# Agenda Item #1

### STATE OF INDIANA BEFORE THE INDIANA HORSE RACING COMMISSION

IN RE:	2014 MAR 24 -
THE PETITION OF CENTAUR HOLINGS, LLC, NEW CENTAUR, LLC, HOOSIER PARK, LLC	A CARLON AND AND A STATE OF THE
NEW CENTAUR, LLC, HOOSIER PARK, LLC,	
AND CENTAUR ACQUISITION, LLC,	) SS
REQUESTING THAT THE COMMISSION	)
APPROVE A REPLACEMENT FIRST LIEN	)
FACILITY	)

#### **PETITION**

COMES NOW Petitioners, Centaur Holdings, LLC (Centaur), New Centaur, LLC (New Centaur), Hoosier Park, LLC (Hoosier), and Centaur Acquisition, LLC (Grand) by counsel respectfully request that the Indiana Horse Racing Commission (Commission) approve a Replacement First Lien Facility.

In support of such Petition, Petitioners show the Commission as follows:

- 1. Centaur is the owner of New Centaur, which is the owner of Hoosier and Grand;
- 2. Hoosier is the holder of a permit to conduct a horse racing meeting at Hoosier Park, which permit was issued by the Commission pursuant to IC 4-31-5-8. The permit issued to Hoosier Park was most recently renewed by the Commission at its regular meeting on December 10, 2013;
- 3. Hoosier is the holder of (3) licenses to conduct pari-mutuel wagering at its satellite facilities in Fort Wayne, Indianapolis and Merrillville. These (3) licenses were issued by the Commission pursuant to IC 4-31-5.5-3 and were most recently renewed by the Commission at its regular meeting on December 10, 2013;
- 4. Grand is the holder of a permit to conduct a horse racing at Indiana Grand Race Course, which permit was issued by the Commission pursuant to IC 4-31-5-8. The permit to Grand was most recently renewed by the Commission at its regular meeting on December 10, 2013;

- 5. Grand is the holder of two (2) licenses to conduct pari-mutuel wagering at its satellite facilities in Clarksville and Evansville (Evansville is currently inactive). These two (2) licenses were transferred by the Commission to Grand by order dated January 7, 2013 and Clarksville was most recently renewed by the Commission at its regular meeting on December 10, 2013;
- 6. Petitioners seek leave of the Commission to enter into a transaction wherein its existing first lien facility will be satisfied in full and replaced by a new first lien in an amount equal to the unpaid balance of the existing first lien facility. The new first lien facility will be funded by a syndicate of commercial banks led by Wells Fargo and Fifth Third Bank. The new first lien facility will be collateralized by essentially all of the assets of Petitioners (which is currently the case) but NOT the funds owed to the horsemen's association or allocated to purses of breed development on account of the Initial Distribution Agreement and IC 4-3-7-12. The new first lien credit facility will bear interest at a rate of interest which is approximately 200 basis points less than the existing first lien facility, resulting in an annual interest savings of approximately \$8,000,000.00. A confidential preliminary term sheet or summary of first lien facilities subject to further negotiation is attached as Exhibit A and by reference made a part hereof.
- 7. Petitioners will supplement this Petition with models and definitive documents as soon as the same are negotiated. Petitioners believe these matters will be finalized within ten (10) business days from the date of filing this Petition.
- 8. 71 IAC 11-1-12(a)(1) and 71 IAC 12-1-15(a)(1) requires Commission approval to enter into a contract for which the consideration is \$50,000.00 or more. Entering into the proposed new first lien facility will require contractual obligations well in excess of \$50,000.00. Therefore, Petitioners will need Commission approval to enter into the new first lien facility; and

9. Granting Centaur approval to enter into the new first lien facility is in the best interests of horse racing and Petitioners because it will enhance the financial stability of Petitioners thereby allowing Petitioners to better weather future economic turbulence and make additional investments and improvements to their facilities;

WHERFORE, Petitioners respectfully request that the Commission: (1) Approve the proposed new first lien facility; (2) Authorize Petitioners to enter into such agreements and execute such documents as are customary and reasonably necessary to facilitate entering into the proposed new first lien facility; and (3) Grant such other relief as may be right and proper in the premises.

