person or organizational bias.

The template for the interviews conducted was created at the outset in order to be as consistent as possible with the questioning. Those questions can be found in **Appendix “A”** of this report. One goal of using the template was to insure to ask what each person saw as strengths or the best about the racing in that jurisdiction but also what could be improved. This effort was not only to be fair in the questioning but also to obtain information that would allow for evaluation of what assets the new ownership may bring to improve the industry but also to examine areas that the commission would want knowledge of if there are concerns with

¹ Indiana Horse Racing Commission, “Professional Services Contract, Contract #25882,” March 2018, page 1.

continuing to fulfill the statutory charge of the commission that includes: conducting racing “with the highest standards and greatest level of integrity” (IC 4-31-1-2)², “to promote the Indiana horse racing industry” (IC 4-31-3-8)³, and to insure the safety of participants and the public interest.

The report contains a situational analysis of the current state of the Indiana horse racing industry as well as individual reports on the tracks owned/operated by (or at one time owned/operated by) Caesars/Harrah’s. This provides a look at each jurisdiction individually since each has unique aspects that make it difficult to directly compare the operations in different jurisdictions. However, there were some commonalities that are useful and reflected in a SWOT (strengths, weaknesses, opportunities, threats) analysis given the potential change of ownership.

The last section, conclusions and recommendations, are suggested as a means to allow the regulatory body to consider what is important and better understand some of the potential changes. The commission may wish to monitor improvements that can be made by the new ownership and address any concerns consistent with the commission’s statutory charge. Given Indiana’s statutory and regulatory scheme, the commission will look to maintain the current standards as well as to encourage actions that will improve/promote the industry.

² Indiana Code 2017, <http://iga.in.gov/legislative/laws/2017/ic/titles/001> Accessed May 16, 2018

³ Ibid

The Current Situational Analysis – Indiana Horse Racing Industry Today

A total of 13 interviews of all the major stakeholders along with prior industry knowledge of the various racing jurisdictions from 40+ years were utilized in formulating this evaluation of the current environment of the Indiana horse racing industry.

Interviews included track managers, members of every breed's horsemen and breeders' associations, and the racing commission.

There are many ways or factors to compare the horse racing industry in various states. It is easy to compare the size of the breeding industries (number of foals, stallions, mares) or purses can be used as a reasonable benchmark for quality of racing. But one challenge the industry faces in all jurisdictions is that the different stakeholders often have different economic interests. This often leads to contentious or at least challenging relationships.

Another thing to consider is the level of satisfaction of the stakeholders with the state of the industry. When evaluating Indiana by this measure, it is clear to me this is almost an anomaly in the fact that all stakeholders (while still having different economic concerns and priorities) are unanimous in their opinion of the cooperative efforts that exists. It would be easy to say that despite the groups having small differences they are all rowing the boat in the same direction.

I have worked in the industry in 10 states and consulted in many other states and I would say that when comparing the level of cooperation currently found in Indiana it would be unlikely to find it this good statewide elsewhere. There may be pockets or individual situations where a few stakeholders at one track cooperate as well, but nothing surpassing the current situation/racing environment in Indiana.

To look at this environment in more specific ways the following is a summary of the opinions expressed and in almost all interviews the opinions were near unanimous.

The track management and culture of the employees at the track comes from a philosophy that filters from the top down. Most of those interviewed mentioned Rod Radcliff and things he has done to create not only a good corporate culture focused on the integration of racing and gaming but also how that has been a positive influence not only on his team, but also on other stakeholders in the industry. Perhaps this is because the owner has a vested interest in the horse racing industry. Having worked for Charles Cella and Richard Duchossois (Oaklawn Park and Arlington Park respectively) I understand how a top down investment in racing can help the organization's philosophy and efforts to make racing part of the whole entertainment package. It can also be noted that the names of both tracks are: Hoosier Park or Indiana Grand Racing & Casino, with racing listed first.

It was clear that currently the racing side of the business is not looked at solely by ROI. Currently racing loses money at the tracks when isolated from the rest of the operations. Nonetheless, as one manager observed, the philosophy here is that security, housekeeping, and other departments also lose money but it is all about the overall operation and that the customers are facility customers not racing or gaming customers. It would appear that the racing and gaming operations and managers are very integrated in Indiana. Racinos in other jurisdictions often look more like they are run by two distinctly different management teams, racing and gaming, or in some cases they have no upper management with racing experience.

The amount of CAPEX invested on the racing side of the business at both properties seemed exemplary when comparing to other similar venues and especially when considering the age of the facilities when making the comparison. Even currently, with a sale pending the racing operations are moving forward with upgrades, something many other sellers would forego given the lack of return for the current owner. Moving forward any

management team would have to examine the question of what “if we lost less on racing?” This could be an issue and the question might be: what is reasonable versus what would have an impact on the existing culture and stakeholder relationships?

When questioned about negotiations and contractual issues, again there was consensus that they are amicable and there are only minor issues they are always able to work out. The horsemen and tracks also partner on a number of efforts and share in the expense of those efforts. The cooperation even extends between different breeds of racing horses. Part of this most likely is attributed to not only the ownership philosophy but also the fact that the parties meet two to four times a year outside of the usual necessary annual contract negotiations. Again, based on my experience in the industry this puts Indiana at or tied for the top of any list when comparing these relationships with those in other states.

In most jurisdictions everyone seems to have an opinion on marketing. They vary of course, but generally those not doing the marketing feel more could be done. When this issue was discussed regarding the horse racing side of marketing in Indiana the answers varied from they (tracks) do a great job marketing to marketing is adequate given the realities of the market and returns on investment. The positive comments included: the racing marketed on TV, radio, TVG partnership (horsemen and management share expenses of this), above and beyond when compared to other tracks, and both racing and gaming are promoted together. The adequate comments included: it is a weak point but they are above the middle when comparing to other tracks, it is hard to attract people given the location and the balance reflects where the money is generated.

Maintenance and safety are also two concerns every commission is responsible for overseeing. When asked about the management’s focus and attention to these, once again the responses were that Caesars does a very good job and are mindful of safety issues. The only comments that were tempered on this issue were that some said that the track surface is a challenge due to weather and other factors but management does make good efforts to work on this. Most stakeholders felt the backside maintenance was excellent and valued the on-track stabling for standardbreds and the maintenance and facilities at both properties. The thoroughbred race track is accredited by the NTRA Safety & Integrity Alliance and the last time they were inspected there were only minor issues and no concerns. The Alliance is due to update their accreditation soon and if it is done prior to the sale this would be normal SOP. If it is not accomplished by the time of the sale, it certainly would be a recommendation to continue this.

All stakeholders were asked about the relationship between the various groups: horsemen, track, commission, breeders, and riders/drivers. Again, it was unanimous that things were good. When issues arise, they are minor and the groups try to work for the same greater good.

Perhaps the most telling responses were when persons were asked to identify some of the best things and what could be improved, many struggled with the later part of that question. This in itself would not be the case if this same question were posed in many other jurisdictions. When areas of improvement were cited they were things like: would like more purse money, more racing days, worried about money leaving the state to outside owners, or small issues like the racing secretary or stewards perceptions of bias. (Note: these responses can be labeled as normal and would be heard in every jurisdiction almost worldwide.)

The things described as the best about racing in Indiana included many of the positives previously mentioned above along with: location, benevolence of track ownership, commitment to racing, relationships, steady improvements being made, and the racing (all breeds) is good here.

Time was not spent to statistically compare Indiana racing with many other states as that is easily done by looking at any of the many metrics that can be chosen. (One exception to this is found in **Appendix C** where the

gaming revenues are compared as this is significant when you consider resources and capabilities to invest in racing.) The commission no doubt does this already.

As a closing comment on this situational analysis one often hears that the grass is greener on the other side, but that was not the case in Indiana. There is a concern among a few stakeholders that the ownership change will be “trading down.” This will be a challenge for any new ownership, it would be like replacing some other Indiana born greats: John Wooden, Larry Bird, or Oscar Robertson. If you were in the basketball world any of those three would be hard acts to follow.

Track Reports

When comparing other race tracks and industries to Indiana it is important to look at each specific situation. For example, the age of the facilities would have a significant impact on the amount of capital improvement needed. Another significant factor is the amount of revenue and resources available in the industry or at the track to support the horse racing needs.

Of the two Caesars' properties visited the age of the Indiana tracks differ significantly from one of them in particular. Louisiana Downs (LAD) is the oldest opening in 1974, making it 20 years older than Hoosier Park and 28 years older than Indiana Grand. Harrah's Philly (Phl) opened in 2007 making it only 5 years younger than Indiana Grand which opened at the end of 2002, but it is significantly younger than Hoosier Park.

The amount of revenue from gaming that can support the horse industry must also be compared when making any comparisons. In **Appendix C** are the most recent annual gaming revenue generated at each of the facilities as reported in Annual Reports. This is another consideration that must be evaluated when making any comparisons.

Harrah's Louisiana Downs – Casino Slots & Racing (LAD)

The evaluation of the racing operations at this facility included a site visit during live racing and also interviews with approximately 20 individuals as described in the Process section of this report. The visit occurred on the closing two days of the live Quarter Horse meet. It would have been useful to have also visited during the thoroughbred meet but given the deadline for this report a visit there would have made completion of the report in a timely manner difficult. Nevertheless, all the stakeholders were interviewed and on the management side the personnel are the same for both race meets.

Another thing of note in this process was the fact that there are a number of close long-term relationships that exist between stakeholders at LAD. This can be good for the existing relationships but also may temper their comments to outsiders. Some horse trainers were either hesitant to talk or were busy since they had horses in the day of the visits. The Quarter Horse trainers in Louisiana also had less familiarity with the author of this report than thoroughbred trainers would have.

The overall culture at the track was good. There were some differences when comparing it to the culture in Indiana. One of the external forces that likely affected the culture a few years ago was the bankruptcy proceedings that Caesars went through. This will be referenced later as appropriate. One of the internal forces that effect the culture in a more positive way is the current management of LAD and in particular the person in charge of racing operations, Trent McIntosh. It was clear that having someone in this position with the family's lifetime in racing and familiarity with him and his background in racing commanded respect from other stakeholders and were part of the reasons relationships were good. Trent is the "face" of the racing operations and handles most of the interaction/relationships with those stakeholders and his transparency is valued.

Both middle management and upper management mentioned their ability to do more with less. Middle management was very positive overall about the management and resources available to them as well as the ability to manage their department and make decisions. Some did express a desire to have at least one more person on staff.

The training and treatment of employees is a strength of the organization. The benefits, customer service training and overall employee experience is a positive. Some thought the employee training and evaluations were more focused on the casino employee/customer but that is not a total surprise given the numbers of employees on each side and the revenue divide. It would not take much given the corporate resources available to measure and rectify any issues and/or related perceptions. [Note: one stakeholder thought customer service

could improve on the racing side to horsemen and customers vs. customer service at the casino. Anecdotally, during my visit I found the customer service good on both “sides” of the house.]

Upper management and many other stakeholders confirmed my observations that the market there is saturated and very competitive. It has been in decline since 2008. [Note: racing handle has shown some improvement from a low bar in the last few years but the major source of revenue of course is the casino side of the business.] All the casinos are in relatively close proximity and the market itself is not very large. Other properties are newer and some have table games which LAD does not have. One of the largest and newer properties in fact is the Caesars Horseshoe which is an 11-minute drive via the freeway or 7.6 miles away by the shortest route (Google Maps.) I included a stop there during my visit and it is a very large and nice facility with what appeared to be a much better location to the concentration of the local population. If you are driving on major highways from the west, north or south (Hwys. 20 & 49) you must pass the Horseshoe and many other casinos before reaching LAD. The largest population to the west is Dallas but there are newer and closer casinos to that market in Oklahoma just over the border.

Some of those interviewed expressed the concern that Caesars made some efforts or encouraged some higher volume players to play at Horseshoe instead of LAD. At the Horseshoe there is not an 18% payment due to horsemen. Management said they did not. There is no way given the limited scope of this report to give a definitive answer to this. It is merely pointed out as a concern for any racino environment when this potential exists.

The saturated market and the large amount of racing days required were cited as the major negatives or areas needing improvement by upper management. Of note, when comparing the resources at LAD versus existing resources in Indiana, because of this competition LAD has much less to work with (See Appendix C.)

Some of the strengths (in addition to those previously mentioned) include the data analytics (there are a number of ways those tools can be and are applied to the racing side of the business) of the organization, Total Rewards (CRM/database marketing), VIP management, slots, streamlining operations and abilities to utilize resources and technologies across many properties. Upper management does let racing departments deal with racing issues. One of the intangible (but also likely fair) strengths is the fact that many stakeholders said they were “more forgiving” or apply “less pressure” on LAD given the market’s competitiveness.

On the racing side of the business, clearly the commission has worked with LAD and management and has tried some things to improve the revenues. Most recently there was a change in post times and race days as well as a reduction in the number of live races. Race dates are legislated and minimum number of days are currently required. Perceptions of the racing office were positive.

One aspect that was not explored in depth, given the scope of this work, is the fact that there are a significant number of live race days that overlap in Louisiana, no doubt due to the large number of minimum required days. LAD runs four months of thoroughbred races, May through August, at the same time as Evangeline Downs Racetrack and Casino.

The process for CAPEX approval is the same at all the properties visited. The needs are first assessed by the local management (based on ROI, safety, etc.). Thereafter, those necessary or thought to pencil out are sent to corporate for approval. In comparison to the current situation in Indiana, the process Caesars uses is more analytical and bureaucratic given the large corporate nature of the organization. At this property in particular, it appears that a number of capital improvements were put on the shelf during the bankruptcy proceedings. This is not unusual.

According to management, when asked for capital improvements made in the past 18 months, I was provided a good list that totaled \$1.154 million which I assumed were from the past two year's budgets. I did not feel the need to verify all of them, but could observe the newness of the paddock, walking ring, and tractors that were on the list. The barn area is admittedly a challenge due to two issues: drainage/EPA regulations and the age of the facilities. According to management, \$2.1 million was spent in the barn area about 3 years ago on the drainage issues. Some of the items on the more current list of CAPEX, those completed in the last 18 months, included barn area items. The barn area does have drainage problems. They also stated that more CAPEX was spent on the racing side compared to the casino side, but it also appears that more was needed there. One thing that is worth mentioning is that a good number of stakeholders while understanding and reasonably satisfied with the capital improvements and maintenance, said it was done after pressure was applied or that they understood that racing management's "hands are tied" sometimes. The barn area is the area that could benefit the most from added CAPEX but it is fair to add it is the oldest barn area of the two sites visited and the two Indiana sites. Photos in **Appendix B** along with additional photos provided to the commission on a flash drive of the barn area give a good idea of the conditions there.

Negotiations between management and horsemen did not seem to be an area of too much concern. Helping the contractual negotiation relationships is two factors. One, the two most contentious issues in most horsemen/track negotiations are purses and race dates and both of these are legislated and thus not an issue. The second (positive) factor was previously mentioned: the fact that LAD has in place management that is familiar with the horsemen, the close relationships between many parties and the transparency of the racing management. Only minor issues seem to arise during the contract negotiation process and it would appear those are worked out for the most part.

All stakeholders were asked their opinion of the marketing efforts. As stated earlier, it is difficult to get a good assessment of this because there are substantial variances in the opinions, the amount of knowledge about the subject and the knowledge of the specifics of the marketing plan. There were a number of people interviewed that reported marketing as an area of deficiency. Some did say that it left a lot to be desired but that it was the same at the other tracks. Some said that they look at customers as either racing customers or casino customers rather than facility customers and market accordingly.

The Total Rewards program had been recognized for years as one of the leading database marketing programs in the gaming industry and was a leader in this field. Many other gaming companies followed their example and now have similar programs. The Total Rewards program was well advertised at the entrance to the facilities to both pari-mutuel and slots players and the card and points earned work the same regardless of the type of wagering at the facility.

Problem gambling flyers were also prominently displayed. Another nice visible feature was an extremely large poster at the entrance explaining how to play the horses. A photo of the how to bet poster and the brochures is included in **Appendix B**. I also observed a billboard on the highway about a mile before I got to the exit for LAD on my way to the track the first day. It advertised the racing and facility. Another nice feature (although small and out of the way on the casino floor) was an area for wagering on the horse races in the casino. Photos of this area are included in **Appendix B**.

Management did provide a list of their marketing efforts. Since some of those were marked confidential and because there was little way to verify them they were left out of this report. From the list provided it appears that they use a number of the typical promotions utilized at other tracks throughout the country. The track pays TVG (as is done in Indiana) to provide exposure of their racing on that TV network. The marketing department was described by management as having to be scrappy (like some of the other departments) given the realities.

Safety concerns seemed to be addressed both because prevention is good corporate policy and minimizing lawsuits may be a factor, as it should be. The horsemen in general and other stakeholders were happy with track conditions and felt any safety issues or concerns were properly addressed. It was generally felt that barn area maintenance issues were addressed in a timely manner. A few minority, differing opinions were expressed that some things were done if pressure was applied.

Relationships between stakeholders seemed to be good. Some said it was the same as other locations in state while some felt it was better at LAD. The fact that the head of the racing department and the breeders' association are brothers and the racing manager and executive director of the Quarter Horse Breeders Association worked together in the past likely make those relationships better.

Harrah's Philadelphia Casino and Racetrack(PhL)

The evaluation of the racing operations at this facility included a site visit during live racing and interviews with over 20 individuals as described in the Process section of this report. The visit occurred on the day before the opening of the live meet and the first day of live racing with a 6:30 pm post time. All the stakeholders were interviewed, most in person but a few by phone.

This track opened in 2007 so the situational analysis is quite different from LAD which is a much older facility. This facility also does not have a barn/stable area so that is also a significant difference.

The overall culture at the track was good. One of the external forces that likely affected the culture at LAD a few years ago, the bankruptcy, did not have any impact on the capital improvements or other aspects of the operations at this track. One of the internal forces that effects the culture in a more positive way is the current management of PhL and in particular the person in charge of racing operations, Barry Brown. The overall feedback from stakeholders regarding Mr. Brown was that he was accessible, would get back to you in a timely manner but included an observation that at times his "hands were tied."

Again, it was clear that having someone in this position with familiarity (worked there since 2006) and his background in racing were part of the reason relationships were good. Barry is the "face" of the racing operations and handles most of the interaction/relationships with those stakeholders.

The senior VP and general manager, Chris Albrecht, has not been at the property very long, 18 months, but the initial reactions to his addition have been positive.

The culture is corporate with good business practices in place, P&Ls are examined carefully, there is a substantial level of accountability and they protect their brand and encourage management to make decisions that protect the brand. The treatment of employees is a strength of the company. Benefits, customer service training and communication seem to be good at this facility. They have a significant number of meetings with employees and the only related area of improvement mentioned (similar to LAD) was that the racing side of the business felt the meetings were timed better for casino employees and more focused to their needs. One person interviewed said that the culture also allowed for upward mobility within the organization for good employees.

The market was not as saturated as LAD but was still competitive. There are two casinos and one racino within a 30-35-minute commute. Sugarhill and Valley Forge casinos are approximately 18 and 22 miles away respectively. The Casino at Delaware Park racino is a 33-minute drive to the south. The OTB market is also competitive since it is different than in Indiana. There are OTBs operated by the other major tracks in the market near the PhL facilities. Another negative factor that may have an impact is the location of the facility itself which has been well documented.

Some of the strengths are similar to those mentioned for LAD. The data analytics of the company are very good. The Planning & Analysis Team is a resource that racing executives can tap into to help with analysis of the racing operations. While the Total Rewards of Caesars is a strength one thing that was different here (compared to LAD and Indiana) was that the Rewards cards were not integrated on both the horse racing and casino side. I did not get into the technical reasons for this but it would not be as useful and user friendly to customers to have two cards for earning rewards.

Another positive is the culture to build with high quality. This appears to be done regardless of whether the facility is for racing or gaming. The property at PHL was built with this in mind, is a good facility and is still reasonably young.

CAPEX procedures are the same at all Caesars' properties as described in the LAD track report. Management said large items must go to the corporate committee for approvals. Two major factors at this property make it different from LAD: one is that there is no barn/stable area and the second is due to the relative age of the property requiring less CAPEX needs. There did seem to be consistent feedback from a number of stakeholders that while things got done management was often slow to respond to needed improvements, in some cases applied pressure helped and some felt that management was reluctant to spend on the racing side of the business.

One specific major improvement that was delayed had extenuating circumstances. The racing track surface was totally redone just prior to this season's live racing meet. There was a lawsuit that was pending due to a serious injury on the track several years ago and that suit was just settled in the fall of 2017. Many felt this was the reason for the delay. Once that was settled the issue was resolved.

Some felt there could be better technological upgrades on the racing side of the business. A number of the commission camera angles were not functional when I was there and requests had been made for some time to fix those. The broadcast of simulcasting is not in HD and some of the steward's equipment was not state of the art. On the efficiency side, several camera operators were replaced with remote controlled equipment but this was not an issue.

One other need requested by stakeholders was for additional track equipment and better air quality in the paddock/detention barn during the heat of the summer. Both of those may be addressed soon as management mentioned them along with better frontage road signage and perhaps a jumbotron as being on the next list for CAPEX. [They do need better signage at the entrance. Whether horse racing will be part of that signage may be telling?]

When touring the facilities, you could see that a large section originally designed as a clubhouse and dining area was no longer used for that purpose. This was due to the small live racing crowds that attend the races. Management said the area was used when there were very large functions. Also, the upper part of that section is now used as a steakhouse on some nights and for functions.

One challenge facing Caesars is that some racing improvements do not always "pencil-out" and cannot be ROI based decisions. Some of racings nuances need to be addressed and it is important to retain management with an understanding of those nuances so they can be addressed. Photos in **Appendix B** along with additional photos provided to the commission on a flash drive of the facilities give a good idea of the conditions at this property. When built, input from horsemen was sought out and you can tell the paddock/detention area is a very good facility. The pictures during live racing were taken on opening night and without a doubt this illustrates one of their larger crowds, not a typical afternoon of racing.

One thing that helps this issue on the racing side is that CAPEX is a fairly unique part of the legislation. A Backstretch Improvement Fund exists that requires a certain amount spent per year on the racing side of the business. "The Pennsylvania Race Horse Development and Gaming Act requires each casino offering live racing to invest at least \$5 million over the initial five-year period following the issuance of a slot machine license and at least \$250,000 per year for five years thereafter on the improvement and maintenance of the backside area and related buildings and structures at the racetrack. This provision now applies to all racetrack casinos. Harrah's Philadelphia and Presque Isle Downs were not required until the tenth year after the completion of the initial construction of their respective racetracks."⁴ According to the 2017 Pennsylvania Gaming Control Board: Racetrack Casino Benchmark Report Harrah's Philadelphia has spent \$63,017 from this fund for backstretch improvements from 2016-2017 (the first ten years since it was a new facility they were exempt.)

The horsemen's group (PHHA) has co-opted with the track on a number of CAPEX projects. For example, a very nice starting vehicle was purchased by the PHHA and is maintained by the track.

Negotiations between management and horsemen do not seem to be a major issue. Purses from slots and race dates are not issues since they are legislated. The two major issues are the preference system for entries and the pari-mutuel revenue splits for purses. Both parties seem to have amicable negotiations and are usually on the same page but sometimes have different ideas on how to get there. Since there are not barn area/backstretch maintenance issues, this reduces the number of contentious issues in negotiations.

Like LAD, stakeholders were asked about marketing and opinions varied.

One thing that is helpful is similar to the Backstretch Improvement Fund, there is a marketing fund. "...a portion of the funding within the Pennsylvania Race Horse Development Trust Fund is now earmarked for marketing of horse racing under the direction of the State Horse Racing Commission."⁵

Like LAD this facility offers the Total Rewards program, but as mentioned it is not as integrated between racing and gaming at the Philadelphia property. Also like LAD, as part of their marketing the track partners with TVG to promote the signal on the TVG network. The track has tried family nights, changing post times and changing race day/times scheduled. When asked about why they race primarily days instead of evenings, I was informed it was to dodge The Meadowlands and Yonkers in the simulcast market and because live handle is very small. Several horsemen prefer the daytime live racing due to lifestyle. This no doubt negatively impacts live handle and it would take more than fits the scope of this report to determine if the net effect is positive or negative on purses/revenues. One can argue in comparison to slots the impact of handle is small but the long-term impact could be debated.

Some novel promotions have been tried. One that many liked was the promotion to attract former employees etc. from the old harness tracks that closed in the area. It seemed from a goodwill perspective that it was a success but the ROI did not prove to be significant. The PHHA has been cooperative with a number of the promotional efforts which helps.

Several persons interviewed did say that the marketing budget for the racing side was minimal. While the marketing dollars spent may look favorable if compared to a track without gaming, given the better financial position of a racino the effort to market racing did not appear to be too significant.

One improvement that made sense was when a poker room was built within the facility it was positioned next to the main simulcast area with the hope that there would be potential cross over between a poker player

⁴ "Backstretch Improvements," 2017 Pennsylvania Gaming Control Board: Racetrack Casino Benchmark Report pg. 6

⁵ Ibid pg. 3

versus a slot player and horse racing. Another attempt reported by management to improve things is that this year one person in the marketing department has been assigned the task of focusing more on the racing side and on Sundays will talk to customers to better evaluate their wants and needs.

Management stated that of all the Caesar properties, PHL has one of the highest rankings for frequency of visits by regulars. Therefore, they make significant efforts to form relationships with their customers. (Management did not say whether this was for customers across all types of play or whether it was more specifically focused on gaming or racing.)

Again, safety seemed to be important. [You could argue with the one notable delay of the track surface, but there was a legal proceeding pending and the horsemen did not refuse to drive over it.] Most horsemen were happy with the cleanliness and maintenance of the facilities. As always, there was general consensus but a few minority opinions. Several persons interviewed did say that when there were issues with the stalls in the paddock (one was a safety issue) that management was quick to fix all of them.

Relationships with stakeholders for the most part are good and once again I think a contributing factor is the racing knowledge of those dealing with the issues and in some cases personal or longtime relationships. Specifically, the executive in charge of the PHHA was a former PHL employee in the racing office with a long-time familiarity with Barry Brown which they admit helps. The only main issue between management and horsemen was the track surface and now that it was just fixed it would appear at this time there are no major issues. The track management here also meets regularly (some reported quarterly) with the horsemen. The commission and track relationship also seemed to not be a major problem.

Some stakeholders did mention that track management at times needed to be “reminded” that it was a partnership between horsemen and tracks in Pennsylvania and the legislation was created to support racing so that racing did not have to pay its own way.

A new opportunity that had been a result of the cooperation is recent changes to ADW (Advance Deposit Wagering) legislation. Both track management and the commission said there have been positive results in handle and revenue since this change.