Respectfully Submitted,

John S. Keeler

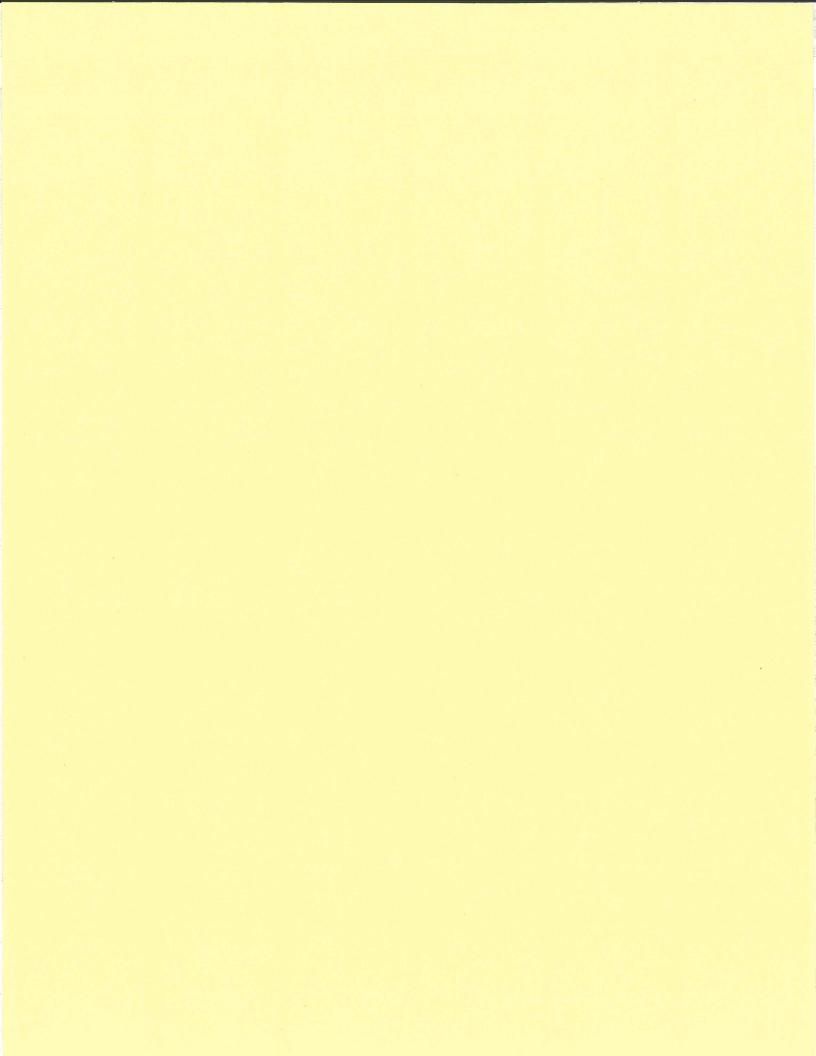
Attorney for Petitioners, Centaur, New Centaur, Hoosier Park, and Indiana Downs

#### Certificate of Service

I hereby certify that a copy of the foregoing was served upon Ms. Lea Ellingwood, Esq., 1302 N. Meridian Street, Suite 175, Indianapolis, Indiana 46202 by hand delivery, this 21<sup>st</sup> day of March, 2014.

John S. Keelei

John S. Keeler, # 5110-49 10 West Market Street, Suite 200 Indianapolis, IN 46204 317-656-8782



#### STATE OF INDIANA

#### BEFORE THE INDIANA HORSE RACING COMMISSION 2111 JUN 10 A 11: 49

IN RE:		Military Hilliam away to wat
THE PETITION OF CENTAUR HOLDINGS, LLC,	)	
NEW CENTAUR, LLC, HOOSIER PARK, LLC,	)	
AND CENTAUR ACQUISITION, LLC REQUESTING	)	
THAT THE COMMISSION APPROVE A	)	
REPLACEMENT FIRST LIEN FACILITY	)	

## NOTICE OF HEARING AND PRE-HEARING ORDER ON PETITION OF CENTAUR HOLDINGS, LLC ET AL. FOR APPROVAL OF A REPLACEMENT FIRST LIEN FACILITY

This matter comes before the Indiana Horse Racing Commission (hereinafter "the Commission") on a Petition for Approval of a Replacement First Lien Facility submitted by Centaur Holdings, LLC, New Centaur, LLC, Hoosier Park, LLC, and Centaur Acquisition, LLC (hereinafter "the Petitioners") on or about March 24, 2014. The Commission, by its Chair, issues this notice and order pursuant to the provisions of the Indiana Administrative Orders and Procedures Act, Indiana Code sections 4-21.5-1-1 et seq.:

#### NOTICE OF HEARING

The Indiana Horse Racing Commission will hold a hearing on Thursday, June 26, 2014, as soon as this matter advances on the Commission's agenda during its regularly scheduled meeting which will commence at 9:00 a.m. in the Indiana State Library, Room 203, 315 W. Ohio St., Indianapolis, Indiana 46204. The Hearing will relate to the following Petition that was filed with the Commission on or about March 24, 2014:

Petition by Centaur Acquisition et al. Requesting that the Commission Approve a Replacement First Lien Facility.

The Hearing will be held for the purpose of providing: the Petitioners an opportunity to make a presentation of their Petition to the Indiana Horse Racing Commission; an opportunity for the Commission to ask questions of any representatives and witnesses who may testify at the Hearing; and an opportunity for applicant's nonparty organizations and persons to provide testimony in support of or adverse to the Application.

The Hearing is to be held by the Indiana Horse Racing Commission pursuant to the authority granted to it by Indiana Code section 4-31-1-1, 71 IAC sections 11-1-1- et seq., and Indiana Code sections 4-21.5-3-1 et seq. All members of the Indiana Horse Racing Commission intend to act as the Administrative Law Judge for the Hearing. The members include: William Diener, Chairman; Steve Schaefer, Vice Chairman; Greg Schenkel, Tom Weatherwax, and George Pillow, Members. Lea Ellingwood will act as legal counsel to the Indiana Horse Racing Commission during these proceedings. Joe Gorajec, Executive Director, will also appear for the Indiana Horse Racing Commission Staff and may be contacted for information concerning the

proposed Hearing schedule, the procedure to be followed at the Hearing, and for inspection of copies of the notice to the parties, at the offices of the Indiana Horse Racing Commission, 1302 North Meridian Street, Indianapolis, Indiana 46202 (tel. no. (317) 233-3119).

#### PRE-HEARING ORDER

The following Pre-Hearing Order is being issued pursuant to the authority provided for by Indiana Code section 4-21.5-3-19(d):

#### I. Purpose of the Hearing on Applicant's Petition.

The purpose of the hearing scheduled for June 26, 2014, is to hear evidence and argument on the Petition by Centaur Acquisition et al. for Approval of a Replacement First Lien Facility.

#### II. <u>Petition Process Time Line</u>.

#### a. <u>Hearing Date and Time</u>.

The hearing will commence at the Indiana State Library, Room 203, 315 W. Ohio St., Indianapolis, Indiana, on Thursday, June 26, 2014, as soon as it advances on the agenda of the Commission meeting commencing at 9:00 a.m. EST. This matter will be heard and will continue, with appropriate recesses until completed. The record will be closed at the conclusion of the hearing. Thereafter, the Commission will deliberate on and decide whether the Petition will be approved, approved with conditions or denied and does not comprehend discussion during the deliberation with the Petitioners or others interested parties.

#### b. Exhibits the Commission Proposes to Make a Part of the Record.

A list of exhibits, if any, which the Commission intends to make a part of the record will be prepared by the Commission's counsel and will be distributed to the parties on or before Friday, June 20, 2014. It should be understood that even in the absence of filing a list of exhibits, the Commission will offer into evidence the Petition, any amendments and any non-confidential attachments thereto timely filed by the Petitioners. It should also be understood that the Commission will take official notice of any records of prior related hearings (including Final Orders) involving the Petitioners, pursuant to Indiana Code section 4-21.5-3-26(c). The parties must notify the Commission in writing of any exhibits to which it objects on or before 4:30 p.m. EST on Tuesday, June 24, 2014. If no objection is timely made, all specified exhibits will be made a part of the record at the commencement of the hearing.

#### c. Request for Official Notice.

The Petitioners should submit in writing any request for matters to be officially noticed pursuant to Indiana Code section 4-21.5-3-26(f) on or before 4:30 p.m. on Friday, June 20, 2014.