Turfway Park (TP)

Turfway Park was sold in 1999 to Harrah’s, Gtech and Keeneland. In 2005 Gtech sold their interest leaving the other two with a 50-50 split. In 2010 Harrah’s became Caesars. In 2012 Rock Gaming LLC (now JACK Entertainment LLC) joined the ownership and Caesars sold its interest in 2015⁶

Since this property is no longer owned by Caesars (who only had a partial interest), information was gathered by research and interviews of five people who were stakeholders in the racing at Turfway at the time of Caesars ownership interest.

The culture appears to have been one of cutting or containing expenses, perhaps influenced by the bankruptcy (racing was not going to turn the business around). Several stakeholders said the purchase was more an inexpensive insurance policy if gaming laws changed in Kentucky since Caesars was building and focused on a \$400+ million Casino in Cincinnati on the border of Turfway Park. (Turfway Park currently does not have gaming.)

⁶ “Racing Across the Centuries: the History of Turfway Park”, <http://www.turfway.com/turfwayhistory> May 10, 2018

Like other Caesars properties, a high level of accountability is in place and ROI is critical to decisions unless safety or legal issues are pressing. Caesars corporate was quick to help especially if assistance was needed on the legal side.

Most agreed that not much was spent on the racing facilities. Racing was viewed as an expense. It is interesting to note due to this view of racing, Caesars cut live racing days at first. However, Kentucky law is very different than many other jurisdictions and is quite favorable to the live track since they receive a benefit of host fees in Kentucky. When the change or cut in race days failed they quickly went back to the original days when it was determined that the cut in race days meant less money.

The process for CAPEX approval is the same as all other properties. CAPEX was allocated if there was an ROI, a safety concern or it was mission critical. One example was there was a safety issue with the structure of a staircase and it was immediately addressed.

Similar to the other properties examined, it was mentioned several times that Caesars will spend money, they are concerned about safety, they do listen and they do value their license but sometimes need “nudging” to spend in some areas on the racing side of the business.

Another positive regarding safety is the fact that Turfway Park has been accredited by the NTRA Safety & Integrity alliance since 2009. According to the NTRA they do a great job especially when considering they have limited resources.

Not enough information was gathered about the marketing efforts of racing at the time. While some felt it was deficient, in fairness there were not enough interviews or feedback for this report to comment on this.

The relationships between the track and stakeholders seemed good and did not seem to be a big concern. It was mentioned on more than one occasion, that like other properties the person(s) in charge of racing were cooperative and good listeners but that “their hands were tied.”

Bluegrass Downs (BgD)

Bluegrass Downs only runs live racing for a limited number of days in the summer and has a very small simulcast operation. Therefore, this site was not visited as part of the project. It is a very small track in a less densely populated area compared to the other tracks referenced in this report. (Bluegrass Downs currently does not have gaming.)

While less interviews regarding this property were conducted, one stakeholder felt strategy at this property was similar to Turfway Park in that it was an inexpensive insurance policy near the Tennessee, Illinois and Missouri state lines. (Caesars operates the Harrah’s Metropolis in Metropolis Illinois 20 minutes from Bluegrass Downs)

One stakeholder in KY does feel some optimism in the fact that Dan Real, regional president, South at Caesars Entertainment, has attended the commission meeting and expressed interested in getting more involved and supportive of racing. While a site visit was not made, a few recent pictures of the facility are included curtesy of a friend that visited the site this month while on a road trip (see **Appendix B.**)

Thistledown (TDN)

Thistledown Racetrack was going to be sold to Harrah’s in 2009. At the time of the sale gaming legislation allowing video lottery terminals at racetracks in Ohio was tied up in court battles.⁷ The sale at that time fell through because “the deal was predicated on Thistledown and Ohio’s six other horse racing tracks being

⁷ “Thistledown Racetrack sold to Harrah’s for \$89.5 million,” http://www.cleveland.com/horseracing/index.ssf/2009/09/thistledown_racetrack_sold_to.html May 10, 2018

approved for video lottery terminals (VLTs), or slots.”⁸ Thistledown was later sold, in 2010, to Harrah’s for \$43 million and the issue of slot machines at racetracks would be on the ballot in November of that year.⁹

Rock Gaming LLC entered into a joint venture agreement (2011-2012) with Caesars to develop casinos in Cleveland and Cincinnati. “The two companies say they’ve agree that Harrah’s will contribute its recently acquired Thistledown Racetrack into the pending joint venture.”¹⁰

After the VLT Bill passed in Ohio authorizing racetrack VLTs a significant number of improvements were made to the facility. The VLT operations at Thistledown began in April 2013 (Ohio Lottery.com.) In 2015 JACK Entertainment LLC (formerly Rock Gaming LLC) took over the management at Thistledown and bought out the Caesars’ interest in the property

Due to fact that Caesars was not involved in the racing operations for long and the difficulty in reaching a significant number of stakeholders with a variety of perspectives on the limited years of operation, significant time was not focused on this operation. There were significant capital improvements made during this period but this was no doubt due to the introduction of slots.

One former manager of the property still working for Caesars mentioned many “frontside” improvements for the racing and gaming operations but did not elaborate much on those made in the barn area. A unique slot area was created that had mechanical blinds that could open when live racing was taking place so the races could be viewed. The hope was to create an area to cross promote. This site was not visited as it is no longer operated by Caesars so the use of this area was not evaluated.

Another person involved with operations at the time did say that even though Caesars had just paid about \$43 million for the facilities, when some serious deficiencies were discovered the company did the right thing to fix things right away.

No other information was pursued on this operation mainly due to the fact that the management most familiar with all aspects of the operation during that time could not be reached.

⁸ “Thistledown Race Track to be sold Tuesday in New York auction,”

http://www.cleveland.com/horseracing/index.ssf/2010/05/thistledown_race_track_to_be_s.html May 10, 2018

⁹ “Sold!: Thistledown Race Track Goes to the Highest Bidder,” <http://www.cleveland19.com/story/12536956/sold-thistledown-race-track-goes-to-the-highest-bidder> May 10, 2018

¹⁰ “Dan Gilbert’s Rock Gaming, Harrah’s Entertainment agree to develop Cleveland, Cincinnati casinos,” <http://www.crainscleveland.com/article/20100812/FREE/100819934/dan-gilberts-rock-gaming-harrahs-entertainment-agree-to-develop> May 10, 2018

SWOT Analysis

The following is a SWOT analysis of the current transfer of license application for the racetracks in the state of Indiana. It examines the strengths and weaknesses of Caesars as it applies to the horse racing operations (with some limited references to the casino operations as well, though this was not the focus of this section or the report overall.) It also suggests potential opportunities and threats that may be presented to the horse racing industry in Indiana as part of a transition.

(Anything in the SWOT with “quotes” without a credit, is from an interview but the author of this report felt it captured a viewpoint often expressed)

STRENGTHS	WEAKNESSES
<i>Strengths were both derived from current management, former management and various stakeholder's points of view</i>	<i>Most weaknesses were derived from other stakeholders and former management Not surprisingly, when asked current management was hesitant to cite any internal weaknesses and usually responded with external things like too much competition/saturated markets as weaknesses</i>
Employees are treated well, good benefits, empowered.	Racing personnel in some cases felt “neglected” or not the focus of training/evaluations
Excellent customer service training for employees	Much of the training is more casino oriented and scheduling of training often more aligned with casino employee’s schedules etc.
HR training for general training for employees	“Doing more with less” some middle managers wished they had slightly more personnel
Data analytics used throughout the organization (examples: may be used for purse structure monitoring, scheduling of races/dates, good P&L structure/monitoring etc.)	
Using racing managers with strong racing backgrounds and good reputations/familiarity with stakeholders	Some racing needs are/were handled by casino personnel (efficiency) versus racing knowledgeable personnel
Corporate strengths (such as strong audits, accountability, legal, financial)	“Push/pull” between things that need investment in but may not have strong ROI for shareholders when compared to other opportunity costs
Shareholder focus	Shareholder focus (sometimes some things necessary for racing, security, integrity just don’t pencil out)
Quality is an expectation, high quality standards on buildings etc.	Racing managers “hands are tied” at times with the hesitation of corporate not to spend on the racing side of the business – much is based on ROI only
	CAPEX expenditures often required pressure from stakeholders
Safety is a concern/focus and they will spend capital on necessary safety concerns	
Management is encouraged to make decisions that are right for the brand	

Using their TVG relations from other tracks to promote the IN. racing products	
Seem to have good relationships in most instances with horsemen, commission	The good relations that exists were a result of having racing knowledgeable management and also racing managers that were trusted and familiar
Marketing/promotion of racing (a mix of opinions in some jurisdictions it was hard to get a true handle on this without further evidence)	Marketing/promotion of racing (a mix of opinions in some jurisdictions it was hard to get a true handle on this without further evidence)
Total Rewards (CRM -Customer Relations Management/database management)	

OPPORTUNITIES	THREATS
Use of data analytics to improve racing operations etc.	Using data analytics to foster some agenda (“Facts are stubborn, but statistics are more pliable.” “There are lies, damned lies and statistics.” Mark Twain quotes)
Total Rewards utilized for both racing/gaming at tracks. Make sure the integration of this system to replace the existing system is viewed as a positive to current customers	Total Rewards integration not viewed negatively when replacing the current system. Not using the system to “incentivize” players to move their play to venues/games etc. less advantageous to the racing side of the business
Marketing expertise used for racing	Cuts in racing marketing budgets based on ROI
Enhancing the employees training for employees at the Indiana racetracks.	Making sure the racing employees are not left with a feeling of disregard or the training/evaluations only casino applicable
Potential for enhanced benefits, HR and customer training for employees	
ADW legislation/rules that benefit all stakeholders	
OTBs	
	CAPEX investment being downgraded from the status quo in Indiana
Racing management relationships and the current environment are viewed as extremely good right now and maintaining that will be deemed important to other stakeholders	Caesars is a “gaming not a racing company” – there is a general concern of “trading down” in the management of the track since many stakeholders view the status quo as excellent
Dan Real, Regional President, South at Caesars Entertainment is viewed by some as racing “friendly” – becoming involved in KY operations currently	
	Staff cuts for minimizing racing costs (Several cited the current “doing more with less” with staffing as the current situation at other racetracks operated by Caesars.)
Brand awareness of new owners	Shareholder focus compared to prior ownership The Push/Pull of shareholders vs IN state statutes that tie racing and gaming together
Potential table gaming legislation and Caesars’ expertise with gaming	Potential of legislation crafted that does not benefit racing in the same way as currently treated
Maintaining the existing view of “facility customers” not racing customers and gaming customers.	Potential of Caesars to drive business to more profitable venues/games without a “revenue share” with racing, thus creating more profit for Caesars
Improving racing that can make the racing season more competitive or permit expansion	Cuts in the number of races, race days, or barn area for cost savings only
Leveraging synergies with having multiple racing properties outside of Indiana. Power of	Cuts in the number of races or race days that are necessary due to industry trends and decrease in

buyers/suppliers for selling/buying racing simulcasting, economies of scale, racing expertise across numerous properties and synergies....	horses/owners
The corporate efficiency could reduce costs and no doubt the new operator could “lose less money”	The damage done to the culture, relationships and racing side of the business if all things necessary to “lose less money” were implemented. It is hard to measure the impact/cost and long-term threat it could pose
Casinos have great surveillance cameras and technologies, so it should be easy to invest more on cameras etc. to enhance racing surveillance and utilize other integrity technologies	Maintaining the status quo. The current environment in Indiana when compared to other racino markets is certainly among the top few. The challenge faced by any new owner (any change) is to maintain this and the current perception of stakeholders is one of concern.

Caesars will be judged by a higher standard in Indiana than at Louisiana Downs because it is not an environment where stakeholders expect less because they perceive the market as saturated and declining. Operating the same as at Louisiana Downs will not be perceived the same way in Indiana as it is in Louisiana. Gaming revenues at the Indiana facilities are closer to (but greater) to that of the Harrah’s (Caesars) property in Philadelphia.

Conclusions & Recommendations

The SWOT analysis gives readers a good overview of the most important issues while the individual track reports contain more details that pertain to specific points.

One obvious thing that has not been discussed previously but is also important to the analysis, conclusions and recommendations is that Caesars is a publicly traded company and therefore has fiduciary responsibilities to its shareholders.

This creates what was often eluded to by a number of people interviewed: what could be described as the push/pull between shareholders and a number of necessary racing expenditures that don't "pencil-out" in the view of ROI or to shareholders. To use racing vernacular this might be viewed as a "coupled entry" but to business operators a more similar term might be "loss-leader".

In most jurisdictions (Indiana specifically) gaming is tied to racing and this "coupled entry" of the two push/pull items will no doubt be a concern and something that the commission would want to consider when looking at maintaining the positive racing environment that exists.

Caesars has proposed to purchase a "coupled entry" that includes racing and gaming. Racing currently is a "loss-leader" but an important element of the whole when you consider the history and legislation enabling gambling games at the tracks. When looking at ROI and making decisions on CAPEX, Caesars may be tempted to spend money elsewhere. However, racing is a more expensive operation than a slot machine operation and Caesars must look at reasonable opportunity cost on racing as part of its total investment in the Central Indiana racing and gaming operations.

First, it is the opinion of this author that Caesars was definitely not the worse or in the bottom quarter of racino managers. There are a number of strengths the organization brings to this racing jurisdiction. There should be a number of opportunities as well. Those are discussed in both the SWOT and track analysis.

Two things that did surface that are important and may be something the commission will want to consider when evaluating and potentially making this transition were statements made repeatedly by numerous stakeholders in various jurisdictions.

One was that relationships were good because Caesars had racing management that was familiar to stakeholders, knowledgeable of racing, and actively practiced being accessible, listening and being responsive. It was often noted, however, that at times racing managers "hands were tied".

The second common theme was that Caesars was concerned with safety and would eventually spend money but when there was not a clear ROI or safety issue it sometimes took pressure or nudging to get results. It is clear that Caesars does value their gaming licenses in all jurisdictions.

One stakeholder in another jurisdiction said a company taking over a racino must also be committed to racing. They need to not only have a quality racing management but must also empower them to do what is necessary to produce a good racing product and manage it well. I think that is a fair statement that would lead to what I would term as the two major issues and recommendations of this report. I believe his comment is a good summary of the two issues and worth considering when making and considering these recommendations.

As was done in the process, attempts were made to look at both strengths and weaknesses. Any recommendation should look at ways to take advantage of opportunities and guard against threats. It is also reasonable to have higher expectations of Caesars as an operator in Indiana when compared to Louisiana and Philadelphia because the net resources are greater when comparing gaming revenues. (Appendix C)

The two major recommendations are a direct result of the conclusions reached. One requires the approval on an annual basis of an operations plan before race dates are allocated. This operational plan would be a commitment by the owner and any changes that need to be made during the year would be subject to commission approval. Violations of the operational plan without commission approval would be tied to the license and depending on the nature of the violation it would be up to the discretion of the commission as to the extent of any penalties that might be imposed. If the change/deviation would be deemed an emergency then the executive director of the commission should be empowered to approve any part that could not wait for full commission approval. The second recommendation is that Caesars continue its general practices regarding racing management but that it further empower its racing managers so as not to tie their hands any more than necessary.

1. An outline for a yearly operational plan needing approval before race date allocation (*the commission may want to consider the following elements and add/delete as they see necessary given the Indiana statutes and regulatory scheme, with consideration of what is practical, fair and reasonable and being careful to guard against unintended consequences.*)

- a. Contracts with the necessary horsemen groups should be approved beforehand and included as a part of the operational plan.
- b. An overview of changes planned for the upcoming year. It could/should also include changes made to address opportunities to enhance or better racing for employees, customers, horsemen and/or other stakeholders. (See SWOT analysis for more detail.) Examples may be post time changes, new personnel, changes in strategy to attract more handle, any legislative agenda, surveillance or other technological improvements, training initiatives, Total Reward changes, ADW changes, any synergistic efforts with other Caesars properties, etc. It would be helpful to include any data analytics to support any change that might be made.
- c. Racing CAPEX expenditures should be identified with a timeline and cost estimates. The allocation should address what is necessary for safety, upkeep, frontside and backside racing related expenditures, new initiatives and/or what need is to be addressed with each outlay of capital (i.e., the expenditure enhances integrity or surveillance, or is enhancing racing customer or horsemen comfort, etc.)
- d. The racing marketing plan. There should be a commitment to spend an agreed upon amount for the marketing of racing during the plan year. The plan should identify specific promotions, marketing advertising buys, CRM efforts, social media and any other appropriate marketing outlays. The plan should cover the marketing of live racing but should also include some key simulcast events. The racing marketing plan should include the amount of spending on racing specific events and initiatives. Of course, some marketing expenditures would be for the entire facility and may be more inclusive. This budget should fairly allocate expenditures based upon reasonable metrics.
- e. Any of the usual, normal and necessary things needing approval for race dates would be included in the operational plan: the race dates, post times, staffing etc. The plan should be specific as to staffing of racing personnel at each track in that this was a critical component of the good relationships at the various jurisdictions reviewed. A process that increases the chance that quality hires are made should be considered.
- f. The commission may want to consider, given the opportunities that the new ownership may bring to the table, that one item each year on the plan specifically address an issue of safety, integrity, promotion, industry growth, increase of an industry standard that is forward looking and may be an outcome of discussions during the previous year.

- g. Prior to any consideration of the approval of the operational plan for an upcoming year, the commission must be presented year end projected results and validation to demonstrate to the satisfaction of the commission that the current year's plan was accomplished in good faith.
- h. Other items as may be deemed necessary by the commission or its Executive Director. (See the other recommendations for additional suggestions.)
- i. A force majeure type clause or similar provision that would apply to any elements of the operational plan that could not be completed due to issues beyond Caesars control.

While communications between other racing commissions and Caesars is already a "strength", this recommendation would provide transparency to all racing constituents and would formalize a process that provides for an annual review of the racing side of the business and the discussion of forward-looking issues that would impact racing. It would help to insure accountability (which is a corporate strength of Caesars) on the racing side of the product.

2. The second recommendation is an attempt to create some assurance that the status quo (regarding Caesars having racing management with racing experience and knowledge in place) will be maintained in Indiana- and preferably improved. Commission approval is required of executive management and changes to those positions. The importance of the need for qualified racing management (whenever such approvals come about) cannot be overstated.

Often times the racing manager is the "face" of Caesars before the commission at most meetings. The person (or another authorized representative) attending the commission meetings should be empowered to make decisions up to a certain level. The person(s) designated to attend the meetings could be identified as part of the operational plan and the approximate dollar level of authority identified. This would allow certain commitments to be made that would minimize the need to unnecessarily involve corporate management. This might help alleviate the stakeholders feeling that racing managers hands are tied and the fear that things cannot get done or will be delayed unnecessarily because another layer of bureaucracy is in place. It is understood that Caesars is a large corporation and may legitimately feel that decisions at one facility may have an impact elsewhere. However, if an operational plan (as recommended) is in place for the year, that plan would cover most major decisions and the personnel attending the commission meetings throughout the year should be expected and able to handle any other type of decision. (Perhaps crisis/emergency and anomalies aside.)

Additional recommendations:

There are a number of recommendations that could be made on specific issues. Since the commission is in the best position to determine which of the opportunities and which of the threats not previously addressed is critical the author will make no attempt to make a value judgement on those opportunities and threats outlined in the SWOT analysis.

However, based on the review it is worth mentioning the Pennsylvania situational analysis again. There is a Backstretch Improvement Fund and a Marketing Fund that allocates funds specifically for those needs. Instead of addressing those two ongoing needs in the yearly operational plan if an agreed upon funding source(s) could be negotiated creating funds to address these two critical areas it may be a better alternative. The appropriate stakeholders could be included on any decisions involving the allocations of these funds.

Another statutory area all racing commissions are concerned with is safety and integrity. The commission may want to require some reasonable safety and integrity plan or in the case of Indiana Grand, continued accreditation by the NTRA Safety & Integrity Alliance. It would also be in the best interests of Caesars to maintain such accreditation. Should a lawsuit occur regarding a safety issue it is highly likely that the attorney representing the plaintiff would inquire as to whether the defendant was following all existing code and racing

standards. The NTRA Safety & Integrity Alliance has such a code of standards and in thoroughbred racing it would most likely be viewed as the industry standard.

Also, a new continuing education opportunity is available from the NTRA (details can be viewed at: <https://www.ntra.com/reg-vet-ce/>). While this is geared to regulatory vets it may be useful for the track veterinarian as well. If upon evaluation of this program by the IHRC, it feels that there are track personnel that would benefit from attending, this could be included in the recommendations.

In conclusion, one factor that effects the industry culture is the success of the business. Both positive and negative trends have a direct correlation to the culture. In all my years at various racing jurisdictions I have experienced a direct link between the positive/negative relationships of stakeholders and the trend of the industry. When the business is positive it naturally helps maintain and improve the relationships, but when metrics are down this does tend to put a strain on those relationships as stakeholders are often fighting for shrinking resources. It might be the difference between “tolerating or living with the present situation and accepting mediocrity” versus what appears to be the case currently in Indiana, “getting along and being happy with the environment fostering partners that work together.”

Appendices

Appendix A – Interview Question Template

Questions for interviews

Note: This is the template for questions when conducting interviews with stakeholders. There were times that depending on the situation, I had to go off script. At times due to site visits talking to horsemen involved walking with them while they were working, or having a limited amount of time so I would ask the main questions that captured the “spirit” of the outline. Other times, depending on the respondent’s answers, I would adjust. For example, if the person did not have experience outside the jurisdiction in question then questions of comparison were dropped. If someone did not fit exactly into one of the categories, I would ask similar questions based on their position/stake in the industry.

At the beginning of each interview discuss the nature of the questions, level of confidentiality if they have concern. Also give them some perspective of my background experience, familiarity with subject matters.

At the end of each interview ask them if I have any follow up questions would they be willing to give me a few minutes on the phone and if so, how can I contact them?

Horsemen

1. How long have you raced horses at this track?
2. What other tracks have you spent significant time at racing?
3. What are the best/worse things about racing at this track?
4. How do those best/worse things compare to other tracks that you race at?
5. What do you think of the racing management at this track?
6. How does that compare to racing management at other tracks you spend significant time at?
7. What are the positive and negative contributions the track makes to maintaining safety and general maintenance of the facilities from your perspective?
8. How does that compare to other tracks you spend significant time at?
9. What capital improvements have been made at this track and approximately when were those improvements made?
10. How does the track management market the racing side of the business and how does this compare to other tracks you spend significant time at?
11. What other insights can you tell me about the overall experience at this track that may not have been already discussed in the other questions? (Also ask about negotiations with management if applicable.)
12. How do those subject matters discussed in Question #11 compare to the other tracks you have spent significant time at?

Breeders

1. How long have you been involved in the breeding industry in this state?
2. Have you had similar experience in other states? If so, explain.
3. Describe the relationship of the breeders and breeders’ association with the track management at this track.
4. Have you raced or bred horses in other jurisdictions? If so, how does the track management relationship with breeders and the respective breeders’ association compare?
5. Discuss your thoughts on the track management at this track and their outlook and support of the state bred races here?
6. What other insights can you tell me about the overall experience at this track from your perspective?

7. How do those subject matters discussed in Question #6 compare to other tracks you have spent significant time at?

Current Track Management

1. How long have you been in management here and worked here? Please give me a brief time line/outline of your job(s) and duties/responsibilities during your tenure here.
2. Can you describe the general decision-making process for major decisions at this track as it pertains to horse racing matters, capital improvements etc.
3. How do you perceive the overall management of the track and the casino? What are the things that in your opinion are done the best and what areas do you think there could be improvement?
4. Can you give me some detail or discuss what capital improvements have been made at this property the past two years? Are there any other major projects that may have been done in the years prior that you feel were significant? (If necessary, ask them specifically about racing related capital improvements.)
5. How has management approached the racing aspects of the business over the past 3 years? Include what changes have been made, business trends, significant positive and negative events, marketing of racing and other aspects you feel are important.
6. I would like to gain a little insight into how purses are generated and distributed at this track and also learn about any significant horsemen contract negotiations.
 - a. Are purses from slots/gaming based on a fixed legislated amount, negotiated, or other?
 - b. Similarly, are purses from live, ADW, & simulcast wagering negotiated percentages with horsemen or are they fixed percentages by statute/rule?
 - c. What are the major components of the horsemen's contract with this track and how often are they usually re-negotiated?
 - d. What has been the most difficult issue(s) with contract negotiations and in your opinion why?
7. Do you feel other stakeholders such as horsemen, racing commission, breeders, jockeys/drivers, etc. would have very different either positive or negative opinions of the management here and if so explain what and why? Discuss each stakeholder separately as necessary.
 - a. Are there any specific topics we discussed in the previous questions (1-6) where one specific item (for example: capital improvements, marketing, purses, specific events/issues) may be viewed in an extremely different perspective of a stakeholder? Explain each stakeholder and item separately as necessary.
8. What other insights can you tell me about the overall management/experience at this track that may not have been already discussed in the other questions?
9. How do those subject matters discussed in Question #8 compare to the other tracks you have spent significant time at? (Explain what your job/function what at the other tracks as well.)

Former track management

1. How long were you in management at said track? Please give me a brief time line of your job(s) and duties/responsibilities during your tenure there.
2. Can you describe the general decision-making process for major decisions at that track as it pertains to horse racing matters, capital improvements etc. (How was this different from other tracks you worked at?)
3. How did you perceive the overall management of the track and the casino? What are the things that in your opinion were done the best and what areas do you think there could have been improvement? (How did that compare to other tracks you worked at?)

4. Can you give me some detail or discuss what capital improvements had been made at the property when you worked there? (How did that compare to other tracks you worked at?)
5. How did management approach the racing aspects of the business while you worked there? Include what changes had been made, business trends, significant positive and negative events, marketing of racing and other aspects you feel are important. (How did that compare to other tracks you worked at?)
6. How were the working relationships of the track management and the following stakeholders?
 - a. Horsemen
 - b. Breeders
 - c. Jockeys/drivers
 - d. Racing Commission
 - e. Others that you think may have been uniquely positive or negative and why?
 - f. (How did that compare to other tracks you worked at?)
7. What other insights can you tell me about the overall management/experience at this track that may not have been already discussed in the other questions?
8. How do those subject matters discussed in Question #7 compare to the other tracks you have spent significant time at? (Explain what your job/function was at the other tracks as well.)
9. Are there any things that you think were the most positive about the management during your time there that you have not mentioned and would like to share?