#### d. Report of the Commission Staff.

The Commission Staff will review the Petition and related information provided and may submit a Staff Report relating to the Petition. If one is prepared, it will be distributed to the Petitioners, on or before the close of business on Monday, June 23, 2014.

#### e. Exhibits and/or Pre-Filed Testimony.

The Petitioners must submit any exhibits and/or pre-filed testimony on or before close of business on Wednesday, June 18, 2014. If no objection is made, all specified exhibits and/or pre-filed testimony will be made part of the record at the commencement of the hearing,

#### III. Matters Relating to the Conduct of the Hearing.

#### a. The Commission will be sitting as an Administrative Law Judge at the Hearing.

The Commission is sitting both as Administrative Law Judge and as "ultimate authority" (pursuant to Indiana Code section 4-21.5-1-15) with respect to the Petition. Indiana Code section 4-21.5-3-11 provides in part that an Administrative Law Judge serving in a proceeding may not communicate, directly or indirectly, regarding any issue in the proceeding while the proceeding is pending with any party or any individual who has a direct or indirect interest in the outcome of the proceeding. Such communications are prohibited and are referred to as "ex parte communications." Additionally, while a Commission Member may communicate separately with another Commission Member and may receive aid from members of the Commission's Staff, the Commission Staff is prohibited from having ex parte communications with a Commission Member which contain information that would furnish, augment, diminish, or modify the evidence in the record. If the Commission receives an ex parte communication in violation of this statute, please contact counsel for the Commission so that an appropriate public disclosure can be prepared pursuant to the Administration Orders and Procedures Act. In certain circumstances a Commission Member receiving or otherwise participating in such a prohibited communication can be disqualified from acting further on the Petition before the Commission.

Additionally, when acting as an Administrative Law Judge, each Commission Member is prohibited (pursuant to Indiana Code section 4-21.5-3-12) from commenting publicly, except as to hearing schedules or procedures, about pending proceedings. Accordingly, both the Commission Members and the members of the public are to be mindful of this limitation as the Commission moves forward to consider the evidence and to make a decision on the Application.

#### b. Proposed Hearing Schedule.

The Commission understands the importance to the Petitioners and to the public of having an adequate amount of time to present their respective positions, but encourages the Petitioners and the public to move as expeditiously as possible during the hearing so that all the information can be effectively presented to the Commission as promptly as possible.

While it is understood that circumstances may occur that could result in an adjustment to this schedule, each and every person who may testify at the hearing is expected to conduct his or her testimony or presentation in a manner that comports with the order established herein. The Commission encourages all persons who testify at the hearing to be brief and succinct in order to allow for as much and varied testimony as possible. Further, the Commission reserves the right to exercise its statutory power to impose conditions to avoid unreasonably burdensome or unduly repetitious presentations by any person. Any adjustment to this order shall be at the sole discretion of the Commission:

- Hearing to be convened by the Commission
- Commission to offer into evidence certain written materials pertaining to the Petition
- Petitioners' Presentation
- Presentation of Commission Staff
- Testimony of Organizations/Public Comment
- Rebuttal and Final Statement

#### c. Parties' Presentations May be in Narrative Form.

The Petitioners may submit information in support of the Petition in narrative, as opposed to question and answer, form. It is necessary, however, that any such statements be given upon oath or affirmation.

#### d. <u>Chairman to Rule on Procedural Issues.</u>

The Chair will rule on any procedural issues requiring an immediate ruling which are raised at the hearing on the Petition.

#### e. Commission Free to Ask Questions.

During the hearing on the Petitioners' presentation, any Commissioner, the Commission's counsel, or the Commission's Executive Director may ask questions of any witness in the nature of cross-examination or to assist the Commission's understanding of the issues relevant to the Petition and any appropriate action to be taken.

#### f. Hearing to be Conducted under Oath.

The hearing will be conducted under oath or affirmation pursuant to Indiana Code section 4-21.5-3-26(b). In order to insure consistency, any non-party statements are to be given under oath or affirmation pursuant to Indiana Code section 4-21.5-3-25(f).

#### g. <u>Individuals Requesting Time to Speak to the Application.</u>

A sign-up sheet will be made available on the date of the hearing for those interested in speaking during the time allotted for Public Testimony of Persons and Organizations. An appropriate amount of time will be determined by the Chair at the hearing with consideration of the number of individuals who wish to speak and the total amount of time available in which to do so.