Racing office personnel/racing secretary/or similar middle-level managers

1. How long have you been racing secretary (or other title) at this track? Any other positions held at this track and give me a brief timeline of those jobs.
2. Have you worked any significant time at other tracks? If so, please explain where, job titles and approximate length of time.
3. How do you perceive the overall management of the track and the casino? What are the things that in your opinion are done the best and what areas do you think there could have been improvement? (How did that compare to other tracks you worked at?)
4. How has management approached the racing aspects of the business over the past 3 years? Include what changes have been made, business trends, significant positive and negative events, marketing of racing and other aspects you feel are important. (How does this compare to other tracks you worked at?)
5. As a member of the racing department what if any changes would you make that could reasonably be done if you were permitted to do so? Why can't those changes be made? (Are there any changes you think could be made to improve racing that are not? Why?)
6. How does track management get along with the following stakeholders?
 - a. Horsemen
 - b. Breeders
 - c. Jockeys/drivers
 - d. Racing commission
 - e. Other?
7. What other insights can you tell me about the overall management/experience at this track that may not have been already discussed in the other questions?
8. How do those subject matters discussed in Question #7 compare to the other tracks you have spent significant time at? (Explain what your job/function was at the other tracks as well.)
9. Are there any things that you think are the most positive about the management during your time here that you have not mentioned and would like to share?

Racing Commissions

1. How long have you worked with the Commission in this state? Have you worked with racing commissions or other pari-mutuel entities prior to your time with the commission? Explain.
2. What is the general philosophical approach to regulating in this jurisdiction and what is the general statutory charge of the commission? (integrity, promotion, safety, etc)
3. How do you perceive the overall management of said track and the casino? What are the things that in your opinion are done the best and what areas do you think there could be improvement? Compare your answer with what you would say about the other tracks in the state that you regulate. (If applicable, compare to other jurisdictions you have worked in?)
4. How has management approached the racing aspects of the business over the past 3 years? Include what changes have been made, business trends, significant positive and negative events, marketing of racing and other aspects you feel are important. (How does this compare to other tracks in this state?)
5. From a regulators point of view what has been the best or smoothest aspects of working with the management team at said track and what has been the most challenging or confrontational? (How does this compare to other tracks in the state?)
6. Can you give me some detail or discuss what capital improvements have been made at this property the past two years? Are there any other major projects that may have been done in the years prior that you feel were significant? (If necessary, ask them specifically about racing related capital improvements.) (How does this compare to other tracks in the state?) Are there any capital improvements that should have been done but have not?
7. Are there any integrity or safety issues that have been discussed regarding this track in the past 3 years? Explain.
8. From your perspective and experience how are the working relationships of the track management and the following stakeholders?
 - a. Horsemen
 - b. Breeders
 - c. Jockeys/drivers
 - d. Customers
 - e. Racing Commission
 - f. Others if applicable
9. What other insights can you tell me about the overall management/experience at this track that may not have been already discussed in the other questions?
10. How do those subject matters discussed in Question #9 compare to the other tracks you regulate?
11. Are there any things that you think were the most positive about the management that you have not mentioned and would like to share?

Indiana current management

1. How long have you been in management here and worked here? How long with the current Centaur mgmt.?
2. Can you describe the general decision-making process for major decisions at this track as it pertains to horse racing matters, capital improvements etc.
3. What are the things that in your opinion are done the best and what areas do you think there could be improvement?
4. Can you give me some detail or discuss what capital improvements have been made at this property the past two years? Are there any other major projects that may have been done in the years prior that you feel were significant? (If necessary, ask them specifically about racing related capital improvements.)

5. How has management approached the racing aspects of the business over the past 3 years? Include what changes have been made, business trends, significant positive and negative events, marketing of racing and other aspects you feel are important.
6. I would like to gain a little insight into how purses are generated and distributed at this track and also learn about any significant horsemen contract negotiations.
 - a. Are purses from slots/gaming based on a fixed legislated amount, negotiated, or other?
 - b. Similarly, are purses from live, ADW, & simulcast wagering negotiated percentages with horsemen or are they fixed percentages by statute/rule?
 - c. What are the major components of the horsemen's contract with this track and how often are they usually re-negotiated?
 - d. What has been the most difficult issue(s) with contract negotiations and in your opinion why?
7. Do you feel other stakeholders such as horsemen, racing commission, breeders, jockeys/drivers, etc. would have very different either positive or negative opinions of the management here and if so explain what and why? Discuss each stakeholder separately as necessary.
 - a. Are there any specific topics we discussed in the previous questions (1-6) where one specific item (for example: capital improvements, marketing, purses, specific events/issues) may be viewed in an extremely different perspective of a stakeholder? Explain each stakeholder and item separately as necessary.
8. When looking at such things as marketing, security, and any parts of a racino operation that would crossover or apply to both the casino side and the racing side how does corporate and overall management approach those areas – i.e. what is identical and what is different regarding allocation of resources and strategies etc.
9. What other insights can you tell me about the overall management/experience at this track that may not have been already discussed in the other questions?
10. How do those subject matters discussed in Question #8 or other questions, compare to the other tracks you have spent significant time at? (Explain what your job/function what at the other tracks as well.)

Indiana Horsemen

1. How long have you raced horses at this track?
2. What other tracks have you spent significant time at racing?
3. What are the best/worse things about racing at this track?
4. How do those best/worse things compare to other tracks that you race at?
5. What do you think of the racing management at this track?
6. How does that compare to racing management at other tracks you spend significant time at?
7. What are the positive and negative contributions the track makes to maintaining safety and general maintenance of the facilities from your perspective?
8. How does that compare to other tracks you spend significant time at?
9. What capital improvements have been made at this track and approximately when were those improvements made?
10. How does the track management market the racing side of the business and how does this compare to other tracks you spend significant time at?
11. What other insights can you tell me about the overall experience at this track that may not have been already discussed in the other questions? (Ask about negotiations if applicable.)
12. How do those subject matters discussed in Question #11 compare to the other tracks you have spent significant time at?

13. Is there anything you could add regarding the relationship the horsemen have with the current management that would give me insight into the relationship, the positive and the negatives that may exist especially in comparison to you point of references at other places you raced?

Indiana Breeders

1. How long have you been involved in the breeding industry in this state?
2. Have you had similar experience in other states? If so, explain.
3. Describe the relationship of the breeders and breeders' association with the track management at this track.
4. Have you raced or bred horses in other jurisdictions? If so, how does the track management relationship with breeders and the respective breeders' association compare?
5. Discuss your thoughts on the track management at this track and their outlook and support of the state bred races here?
6. What other insights can you tell me about the overall experience at this track from your perspective?
7. How do those subject matters discussed in Question #6 compare to other tracks you have spent significant time at?
8. Is there anything you could add regarding the relationship the horsemen have with the current management that would give me insight into the relationship, the positive and the negatives that may exist especially in comparison to you point of references at other places you raced?

Appendix B – Photographs from site visits

Note: All original size digital photos were sent on a flash drive to the Executive Director of the IHRC should someone like to see a larger close up of the actual photos taken. Also, not all photos taken are displayed in this report but will be included with the digital version, the flash drive. In addition, several pamphlets, and other literature from the trip will be sent with this.

Harrah’s Louisiana Downs – Casino Slots & Racing (Visited March 19-21, 2018) During Live Quarter Horse Race Meet

Barn Area



Stall structure



Barn area



Barn area



Barn area



All barns are old but not all built at the same time
Some were cinder block like this one



Dorm rooms at the end of barns (satellite TV)



Typical horse stall



Test Barn



Track Kitchen entrance



Track Kitchen interior



Track kitchen interior



Track equipment



Tractor and harrow, water truck in background



Stakes barn



Track surface and rail



Entrance to grandstand from the side parking lot (not the main entrance which was much nicer) I did enter here on my first day, walking over from the hotel.



Close up of previous picture – not the main entrance



Part of food options located between casino & simulcast area on first floor at the main entrance



Casino entrance, 1st floor



Entrance area to simulcast/live racing program and form sales



Very large/nice how to bet display, 1st floor



1st floor display



Simulcast/live racing 1st floor



Simulcast/live racing 1st floor



2nd floor areas not used for simulcast or QH live meet



2nd floor also



Simulcast area between casino and racing sides



Small simulcast area on the casino floor



Small simulcast area on the casino floor, another view



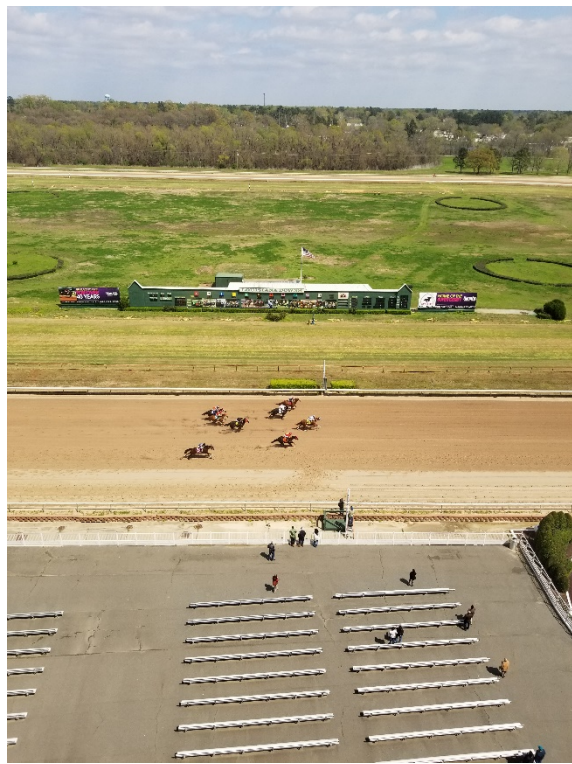
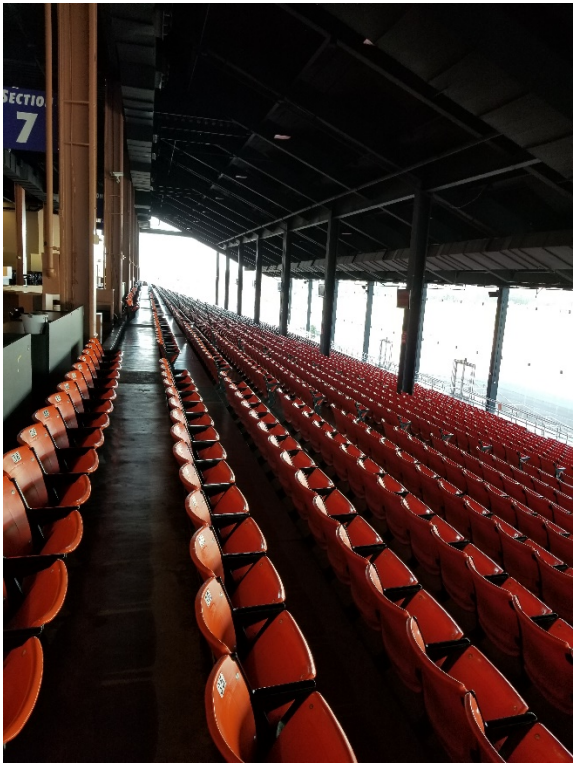
Dining area (not used during QH meet)



View of grandstand from the winner's circle

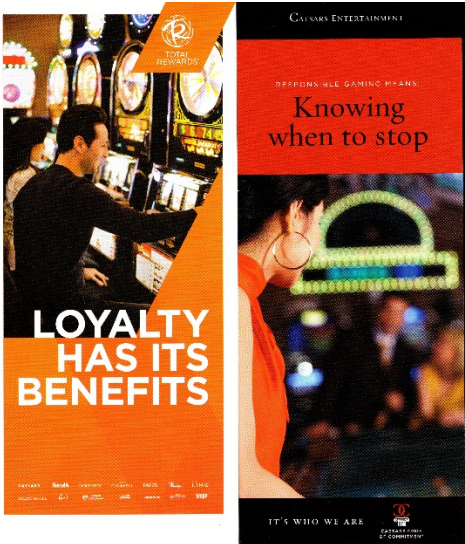


View of the paddock



2nd floor grandstand seating (not used for QH meet)

Apron view – live QH race from judges stand



Brochures prominently displayed near entrance: Rewards Program and Responsible Gaming

Harrah's Philadelphia - Casino & Racetrack (Visited April 11-14, 2018) Included Opening Night of Live Harness racing



Ship-in/detention barn entrance



Ship-in/detention barn



View of grandstand from paddock area



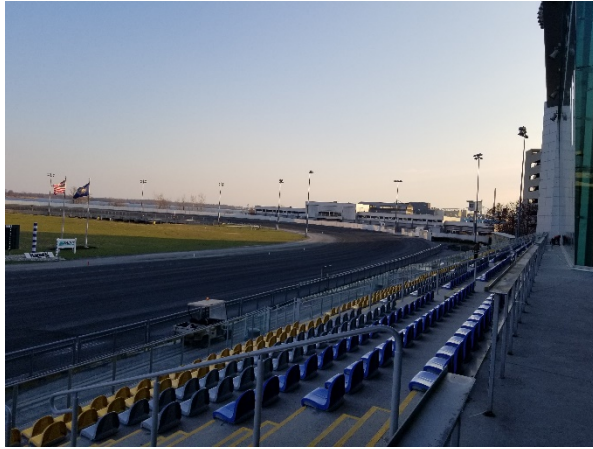
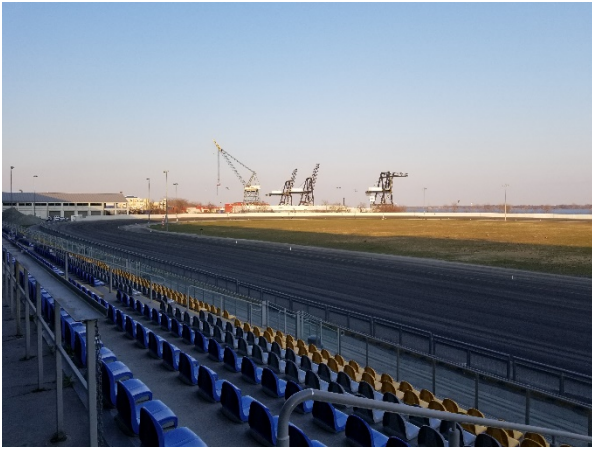
View of paddock and ship-in barn from grandstand



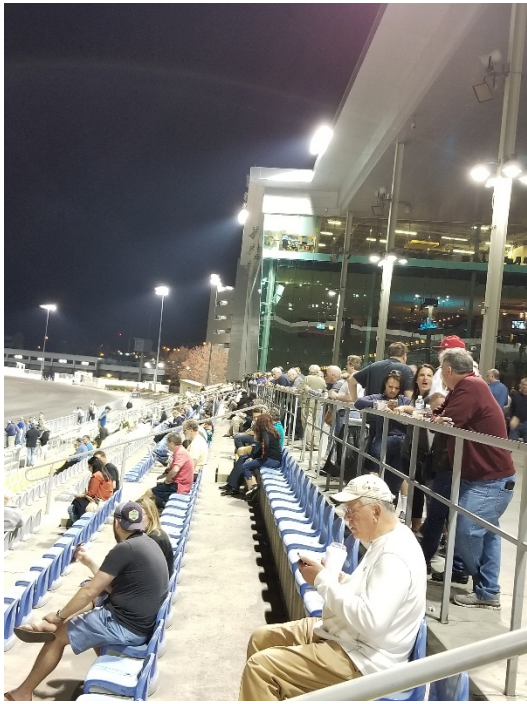
Test barn area in detention barn



Portion of track built over water



Grandstand views



Opening night grandstand pictures outside area



Indoor racing area opening night



Indoor bar area opening night, near simulcast area



Simulcast area



Simulcast area (right) poker area background



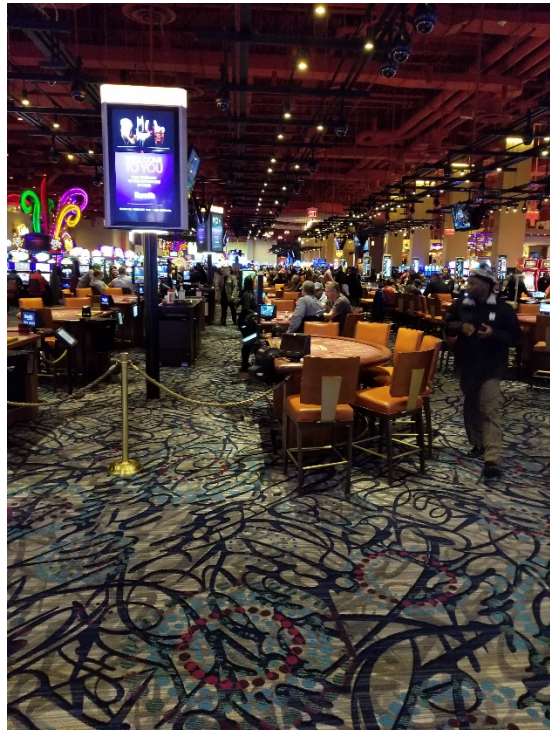
Simulcast area opening night



Simulcast area daytime (prior day)



Casino view from upstairs



Casino floor (above racing area)



1st floor entrance from parking garage



1st floor entrance lobby area



Former clubhouse (used for large events)



Upstairs of former clubhouse now a steakhouse



Large banquet area entrance for meetings etc.



Top Rewards Members dining area - buffet

Bluegrass Downs, Paducah KY. – (Pictures taken in May 2018) This site was not visited but a friend was driving in the area and took pictures of the facility for me for this project



Signage



Grandstand



Tote board



Bet window outside grandstand



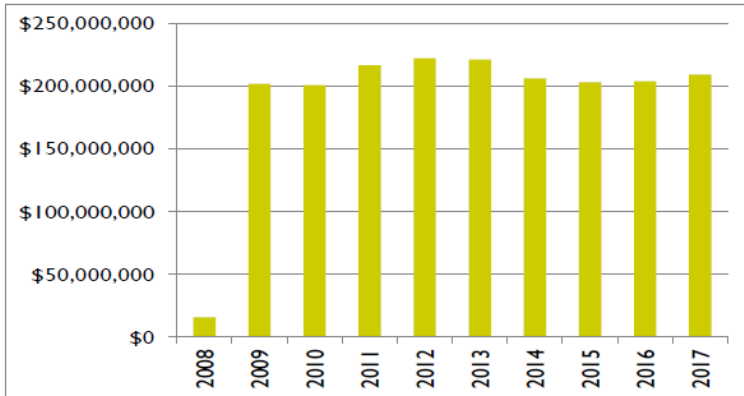
Barn Area

Appendix C – Track Statistical Comparison

Gaming Revenue:

Hoosier Park

Yearly Win Totals



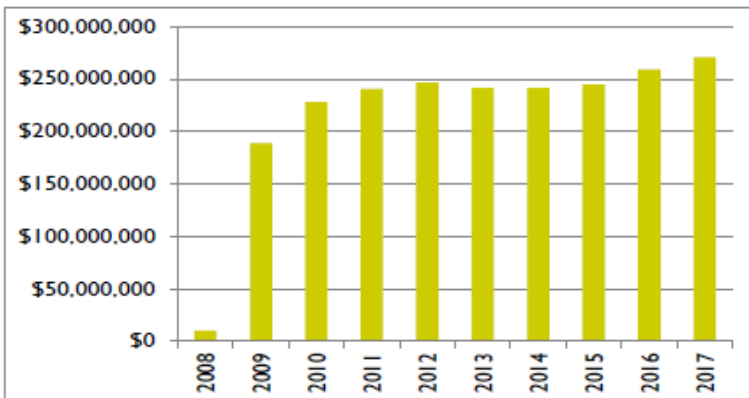
Yearly Slot Win Totals (2,000 EDGs) FY 2017 (July-June) Total Win = \$209,380,876

Source: Indiana Gaming Commission 2017 Annual Report

Currently 12% of slot revenue supports the industry.

Indiana Grand

Yearly Win Totals



Yearly Slot Win Totals (2,104 EDGs) FY 2017 (July – June) Total Win = \$270,907,416

Source: Indiana Gaming Commission 2017 Annual Report

Currently 12% of slot revenue supports the industry.

Harrah's Philly

Slot Revenues FY 2016-17

Average Number of Slot Machines in June 2017	2,450
Wagers	\$2,597,922,511
Payouts	\$2,340,004,109
Promotional Plays	\$57,546,393
Adjustments	\$0
Gross Terminal Revenue	\$200,372,009
*Taxes and Fees	\$112,064,523

Gross terminal revenue FY 2016-17 = \$112,064,523

Source: Pennsylvania Gaming Control Board Annual Report 2016-2017

Table Game Revenues FY 2016-17

Average Number of Table Games in June 2017	118
Gross Revenue	\$65,633,790
Taxes	\$10,779,353
Non-Banking Tables	28
Gross Revenue	\$5,315,635
Banking Tables	83
Gross Revenue	\$58,442,280
Fully Automated Electronic Tables	2
Gross Revenue	\$1,172,239
Hybrid Tables	5
Gross Revenue	\$703,636

Table Game Revenue FY 2016-17 = \$65,633,709

Source: Pennsylvania Gaming Control Board Annual Report 2016-2017

Grand total Gaming Revenue Harrah's Philly = \$112,064,523 + \$65,633,709 = \$117,698,232

The amount of gaming revenue to support the horse racing industry is variable but in 2017 it was about 10%

Harrah's Louisiana Downs

HARRAH'S RACETRACK & CASINO	
Revenue for FY 2015-2016	Total
Harrah's Louisiana Downs' Adjusted Gross Revenue	\$ 44,625,625
Less Purse Supplements	\$ 6,693,843
Less Executive Committee Breeders Assn. Thoroughbred and Quarter Horse Breeders	\$ 1,338,768
Taxable Net Slot Machine Proceeds	\$ 36,593,014
State Tax (18.5%)	\$ 6,769,708

2015-2016 Fiscal year slot revenue (approx. 800 slots per LAD management)

Source: Louisiana Gaming Control Board Annual Report 2017

Total Gaming Revenue \$44,625,625

18% of slot revenue is allocated to support the horse racing industry

Appendix D – Author’s biographical sketch and CV

Biographical sketch & CV of RGE LLC Principal

F. Douglas (Doug) Reed

Doug Reed is a renowned authority in the horse racing and gaming industry, with over 40 years’ experience in the racing, gaming and entertainment sector. He focuses on operations, strategic planning and innovation.

Currently Principal for Racing, Gaming & Entertainment LLC a horse racing, racino and entertainment consulting company and former director of the University of Arizona Race Track Industry Program (RTIP), Reed also has extensive experience as a racing official, track executive and racing and gaming industry consultant. He also is involved at the intersection of esports and gaming with is partnership with Spawn Point. A strategic partnership to utilize esports to enhance and invigorate gaming properties.

He was affiliated with the RTIP for 22 years and responsible for all aspects of the racing program, including administration, instruction, promotion and fundraising.

He was also director of the RTIP’s annual Global Symposium on Racing & Gaming, North America’s largest pari-mutuel racing conference.

Prior to joining the University of Arizona, Reed was vice president of Santa Fe Racing, Inc., which operated two pari-mutuel tracks in New Mexico. He also spent many years as a racing official, including serving as racing secretary at Arlington Park, Oaklawn Park and Rockingham Park.

Reed has been a featured speaker and presenter at a variety of industry conferences, seminars and events, including events hosted by the Asian Racing Conference, Gaming, Racing & Wagering Australia, Association of Racing Commissioners International, Harness Horsemen International, International Simulcast Conference, National Council for Legislators from Gaming States and the International Conference of Gambling & Risk Taking.

Highly regarded on the international racing scene, Reed has ties to many international racing jurisdictions, including Japan, Hong Kong, Singapore, Canada, New Zealand, Australia, Ireland, United Kingdom, France, Sweden, South Africa and South Korea.

Consulting clients include:

- Arizona Attorney General
- United States Trotting Association
- SunRay Gaming
- New Mexico Horse Breeders Association
- Korea Racing Authority
- International Securities Exchange
- Serecon Consulting Group/Horse Racing Alberta
- Betting Levy Board, Trinidad & Tobago
- NM State Univ. Animal & Range Sciences Dept.
- Spectrum Gaming Group
- American Horse Council
- Churchill Downs Inc.
- Ladbroke
- Centaur Inc.
- Indiana Horse Racing Commission
- Prairie Meadows Racetrack & Casino
- Narvaez Law Firm, P.A.
- Laguna Development Corporation
- Racetracks of Canada, Inc.
- National HBPA
- The Innovation Group
- Sportech

He has helped organizations like University of Arizona, National HBPA, Racetracks of Canada, New Mexico State University, United States Trotting Association and others with strategic planning.

He received his undergraduate degree in mathematics from Albright College, and an MBA from the University of Arizona, Eller School of Management.

EXPERIENCE

BUDGET:

In charge of a college program with a \$1 million annual budget, prior to that was responsible for an annual payroll/expense budget for all racing operations at two racetracks

Research and analyze wagering patterns, research business aspects pertaining to racing operations

Turned around University's Race Track Industry Program from yearly losses to a profit center retiring from the program leaving it with substantial assets

ADMINISTRATION:

Administered all aspects of the Race Track Industry Program (RTIP) at The University of Arizona including North America's largest pari-mutuel conference, the Global Symposium on Racing & Gaming and numerous racing operations in North America

Supervised 50+ employees, some seasonal and others full time, co-managed two other departments with a total of 200 employees. Employees under my supervision have diverse skills and job classifications.

Prepare evaluations and recommendations for hiring and firing.

Was responsible for overall compliance of regulations set forth by the New Mexico Racing Commission, was the track's representative at monthly meetings

FINANCIAL:

Responsible for all financial aspects of the RTIP, including the Annual Global Symposium on Racing & Gaming which each year had attracted as many as 1,000 participants from throughout the world. Diversified the event to attract 20% of its attendees from outside the USA

Responsible for financial aspects of a college program - Almost 70 percent of operations were from soft money (non-state funds) - Successfully led a \$1 million fund raising campaign for an endowed chair for the program.

Negotiated contracts with vendors and others, providing services to the racetrack. Saved substantial funds when re-negotiating contracts for New Mexico racetracks

Developed a number of projects and plans for racetracks and racinos through various consulting efforts

PUBLIC RELATIONS:

The RTIP services the entire pari-mutuel industry and director balances a delicate mix of interests among four different breeds/species of pari-mutuel racing

Teach classes pertaining to race track operations, international racing, strategic planning, human resources, organizational management and provide various outreach presentations on related subjects

Made numerous media appearances representing the RTIP and race tracks

Attended and spoke at numerous industry conferences throughout the world and has established contacts throughout the global racing industry

Led strategic planning efforts for numerous racing and academic organizations

COURSES TAUGHT:

Animal Science 342 - Organization and Administration of the Racing Department
Animal Science 344a and 344b – Racing Law and Advanced Racing Law
Animal Science 441 – Racetrack Organization, Structure and Management
ISTA 497a – Collaborative Application Design & Development (Building Apps for the Racing Industry (33%))
Retailing & Consumer Sciences 496a – Management Policy, Strategic Management
ACBS 442/542 – Racing Business and Financial Management
ACBS 497a/596A/696A Speaker Forum/ Graduate student presentations (co-taught)
ACBS 498/598b – Senior Capstone Course
ACBS 446 – Human Resource Management
ACBS 302 - Management and Human Side of Organizations
ACBS 301 - Financial and Economic Strategy
ACBS 499/599 -Independent Study (percent varies w/ project)
ACBS 493/593 -Internship (33%)
ACBS 469568A & B, Bioeconomy, Marketing and Business Principles

Graduate Student advising, Member of the Graduate Committee
Instructional material preparation – There were no textbooks dealing with the operations of racetracks and therefore all course material was produced by the instructor. Developed five new business courses for the College of Agriculture and Life Sciences.