#### IV. Notice of Pre-Hearing Order.

This Order is being served upon counsel representing the Petitioners.

This Notice of Hearing and Pre-Hearing Order will be served within nine days of its issuance, by electronic mail, to the individuals and organizations identified on the list which is attached and identified as Exhibit "A". This Notice will also be published to the Indiana Horse Racing Commission website within nine days of its issuance.

The Petitioners are advised that if they fail to attend or participate in the scheduled hearing, or any other stage of the proceeding, the proceeding may be dismissed pursuant to Indiana Code section 4-21.5-3-24.

This Pre-Hearing Order is issued by the Indiana Horse Racing Commission this day of June, 2014.

William Diener, Chair

On Behalf of the Indiana Horse Racing Commission

William Triener

#### **CERTIFICATE OF SERVICE**

I hereby certify that the a copy of the foregoing has been served upon the following parties by first class United States mail, postage prepaid, this the day of June, 2014.

Steve Schaefer, Vice-Chair 10987 Innisbrooke Lane Fishers, IN 46037

Greg Schenkel 368 Firehouse Place Indianapolis, IN 46204

Tom Weatherwax 3012 Woodland Drive Logansport, IN 46947

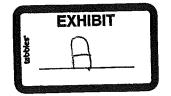
George Pillow Pillow Logistics 4005 Vincennes Road Indianapolis, IN 46268 Joe Gorajec, Executive Director INDIANA HORSE RACING COMMISSION ISTA Center, Suite 530 150 West Market Street Indianapolis, IN 46204

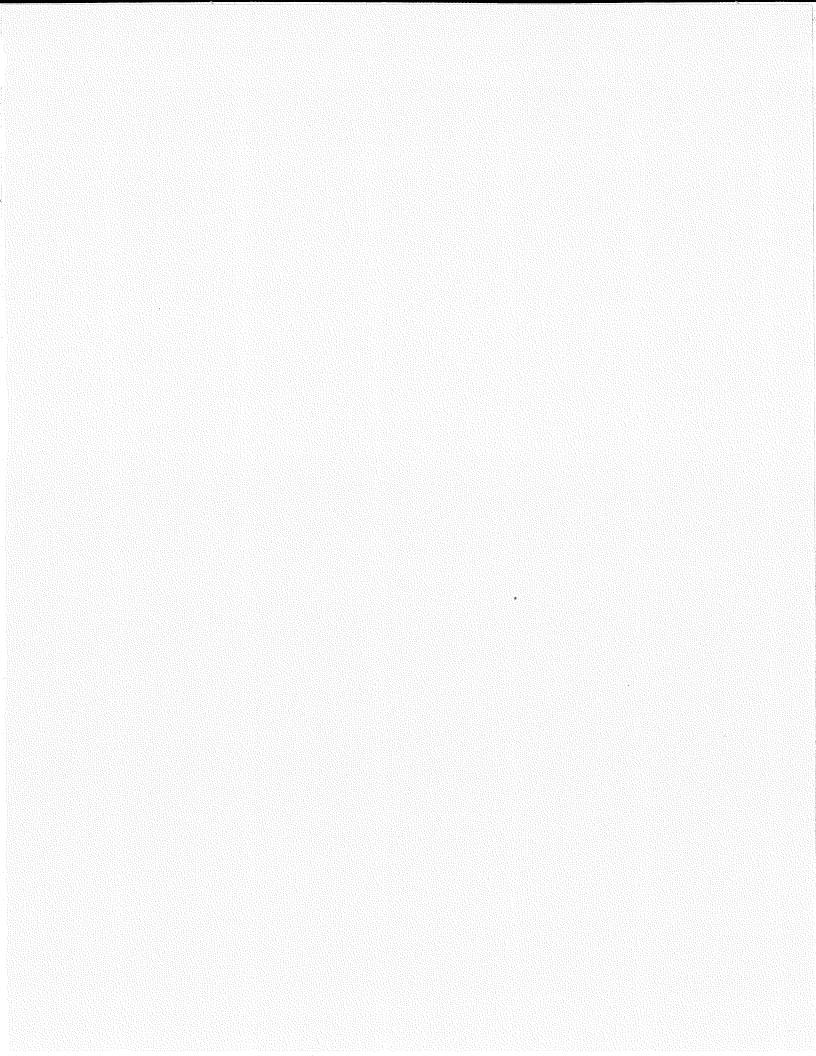
John S. Keeler, General Counsel Centaur Acquisitions, LLC 10 West Market St., Suite 200 Indianapolis, IN 46204