Developed a Graduate study program for the Race Track Industry Program

Presented at a careers event, El Paso Community College 2004

Presentations on Equine Education and Racing at FanFest 2004, Dallas Texas

Developed an Executive in Residence Study Program at the RTIP bringing in international participants

WORK HISTORY

June 2016-present	Racing, Gaming & Entertainment LLC, Tucson, Arizona Principal University of Arizona, Tucson, Arizona Director Emeritus Race Track Industry Program
2001- June 2016	University of Arizona, Tucson, Arizona Director of the Race Track Industry Program
1994 to 2001	University of Arizona, Tucson, Arizona Coordinator of the Race Track Industry Program
1989 to 1994	Santa Fe Racing Inc., Santa Fe, New Mexico Vice President
1985 to 1989	Oaklawn Jockey Club, Hot Springs, Arkansas Arlington International, Chicago, Illinois Rockingham Park, Salem, New Hampshire Racing Secretary
1983 to 1984	Arlington International, Chicago, Illinois Laurel Race Course, Laurel, Maryland Assistant Racing Secretary
1978 to 1983	Timonium, Bowie, Laurel, Pimlico, Keystone (PARX), Monmouth, Meadowlands, Hialeah, Gulfstream, and Fair Hill Racing Official

EDUCATION

M.B.A. University of Arizona, Eller School of Management
Tucson, Arizona GPA 3.8

B. S. Albright College, Reading, Pennsylvania
Mathematics, Summa Cum Laude, GPA 3.75

AFFILIATIONS/PROFESSIONAL DEVELOPMENT

- Past member of the Thoroughbred Industry Council – National Thoroughbred Racing Association
 - Master Fund Development Training
 - Governor’s County Fair, Livestock and Agriculture Promotion Fund Advisory Committee, past member
 - Past president of the Linda Vista Estates Homeowners Association and past treasurer of the CDO Little League board of directors
 - Member of the Wilson K-8 School Advisory Board
 - Created the Executive in Residence Program for visiting junior executives to the Race Track Industry Program
 - Planned and Facilitated Departmental Strategic Planning Sessions
 - Planned and Facilitated planning meetings for the National Horsemen & Benevolent Association and for the Canadian Racing Industry Stakeholders
 - Facilitated the Animal Science Extension Planning Session
- Year-To-year Appointed Professional Award for Excellence 2010, College of Agriculture & Life Sciences, University of Arizona
- Lineage Legend Award, NM
- Board of Directors, Rillito Park Foundation

SELECTED INTERNATIONAL/NATIONAL MEETING PRESENTATIONS

- Speaker at the World Harness Congress March 1995
- Speaker at the Association of Racing Commissioners International Annual Conference May 1995
- Facilitated the Canada Racing Industry Strategy Session August 1996
- Speaker at the Harness Tracks of America Annual Convention March 1996
- Facilitated Thoroughbred Owners and Breeders Association Horsemen’s Forum 1997
- Speaker at Harness Horsemen’s Association Conference – “Association Management” 1998
- Facilitated International Simulcast Conference Work Groups 1996, 97, 98 & 99
- Speaker at the Asian Racing Conference February 1999, Macau
- Chairman of the Education and Careers session at the 2000 Asian Racing Conference, Singapore
- Moderator & speaker, International Simulcast Conference – “The Competitive Environment” Oct. 2000
- Speaker at the American Greyhound Track Operators Association Convention March 2001
- Speaker at the Harness Tracks of America Conference March 2001
- Speaker at the American Greyhound Track Operators Association Convention March 2002
- Speaker at the Harness Tracks of America Conference February 2002
- Speaker at the International Simulcast Conference September 2002
- Facilitated Strategic Planning Session for the National Horsemen’s and Benevolent Protective Association September 2003
- Speaker at the Symposium on Racing December 2003 – “Racinos, the Effect on the Racing Product”
- Speaker, National Council for Legislators from Gaming States Jan. 2004 – “Effects of gaming on the racing product”
- Speaker at the California Authority of Racing Fairs Conference March 2004
- Speaker at the Joint Conference of the North American Pari-Mutuel Regulators Association and the Association of Racing Commissioners International April 2004
- Presented at the Pima County Parks and Recreation Committee – “Economic Impact of Rillito Race Track” 2005
- Speaker at the National Thoroughbred Racing Association’s Marketing Conference September 2005

- Speaker (two different sessions) at the Asian Racing Conference May 2005 – “Factors Effecting Racing Competition in North America” and “Careers and Education in Racing” Seoul, South Korea
- Speaker at the Korea Racing Authority International Racing Symposium July 2006 – “Where & Who are your customers? How to reach them & know them”, Seoul, South Korea
- Speaker at the International Conference of Gambling & Risk-Taking May 2006 – “Gambling at Racetracks: The Effects on the Racing Product”, Lake Tahoe, NV
- Speaker (two different sessions) at the Asian Racing Conference January 2007 – “Racing Management – Why Racing Has Traditionally Failed to Develop the Highest Quality People” and “New Education Programs” Dubai, UAE
- Speaker at the Asian Racing Conference April 2010 – “Labour & Education Exchange” Sydney, Australia
- Speaker at the Asian Racing Conference January 2016 – “Innovation & Racing” Mumbai, India
- Speaker at the Canadian Gaming Summit June 2016 – “Unfreezing the Old Model and Innovating the Future for Horse Racing” Ottawa, Canada
- Speaker at the National Council for Legislators from Gaming States Winter Meeting January 2017– “The Good, the Bad and the Possibilities” Scottsdale, AZ
- Testimony before the CT Finance, Revenue and Bonding Committee regarding the impact of expanded gaming in the state. April 17, 2017
- Speaker, moderator and opening address for the 8th annual Gaming, Racing & Wagering Australia conference, Sydney Australia, August 14-16, 2017
- Speaker, 2017 China Wuhan International Horse Industry Summit Forum, October 2017 – “Developing Educational Programs for an Emerging Horse Racing Industry – Case Study China,” Wuhan China

SELECTED CONSULTING, RESEARCH AND INDUSTRY EXPERIENCE

- Co-facilitated national racing strategic planning sessions for Racetracks of Canada, Inc.
- Ladbroke, operators of Detroit Race Course – Evaluated and established recommendations for the efficient operation of the racing department and the racing program. 1997
- SunRay Park and Casino – Consulted with the successful bid to lease the racing facilities from San Juan County through a competitive request for proposal. Also wrote the racing component for a successful license application to conduct a race meet which was approved by the New Mexico Racing Commission. 1998-99
- Organized and facilitate strategic planning for the Animal Science Department and for the Race Track Industry Program 1996-2016
- Churchill Downs Incorporated and Hoosier Park Race Track – Testified before the Indiana Racing Commission regarding the impact of an additional racing license in the Indianapolis market. 2001
- DPS Inc. – Advised executives on the feasibility, technical development and legal hurdles for implementing their new wagers in a pari-mutuel environment. 2001
- Collaborated with Dr. Margaret Ray on the creation of the “Competitive Index” a method of quantifying the competitiveness of each pari-mutuel race event (based on the Herfindahl Index). 2001
- Arizona Attorney General – Expert witness and advisor to the AZ Attorney General regarding a racing related lawsuit in AZ. 2002
- Advised and consulted with Dr. Margaret Ray on an economic impact study and research project for Prairie Meadows Racetrack and Casino. 2002
- Organized and facilitated strategic planning for the National Horsemen’s Benevolent and Protective Association 2003
- “Gambling at Racetracks: The Effects on the Racing Product” Published May 2004. Authors: RTIP students: Neil Fernandes, Matt Foszcz, Brody Johnson, Dorothee Ostle, Steve Spears, and RTIP faculty: Steve Barham, Wendy Davis, Douglas Reed. 2003-04
- Serecon Consulting Group and Horse Racing Alberta – Collaborated with Serecon Consulting Group to evaluate the market and recommend future strategies for the Alberta Racing Industry. 2003
- Hobbs Racetrack & Casino, Gerald Peters – Consulted and advised on a racing license application in New Mexico. Also testified before the New Mexico Racing Commission regarding the racing and competitive market. 2003

- Centaur Inc. – Testified before the Pennsylvania Horse Racing Commission regarding a racing license and the feasibility of the Centaur project. 2004
- New Mexico Horse Breeders Association – Presented at the New Mexico Racing Commission regarding the development of new racing programs to promote increased participation in racing at the New Mexico racetracks. 2007
- Narvaez Law Firm, P.A. – consulted and prepared a report for the firm representing the New Mexico Racing Commission. 2008
- Prairie Meadows Racetrack & Casino – along with Dr. Margaret Ray recommended long range, comprehensive plans for the racing programs to the racing committee of the board of directors. 2009
- International Securities Exchange, Longitude – Prepared a comprehensive report on the international horse racing market. 2011
- Betting Levy Board, Trinidad and Tobago – with John Sanchez a comprehensive study of the gaming and racing industry was done along with a business plan for the future.
- 2014-15 Laguna Development Corporation – assisting with a horse racing license application
- 2016 Horse Racing in the Virgin Islands – A Reasonable Approach in a Difficult Industry & Market, Womble Carlyle Sandridge & Rice, LLP
- 2016 NM State University, Animal and Range Sciences Department – facilitated strategic planning
- 2016-17 University of Arizona College of Agriculture and Life Sciences – developing business courses
- 2016-current, Spawn Point Pte. Ltd.- agent working at the intersection of gaming and esports
- Organized and facilitated department wide strategic planning for New Mexico State Animal & Range Sciences Department, November 2016
- 2017 Spectrum Gaming – Senior Pari-Mutuel Associate
- 2017 Innovation Group – American Horse Council – National Economic Impact Study of the Horse Industry – Senior Racing Industry Advisor
- 2018 Organized and facilitated strategic planning for the United States Trotting Association
- 2018 Consulting on license application for two racetracks for the Indiana Horse Racing Commission

Grants and Contracts (Last ten years)

- 2006/7 - Completed fund raising for the RTIP Endowed Chair (\$1 million campaign)
- 2016 – RTIP awarded a \$40,000 grant from the Bert W. Martin Foundation
- Annual sponsor revenue (range: \$110,000-\$225,000 per year)
- Foundation funds and conference revenue support 1.75 FTE staff salaries; 1.2 FTE faculty salaries; one adjunct lecturer for a course and all office expenses

University Committees

- Search committees for: Department Head/Director of School, Adjunct Lecturer, Visiting Research Professor, Endowed Chair Professor, Associate Coordinator for Race Track Industry Program, IT Staff position, and Senior Graphic Designer
- Graduate Committee, Curriculum Committee, Curriculum and Assessment Committee
- Vet Science/Animal Science Operations and Organizational Committee
- Peer Review Committee and Department Head Review Committee
- Professional Master's Program Development Committee, Equine Steer Committee
- Classified Staff Salary/Equity Review Committee, Accounting and Budget Committee
- Student Club Advisory and University of Arizona Bowling Team Manager

Awards

- 2010 College of Agriculture and Life Sciences Year-to-Year Appointed Professional Award of Excellence
- 2007 Lineage Legend Award – New Mexico horse racing industry

F. Douglas Reed

Phone: 1 (520)-373-5502 Cell: 1-(732)-585-3254

dougreed27@gmail.com

**Hoosier Park - Indiana Grand
Truck and Equipment Summary
Revised June 12, 2018**

EQUIPMENT SUMMARY & PLAN										SCHEDULED REPLACEMENT															
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	
Hoosier Park - Track / Track Maintenance / Racing Ops																									
Cooper Keeler																									
Equipment																									
2002	Intl	9200	Dump Truck	Dispose At Auction - Oct	2011		2018																		
2019	intl	MV607 SBA w/ 16' Dump	Move Track Material	Expect October Delivery	2018	10	2028	\$ 100,000	\$ 100,000										\$ 121,899						
1995	Intl	4900	Spreader Truck	Dispose at Auction - July	1997		2018																		
2018	Stoltzfus	BMS1516 Spreader	Spread Track Material	Expect June Delivery	2018	10	2028	\$ 46,000	\$ 46,000										\$ 56,074						
2008	Case	865	Grader	Replace w/ John Deere	2008	15	2023	\$ 325,000	\$ 331,500																
2016	Intl	7600	SBA 6x4 Water Truck		2016	15	2030	\$ 280,000																	\$ 355,108
2016	Intl	7600	SBA 6x4 Water Truck		2016	15	2030	\$ 280,000																	\$ 355,108
2016	Intl	7600	SBA 6x4 Water Truck		2016	15	2030	\$ 280,000																	\$ 355,108
1997	Caterpiller	938G Wheel Loader	Replace w/ JD 524 Loader		2014	15	2019	\$ 135,000	\$ 137,700																
2013	Chevrolet	Avalanche	Primary Starting Gate		2014	10	2023	\$ 90,000	Refurbish					New					Refurbish						New
1997		Equine Ambulance				15	2023	\$ 30,000	\$ 20,000					\$ 99,367				\$ 24,380							\$ 121,128
														\$ 33,122											
Tractors																									
2017	John Deere	6110M	Replace with 6155's	62534	2017	7	2025	\$ 95,000																	\$ 125,350
2017	John Deere	6110M		62535	2017	7	2025	\$ 95,000																	\$ 125,350
2017	John Deere	6110M		62536	2017	7	2025	\$ 95,000																	\$ 125,350
2017	John Deere	6110M		62538	2017	7	2025	\$ 95,000																	\$ 125,350
2017	John Deere	6110M		62537	2017	7	2025	\$ 95,000																	\$ 125,350
Conditioners																									
	L & M	INC 16	14' Conditioner		2011	10	2023	\$ 30,000						\$ 33,122											\$ 40,376
	L & M	INC 16	14' Conditioner		2011	10	2023	\$ 30,000						\$ 33,122											\$ 40,376
2016	L & M		12' Conditioner		2016	10	2023	\$ 25,000						\$ 27,602											\$ 33,647
2018	L & M		12' Conditioner	Delivery Expected in 2018	2018	10	2023	\$ 25,000	\$ 25,000					\$ 27,602											\$ 33,647
									\$ -					\$ -											\$ -
2000			Roller (white)				2023	\$ 30,000						\$ 33,122											\$ 40,376
2000			Roller (Yellow)				2023	\$ 30,000						\$ 33,122											\$ 40,376
2014	Cammond		Box Grader		2014	10	2023	\$ 5,000						\$ 5,520											\$ 6,729

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%
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							\$ 121,128	
2016	Glaval	Ford E350 Chassis	Shuttle Bus		2016	6	2020	\$ 90,000		\$ 93,636						\$ 105,449							\$ 121,128	
2016	Glaval	Ford E350 Chassis	Shuttle Bus		2016	6	2020	\$ 90,000		\$ 93,636						\$ 105,449							\$ 121,128	
2016	Glaval	Ford E350 Chassis	Shuttle Bus		2016	6	2020	\$ 90,000		\$ 93,636						\$ 105,449							\$ 121,128	
2016	Ford	Explorer Interceptor	Security		2016	5	2021	\$ 40,000			\$ 42,448					\$ 46,866						\$ 50,730		
2016	Ford	Explorer Interceptor	Security		2016	5	2021	\$ 40,000			\$ 42,448					\$ 46,866						\$ 50,730		
2016	Ford	Explorer Interceptor	Security		2016	5	2021	\$ 40,000			\$ 42,448					\$ 46,866						\$ 50,730		
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					\$ 11,216		
2017	John Deere	PR15 Gator TS MY16	Frontside Landscaping		2017	5	2022	\$ 8,500				\$ 9,201					\$ 10,158					\$ 11,216		
2017	John Deere	PR15 Gator TS MY16	Frontside Cleanup w/ Cart		2017	5	2022	\$ 9,500				\$ 10,283					\$ 11,353					\$ 12,535		
2016	John Deere	825i 4-Seat Gator	FS & BS Maintenance	Trade-In	2016	5	2022	\$ 15,000				\$ 16,236					\$ 17,926					\$ 19,792		
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					\$ 26,390		
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					\$ 6,217				
		Roto Tiller	Tractor Attachment					\$ 5,000		\$ 5,202					\$ 5,743					\$ 6,217				
		Aerator	Tractor Attachment					\$ 5,000		\$ 5,202					\$ 5,743					\$ 6,217				
		Box Blade	Tractor Attachment					\$ 5,000		\$ 5,202					\$ 5,743					\$ 6,217				
		Bush Hog mower	Tractor Attachment					\$ 5,000		\$ 5,202					\$ 5,743					\$ 6,217				
		Finish Mower	Tractor Attachment					\$ 5,000		\$ 5,202					\$ 5,743					\$ 6,217				
2016	John Deere	915	Small Zero Turn Mower		2016	5	2020	\$ 7,500		\$ 7,803				\$ 8,615					\$ 9,325					
2015	John Deere	930	72" Zero Turn Mower		2015	5	2020	\$ 11,000		\$ 11,444				\$ 12,636					\$ 13,677					
2015	John Deere	930	72" Zero Turn Mower		2015	5	2020	\$ 11,000		\$ 11,444				\$ 12,636					\$ 13,677					
2015	John Deere	930	72" Zero Turn Mower		2015	5	2020	\$ 11,000		\$ 11,444				\$ 12,636					\$ 13,677					
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

SCHEDULED REPLACEMENT

Inflation Allowance
2018

Years Out
2018

1
2%

2
2%

3
2%

4
2%

5
2%

6
2%

7
2%

8
2%

9
2%

10
2%

11
2%

12
2%

13
2%

14
2%

15
2%

Year	Brand	Model	Description / Use	ID Number	Year Acq'd	Life	Scheduled Replacement	Replace Cost	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Indiana Grand - Track / Track Maintenance / Racing Ops																								
Roy Smith																								
Equipment																								
2019	Intl	MV607 SBA w/ 16' Dump	Move Track Material	Expect October Delivery	2018	10	2028	\$ 100,000	\$ 100,000										\$ 121,899					
2018	Redhawk	CU80 Trailer Spreader	Spread Track Material	Expect June Delivery	2018	12	2033	\$ 31,000	\$ 31,000															
2018	John Deere	524 Loader	524 Loader w/ 3cy bucket	Received	2018	20	2038	\$ 135,000	\$ 135,000														\$ 39,315	
1985	John Deere	670B	Motor Grader	30953		15	2019	\$ 325,000		\$ 331,500														
2014		Primary H Ambulance			2014			Horsemen																
1994	EBY	Backup H Ambulance			1994			Horsemen																
2016	Intl	7600	SBA 6x4 Water Truck	3HTGSSNT3GN364280	2016	15	2030	\$ 280,000															\$ 355,108	
2016	Intl	7600	SBA 6x4 Water Truck	3HTGSSNT3GN364281	2016	15	2030	\$ 280,000															\$ 355,108	
2016	Intl	7600	SBA 6x4 Water Truck	3HTGSSNT3GN364282	2016	15	2030	\$ 280,000															\$ 355,108	
Trucks & Tractors																								
2006	Intl	4400 Semi-Truck	Pulls Starting Gate	1HSMKAAN86H252625	2014	20	2019	\$ 100,000		\$ 102,000														
2005	Intl	4400 Semi-Truck	Pulls Starting Gate		2014	20	2019	\$ 100,000		\$ 102,000														
2016	John Deere	6155M	Pulls Backup H Ambulance	1LO6155MVGH849110	2016	7	2025	\$ 95,000							\$ 109,125							\$ 125,350		
2016	John Deere	6155M	Track Operations	1LO6155MHGH849225	2016	7	2025	\$ 95,000							\$ 109,125							\$ 125,350		
2016	John Deere	6155M	Track Operations	1LO6155MCGH848949	2016	7	2025	\$ 95,000							\$ 109,125							\$ 125,350		
2016	John Deere	6155M	Track Operations	1LO6155MPGH848937	2016	7	2025	\$ 95,000							\$ 109,125							\$ 125,350		
2016	John Deere	6155M	Track Operations	1LO6155MKGH849362	2016	7	2025	\$ 95,000							\$ 109,125							\$ 125,350		
2016	John Deere	6155M	Track Operations	1LO6155MTGH848998	2016	7	2025	\$ 95,000							\$ 109,125							\$ 125,350		
Mowers & Turf Management																								
2016	John Deere	4052R Tractor	Turf Course Tractor	1LV4052RAFH210472	2016	10	2029	\$ 30,000			\$ 31,212									\$ 37,301				
2004	Toro	880 Aerator			2004	10	2029	\$ 30,000			\$ 31,212									\$ 37,301				
2010	Ryan	Aerator			2010	10	2029	\$ 5,000			\$ 5,202									\$ 6,217				
2013	Cropcare	Turf Sprayer			2013	10	2029	\$ 5,000			\$ 5,202									\$ 6,217				
2014	Toro	SR72 Deep Tine Aerator			2014	10	2029	\$ 35,000			\$ 36,414									\$ 43,518				
2013	TurfTyme	Small Roller - Green			2013	10	2029	\$ 3,000			\$ 3,121									\$ 3,730				
2005	Toro	4000D Groundsmaster	Mower		2013	10	2029	\$ 50,000			\$ 52,020									\$ 62,169				
2016	John Deere	Z915B ZTRAK	Zero turn Mower	1TC915BAHGT040881	2016	5	2029	\$ 7,500			\$ 7,803				\$ 8,615					\$ 9,325				
2016	John Deere	Z915B ZTRAK	Zero turn Mower	1TC915BAHFT040717	2016	5	2029	\$ 7,500			\$ 7,803				\$ 8,615					\$ 9,325				
2016	John Deere	Z950M ZTRAK	Zero turn Mower	1TC950MDHFT040022	2016	5	2029	\$ 11,000			\$ 11,444				\$ 12,636					\$ 13,677				
2016	John Deere	Z950M ZTRAK	Zero turn Mower	1TC950MDLFT040021	2016	5	2029	\$ 11,000			\$ 11,444				\$ 12,636					\$ 13,677				
2017	Toro	5100 Mower	Mower		2017	10	2027	\$ 100,000												\$ 124,337				
Conditioners																								
		Track Packer Roller - 13'				15	2023	\$ 40,000						\$ 44,163										\$ 53,835
NEW		Track Packer Roller - 14'	Expected in June		2018	15	2023	\$ 40,000	\$ 40,000					\$ 44,163										\$ 53,835
	L & M	Float			2009	15	2023	\$ 30,000						\$ 33,122										\$ 40,376
	L & M	Float			2009	15	2023	\$ 30,000						\$ 33,122										\$ 40,376
	L & M	Float			2009	15	2023	\$ 30,000						\$ 33,122										\$ 40,376
	L & M	Float			2009	15	2023	\$ 30,000						\$ 33,122										\$ 40,376
	L & M	Float			2009	15	2023	\$ 30,000						\$ 33,122										\$ 40,376
	L & M	Float			2009	15	2023	\$ 30,000						\$ 33,122										\$ 40,376
		Roller Harrow			15	2023	\$ 50,000				\$ 55,204													\$ 67,293
		Roller Harrow			15	2023	\$ 50,000				\$ 55,204													\$ 67,293
		Roller Harrow			15	2023	\$ 50,000				\$ 55,204													\$ 67,293
		Roller Harrow			15	2023	\$ 50,000				\$ 55,204													\$ 67,293
		Sled Harrow			15	2023	\$ 30,000				\$ 33,122													\$ 40,376
		Sled Harrow			15	2023	\$ 30,000				\$ 33,122													\$ 40,376
		Sled Harrow			15	2023	\$ 30,000				\$ 33,122													\$ 40,376
		Sled Harrow			15	2023	\$ 30,000				\$ 33,122													\$ 40,376
		Small Diamond Harrow			15	2023	\$ 30,000				\$ 33,122													\$ 40,376
		Diamond Harrow			15	2023	\$ 30,000				\$ 33,122													\$ 40,376
		Diamond Harrow			15	2023	\$ 30,000				\$ 33,122													\$ 40,376
		Diamond Harrow			15	2023	\$ 30,000				\$ 33,122													\$ 40,376

EQUIPMENT SUMMARY & PLAN

SCHEDULED REPLACEMENT

**Inflation Allowance
2018
Replace
Cost**

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

Year	Brand	Model	Description / Use	ID Number	Year Acq'd	Life	Scheduled Replacement	Inflation Allowance 2018	Replace Cost	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
------	-------	-------	-------------------	-----------	------------	------	-----------------------	--------------------------	--------------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------

Indiana Grand - Backside Maintenance & Operations

Terrill Gabbard

Pickup trucks

2014	Dodge	RAM 2500HD	Pulls H Trailer, Salt & Misc	3C6TR5JT2EG187003	2019				\$ 40,000		\$ 40,800					\$ 45,046									\$ 51,744		
2011	Chevrolet	SILVERADO 2500HD	Backside Maint	1GB4KZCL6BF105474	2019				\$ 40,000		\$ 40,800					\$ 45,046										\$ 51,744	
2003	Chevrolet	15 Passenger Van	Starting Gate Crew	1GAHG35UX31141161	2019				\$ 50,000		\$ 51,000					\$ 56,308										\$ 64,680	
2014	Ford	F250	Pulls Primary H Ambulance	1FT7W2B68EEA02664	2014	10	2024		\$ 40,000							\$ 45,046											
2017	Ford	F250	Roy - Crew Cab	1439	2017	7	2024		\$ 50,000							\$ 56,308										\$ 64,680	
2017	Ford	F250	Terril - Crew Cab	5669	2017	7	2024		\$ 50,000							\$ 56,308										\$ 64,680	
2017	Ford	F250	BS & Snow - Crew Cab	5746	2017	7	2024		\$ 50,000							\$ 56,308										\$ 64,680	
2017	Ford	F250	Backside & Snow	7296	2017	7	2024		\$ 40,000							\$ 45,046										\$ 51,744	
2017	Ford	F150	Vet	5916	2017	7	2024		\$ 40,000							\$ 45,046										\$ 51,744	
2017	Ford	F150	Landscaping	4595	2017	7	2024		\$ 40,000							\$ 45,046										\$ 51,744	
2017	Ford	F150	Landscaping	0740	2017	7	2024		\$ 40,000							\$ 45,046										\$ 51,744	
2017	Ford	F150	Landscaping	1829	2017	7	2024		\$ 40,000							\$ 45,046										\$ 51,744	

Gators

2016	John Deere	PR15 Gator TS MY16	Track Maintenance	1M04X2SJLGM111075	2017	5	2022		\$ 8,500					\$ 9,201				\$ 10,158								\$ 11,216
2016	John Deere	PR15 Gator TS MY16	Track Maintenance	1M04X2SJKGM111067	2017	5	2022		\$ 8,500					\$ 9,201				\$ 10,158								\$ 11,216
2016	John Deere	PR15 Gator TS MY16	Backside Maintenance	1M04X2SJCgm111086	2017	5	2022		\$ 8,500					\$ 9,201				\$ 10,158								\$ 11,216
2016	John Deere	PR15 Gator TS MY16	Backside Maintenance	1M04X2SJHGM111062	2017	5	2022		\$ 8,500					\$ 9,201				\$ 10,158								\$ 11,216
2016	John Deere	PR15 Gator TS MY16	Frontside Maintenance	1M04X2SJTGM111020	2017	5	2022		\$ 8,500					\$ 9,201				\$ 10,158								\$ 11,216
2016	John Deere	PR15 Gator TS MY16	Paddock	1M04X2SJVGM111090	2017	5	2022		\$ 8,500					\$ 9,201				\$ 10,158								\$ 11,216
2016	John Deere	PR15 Gator TS MY16	Backside Security	1M04X2SJEGM111063	2017	5	2022		\$ 8,500					\$ 9,201				\$ 10,158								\$ 11,216
2016	John Deere	PR15 Gator TS MY16	Backside Security	1M04X2SJCgm110481	2017	5	2022		\$ 8,500					\$ 9,201				\$ 10,158								\$ 11,216
2016	John Deere	PR15 Gator TS MY16	Backside Security	1M04X2SJHGM111031	2017	5	2022		\$ 8,500					\$ 9,201				\$ 10,158								\$ 11,216
2016	John Deere	PR15 Gator TS MY16	Backside Security	1M04X2SJKGM111084	2017	5	2022		\$ 8,500					\$ 9,201				\$ 10,158								\$ 11,216
2016	John Deere	PR15 Gator TS MY16	Backside Security	1M04X2SJCgm111081	2017	5	2022		\$ 8,500					\$ 9,201				\$ 10,158								\$ 11,216
2016	John Deere	625 Gator (Pickup)	With Snow Blade & Cab	1M0625GSCGM110384	2017	5	2022		\$ 20,000					\$ 21,649				\$ 23,902								\$ 26,390
2016	John Deere	825i 4-Seat Gator	Backside Security	1M0825GFVGM110463	2016	5	2022		\$ 15,000					\$ 16,236				\$ 17,926								\$ 19,792
2016	John Deere	825i 4-Seat Gator	Backside Security	1M0825GFTGM110486	2016	5	2022		\$ 15,000					\$ 16,236				\$ 17,926								\$ 19,792

Equipment

New	John Deere	304L w/ forks	Move Manure Bins	Received					\$ 100,000	\$ 100,000																
	Caterpillar	906	Loader	Replace with JD 304L	15	2019			\$ 100,000	\$ 102,000																
2016	John Deere	5100 Tractor	Replace with JD 304L	1LV5100EAGG400574	2016	15	2019		\$ 90,000	\$ 91,800																\$ 116,425
2016	John Deere	H260 Bucket For 5100	Attachment	1POH260XJGD019465	2016	15	2019		\$ 10,000	\$ 10,200																\$ 12,936
2018	John Deere	325 Skid Steer	Received		2018				\$ 50,000	\$ 50,000																
2018		Horse Trailer	Expected July		2018	10	2028		\$ 22,000	\$ 22,000								\$ 26,818								
	Landa	Power Washer			5	2020			\$ 5,000		\$ 5,202					\$ 5,743										\$ 6,341
2016		Pipe Jetter Trailer				2028			\$ 20,000									\$ 24,380								
	Miller	Welder / Generator		30165	10	2021			\$ 10,000		\$ 10,612															\$ 12,936
	John Deere	Auger			20	2028			\$ 3,000									\$ 3,657								

Snow Management

Above	2018	John Deere	524 Loader	524 Loader w/ 3cy bucket		2018																					
	Avalanche	Snow Push Box - Large			10	2023			\$ 6,000					\$ 6,624												\$ 8,075	
Above	New	John Deere	304L w/ forks	Move Manure Bins	Received	0																					
	Avalanche	Snow Push Box - Large			10	2023			\$ 6,000					\$ 6,624													\$ 8,075
Above		Caterpillar	906	Loader																							
			Medium Push Box		10	2023			\$ 4,000		\$ 4,162															\$ 5,073	
Above	2016	John Deere	5100 Tractor	Replace with JD 304L		2016																					
	Avalanche	Snow Push Box - Large			10	2020			\$ 6,000		\$ 6,242															\$ 7,609	
Above	2017	Ford	F250	Backside & Snow		2017			\$ 7,296																		
			Medium Push Box		10	2023			\$ 4,000		\$ 4,162															\$ 5,073	
Above	2017	Ford	F250	BS & Snow - Crew Cab		2017																					
			Snow Plow Blade		10	2023			\$ 7,500					\$ 8,281												\$ 10,094	
			Salt Spreader		10	2023			\$ 5,000					\$ 5,520												\$ 6,729	
Above	2017	Ford	F250	Backside & Snow		2017																					
			Snow Plow Blade		10	2023			\$ 7,500					\$ 8,281												\$ 10,094	
2018	Skagg	Salt Spreader	Received		10	2018			\$ 5,000	\$ 5,000				\$ 5,520												\$ 6,729	

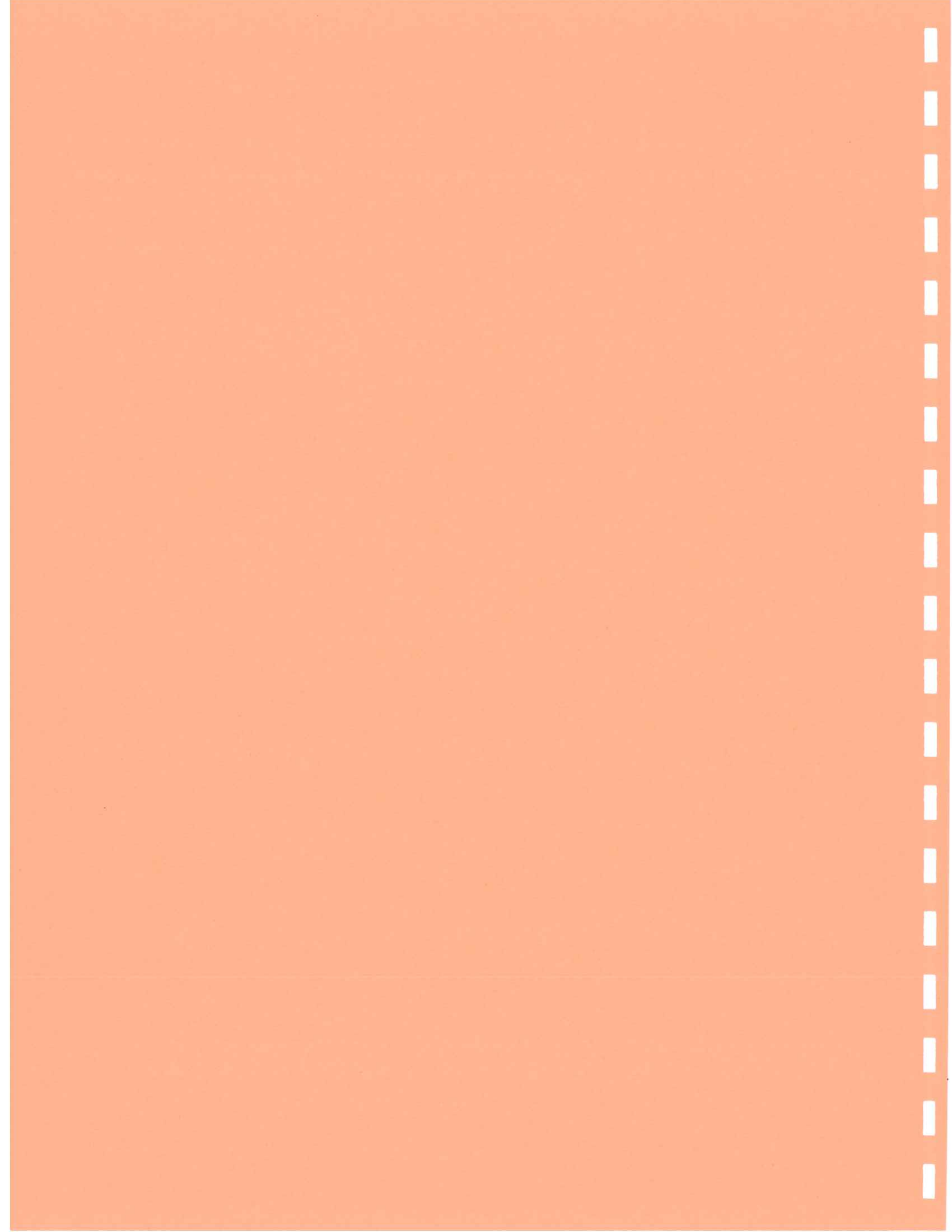
EXHIBIT 094

EQUIPMENT SUMMARY & PLAN

Year	Brand	Model	Description / Use	ID Number	Year Acq'd	Life	Scheduled Replacement	Inflation Allowance 2018 Replace Cost	SCHEDULED REPLACEMENT																				
									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					
										2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%

EQUIPMENT SUMMARY & PLAN

EQUIPMENT SUMMARY & PLAN										SCHEDULED REPLACEMENT															
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			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	



THE

TRI- JUMP OF A TEAM

2017 INDIANA STATE & COMMUNITY IMPACT REPORT

—Centaur Gaming®

INDIANA
GRAND
RACING • CASINO

HOOSIER PARK
RACING • CASINO



Proudly Indiana Owned & Operated • 2,000 Hoosiers Strong

2017

State & Community Impact Report

Table of Contents

About	4
Executive Summary	7
Project Investments	8
Taxes & Payments	9
Horse Racing	10
Indiana's Signature Races	11
Breeders Crown	12
Horse Racing Community	13
Purchasing	14
Tourism	17
Employment	18
Community Involvement & Social Responsibility	20
Contributions	21
Community Partnerships	22
2017 Sponsorships & Donations	24
Servitude & Boards	26
Awards	28
Commitment to Responsible Gaming	30
Our Team	32

Proudly Indiana
Owned & Operated



About Centaur Gaming

Centaur Gaming, founded in 1993, is an Indiana-owned and managed company committed to bringing the entertainment and economic benefits of gaming and horse racing to key communities throughout Indiana.

With five properties employing more than 2,000 team members and hosting approximately six million visitors each year, Centaur is dedicated to being an outstanding community partner and making a positive impact in the state of Indiana.

Centaur's two premier entertainment destinations – Hoosier Park Racing & Casino in Anderson and Indiana Grand Racing & Casino in Shelbyville – feature state-of-the-art casino gaming floors, live and simulcast horse racing, award-winning dining selections and world-class entertainment. Both properties have offered a full gaming and racing experience since 2008.

In addition to the casino and race track properties, Centaur also owns and operates three Winner's Circle properties: Winner's Circle Pub, Grille & OTB in Downtown Indianapolis, Winner's Circle OTB & VooDoo BBQ & Grill in New Haven/Fort Wayne and Winner's Circle OTB in Clarksville.

Centaur Gaming



OFF TRACK BETTING
NEW HAVEN/FORT WAYNE



HOOSIER PARK
RACING • CASINO
Anderson, IN



PUB • GRILLE • OTB
DOWNTOWN INDIANAPOLIS



INDIANA
GRAND
RACING • CASINO
Shelbyville, IN



OFF TRACK BETTING
CLARKSVILLE



Executive Summary

Centaur is a privately held, Indiana-based company, managed by Hoosiers, headquartered in Indianapolis, and focused on bringing the entertainment and economic development benefits of gaming and horse racing to key communities throughout Indiana.

Hoosier Park Racing & Casino and Indiana Grand Racing & Casino, both fully integrated gaming, racing, dining, and entertainment destinations, opened in 2008 and are Indiana's only race track casinos.

- The initial direct project investment for Hoosier Park Racing & Casino and Indiana Grand Racing & Casino totaled more than \$860 million, which includes more than \$360 million for construction costs and \$500 million in state license fees that were used for property tax relief for Indiana citizens. As of 2017, Centaur Gaming has provided to the cities of Anderson and Shelbyville, the counties of Madison and Shelby, the state of Indiana, and the Indiana Horse Racing Industry more than \$2.4 billion in taxes, fees, and incentive payments.
- Through payroll, regional purchases, and payments to city and county governments, Centaur's race track casinos have infused more than \$1.37 billion into the economies of our host communities and the surrounding areas since 2008. This total does not include increased local spending from the employee base or the increase in tourism to the local community.
- Centaur employs more than 2,000 team members who have earned more than \$612 million in combined salaries, wages, benefits, and tips since the casino openings. The employee base is comprised of 52% females and 16.5% minorities. More than half reside within the host communities of Madison and Shelby Counties.
- Centaur continues to grow and enhance Indiana horse racing both regionally and nationally. Since 2008, through Hoosier Park and Indiana Grand, more than \$581 million has been paid to benefit Indiana's horse racing industry, with monies allocated to directly support breed development for Indiana Thoroughbreds, Standardbreds, and Quarter Horses.
- Since 2008, Centaur's race track casinos have welcomed more than 50.6 million visits with the majority of these visits originating from outside the host communities of Madison and Shelby Counties. The sustained level of guests from outside the host communities continues to provide direct and indirect material benefits to the local economies.
- Centaur has made \$600 million in purchases from local and regional suppliers since 2008 with more than \$136 million of these procurements coming from minority and women owned businesses.
- Centaur is committed to meeting and exceeding mandated responsible gaming requirements. All racing and gaming locations institute proactive policies, training, and careful procedures for responding to potential gambling problem issues.
- Centaur is a responsible corporate citizen and has contributed to hundreds of local and regional Indiana organizations. In addition, management throughout the company volunteered their time through service on the boards of more than 68 Indiana organizations in 2017 alone.
- Our properties continue to receive community and industry recognition for volunteerism, customer service, gaming, racing, dining, and entertainment.

“SINCE 1993, CENTAUR GAMING HAS WORKED TO GROW and expand pari-mutuel horse racing into a \$1 billion industry economically affecting all 92 Indiana counties through the creation of thousands of jobs and valuable tax revenues. Centaur Gaming has been there from the beginning and has gone on to become Indiana's only gaming and racing company, and an employer to more than 2,000 Hoosiers statewide.”

- Rod Ratcliff, Chairman and CEO

Top Left: The Indiana Grand Racing & Casino team poses at Center Bar for a Diversity Award photo. Middle Left: Hoosier Park team members gathered around their 2016 Workplace Culture award during the Madison County Chamber Unite Awards on Feb. 23 at Madison Park Church of God. Bottom Left: Centaur Gaming Chairman and CEO Rod Ratcliff accepts the USHWA Stanley F. Bergstein Proximity Award for the 2017 Breeders Crown.



Taxes and Payments to City, County & State

The following is a summary of direct and incentive payments through December 2017:

State Property Tax Relief (Gaming License Fee)	\$500,000,000
State Gaming Wagering Taxes	\$1,095,303,529
State Race Wagering Taxes	\$28,849,336
State Sales and Use Taxes	\$15,910,264
State French Lick Subsidy	\$25,238,000
City and County Wagering Taxes	\$127,997,656
City and County Property Taxes	\$31,716,185
City and County Food and Beverage Taxes	\$1,701,975
Racing Industry Horsemen Fees	\$581,168,067
Overall Total	\$2,407,885,012

Direct and Incentive Payment Totals

State of Indiana	\$1,665,301,129
Madison/Shelby Co. & Anderson/Shelbyville	\$161,415,816
Horse Racing Industry	\$581,168,067
Overall Total	\$2,407,885,012

Project Investments

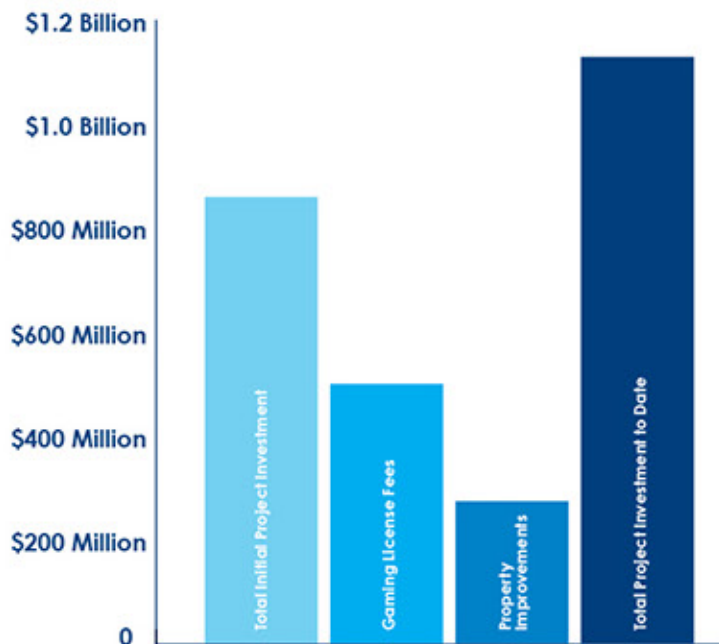
Both conveniently located minutes from Indianapolis, Hoosier Park Racing & Casino off I-69 in Anderson and Indiana Grand Racing & Casino off I-74 in Shelbyville provide a fully integrated gaming, racing, dining, and entertainment experience. Together, Hoosier Park and Indiana Grand's initial direct project investment totaled more than \$860 million, of which \$360 million was invested into the construction of the two casinos, along with a combined \$500 million gaming license fee payment to the State of Indiana.

Total Initial Project Investment: \$860 Million

Gaming License Fees: \$500 Million

Property Improvements: \$273.6 Million

Total Project Investment to Date: \$1.13 Billion



“

CENTAUR GAMING HAS BEEN AN EXCEPTIONAL COMMUNITY PARTNER.

Economically it has enhanced the community by providing good paying jobs to hundreds of individuals. Additionally, the City received over \$2.6 million annually from gaming revenues, which is used to meet community needs while reducing tax burdens on our citizens. The citizens of Anderson greatly appreciate all Centaur Gaming has done for our community.

- Mayor Thomas J. Broderick, Jr., City of Anderson

”



2017 Indiana Derby winner Trap with jockey Mario Gutierrez.



Garry Lauziere the Bugler playing at the 2017 Indiana Derby.



2017 Dan Patch Stakes winner Check Six and driver Yannick Gingras.

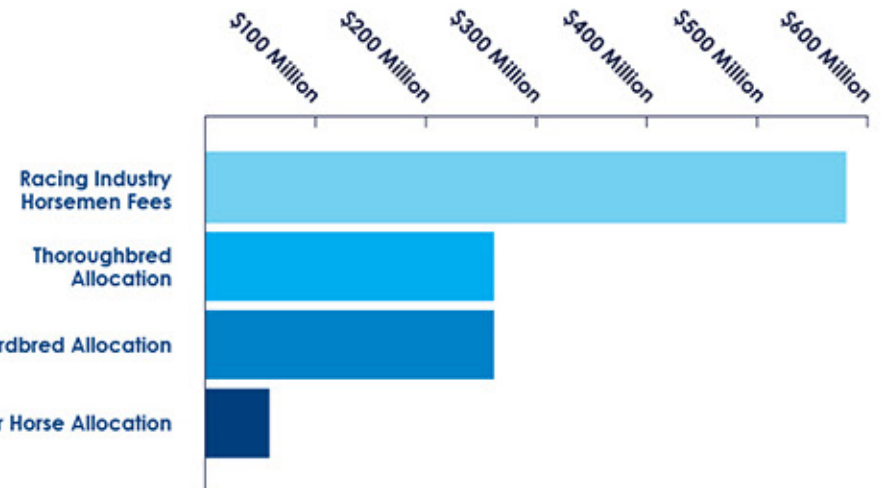
Horse Racing

The growth and recent national success of Indiana's horse racing industry are a direct result of a unique partnership among Centaur Gaming, Indiana's breed organizations, the Indiana Horse Racing Commission, horsemen and horsewomen of Indiana, and the Indiana Legislature. Together, there is a strong commitment to enhance Indiana's horse racing industry, including agribusiness, breed development, and racing operations throughout the state.

To date, Centaur has contributed more than \$581 million in racing industry fees, allocated since the addition of the casinos in 2008. These distributions have directly benefited Thoroughbred, Standardbred, and Quarter Horse purses and breed development in Indiana. Indiana breed development and purses benefit each year from an allocation of Adjusted Gaming Receipts (AGR). These monies are put to work to help sustain and further develop Indiana horse racing as a thriving multi-billion dollar agribusiness, employing upwards of 10,000 Hoosiers in Indiana's 92 counties.

“ This year's Indiana Derby was an impressive collaboration to provide a great experience for our guests and racing fans across the nation. It was a thing of beauty to watch **AND I COULD NOT BE MORE PROUD TO WORK WITH SUCH A MARVELOUS TEAM.** ”

- Jonathan Schuster, VP & General Manager of Racing at Indiana Grand Racing & Casino



Indiana's Signature Races

Grade III \$500,000-added Indiana Derby

The Indiana Derby began the inaugural year of pari-mutuel Thoroughbred racing in the state of Indiana in 1995 at Hoosier Park. The event was created to showcase the best three-year-olds in the country and played off the Kentucky Derby tradition, which is always held the first Saturday in May. The Indiana Derby found a home on the first Saturday in October until moving to mid-July in 2015. Visit www.IndianaGrand.com for live racing updates.

\$300,000 Dan Patch Stakes

Hoosier Park's most prestigious pacing race has become an annual tradition and highlights some of the best athletes in the sport of harness racing. Hoosier Park's event is named after the early 1900's racehorse phenomenon, Dan Patch. Originally from Oxford, Ind., Dan Patch raced against the clock rather than against his inferior competitors. Drawing crowds of more than 90,000 people at a single race, the free-legged equine hero was the unparalleled sports icon of his time. Visit www.HoosierPark.com for live racing updates.



From Left to Right: Hoosier Park's Emily Gaskin and national race analyst Peter Lurie give a history lesson on the great Dan Patch: Two horses race down to the wire on the 2017 Indiana Derby undercard.





Hannelore Hanover, one of three Indiana horses to shine in the Breeders Crown, wins the Open Trot championship. Posing with the trophy are Centaur Gaming's Jim Brown and Rod Rotcliff.

Indiana Shines During the 34th Edition of the Breeders Crown

Indiana shined as Hoosier Park hosted the 34th edition of the Breeders Crown, Indiana's debut of the \$6 million championship series.

Not only did Hoosier Park receive accolades for executing a historic Breeders Crown, three Indiana horses won championship titles. Indiana horse racing has undoubtedly solidified its spot among the very best in the industry.

On October 27 & 28, Hoosier Park generated more than \$4 million in handle over the two Breeders Crown nights, setting individual nightly records and increasing handle by 400% from an average weekend.

Nearly 10,000 racing fans visited Hoosier Park and Anderson for the event, setting attendance records

for Hoosier Park harness racing. Additionally, 47 sports reporters and media representatives were on site during the Breeders Crown, and more than 53 articles were published locally, nationally, and internationally following the two nights.

WISH-TV and sports director Anthony Calhoun covered the Breeders Crown live on Indianapolis television both nights.

Sponsorship sales for the Breeders Crown brought in \$193,500, with 29 sponsors taking pride and ownership of the event. Mr. 46, the official drink of the Breeders Crown honoring Always B Miki's 1:46 mile record, was created by Hoosier Park team members and Maker's Mark. The drink was a fan favorite, and Hoosier Park continues to offer the drink today.

A special thank you to everyone who dedicated their time, talents and passion to planning and executing the historic 2017 Breeders Crown!

“

Hoosier Park just set the bar so high that other tracks will find it hard to do what they just did for the 2017 Breeders Crown.

AMAZING EXPERIENCE. I AM COMPLETELY BLOWN AWAY.

- Tim Bojarski, President of US Harness Writers

”

Horse Racing Community

Centaur Gaming is fully committed to every aspect of the Indiana horse racing industry. From partnering with Purdue University on the Centaur Equine Specialty Hospital and bringing the \$6 Million Breeders Crown championship to Indiana for the very first time to hosting annual field trips, FFA career success tours, and community festivals, Centaur Gaming is fully invested in the future of Indiana horse racing.

“

THE GRAND GESTURE STABLE OFFERED THROUGH INDIANA GRAND WAS AN EXCITING VENTURE INTO HORSE RACING,

where our trainer, Tony Granitz, took the time to answer our questions about racehorse ownership. Besides having numerous opportunities for hands on contact with our horse, AJ Pacer, we were given insight into how races are targeted for a particular horse and the ins and outs of managing and owning a racehorse, all while receiving top notch treatment from everyone at Indiana Grand...Thank you!

- Gina Rodriguez of Kokomo, Indiana, Grand Gesture Stable Owner

”



From Left to Right: WISH-TV's Anthony Calhoun joins Hoosier Park's Emily Gaskin for live coverage of the Breeders Crown; Ricky Macomber and Indiana horse Beckham 2 Tam win the Breeders Crown 3-year-old Colt Pace; Lieutenant Governor Suzanne Crouch commences Breeders Crown weekend in Hoosier Park's Winner's Circle.



From Top Left, Clockwise: Members of Indiana Grand's inaugural Grand Gesture Stable program take a photo with their racehorse on the backside; Elizabeth Lecher is crowned the Second Annual Indiana Derby Queen; Cooper Keeler gives a group of school children a tour of Indiana Grand's backside; Centaur Gaming's Chairman and CEO Rod Rotcliff and President and COO Jim Brown join Hoosier Park's VP and General Manager of Racing Rick Moore on stage for an ISA Special Recognition Award at the 2017 Indiana Standardbred Association Awards Gala; Children from Anderson Community Schools take a tour of Hoosier Park's backside as a part of the annual 4th grade field trips.

**\$600
MILLION**

in Local & Regional
Purchases since 2008

\$68.9 Million

In Minority Business Enterprise
(MBE) Purchases

\$67.9 Million

In Women Business Enterprise
(WBE) Purchases

“

My Hoosier friends and neighbors
at Centaur have helped my
business and family thrive -

**SO IT'S A CLOSE
RELATIONSHIP CENTERED
ON PROVIDING THE BEST
POSSIBLE SERVICE AND
PRODUCT FOR CENTAUR
AND THEIR CUSTOMERS.**

Because Centaur is committed
to helping the local business
community succeed, I'm committed
to helping Centaur succeed.

- Jason Rowland, Ripple FX Producer

”

Purchasing

Hoosier Park Racing & Casino and
Indiana Grand Racing & Casino
maintain a commitment to purchase
from local, Minority and Women
Business Enterprise (M/WBE) vendors.
As of Dec. 31, 2017, more than
\$600 million in local and regional
purchases have been made by the
properties of which \$68.9 million
have been from MBE vendors and
\$67.9 million from WBE vendors.



Left: Indiana Grand's brand new Track Maintenance building was erected as a part of Centaur Gaming's 2017 capital investment program. Right: The Winner's Circle in Downtown Indianapolis installed a brand new building facade giving the location a refreshed street presence.



“

Our new Track Maintenance Building is a
state-of-the-art facility. We can do all repairs
and put all equipment under one roof. It's going
to be a big plus for our department.

**YOU WORK YOUR WHOLE LIFE
FOR A FACILITY LIKE THIS.**

- Roy Smith, Track Superintendent at Indiana Grand

”



Top: Gene Simmons performs live at Hoosier Park's outdoor music center.
 Bottom Left: Coach Bob Knight makes a celebrity appearance at Indiana Grand's 2017 Indiana Derby.
 Bottom Right: Thousands of guests from across the country traveled to Hoosier Park for the 2017 Breeders Crown.



Tourism

MORE THAN 50.6 MILLION VISITS!
 In the ten years of operation, Hoosier Park Racing & Casino and Indiana Grand Racing & Casino have hosted more than 50.6 million visits from guests throughout the Midwest region. These visits have provided significant on-going direct and indirect benefits throughout their respective communities including increased hotel, restaurant, entertainment, shopping, and other revenues.

Drive Times

CITY	HOOSIER PARK RACING - CASINO		INDIANA GRAND RACING - CASINO	
	MI	TIME	MI	TIME
Indianapolis, IN	44	0:49	27	0:32
Fort Wayne, IN	88	1:28	123	2:07
Lafayette, IN	89	1:39	90	1:26
Bloomington, IN	93	2:09	70	1:14
Dayton, OH	97	1:57	124	1:49
Terre Haute, IN	120	1:59	99	1:35
Cincinnati, OH	120	2:20	86	1:16
South Bend, IN	152	3:15	160	2:46
Louisville, KY	153	2:28	109	1:46
Columbus, OH	156	2:05	183	2:40
Champaign, IL	160	2:39	148	2:17
Toledo, OH	189	3:21	221	3:36
Chicago, IL	208	3:26	210	3:15
Evansville, IN	215	4:13	192	3:06
Springfield, IL	246	3:59	236	3:34

“ In 2017, Centaur Gaming brought the \$6 Million Breeders Crown championship to Indiana for the very first time. With thousands of visitors that weekend, and thousands more watching across the country,
THE 2017 BREEDERS CROWN IS SOMETHING INDIANA IS CERTAINLY PROUD OF.
 Centaur Gaming is a great tourism partner.
 - Amy Howell, Indiana Office of Tourism and Development ”

Employment

Hoosier Park and Indiana Grand combined employ more than 2,000 team members. The following is a demographic and geographic summary of Centaur Gaming's team members:

Approximately 1,500 team members were added with casino openings.

**More than \$612 Million
in Total Team Member Earnings
(Including Salaries, Wages, Benefits,
and Tips) since June 1, 2008.**



Above: Indiana Grand Racing & Casino's premier restaurant, Center Cut, recently received Wine Spectator's 2017 Award of Excellence for outstanding dedication to wine. Members of the culinary team pose with the award.



Centaur Gaming has meant the world to me. It's always been a company that has allowed me to grow and prosper. This past December when I lost my father, Centaur Gaming kept my head on straight, gave me a shoulder to cry on and time off to handle the situation.

**CENTAUR IS A "LIFE-CHANGING,
CARE-FOR-THEIR-EMPLOYEES"
TYPE OF COMPANY.**

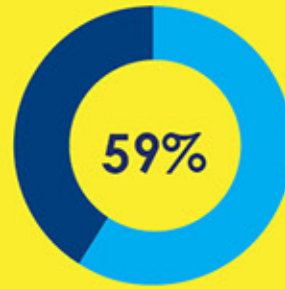
They also give their team a chance to advance in positions and possibly into management, working their way up the ladder. Centaur means the world to our community.

They hold events and activities like dog walks, fireman and policeman events, big 4th of July carnivals and free fireworks shows with entertainment. Centaur gives people an option to do things besides just gambling on horses and in the casino. Centaur is so much more.

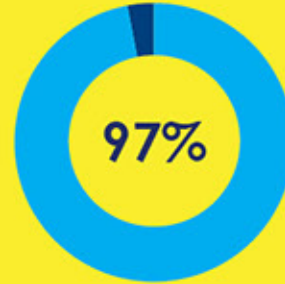
- Dustin Hepfer, Electronic Games Digi-Dealer
at Hoosier Park 10 Years of Service



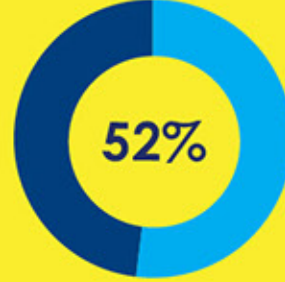
Residing in Madison and
Shelby Counties



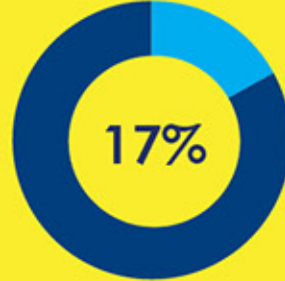
Indiana Residents



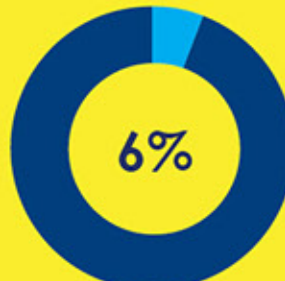
Women



Minorities



Active Military or Veteran



From Top to Bottom: Centaur Gaming's 2016 Team Member of the Year Celebration was held on March 5, 2017 at the Indiana Roof Ballroom and recognized Centaur Gaming's best-of-the-best team members. Centaur Gaming's culinary teams make an appearance in Indianapolis Monthly's Faces of Indy publication; Hoosier Park team members pose before working one of many 2017 Summer Concerts; Hoosier Park's Vice President and General Manager of Gaming Michael Facenda and Vice President and General Manager of Racing Rick Moore pose with Rose Award Nominees Dustin Hepfer and Judy Hale.





Top Center: As a part of Shelby County's Parks & Recreation Camp Tour, school-aged children make a visit to Indiana Grand's Race Course. From Left to Right: Jessica and Lynsey Memorial Ride participants pose for a group photo in Hoosier Park's Casino; Kiersten Flint, VP of Advertising & Communications, and Mark Thacker, Hoosier Park's Director of Business Development, joined the Boy Scouts of America for their annual Reaching For Tomorrow Field Day on May 17, benefiting at-risk and special needs youth across central Indiana. Centaur Gaming is a major sponsor of the Boy Scouts of America.

From Left to Right: Indiana Grand team members raised 167 jars of peanut butter, adding to 365 pounds of peanut butter raised by Indiana Grand jockeys, for the Hoosier Veterans Assistant Foundation (HVAF); Indiana Grand provides a load of stuffed backpacks for the First Christian Church of Shelbyville for DCI.

Community Involvement & Social Responsibility

Centaur supports numerous worthy causes in host and surrounding communities throughout Indiana. Centaur's more than 2,000 team members maintain continual involvement in various community-related endeavors, primarily through volunteerism and service on local boards and organizations.

With team members in nearly every corner of Indiana, Centaur makes a concentrated effort to involve team members in service leadership opportunities as a way to give back to the local and surrounding communities.

By contributing time, energy, and monetary support to the efforts of many worthy causes, Centaur Gaming reinforces its strong commitment to home community.

Centaur Gaming generously invests in local Scouting in a major way. Our organization benefits through annual contributions with staff serving on planning committees, in-kind facility space for meetings and events, and generous financial investments. All of these elements remove barriers that keep the Boy Scouts of America from reaching more families.

THANK YOU FOR BEING A GREAT STEWARD OF YOUR GIFTS SO THAT WE CAN BE TERRIFIC STEWARDS OF OURS!

- Leslie J. Anderson, Development Director Boy Scouts of America Crossroads of America Council

Contributions

Centaur Gaming contributes to many agencies, organizations and other causes throughout the state of Indiana.

In 2017 alone, Centaur Gaming contributed more than \$1.2 Million to nearly 300 organizations, events and non-profits!

You may think it's just peanut butter, but it means so much more to us.

DONATIONS LIKE THIS KEEP OUR DOORS OPEN

and as long as our doors are open we can continue to serve our veterans.

- Elayne, a Hoosier Veterans Assistant Volunteer



Above: Indiana Grand raised \$25,725, providing 1,715 holiday wreaths to lie at the graves of local, fallen heroes as a part of its partnership with Wreaths Across America in 2017; Hoosier Park kicked off its fourth annual FUR-long Walk in the Park in support of the Animal Protection League (APL); Indiana Grand partners with Indiana Women in Need Foundation to raise a record-setting \$47,000 to benefit Indianapolis-area women with breast cancer.

Community Partnerships

Centaur Gaming takes great pride in working directly with community partners across the state of Indiana. Centaur is committed to being proactive, corporate citizens and has demonstrated this through contribution of time, energy, and monetary support.

Since 2008, Centaur Gaming has supported **HUNDREDS** of organizations across the state of Indiana and surrounding areas.

“IT STARTS WITH AN INDIVIDUAL, AND THEN MANY INDIVIDUALS COMING TOGETHER, TO BUILD A FORCE TO SAVE OUR ANIMALS.

In this community alone, 431 animals went to a rescue last year. That astounding number does not include those dropped off at the shelter day-in and day-out.

- Maleah Stringer, Director of The Animal Protection League of Madison County
Hoosier Park's lifetime fundraising efforts for the APL total more than \$230,000, and continue to grow.



Once again, Centaur Gaming and guests have proven their commitment to our community and our veterans by generously donating to Wreaths Across America.

ON DECEMBER 16, 2017, WE ENSURED THAT EVERY VETERAN'S GRAVE AT INDIANA VETERANS MEMORIAL CEMETERY IN MADISON, INDIANA WAS DECORATED WITH A WREATH.

And, we were able to provide an additional 370 wreaths to Dale Cemetery in Connersville, Indiana. We are so appreciative of the continued support shown by Indiana Grand, Hoosier Park, and our guests.

- Glendel Coble, Indiana Grand's Vice President of Casino Non-gaming Operations and former U.S. Marine



I.W.I.N. is so excited to partner with Indiana Grand in efforts to relieve the burdens for individuals with breast cancer. We know the entire team at

INDIANA GRAND WORKED HARD TO MAKE OUR FUNDRAISER EVENT A SUCCESS

and we are honored to share their efforts with the women and men we serve.

- Nancy Shepherd, Executive Director for Indiana Women in Need Foundation



From Top to Bottom: Indiana Grand Food & Beverage Director Erik Meierant and Indiana Grand Executive Chef Erik Keever are presented with an award at the Take Steps for Crohn's & Colitis event held at Victory Field in June; Indiana Grand team members assisted the cleanup of 4 ball diamonds following a 65-team IJSSA Girls Softball Tournament on Saturday, June 10 at Blue River Memorial Park; Hoosier Park team members participate in the United Way of Madison County Truck Pull on Aug. 5; Hoosier Park team members celebrate the launch of the Dan Patch Wit can at Flat12 Bierwerks on Aug. 5.



2017 Sponsorships & Donations

100 Black Men of Indianapolis
 450 North Brewing
 500 Festival Inc.
 AAF Indianapolis
 Action Entertainment
 Agape Therapeutic Riding
 Alexandria/Monroe Grand Prix S
 Alpha Sigma
 Alternatives Inc.
 Alzheimer's Association
 American Foundation for
 Suicide Prevention
 American Harness Racing
 American Legislative Exchange
 American National Red Cross
 American Red Cross
 Anderson Area MLK Memorial
 Anderson Center for the Arts
 Anderson Education Foundation
 Anderson Fire Department
 Anderson Rent-All
 Anderson Sertoma Sponsorship
 Anderson Symphony Orchestra
 Anderson Trustee Madison County
 Anderson Young Ballet
 Andersontown Pow Wow
 Animal Outreach of Shelby County
 Animal Protection League
 Annunciation Catholic Church
 APL Book Reclasp
 APL Booklet Reprint
 Arc of Shelby County Inc.
 Aspire Indiana
 Assoc. of United States Army
 Association of US Army;
 Indiana Chapter
 Ball State Sponsorship
 BBRP Sizzle Series
 Believers United in
 Local Development
 Benjamin Harrison Presidential
 Best Friends Animal Society
 Black Legislative Caucus
 Blue River Soccer Association
 Booker T Washington
 Boy Scouts Governor's Lunch
 Brothers United Inc
 Butch Ellis Foundation
 Calvary Lutheran Church & School
 Carmel International Arts Fest
 CASA
 Central Indiana Amateur Soccer
 Central Indiana Police Foundation
 Chamber of Commerce Gala
 Charles E. Bosma Legacy Fund

Child Advocates Inc.
 Children's Miracle Network
 Children's Charity
 Christian Center
 Church of Christ
 Churchill Downs
 Cislak, F. Preston
 City of Anderson
 Coburn Place
 Indianapolis Colts
 Columbus Chamber
 Columbus Indiana Philharmonic
 Community Cancer Network
 Community Harvest Food Bank
 Community Hospital Foundation
 Complete College America
 Congressional Sportsmen's
 Foundation
 Conner Prairie Museum Inc.
 Cotillion/Beautillion
 Court and Child Advocacy Group
 Covington Community Foundation
 Crohn's and Colitis Foundation
 Crossroads of America
 Crossroads of America Council
 Cystic Fibrosis Foundation
 Damar Foundation
 Damar Guild Inc.
 Delaware Co Fair (Indiana)
 Dental Care of Shelbyville
 Donation for Logansport Rotary
 Dove Recovery House for Women
 Down Syndrome Indiana
 Downtown Holiday Celebration
 East Side Church of God
 Embroidery Unlimited
 Equestricon
 Equestricon Sponsorship
 Exchange Club of Muncie
 Exchange Club of Speedway
 Festival of Trees
 Field Trips Galore Inc.
 Fight for Life Foundation Inc.
 First United Methodist Church
 Foundation for Suicide Prevention
 Franklin Chamber of Commerce
 Fraternal Order of Police
 Friends of Ferdinand Inc
 Gideon's International - In Memory
 of Berneta Lehman
 Girl Scouts of Central Indiana
 Girls Inc.
 Girls Night Out
 Golden Bear Booster Club

Good's Candy Shop
 Greater Kokomo
 Economic Development
 Greenwood Chamber of Commerce
 Gregory Hancock Dance Theatre
 Gridiorn Sponsorship Invite
 Grissom Air Museum Sponsor
 Group Leaders of
 America Corporation
 Hanna Community Center - Ebony
 Ivory Ball
 Harcourt
 Harcourt
 Harness Horse Youth Foundation
 Heartland Film, Inc.
 Helen Wells Agency
 Helping Hands For Freedom
 Hike Fund, Inc
 HMR Enterprises, Inc.
 Holiday Items
 Hope House Inc.
 Horizon House
 Hospice of South Central Indiana
 HVAF of Indiana Inc.
 I.W.I.N. Foundation
 Immaculate Heart of Mary Adora
 Indiana Basketball Hall of Fame
 Indiana Blind Children's Foundation
 Indiana Chamber Dinner
 Indiana Chamber of Commerce
 Indiana Class Basketball
 Indiana Coalition Against
 Domestic Violence
 Indiana Fiscal Policy Institute
 Indiana Grand Racing & Casino
 Indiana Leadership Forum
 Indiana Minority Business Magazine
 Diversity Awards
 Indiana Plan Summer Camp
 Indiana Sheriffs' Youth Ranch
 Indiana Society of Ass. Exec.
 Indiana Sports Corp
 Indiana State Fair Foundation
 Indiana Tech
 Indianapolis Chapter MOAA
 Indianapolis Chapter MOAA 2017
 Indianapolis Colts
 Indianapolis Lodge #86 Fraternal
 Indianapolis Motor Speedway
 Indianapolis Prize
 Indianapolis Professional Fire
 Indianapolis Symphony Orchestra
 Indianapolis Symphony Orchestra (2)
 Indianapolis Zoo - Zoobilation
 Indians, Inc.
 Indy Chamber

Indy Sports & Entertainment
 Institute for Quality Education
 International Live Events Association
 Interstate Capital Corp C/O
 Ivy Endowment
 Ivy Tech (Indiana Grand)
 Ivy Tech Community College Indiana
 Ivy Tech Foundation
 Jake Laird Memorial Fund
 James Whitcomb Riley Memorial
 Jennings Co Community Foundation
 Jessica & Lynsey
 Kiwanis Club of Shelbyville
 Lafayette Urban Ministry
 Lafayette YMCA
 Lam Treatment Alliance Inc.
 Lafayette Catholic Schools
 Leadership Academy of
 Madison County
 Legion of Mary
 Links, Incorporated, Circle
 Little Red Door Cancer Society
 Lugar Series
 Madison County Chamber
 Madison County Chamber
 Golf Outing
 Madison County Community Health
 Madison County Fire Rescue House
 Madison County Horse and Pony 4-H
 Madison Park Church of God Inc.
 Mainstreet Shelbyville Incorporated
 Major Hospital Foundation
 Mark R Pay
 Matrix Imaging
 Mentoring Warriors, Inc.
 Methodist Health Foundation
 Midwest Academy
 Mister Penguin
 Morning Dove Therapeutic Riding
 Morristown Boys & Girls Club
 Morristown Chamber of Commerce
 Morristown High School Choir
 Murphy-Parks Funeral Service
 Myer's Autoworld
 NAACP
 NASS
 National Bank of Indianapolis
 National Black Caucus
 of State Legislators
 National Black MBA Association
 National Guard Assoc Foundation
 National Guard Association
 of Indiana



Above: Indiana Grand jockeys treat Trevor Hughes, a Riley Children's Hospital patient, to an exciting outing at Indiana Grand.

National Tay-Sachs & Allied
 New Haven Chamber of Commerce
 New Palestine Baseball Backers
 New Palestine Chamber
 of Commerce
 New Vocations Racehorse Adoption
 Octagon
 Onezone
 Out Reach to Teach
 Outfitter's Gala
 Outfitters
 Pacer Basketball LLC
 Paramount Theatre
 Party Time Rental
 Paws and Think, Inc.
 Planned Parenthood of Indiana
 Prime 47
 Purdue Club
 Quest Audio-Vidio, Inc.
 Racing Medication and Testing
 Reins to Recovery Inc.
 Riley Hospital for Children
 Rotary Club of Anderson
 Rush County Community
 Sacred Hear School
 Salvation Army
 Scuffy Turning Point
 Second Harvest Food Bank
 Second Presbyterian Church
 Shelby Arts Alliance
 Shelby County Chamber
 of Commerce
 Shelby County Auditor
 Shelby County Boys & Girls Club
 Shelby County Drug Free Coalition
 Shelby County Fair Association
 Shelby County Players
 Shelby County United Fund-Scuffy
 Shelby County Western Riders
 Shelby County Youth Assistance
 Shelby FOP Lodge 84
 Shelby Senior Service Inc.

Shelbyville Central Schools
 Shelbyville Fire Department
 Shelbyville Ladies Golf Assoc.
 Shelbyville Lions Club
 Shelbyville Middle School
 Simon Lehe Scholarship Fund
 Simon Property Group
 Simon Youth Foundation
 So Big
 Society of St. Vincent's de Paul
 Speedway High School
 St. Mary's Child Center
 St. Richard's Episcopal School
 St. Vincent Anderson Regional
 Staci Ginder Benefit Foundation
 Standardbred Retirement Foundation
 Summitville H.O.P.E. Center Inc
 Susan G. Komen
 T.E. Promotions Inc
 Tabernacle Presbyterian Church
 Taste of Shelby County
 The Spoonbill Foundation
 THT Promo
 Top Notch Standards of Excellence
 Town of Shirley
 Turning Point
 United Way Auction Items
 United Way of Madison County
 US Harness Writers Association
 VFW Post 5864
 Visit Indy
 Voiture
 Waldo's Muttley Crew
 Waldron Will
 Whispering Hope Memorial Garde
 Wish For Our Heroes Inc.
 Wreaths Across America
 YMCA

MORE THAN
80 Team Members

VOLUNTEER ON
68 Boards and Organizations

TOTALING A COMBINED
833
Years of Service

Servitude & Boards

- Advantage Shelby County
- Alternatives Inc.
- Anderson Madison County Black Chamber of Commerce
- Anderson Madison County Visitors Bureau
- Anderson Museum of Art
- Anderson Young Ballet Theater
- Animal Protection League
- Butler University
- CASA
- Casino Association of Indiana
- Chamber of Commerce
- City Parks & Recreation
- Community Hospital
- Crohn's and Colitis Foundation
- Cub Scouts / Boy Scouts
- Damar Services Inc
- Dove Harbor
- East Region Indiana Tourism Marketing Co-op
- First Friday
- Fountaintown Fire Department
- Gateway Childcare & Respite Center
- Girls, Inc.
- Global Gaming Women

- Harness Horse Youth Foundation
- Harrison College
- Health Partners Board of Health
- Hopewell Center
- Impact Center
- Indiana Bunny Run Toy Drive
- Indiana Coalition Against Domestic Violence
- Indiana Council on Problem Gambling
- Indiana Federation of Business and Professional Women
- Indiana Foodways Alliance
- Indiana Horse Racing Association, Inc
- Indiana State Chamber of Commerce
- Indiana Thoroughbred Breed Development Committee
- Ivy Tech School of Computing and Informatics
- Johnson County 4H and Ag Fair Board
- LAMC
- Leadership Shelby County
- Madison County Black Chamber of Commerce
- Madison County Community Foundation
- Madison County YMCA
- Mentoring Warriors
- Meridian-Kessler Neighborhood Association
- Paramount Theatre
- Paramount Theatre Foundation - DLTS
- Paramount Theatre Foundation - Festival of Trees
- Pipe Creek Township
- Police Merit Board
- Regions 5 Workforce Investment Board
- Rotary (Madison County)
- Russ Dellen Memorial Ride
- SCUFFY
- Shelby County Advantage
- Shelby County Chamber of Commerce
- Shelbyville Central Schools
- Shelbyville Plan Commission
- St. Vincent Foundation
- The Butch Ellis Foundation
- The Miracle Foundation
- Traffic Commission
- Turning Point
- United States Harness Writing Association
- Visit Indiana/American Bus Association Partners
- Waldron Community Volunteer Fire Department
- Women in Philanthropy
- Wreaths Across America



Above: Hoosier Park team members present a check to Leadership Academy of Madison County students and board members to partially match the donations received by all the agencies for the Season of Giving Gift Fair.



Above: Members of the Shelby County Chamber of Commerce celebrate their annual awards gala at Indiana Grand Racing & Casino.

“
In addition to the economic impact that Indiana Grand Racing & Casino has in Shelby County and the state of Indiana, it is the philanthropic commitment that always strikes me. Over the years I have served on a variety of non-profit boards and committees. And I have experienced the impact, first-hand, on so many deserving state and local organizations. With the generous commitment of time, talent and treasure, Indiana Grand Racing & Casino
TRULY MAKES THE COMMUNITY A STRONGER, MORE VIBRANT PLACE.
- Amy Larrison, President of Shelby County Chamber Board of Directors

“
The Indiana Coalition Against Domestic Violence is grateful for the continued support for victims and survivors of domestic violence from Centaur Gaming.
THEIR COMMITMENT TO PROTECTING HOOSIER FAMILIES AND PROMOTING HEALTHY RELATIONSHIPS IS EVIDENCED BY THEIR LONG STANDING PARTNERSHIP.
-Laura Berry, Executive Director of the Indiana Coalition Against Domestic Violence



Above: Indiana Grand wins the 2017 Diversity Award from Indiana Minority Business Magazine.

Awards

Hoosier Park Racing & Casino and Indiana Grand Racing & Casino have been recognized for community efforts made as corporate citizens and have also earned both national and area recognition for continued excellence from numerous casino, racing, and service-industry publications and organizations.

Hoosier Park Racing & Casino

Since 2008, Hoosier Park Racing & Casino has accumulated more than 63 industry awards in the categories of gaming, excellence in customer service, racing, dining, and live entertainment.

Hospitality Hall of Fame

Ivy Tech Community College

Best Business Award

United Way of Madison County

Outstanding Community Partner Award

Anderson Rotary Club

President's Award

Anderson/Madison County Visitors and Convention Bureau

Indy Area's Most Popular Attraction

Indianapolis Business Journal

Readers' Choice Award for Finest Casino

Muncie Star Press

Favorite Wagering Track

US Trotting Association

Readers' Choice Awards – Herald Bulletin

- Best Live Music Venue
- Best Place for Entertainment
- Best Company to Work For
- Best Buffet
- Best Place for Family Entertainment

More than 63 Readers' Choice Awards

Midwest Gaming & Travel Magazine

Indiana Bicentennial Legacy Project Recipient

Best Workplace Culture

Madison County Chamber

ISA Special Recognition Award

Indiana Standardbred Association

Stanley F. Bergstein Proximity Award

US Harness Writers' Association

Indiana Grand Racing & Casino

Since 2010, Indiana Grand Racing & Casino has accumulated more than 18 industry awards in the categories of gaming, excellence in customer service, racing, dining, and live entertainment.

Indy Area's Most Popular Attraction

Indianapolis Business Journal

Indianapolis-Area's Best Wedding Venue

Indy Wedding Ideas Bridal Show

Special Recognition Award

Indiana Standardbred Association

Recognition Award for Promotion of Quarter Horse Racing

Q.H.R.A.I.

Recognition Award

Indiana HBPA

Indiana Harness Racing Award

Indiana State Fair

Largest Percent Increase Award

Shelby County United Fund for You (SCUFFY)

More than 18 Readers' Choice Awards

Southern Gaming & Destinations Magazine

Best Public Event - Indiana Derby

PACE Awards

Wine Spectator Award 2017

Wine Spectator

Best Customer Service

Southern Gaming & Midwest Gaming

Big Business Champion of the Year

Shelby County Chamber of Commerce

2017 Diversity Award

Indiana Minority Business Magazine

Winner's Circle Properties

2016 Business of the Year

Winner's Circle OTB & VooDoo BBQ & Grill
New Haven Chamber of Commerce



Learn More About Us!

Get connected with all of Centaur Gaming's GREAT locations:



- /HoosierParkCasino/
- @HoosierPark
- @hoosier_park
- Hoosier Park



- /IndianaGrand/
- @IndianaGrand
- @indygrand
- Indiana Grand



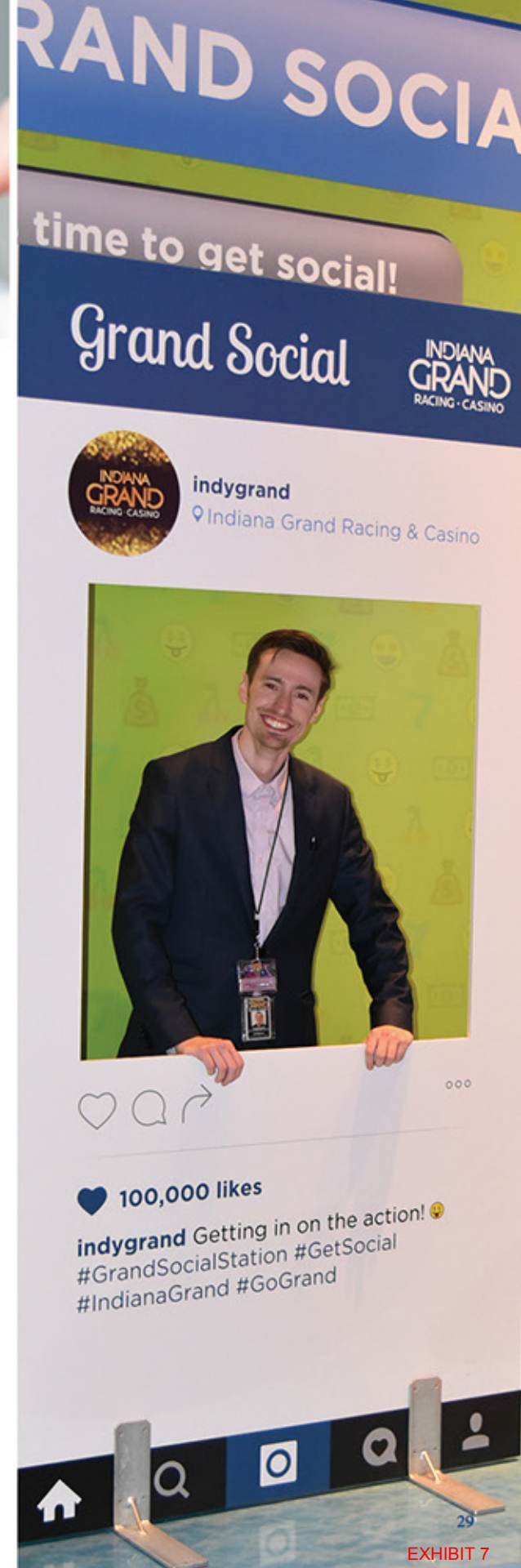
- /otbwinnerscircle/
- @HPWinnersCircle
- @winnerscircleindy



- /WinnersCircleNewHaven/



Right: Indiana Grand team member, Charles Helfer, poses in front of the Grand Social Station for social media.



Commitment to Responsible Gaming

At Centaur Gaming, we recognize our responsibility to ensure that casino gaming and race wagering serve as entertainment alternatives for responsible adults. We take a highly proactive approach to the identification and prevention of problem and underage gambling, and give special attention to all associated programs.

In partnership with the Indiana Gaming Council, we have implemented extensive internal policies and programs to deal with problem and underage gambling. We actively enforce these programs and regularly raise team member awareness with events such as seminars conducted by nationally recognized experts in this field.

Responsible gaming awareness information is included in our team member handbook and is a key component in the orientation program required of each new team member.

Our properties are active members of the Indiana Gaming Council on Problem Gambling.

This council has programs in place for referral of guests and team members who request assistance.

Additionally, we have developed relationships with local agencies offering programs designed to treat gambling disorders.

The Indiana Gaming Commission in coordination with the Family and Social Services Administration's Division of Mental Health and Addiction administers the Voluntary Exclusion Program.

Important Contact Information

If you or someone you know has a gambling problem, assistance and information is available through:

- **Indiana Council on Problem Gambling Hotline:**
(800) 9-WITH-IT (994-8448)
- **Indiana Voluntary Exclusion State Program:**
(317) 234-3600
- **National Problem Gaming Hotline:**
(800) 522-4700

For more information, please visit www.ResponsibleGambling.org



Indiana's Premier Entertainment Destinations



Hoosier Lucky, Friendly, Fun!

With 2,000 of Indiana's newest slots and e-table games, the country's best harness racing, the most delicious dining and world-class entertainment, Hoosier Park is the perfect destination for fun and excitement 24 hours a day, seven days a week!

Just Minutes North of Indy, Off I-69 at Exit 226
(800) 526-7223 • HoosierPark.com • Anderson, IN



Experience the Difference

Feel the excitement of this Las Vegas-style casino featuring 2,200 of the highest paying slots and e-table games in Indiana, live Thoroughbred and Quarter Horse racing, award-winning dining selections and live entertainment around every corner. Experience the best!

Just Minutes Southeast of Indy, Off I-74 at Exit 109
(877) 386-4463 • IndianaGrand.com • Shelbyville, IN



Host Your Next Event with Us! Weddings, Parties, Fundraisers, Vendor Exhibitions, Conferences, Reunions, Meetings, Bus Tours & More!

Email Mark.Thacker@hoosierpark.com to book at Hoosier Park OR
Group.Sales@indy-grand.com to book at Indiana Grand!



Four Great Locations

Food, Brews, Friends, Fun & Horseplay

Downtown Indianapolis • Indiana Grand
New Haven/Fort Wayne • Clarksville

Off Track Betting • otbWinnersCircle.com

CENTAUR GAMING DESTINATIONS

Must be 18 or older to race wager, enter Winner's Circle Pub, Grille & OTB Indianapolis & Winner's Circle OTB Clarksville. Must be 21 or older to enter casinos and VooDoo BBQ & Grill & Winner's Circle OTB New Haven. Management reserves all rights. Gambling Problem? Call 1-800-9-WITH-IT.



Centaur Gaming

Our Team

Centaur Gaming's executive team encompasses the width and breadth of experience needed to successfully develop and manage entertainment properties. Within the team are decades of experience in operations, finance, gaming, horse racing, development, regulatory, and legislative management.

Centaur Gaming | 111 Monument Circle, Suite 777 | Indianapolis, IN 46204 | 317.656.8787



Rod Ratcliff
Chairman and CEO



Jim Brown
President and COO



Tammy Schaeffer
Chief Financial Officer



John Keeler
Vice President and General Counsel



Jahnae Erpenbach
Indiana Grand Senior Vice President & General Manager of Gaming



Michael Facenda
Hoosier Park Vice President & General Manager of Gaming



Rick Moore
Hoosier Park Vice President & General Manager of Racing



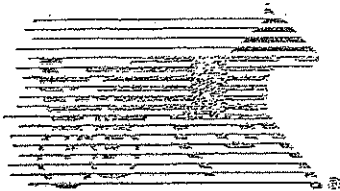
Jonathan Schuster
Indiana Grand Vice President & General Manager of Racing



THE
**TRI-
UMPH**
OF A TEAM

www.CentaurGaming.net

Centaur Gaming | 111 Monument Circle, Suite 777 | Indianapolis, IN 46204 | 317.656.8787



INDIANA STANDARDBRED ASSOCIATION

311 American Legion Place • Greenfield, IN 46140
(800) 565-5725 • (317) 462-6616 • Fax: (317) 462-7240

2018 JUN 12 P 4: 02

June 11, 2018

INDIANA
HORSE RACING COMM.

Indiana Horse Racing Commission
Attn: Michael Smith, Executive Director
1302 N. Meridian St., Suite 175
Indianapolis, IN 46202

Gentlemen:

As requested by the Indiana Horse Racing Commission (IHRC), the Indiana Standardbred Association (ISA) offers the following comments to be considered by the IHRC in determining whether to permit the sale of Indiana's pari-mutuel racetracks and appurtenant gaming facilities to Caesars.

As you know, Standardbred pari-mutuel racing is conducted exclusively at Hoosier Park in Anderson, Indiana. Therefore, ISA's comments relating to issues and concerns at the racetrack should be considered limited to Hoosier Park. The ISA has enjoyed excellent relations with the current owners of the racetrack. The overriding hope of the ISA is that if the IHRC allows a change in ownership, that the new owners will continue to operate the racetrack at its current high level of quality and efficiency which has been the historical norm of the current owners. Likewise, the ISA expects that the new owners will continue the current level of financial support for the benefit of the Standardbred Horse Industry in the State of Indiana. From the ISA's perspective, the current owners have consistently and intentionally maintained and operated the racetrack with the highest standards of integrity and in the best interests of Standardbred horseracing in the State of Indiana. The current owners have willingly provided substantial financial support for the benefit of the Standardbred Horse Industry as is evidenced by the fact that the current 609 Agreement provides for the highest level of financial contribution allowed by statute. All-in-all, the current owners have created and maintained a first class horseracing operation and the benefits are obvious. Indiana is now considered one of the premier Standardbred venues

in the world as evidenced by the high quality of Standardbred horses produced in the State of Indiana. Further proof of the fact that the current owners' commitment to Standardbred horseracing is paying off is evidenced by the fact that Hoosier Park hosted the 2017 Breeders Crown. Of course, the support provided the Standardbred Horse Industry by the IHRC and the Indiana State Legislature must be acknowledged as well. In summary, the ISA believes that the Indiana Standardbred Program is healthy and definitely moving in the right direction. This current state of affairs can only exist if all of the stake holders are committed to the same objective.

The ISA's concerns going forward generally fall into two (2) areas: monetary and non-monetary. Monetary concerns are that the existing 609 Agreement remain at the current 12% distribution level. In order to provide stability and assist in decision-making going forward, the ISA hopes that the new owners will consider entering into a multi-year 609 Agreement. The ISA believes that a multi-year agreement will be in the best interests of Standardbred horseracing for a number of reasons, not the least of which is the fact that the 609 distribution will include a percentage of AGR generated by table games once table games are allowed.

The ISA and the racetrack also enter into an annual Horsemen's Contract which provides revenue in an amount established by statute, which the ISA utilizes to promote Standardbred horseracing in the State of Indiana. The ISA expects that the terms of the Horsemen's Contract will not be materially altered in the future.

The ISA expects the new owners to continue to provide support to Indiana's Breed Development Program.

OTBs provide a significant amount of revenue utilized by the ISA for the benefit of Standardbred horseracing in the State of Indiana. The ISA expects that the IHRC would encourage, if not require, the new owners to continue operation of all existing OTBs and, further, that any dormant OTB licenses be issued and that OTB locations in the State of Indiana will be expanded to the maximum amount allowed by law.

Non-monetary issues are also addressed in the Horsemen's Contract. These issues are of great importance to the horsemen and women who participate in pari-mutuel racing at the racetrack. The ISA expects that the new owners will continue to provide stalls and dormitory facilities on the grounds at no

charge to the horsemen and at current levels. The ISA expects that the new owners will not convert the racetrack to a ship-in facility only and that the backside will remain open to stabling on grounds. The ISA expects the new owners to maintain the racing plant and equipment in at least as good a condition as now exists.

Currently live racing occurs at the racetrack 160 days per year. The ISA expects that the new owners will not attempt to reduce the number of race dates.

The ISA expects the new owners to continue the current owners' high level of commitment to horseracing in the State of Indiana. This will require continued investment in the infrastructure at the racetrack, continued aggressive marketing of the product, and a continued high level of maintenance of facilities.

The ISA expects that the Trakus and TVG Programs will continue and that the new owners will embrace and implement new and improved marketing opportunities as they become available in the future.


The current owners have been very generous in allowing the ISA to utilize facilities at the racetrack for meetings and other Standardbred promotional events. The ISA is thankful that the racetrack makes its facilities available to the ISA and hopes that this arrangement will continue into the future.

Finally, as you know, horseracing in Indiana is a highly regulated industry, regulated by the Indiana State Legislature, as well as the IHRC. The ISA is confident that the IHRC will require the new racetrack owners to conduct business with the highest levels of integrity and to only propose or support legislation which is in the best interests of horseracing in the State of Indiana. As such, the ISA suggests that the IHRC require the new owners to agree to never introduce or work towards passage of any legislation that is harmful to live horseracing in Indiana, and to further agree to work in concert with horsemen's groups to produce a unified front on any proposed legislation that involves any new or expanded form of wagering at the racetracks or OTBs, involves wagering on racing at any of the new owners' facilities located in Indiana, or involves any changes to laws that would affect horseracing in Indiana.

It should be clear from this letter that the ISA is well satisfied with the current state of affairs and expects that if sale of the racetracks is allowed, that the new owners will continue to provide a high level of support for the Standardbred Horse Industry in Indiana for the benefit of the men and women whose financial futures depend upon the viability of this very important part of Indiana agribusiness. The ISA expects that the new owners will continue to provide this support, both monetary and non-monetary, at or in excess of current levels.

Thank you for giving the ISA an opportunity to provide comments.

Sincerely,



Jack Kieninger, President
Indiana Standardbred Association

RAY/tav

cc: ISA Board/Office (via emails)

June 12, 2018

Indiana Horse Racing Commission
1302 N. Meridian, Suite 175
Indianapolis, IN 46202

2018 JUN 12 P 3:26

INDIANA
HORSE RACING COMM.

Re: Petition to approve acquisition of Centaur Holdings, LLC by Caesar's Entertainment Corporation

Dear Chairperson Borst and Commissioners:

The Indiana Horsemen's Benevolent & Protective Association ("IHBPA") and the Quarter Horse Racing Association of Indiana ("QHRAI") (together, the "Associations") submit this letter for consideration by the Indiana Horse Racing Commission and inclusion in the record of the hearing on the petition of Caesar's Entertainment Corporation ("Caesar's") to acquire Centaur Holdings, LLC ("Petition"). If approved by the Commission, the Petition will result in the transfer from Centaur Acquisition, LLC ("Centaur") to Caesar's the permit to conduct recognized horse racing meetings, pursuant to Indiana Code Chapter 4-31-5, and the license to conduct gambling games, pursuant to Chapter 4-35-5, at Indiana Grand Racing & Casino ("Indiana Grand").

The Associations' interest in the Petition

Each year since 2008, the Commission has approved IHBPA as the registered horsemen's association representing thoroughbred owners and trainers for all purposes under Indiana Code Chapter 4-35-7. Likewise, each year since 2008, the Commission has approved QHRAI as the registered horsemen's association representing quarter horse owners and trainers all purposes under Chapter 4-35-7. Under Section 4-35-7-12, the permit holder/licensee authorized to conduct gambling games at Indiana Grand must distribute a percentage of its adjusted gross receipts from gambling game wagering to the Associations. Under Section 12(h), the Associations may not expend the funds except "for a purpose authorized in this section and is either for a purpose promoting the equine industry or equine welfare or is for a benevolent purpose that is in the best interests of horse racing in Indiana."

To enforce the requirements of Section 12, the Commission has promulgated regulations requiring the Associations to apply for registration and obtain Commission to receive a percentage of the gambling game revenues. 71 I.A.C. § 13-1-1 to -10. With their applications, the Associations must submit, among many other things, information about their efforts to promote the horse racing industry in Indiana and their history of performance of contractual obligations with permit holders. The Associations must also submit proposed budgets explaining how they plan to expend funds for equine promotion and welfare and

backside benevolence. The directors of the Associations must certify to the Commission that the funds received from the permit holder/licensee are expended in the best interests of horse racing in Indiana. The Commission may not approve the Associations' application for registration unless it determines that approval "is consistent with racing in Indiana being conducted with the highest standards and the greatest level of integrity," and that "the payment of funds to [the] horsemen's association will be in the public interest."

Historically, the Associations have worked closely with the permit holders/licensees—and especially with Centaur at Indiana Grand since the advent of "one-track/one-breed" racing in 2013—to fulfill their obligations to promote the equine industry in Indiana and to provide support for backside workers at the track. Since 2013, the Associations have partnered with Centaur to promote the equine industry, including promotion of broadcasts of Indiana thoroughbred and quarter horse racing on TVG; installation and operation of the TRAKUS system; and numerous public education and promotional events at Indiana Grand. Over the past four years, Centaur has invested approximately \$2,500,000 to improve the track surface and to add 100 additional quarter horse stalls at Indiana Grand. In support of backside workers at the track—many of whom are employees or contractors of Association members—Centaur has built or renovated dorm rooms at Indiana Grand at a cost of approximately \$2,500,000.

Without good and cooperative working relationships with the permit holder/licensee at Indiana Grand, IHBPA and QHRAI cannot meet their statutory and regulatory duties under Indiana law. To promote continued and mutually beneficial relationships should the Petition be approved, the Associations ask the Commission to consider the following recommendations.

- 1. The Commission should order Caesar's to assume and continue to perform all existing contracts between Centaur and the Associations.**

Each Association currently has a contract with Centaur governing race meetings and pari-mutuel wagering conducted at Indiana Grand and pari-mutuel wagering conducted at satellite wagering facilities licensed to Centaur in Indiana. See 2018 HBPA Contract (attached as Exhibit A); 2018 QHRAI Contract (attached as Exhibit B). These contracts continue in effect through the later of March 31, 2019, or until the Associations enter a new contract with the permit holder for the 2019 racing meet. Any order of the Commission approving the Petition should be expressly conditioned on Caesar's assumption and continued performance of these contracts with the Associations.

In addition, if Caesar's introduces additional forms of pari-mutuel wagering (such as historic racing or instant racing) at satellite wagering facilities, or if new forms of wagering or gaming (other than "gambling games," as defined in

Section 4-35-2-5) are authorized by the Legislature, the Commission should, to the extent permitted by law, require Caesar's to negotiate with the Associations (as well as the Indiana Standardbred Association ("ISA")) a percentage of its resulting adjusted gross revenues to be distributed to the Associations for the purposes set out in Section 4-35-7-12.

In September 2013, Centaur and the Associations (together with ISA) entered into the Initial Distribution Agreement ("IDA", attached as Exhibit C) pursuant to Indiana Code Section 4-35-7-16 and 17. In the IDA, Centaur agreed to distribute 12% of its adjusted gross revenues from gambling games for the purposes set out in Section 4-35-7-12. The IDA automatically extends from year to year unless a notice of non-renewal is delivered before September 1st of any subsequent term. Centaur and the Associations have agreed to extend the IDA each year since the end of 2014, so it is currently in effect until at least December 31, 2018. Any order of the Commission approving the Petition should be expressly conditioned on Caesar's assumption and continued performance of the IDA.

In addition, in light of Centaur's and the Associations' established practice of annual extensions of the IDA, and given the Associations' reliance on these funds to fulfill their obligations to promote the equine industry in Indiana and provide backside benevolence at the track, the Commission should consider requiring Caesar's to assure extension of the IDA through 2024.

2. The Commission should order Caesar's to maintain existing racing dates and conditions.

To protect the reasonable expectations and long-term planning of the Associations' owners and trainers, any order of the Commission approving the Petition should be expressly conditioned on Caesar's (a) maintaining the number of race dates for thoroughbreds and quarter horses for the 2018 race meeting that has been approved by the Commission, and (b) providing races according to the conditions established in any condition book in effect at the time of the Commission's order. The number of race dates may be increased by agreement of Caesar's and the Associations, subject to Commission approval.

3. The Commission should order Caesar's to maintain the physical condition of the track and related facilities.

In connection with their duties to promote the equine industry in Indiana under Section 4-35-7-12, the Associations are also charged with protecting the welfare of the equine athletes that race at Indiana Grand. To enable the Associations to fulfill this duty, any order of the Commission approving the Petition should be expressly conditioned on Caesar's providing a safe racing environment at the track by maintaining accreditation by the Safety & Integrity Alliance of the National Thoroughbred Racing Association.

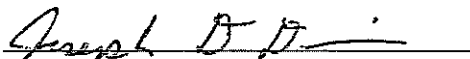
In addition, because the track is the second, if not primary, home to members of the Associations and their employees and contractors, its physical condition is an important concern. Any order of the Commission approving the Petition should be expressly conditioned on Caesar's maintaining the front side and the backside of the track in as good or better condition as when the order is issued. This should include providing, and keeping in good operating condition, all equipment necessary to properly maintain the facility, especially equipment necessary to maintain the turf course and dirt track.

4. The Commission should order Caesar's to promote and operate its business consistent with the recognition that Indiana horse racing is an important agri-business that creates jobs and generates tax revenue.

A 2012 study led by Purdue University-Calumet concluded that the Indiana horseracing industry created jobs for 1,240 full-time-equivalent employees, including hundreds of members of the Associations, their families, and backside workers; contributed over \$488,000,000 to Indiana's gross domestic product; and generated over \$45,000,000 in state and local tax revenues. To protect the impact of the horseracing industry on the State's economy and to preserve jobs in the agri-business sector, any order of the Commission approving Petition should be expressly conditioned on the requirement that Caesar's market thoroughbred and quarter horse racing as a significant element of its business budget and operations.

The Associations request that this letter be made part of the record of the Commission's hearing on the Petition.

Respectfully submitted,



Joseph D. Davis, President
Indiana Horsemen's Benevolent
& Protective Association



Paul Martin, President
Quarter Horse Racing Association
of Indiana

cc: Mike Smith
Robin Babbitt

EXHIBIT A

2018 HBPA CONTRACT

322

THIS AGREEMENT entered into this 7 day of ~~May~~ ^{JUNE}, 2018, by and between CENTAUR ACQUISITION, LLC d/b/a INDIANA GRAND RACING and CASINO, 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 April 1, 2018– March 31, 2019 and, unless sooner terminated as provided herein, shall remain effective until the contract is executed for 2019 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, 2018, through December 31, 2018, 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. This paragraph refers to source market fees collected prior to the implementation and adoption of rules by the IHRC pursuant to IC 4-31-7.5, which is incorporated by reference and made a part of this Agreement. If, and when, Indiana Grand receives any source market fees and distribution and communication fees under separate agreement from pari-mutuel wagering on horse races, other than from live racing at Indiana Grand or simulcasts from, or to, Indiana Grand (Source Market Fees), fifty percent (50%) of Source Market Fees (net of reasonable expenses incurred by Indiana Grand) shall be allocated between the Thoroughbred Horsemen's Purse Account, and the Quarter Horse Purse Account.
- F. 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.
- G. 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. 2018 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, 2018, from

whatever source, shall be allocated to the appropriate purse account for the 2019 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 on Monday, April 2, 2018, 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 fourteen (14) 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

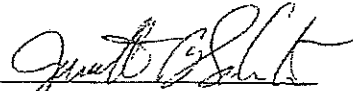
HBPA:
Joe Davis
President Indiana HBPA
1682 Asher Court
Hebron, KY 41048

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 April 01, 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.

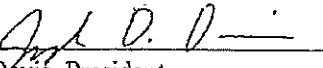
By: 
Joe Davis, President

EXHIBIT B

2018 QHRAI CONTRACT

THIS AGREEMENT entered into March __, 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 April 1, 2018– March 31, 2019 and, unless sooner terminated as provided herein, shall remain effective until the contract is executed for 2019 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 Two Hundred Fifty Dollars (\$250.00) 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, 2018, through December 31, 2018, 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, within

twenty-one (21) days before each race meeting, 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. 2018 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, 2018, from whatever source, shall be allocated to the appropriate purse account for the 2019 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: $\$750 \times 20 \text{ days} \div 2 \times \frac{40}{200} = \$1,500.00$ 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, 2018 (barring unforeseen circumstances), the track kitchen will open on April 4, 2018, and the barn area and dormitories shall also open on March 15, 2018. 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 (14) 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, 2018 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.

Teresa Myers, Secretary
9439 W 200 S

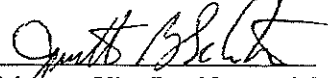
Muncie, Indiana 47304

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 April 01, 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

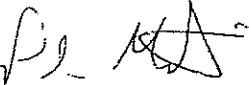
By: 
Paul Martin, President

EXHIBIT C

INITIAL DISTRIBUTION AGREEMENT

This Initial Distribution Agreement (this "Agreement") made this ____ day of September, 2013 by and between the Indiana Horsemen's Benevolent & Protective Association, Inc., an Indiana non-profit corporation ("IHBPA"), the Indiana Standardbred Association, Inc., an Indiana non-profit corporation ("ISA") and the Quarterhorse Racing Association of Indiana, Inc., an Indiana non-profit corporation ("QHRAI," and together with IHBPA and ISA, the "Associations"), Hoosier Park, LLC, an Indiana limited liability company ("Hoosier Park") and Centaur Acquisition, LLC, an Indiana limited liability company ("Indiana Downs," and together with Hoosier Park, the "Licensees").

RECITALS

WHEREAS, the IHBPA is a horsemen's association registered with the Indiana Horse Racing Commission ("IHRC") that has a contract with Indiana Downs;

WHEREAS, the ISA is a horsemen's association registered with the IHRC that has a contract with Hoosier Park;

WHEREAS, the QHRAI is a horsemen's association registered with the IHRC that has a contract with Indiana Downs;

WHEREAS, Hoosier Park is a licensee of IHRC and owns and operates Hoosier Park Race Track & Casino in Anderson, Indiana;

WHEREAS, Indiana Downs is a licensee of IHRC and owns and operates Indiana Grand Racing & Casino in Shelbyville, Indiana;

WHEREAS, the 2013 Regular Session of the Indiana General Assembly enacted Senate Enrolled Act 609 ("SEA 609") and SEA 609 was signed by the Governor on May 9, 2013;

WHEREAS, SEA 609 added IC 4-35-7-16 and 4-35-7-17 to the Indiana Code effective as of July 1, 2013;

WHEREAS, IC 4-35-7-16(a) provides that the amount of slot machine revenue to be distributed for the benefit of the horse industry is to be determined in a distribution agreement entered into by negotiating committees representing: (a) all horsemen's associations having contracts with licensees; and (b) licensees, so long as such distributions are no less than 10% and no more than 12% of such licensee's AGR (as defined herein) for gambling games;

WHEREAS, prior to the implementation of IC 4-35-7-16(a), each Licensee was required to distribute 15% of such Licensee's AGR for gambling games pursuant to statute, whereby the horse racing industry received distributions up to a cap (for example, in calendar year 2012 of approximately \$55,777,345 or 11.96% of Licensee's AGR for gambling games) and the remaining distributions were paid to the State of Indiana;

WHEREAS, the Associations constitute all the horsemen's associations eligible to appoint representatives to the horsemen's negotiating committee and Licensees constitute all of the licensees eligible to appoint representatives to the licensee committee;

WHEREAS, IC 4-35-7-16(b) requires that each Association appoint a representative to the horsemen's negotiating committee and the Associations have made the following appointments for purposes of this Agreement: (a) Joe Davis – IHBPA appointed representative; (b) Jack Keininger – ISA appointed representative; and (c) Chris Duke – QHRAI appointed representative (the "Initial Associations' Negotiating Committee," which Initial Associations' Negotiating Committee may include any other replacement representatives appointed by the Associations for the purpose of any amendment, decision, action, or consent required or contemplated by this Agreement after the date first written above, each a "Subsequent Associations' Negotiating Committee," and together with the Initial Associations' Negotiating Committee, the "Associations' Negotiating Committee");

WHEREAS, IC 4-35-7-16(c) requires each Licensee to appoint a representative to the Licensee's negotiating committee and further requires that in the event there are an even number of Licensees, the Licensees shall jointly appoint an at large member of the licensees negotiating committee to represent all licensees. The Licensees have made the following appointments: (a) Jim Brown – Hoosier Park appointed representative; (b) John Keeler – Indiana Downs appointed representative; and (c) Roderick Ratchiff – Licensees' member at large (the "Initial Licensees' Negotiating Committee," which Initial Licensees' Negotiating Committee may include any other replacement representatives appointed by the Licensees for the purpose of any amendment, decision, action, or consent required or contemplated by this Agreement after the date first written above, each a "Subsequent Licensees' Negotiating Committee," and together with the Initial Licensees' Negotiating Committee, the "Licensees' Negotiating Committee"); and

WHEREAS, the Associations' Negotiating Committee and the Licensees' Negotiating Committee have met, conferred and reached an agreement, which they wish to reduce to writing.

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein, the receipt and sufficiency of which are hereby acknowledged and as required by IC 4-35-7-16, Associations and Licensees agree as follows:

1. Incorporation of Recitals. The above Recitals are hereby incorporated by reference and made a part of this Agreement.
2. Term and Termination.
 - a. Term. The initial term of this Agreement shall be for one (1) year (the "Initial Term"). The Initial Term shall commence on January 1, 2014 (the "Commencement Date") and end on December 31, 2014, unless the requirements set forth in Section 4 occur and the conditions in Section 5 are satisfied, in which case the Initial Term shall be extended for an additional seven (7) year term ending on December 31st of the seventh year following the date of satisfaction of the requirements and conditions

set forth in Sections 4 and 5 (the "Extension Term"). If the Initial Term is not extended by the Extension Term, this Agreement shall be automatically extended at the end of the Initial Term for subsequent one (1) year terms (each a "Subsequent Term," and together with the Initial Term and Extension Term, the "Term"), except where either the Associations Negotiating Committee or Licensees' Negotiating Committee deliver written notice of non-renewal to the Licensees or the Associations, respectively, prior to September 1st of the Initial Term or relevant Subsequent Term.

b. Termination.

i. *Breach.* The Extension Term may be terminated by Licensees in the event that any of the Associations do not comply with and/or the IHRC does not approve of any of the conditions set forth in Section 6.

ii. *Change in Regulatory Environment.* The parties acknowledge that this Agreement is being made pursuant to SEA 609, as codified in IC 4-35-7-16 and 4-35-7-17, and in the context of the current regulatory and tax environment under IC 4-31 and 4-35 (collectively, the "Regulatory Framework"). If there are changes to the Regulatory Framework that either (x) repeal or materially amend SEA 609 or the statutes affected by it, including IC 4-35-7-16 and 4-35-7-17, or (y) otherwise change the tax rates, add new taxes, add new economic burdens or change the manner in which the Associations receive funds directly or indirectly from Licensees and such changes are, in the determination of either the Associations' Negotiating Committee or the Licensees' Negotiating Committee, either incompatible with this Agreement or materially burdensome to either the Associations or the Licensees, then Associations' Negotiating Committee and the Licensees' Negotiating Committee agree to negotiate in good faith for thirty (30) days to amend this Agreement to comply with the new law or to equitably adjust the Required Distributions and other relevant terms in light of the revised Regulatory Framework. If the Associations' Negotiating Committee and the Licensees' Negotiating Committee are unable to agree, then this Agreement shall terminate on December 31st of the year the change occurs.

3. Distribution Percentage.

a. *Distribution Percentage.* Effective on the Commencement Date, each Licensee shall each distribute 12% of such Licensee's AGR from gambling games received during the Initial Term or any Subsequent Term for distribution as directed by IC 4-35-7-12(b)(2) (the "Required Distributions").

- b. *Extended Distribution Percentage.* Upon the occurrence of the requirements set forth in Section 4 and the satisfaction of the conditions set forth in Section 5, each Licensee shall continue to distribute during the Extension Term the Required Distributions.
- c. *Meaning of AGR.* For purposes of this Agreement, "AGR" has the same meaning as adjusted gross receipts as set forth in IC 4-35-2-2 and is calculated as follows (i) the total of all cash and property (including checks received by a licensee, whether collected or not) received by a Licensee from gambling games, including amounts that are distributed by a Licensee under IC 4-35-7-12; minus (ii) the total of: (A) all cash paid out to patrons as winnings for gambling games; and (B) uncollectible gambling game receivables, not to exceed the lesser of: (1) a reasonable provision for uncollectible patron checks received from gambling games; or (2) two percent (2%) of the total of all sums, including checks, whether collected or not, less the amount paid out to patrons as winnings for gambling games and minus (iii) deductions taken for qualified wagers taken by Licensees pursuant to IC 4-35-8-5. For purposes of IC 4-35-2-2, a counter or personal check that is invalid or unenforceable under IC 4-35 is considered cash received by the Licensee from gambling games.
4. Extension Requirements. In the event that the conditions and obligations set forth in Section 5 are satisfied, Licensees agree to extend this Agreement for the Extension Term, if Licensees are able to:
- a. refinance the outstanding debt and capital structure of Licensees and of any of such Licensee's affiliates pursuant to a new debt agreement (the "Refinancing Agreement(s)") with such terms and conditions that are acceptable to Licensees;
 - b. obtain approval of the Refinancing Agreement(s) by the IHRC; and
 - c. consummate the refinancing contemplated by the Refinancing Agreement(s) (each an "Extension Requirement," and collectively, the "Extension Requirements").
5. Extension Conditions. In connection with the occurrence of the Extension Requirements, Licensees agree to extend this Agreement for the Extension Term if the following conditions and obligations are satisfied:
- a. Licensees have provided to the Associations a projection and data underlying the projection reasonably satisfactory to a majority of the members of Associations' Negotiating Committee as evidenced in writing by a member of that Associations' Negotiating Committee demonstrating that the Licensees during the Extension Term will, in the aggregate, have cash on hand (not including cage cash or operating cash in the aggregate amount for both Licensees of \$30,000,000) at the end of each Licensee's fiscal year after the closing of the refinancing in excess of \$27,500,000;

- b. the fully diluted membership interest of current members of management of the ultimate parent company of Licensees, Centaur Holdings, LLC, a Delaware limited liability company, is increased to a level reasonably satisfactory to a majority of the members of the Associations' Negotiating Committee as evidenced in writing by a member of the Associations' Negotiating Committee to ensure continued support and commitment of a management team that has been found to be "reputable" and "well-respected throughout the industry and in Indiana" by the IHRC in its January 7, 2013 final order;
 - c. each Association has executed such agreements (the "Subordination Agreement(s)") as may be required by Licensee's lenders under the Refinancing Agreement(s) to subordinate solely in favor of such lenders (and no other lender) such Association's right to receive Required Distributions (which otherwise will be a priority distribution) to the refinanced debt and capital structure of Licensees or any of their affiliates in an event of default under the Refinancing Agreement(s) ("Event of Default"), provided that, the Associations shall not be required to subordinate to the debt refinanced under the Refinancing Agreement(s) in an amount that would exceed the enterprise value of the Licensee's racetracks and off track betting facilities in Indiana as determined by the lenders under the Refinancing Agreement(s); and
 - d. the Associations have supported and testified truthfully with respect to Licensees' petition to the IHRC to approve the Refinancing Agreement(s).
6. Extension Obligations. During the Extension Term, the Licensees and Associations agree to do the following:
- a. the Associations agree not to breach any Subordination Agreement(s);
 - b. Licensees agree to make, at their sole expense, certain capital expenditures for improvement projects by the completion dates as set forth on Exhibit A (the "Improvements"), provided that such completion dates may be extended due to weather, fire, windstorm, tornado, natural disasters, acts of God, strikes, riots, labor unrest, delay in regulatory approval, or any other event beyond the control of the Licensees that delays or hinders completion of a particular Improvement; provided further, that a completion date may be extended by the IHRC in its discretion;
 - c. the Licensees and the Associations agree, subject to regulatory approval, to implement to the operational matters listed in Exhibit B; and
 - d. in the event any Licensee is unable to make a Required Distribution in an Event of Default, such Licensee shall make all such Required Distributions plus interest at the then-current Prime rate plus 2.5% for the period during which such Licensee is unable to make the Required Distributions as soon as such Event of Default has been cured by such Licensee.

7. Actions by the Associations and Licensees. Whenever a decision, action or consent is contemplated or required by the Associations or Licensees under this Agreement, such decision, action or consent will be made pursuant to a majority vote of the members of the Associations Negotiating Committee or the Licensees Negotiating Committee. Any decision, action or consent made by the Associations Negotiating Committee or the Licensees' Negotiating Committee as described in this Section 7 shall be binding upon all Associations or Licensees for the purposes of this Agreement.
8. Contingency. This Agreement is contingent upon approval by the IHRC.
9. Presentment to IHRC. The Licensees shall petition the IHRC for approval of this Agreement before October 1, 2013 and shall represent that they are jointly doing so on behalf of Associations. The Associations and Licensees shall advocate for the approval of this Agreement by the IHRC.
10. Relationship to Individual Horsemen's Association Contracts. IHBPA, ISA and QHRAI each have individual annual contracts with the Licensee at the racetrack where their respective members race (each a "Horsemen's Contract"). The failure of one or more Association(s) to enter into a Horsemen's Contract with a Licensee during the Term shall have no effect on this Agreement or its enforceability. Except as expressly set forth in this Agreement, each party represents and warrants to every other party, that it will not, during the Term of this Agreement, seek, advocate or take any action in furtherance of a measure that would alter the current economic balance between an Association and a Licensee. However, no provision of this Agreement shall be construed to limit or restrict in any manner the right of an Association under the Interstate Horse Racing Act of 1978 to approve (or rescind, if previously approved) a Licensee sending its simulcast signal to a receiving pari-mutuel facility in a another jurisdiction.
11. Authority To Act. Each party has the full right and power to execute, deliver and perform this Agreement according to its terms, without the necessity of consent of or joinder with another. When executed and delivered, this Agreement shall constitute a valid and binding agreement, enforceable according to its terms.
12. Legal Compliance. Each party agrees to comply at its expense with all applicable laws, rules, regulations and ordinances governing its performance of this Agreement and to procure at its expense all required and necessary licenses, permits and governmental approvals required for it to carry out its responsibilities under this Agreement.
13. Merger/Integration. This Agreement contains the understanding of the parties hereto with respect to the subject matter contained herein. Except for any Horsemen's Contracts in effect on the date of this Agreement, this Agreement supersedes any and all prior agreements with respect to the subject matter hereof,

and there are no restrictions, promises, warranties, covenants or undertakings between the parties other than those expressly set forth in this Agreement.

14. Amendment. This Agreement may be amended at any time but only by a written instrument signed by a majority of the appointed members of the Associations' Negotiating Committee and by a majority of the members of the Licensees' Negotiating Committee. Further, no amendment shall be effective until such time as it is approved by the IHRC.
15. Disclaimer of Oral Representation. This Agreement is executed and delivered without reliance upon any statement, representation, promise inducement, understanding or agreement by or on behalf of any party hereto or by or on behalf of any representative or agent employed by either of them, other than the matters expressly set forth herein.
16. Independent Counsel. Each party has had the benefit and advice of independent legal counsel in connection with the subject matter of this Agreement and in connection with the execution, delivery and performance of this Agreement. Therefore, neither party to this Agreement will be considered the exclusive drafter of this Agreement.
17. Independent Contractor. Licensees and Associations are independent contractors and this Agreement shall not be construed to create an association, partnership, joint venture, relationship of principal and agent or employer and employee between Licensees and the Associations and/or any of their employees within the meaning of any law. Licensees and Associations will not enter into any agreement, oral or written on behalf of the other or otherwise obligate the other.
18. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be considered to be an original instrument.
19. Attorney's Fees. The prevailing party in any action to enforce this Agreement shall be entitled to an award of its reasonable attorney's fees.
20. Jurisdiction and Venue. The parties stipulate and agree that jurisdiction and venue for any action to enforce this Agreement lies in the Superior and Circuit Courts of Marion County Indiana and each party hereby consents to such jurisdiction and venue and agrees not to assent that such courts are a *forum non conveniens*.
21. Assignment. This Agreement is personal to the parties and may not be assigned without the express written consent of all parties, which consent shall not be unreasonably withheld.
22. General Assignment of Parties. This Agreement shall extend to and be binding upon the successors and assigns of the parties.

23. Construction. When applicable, use of the singular form of any word shall mean or apply to the plural and the neuter form shall mean or apply to the feminine or masculine.
24. Headings. The captions and paragraph numbers appearing in this Agreement are inserted only as a matter of convenience and are not intended to define, limit, construe, or describe the scope of such provisions.
25. Governing Law. This agreement shall be construed in accordance with the laws of the State of Indiana.
26. Notices. Any notices to be given hereunder shall be deemed sufficiently given when in writing and (a) actually served on the party to be notified or (b) placed in an envelope directed to the party to be notified at the following addresses and deposited in the United States mail by certified or registered mail, postage prepaid.

If to IHBPA at: 32 Holloway Blvd.
Brownsburg, Indiana 46112

If to ISA at: 737 W. Meadows Drive
Greenfield, Indiana 46140

If to QHRAI at: P.O. Box 254
Whiteland, IN 46184

If to Hoosier Park at: 10 West Market Street, Suite 200
Indianapolis, IN 46204

If to Indiana Downs at: 10 West Market Street, Suite 200
Indianapolis, IN 46204

If to Licensees at: 10 West Market Street, Suite 200
Indianapolis, IN 46204

In witness hereof the parties have executed this Agreement on the date first written above.

IHBPA

dated: Sept. 26, 2013

Joe Davis
Indiana Horsemen's Benevolent & Protective
Association, Inc.
by Joe Davis
its Appointed Representative

ISA

dated: _____

Indiana Standardbred Association, Inc.
by Jack Keininger
its Appointed Representative

QHRAI

dated: _____

Quarter Horse Racing Association
Of Indiana, Inc.
by Chris Duke
its Appointed Representative

Hosier Park

dated: _____

Hosier Park, LLC
by Jim Brown
its Appointed Representative

Indiana Downs

dated: _____

Centaur Acquisition, LLC
by John Keeler
its Appointed Representative

dated: _____

Roderick Ratchiff, Licensees Member at Large

In witness hereof the parties have executed this Agreement on the date first written above.

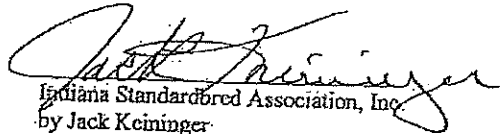
IHBPA

dated: _____

Indiana Horsemen's Benevolent & Protective Association, Inc.
by Joe Davis
its Appointed Representative

ISA

dated: 9/26/13


Indiana Standardbred Association, Inc.
by Jack Keininger
its Appointed Representative

QHRAI

dated: _____

Quarter Horse Racing Association Of Indiana, Inc.
by Chris Duke
its Appointed Representative

Hoosier Park

dated: _____

Hoosier Park, LLC
by Jim Brown
its Appointed Representative

Indiana Downs

dated: _____

Centaur Acquisition, LLC
by John Keeler
its Appointed Representative

dated: _____

Roderick Ratchiff, Licensees Member at Large

In witness hereof the parties have executed this Agreement on the date first written above.

IHBPA

dated: _____

Indiana Horsemen's Benevolent & Protective Association, Inc.
by Joe Davis
its Appointed Representative

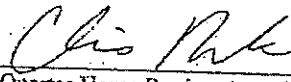
ISA

dated: _____

Indiana Standardbred Association, Inc.
by Jack Keininger
its Appointed Representative

QHRAI

dated: 9-26-13



Quarter Horse Racing Association Of Indiana, Inc.
by Chris Duke
its Appointed Representative

Hoosier Park

dated: _____

Hoosier Park, LLC
by Jim Brown
its Appointed Representative

Indiana Downs

dated: _____

Centaur Acquisition, LLC
by John Keeler
its Appointed Representative

dated: _____

Roderick Ratchiff, Licensees Member at Large

In witness hereof the parties have executed this Agreement on the date first written above.

IHBPA

dated: _____

Indiana Horsemen's Benevolent & Protective
Association, Inc.
by Joe Davis
its Appointed Representative

ISA

dated: _____

Indiana Standardbred Association, Inc.
by Jack Keininger
its Appointed Representative

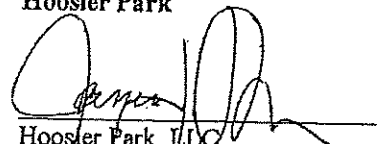
QHRAI

dated: _____

Quarter Horse Racing Association
Of Indiana, Inc.
by Chris Duke
its Appointed Representative

Hoosier Park


dated: 9/26/13



Hoosier Park, LLC
by Jim Brown
its Appointed Representative

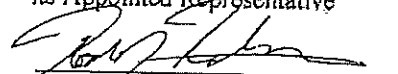
Indiana Downs

dated: 9/26/13



Centaur Acquisition, LLC
by John Keeler
its Appointed Representative

dated: 9/26/13



Roderick Ratcliff, Licensees Member at Large

EX ITA
Capital Expenditures

EXHIBIT A TO INITIAL DISTRIBUTION AGREEMENT (CAPITAL)

Description of Improvement	Location	Completion Date (In Years After Closing on Refinance)	Approximate Cost
1. Additional Track Surface Improvements	ID	*	\$1,000,000.00
2. Two Additional Backside Restrooms	ID	1 Year	\$150,000.00
3. Renovation of Existing Dorm Rooms and Construction of 45 (12'X12') New Dorm Rooms	ID	**	\$2,500,000.00
4. Toteboard w/ Jumbotron Screen	ID	1 Year	\$1,000,000.00
5. Race Paddock Double Stall Doors (140 sets @ \$350 per set	HP	1 Year	\$50,000.00
6. Driver's Recreation Building	HP	1 Year	\$700,000.00
7. Indiana Downs Grandstand/Clubhouse Renovation	ID	5 Years	\$10,000,000.00- \$25,000,000.00
8. New IHRC Administration Building	HP	2 Years	\$900,000.00
9. Contribution to Purdue Equine Hospital (To be located in City of Shelbyville)	HP & ID	8 Years	\$2,700,000.00
10. Backside Quality of Life Improvements	HP & ID	3 Years	\$200,000.00
11. 100 Additional Quarterhorse Stalls	ID	***	\$1,500,000.00
12. Track Kitchen Enhancement and Addition of Company Store	ID	1 Year	\$50,000.00
13. Backside Soccer Field	ID	1 Year	\$25,000.00
14. Chapel	ID	3 Years	\$250,000.00
15. Receiving Barn Stall Upgrade	ID	3 Years	\$75,000.00
16. Barns 1,2,3, 4 Enhancements	ID	1 Years	\$75,000.00
17. Winner's Circle Rebuild	ID	1 Year	\$50,000.00
18. General Backside Improvements	HP	2 Years	\$150,000.00
19. IDEM Related General Barn/Backside Improvements	HP	1 Year	\$200,000.00
TOTAL			\$21,575,000.00- \$36,575,000.00

* To be completed by start of 2014 race meet without regard to a refinancing.
 ** To be completed in 2014 as soon as reasonably feasible without regard to a refinancing.
 *** To be completed by start of 2015 race meet without regard to a refinancing.

Exhibit B

Operational Matters

EXHIBIT B TO INITIAL DISTRIBUTION AGREEMENT (OPERATING)

1. Composition & Meeting Schedule of Indiana Downs Backside Committee. The Indiana Downs Backside Committee (Committee) shall consist of Rod Ratcliff, Jim Brown, Brian Elmore, Rich Ziegler, Jon Schuster, Kevin Greely, three (3) representatives of the HBPA and one (1) representative of the QHRAI. The Committee shall meet as frequently as necessary but not less than: (a) two (2) weeks before the start of a meet; (b) every two (2) months during a meet; and (c) two (2) weeks after the conclusion of the meet.
2. Composition & Meeting Schedule of Hoosier Park Backside Committee. Hoosier Park Backside Committee (Committee) shall consist of Rod Ratcliff, Jim Brown, Brian Elmore, Rich Ziegler, Rick Moore, Scott Peine, and representatives of the ISA. The Committee shall meet as frequently as necessary but not less than: (a) two (2) weeks before the start of a meet; (b) every two (2) months during a meet; and (c) two (2) weeks after the conclusion of the meet.
3. Transition to Quarter Horse Racing. The QHRAI and Indiana Downs agree to jointly develop a mutually acceptable plan to transition from Thoroughbred to Quarter Horse racing which is noticeable, entertaining and marketing oriented to eliminate or mitigate handle decline.
4. Indiana Downs Backside Master Plan. Indiana Downs shall develop a backside master plan after receiving comments from the HBPA and the QHRAI. The plan shall consider difficulties in reaching the track from the backside.
5. Indiana Bred Issues. Indiana Downs shall assist the HBPA and QHRAI in working with the Commission to improve the financial incentives for Indiana bred and sired Quarter Horse and Thoroughbred races.
6. Thoroughbred Race Dates and Races Per Day. Indiana Downs shall assist the HBPA in working with the Commission to approve additional race dates per meet. Indiana Downs further commits to attempt to run the same number of races each day when feasible.
7. Hoosier Park Track. Hoosier Park in consultation with the ISA shall explore the costs and feasibility of enlarging the length of the existing track to one (1) mile and improving the existing turn banking. If the decision is not made by Hoosier Park to extend the track to one (1) mile in length within three (3) years from the date hereof, Hoosier shall reconstruct the existing turns with increased banking.
8. County Fair Races. In cooperation with the ISA and subject to satisfactory arrangements with county fairgrounds, Hoosier Park agrees to: (a) assist with the maintenance and upkeep of county fairground tracks during county fair meets; and (b) sponsor county fair racing at a level determined by Hoosier Park.
9. Indiana Downs Audio Visual Upgrade. Indiana Downs will replace and upgrade its audio-visual equipment system within two (2) years after the closing on its Refinancing Agreement.
10. Trakus at Indiana Downs. Indiana Downs will institute Trakus for Thoroughbred racing within three (3) years of the closing on its Refinancing Agreement.
11. Trakus at Hoosier Park. Hoosier Park will continue Trakus for Standardbred races for the next three (3) meets.

12. Starting Gate Car at Hoosier Park. Hoosier Park shall purchase a new starting gate car within one (1) year of the closing on its Refinancing Agreement.
13. Shelby County Fair Grandstand. Hoosier Park and/or Indiana Grand shall contribute \$500,000.00 over a period of three (3) years to rebuild the Shelby County Fair Grandstand subject to the development of a satisfactory construction plan and the timely receipt of third party contributions and commitments necessary to successfully complete the project.
14. Satellite Facility Improvement. Within three (3) years from the date of closing on its Refinancing Agreement, Hoosier Park commits to relocate and improve its Fort Wayne OTB location and Indiana Downs agrees to substantially renovate its Clarksville location.
15. NTRA Accreditation. Indiana Downs shall continue to pursue NTRA accreditation, including but not limited to purchase of a new horse ambulance and pre-race examinations which conform to NTRA standards.
16. Indiana Downs Paddock Improvement. Within three (3) years from closing on its Refinancing Agreement, Indiana Downs shall remodel and refurbish its paddock.
17. Indiana Downs Barn Roofs. Within two (2) years from the closing on its Refinancing Agreement, Indiana Downs shall repaint the roof of all barns except those constructed in 2013 and thereafter.
18. Hoosier Park Lightning Lane. If requested in writing by the ISA, Hoosier Park shall construct a "lightning lane" within the later of three (3) years of the closing on its Refinancing Agreement or one (1) racing meet after receipt of the ISA request.
19. Indiana Bred Turf Races. Indiana Downs agrees to coordinate and cooperate with the HBPA to provide additional turf racing opportunities for Indiana bred horses.
20. HRTV. Indiana Downs agrees to make a reasonable effort to increase HRTV broadcasts of races at Indiana Downs.
21. Purdue Equine Center. Indiana Downs and/or Hoosier Park shall contribute 2.7 million dollars over the next eight (8) years to Purdue University or its designee for the construction of an Equine Teaching and Research Hospital in Shelbyville.
22. Innovative Racing Promotions. HBPA and Indiana Downs agree to explore innovative new ways to market the Thoroughbred racing product such as those now used by Canterbury Downs.
23. Quarter Horse Stalls. Until such time as the 100 stall Quarter Horse Barn is constructed (Exhibit A, item 11) (Quarter Horse Barn) at Indiana Downs, Indiana Downs shall allocate a total of 80 stalls to Quarter Horse Trainers. After the Quarter Horse Barn is constructed and ready for occupancy, Quarter Horse Trainers shall be allocated a total of 100 stalls in the Quarter Horse Barn. For purposes of this paragraph, the term "Quarter Horse Trainer" means a trainer who started Quarter Horses in at least 66.67 percent of the races in which the trainer started horses at Indiana Downs in the meet immediately preceding the year in which the trainer is requesting stalls. Except as specifically stated herein, nothing in this paragraph shall be construed to limit or in any way restrict the right of licensees to assign and allocate stalls.

VERIFIED CERTIFICATE OF NEGOTIATING COMMITTEE
APPOINTED REPRESENTATIVES

The undersigned horsemen's associations and licensees represent and certify that they have appointed the following individuals to serve as their respective representatives to the Negotiation Committee established by IC 4-35-7-16. The representatives appointments shall continue in full force and effect until such time as a written revocation thereof is served upon all the members of the horsemen's association and licensees negotiating committees.

HORSEMEN'S ASSOCIATIONS NEGOTIATING COMMITTEE

Indiana Horsemen's Benevolent & Protective Association, Inc. – Joe Davis

Indiana Standardbred Association, Inc. – Jack Keininger

Quarter Horse Racing Association of Indiana, Inc. – Chris Duke

LICENSEES NEGOTIATING COMMITTEE

Hoosier Park, LLC – James Brown

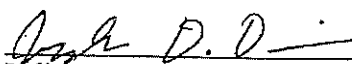
Centaur Acquisition, LLC – John Keeler

At-Large Member – Roderick Ratcliff

Under penalties of perjury the undersigned represent that the foregoing representatives are true and correct.

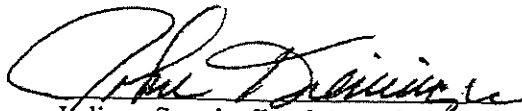
IHBPA

dated: 8-5-13


Indiana Horsemen's Benevolent &
Protective Association, Inc.
by Joseph Davis
its President

ISA

dated: 8-5-13


Indiana Standardbred Association, Inc.
by Jack Keininger
its President

QHRAI

dated: 8/5/13

Chas Duke
Quarter Horse Racing Association
Of Indiana, Inc.
by Chas Duke
its President

Hoosier Park

dated: 8/5/13

James L. Brown
Hoosier Park, LLC
by James L. Brown
its Pres/COO
Indiana Downs

dated: 8/5/13

John S. Johnson
Centaur Acquisition, LLC
by Vice President & General Counsel
its John S. Johnson