Holly Menell

#### Stakeholder Email Addresses

#### **Email Address** Stakeholder Name Brian.Elmore@hoosierpark.com **Brian Elmore** brigandsilk@yahoo.com Tom Mosley brownpreston@indy.rr.com Mike Brown cduke11@aol.com" Chris Duke cigarhorse@aol.com **Eddy Martin** darlenelikens@yahoo.com Darlene Likens dyno43560@aol.com Dave Redlin Horse Organization (Hartman) IBOPINDY@aol.com jack-jeri@rtcol.com Jack Kinninger joedondavis@aol.com Joe Davis jpschaub@aol.com John Schaub <u>Jschuster@IndianaDowns.com</u> Jonathan B. Schuster katehammer@hotmail.com Kate Hammer lawton.Christina@yahoo.com Christina Lawton mjcollins2004@yahoo.com Michelle Collins Rick.Moore@hoosierpark.com Rick Moore youngandyoung@netzero.net Young and Young





#### STATE OF INDIANA BEFORE THE INDIANA HORSE RACING COMMISSION

IN RE: THE PETITION OF CENTAUR HOLDINGS, LLC, NEW CENTAUR, LLC, HOOSIER PARK, LLC,	. )			JUN 20
AND CENTAUR ACQUISITION, LLC,	)	SS		U
REQUESTING THAT THE COMMISSION	)		4	
APPROVE A REPLACEMENT FIRST LIEN	)		<b>9</b>	Ç
FACILITY	)			

#### EXHIBIT LIST SUBMITTED ON BEHALF OF THE INDIANA HORSE RACING COMMISSION

Petitioners, Centaur Holdings, LLC ("Centaur"), New Centaur, LLC ("New Centaur"), Hoosier Park, LLC ("Hoosier Park"), and Centaur Acquisition, LLC ("Indiana Downs"; Hoosier Park and Indiana Downs are collectively referred to as the "Licensees"; Centaur, New Centaur and Licensees are collectively referred to as the "Centaur Related Entities"), by counsel, have jointly requested that the Indiana Horse Racing Commission ("Commission") approve a Replacement First Lien Facility submitted by Petition dated March 21, 2014. In consideration thereof, and pursuant to the related Pre-Hearing Order issued by Chairman William Diener on June 10, 2014, the Commission submits the following Exhibit List:

 Correspondence from Robin Babbitt to Lea Ellingwood, dated June 20, 2014 in response to Lea Ellingwood's email for additional information, dated June 18, 2014.

The Commission reserves the right to amend or supplement this list as may be necessary and appropriate.

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Respectfully submitted,

Lea Ellingwood (#22346-49) General Counsel

Indiana Horse Racing Commission

Indiana Horse Racing Commission 1302 North Meridian Street, Suite 175 Indianapolis, IN 46201 (317) 233-3119 lellingwood@hrc.in.gov

#### **CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing was served upon the following, via email, the  $20^{th}$  day of June, 2014:

Robin Babbitt, Esq. One American Square, Suite 2900 Indianapolis, IN 46282 John S. Keeler, Esq. 10 West Market Street, Suite 200 Indianapolis, IN 46204

Joseph Gorajec Executive Director Indiana Horse Racing Commission 1302 N. Meridian Street, Suite 175 Indianapolis, IN 46202



#### Ellingwood, Lea

From:

Babbitt, Robin [Robin.Babbitt@icemiller.com]

Sent:

Friday, June 20, 2014 11:17 AM

To: Cc: Ellingwood, Lea 'John Keeler'

Subject:

Centaur refinance - hypothetical question

Importance:

High

Lea- Thank you for the opportunity to provide additional information. First, I would note (and incorporate by reference) the related question and answer that were included in our May 28<sup>th</sup> response:

Question A.1.d. In the "Event of Default" under the new First Lien debt, please explain with specificity, Centaur's position on the payments/distributions of the 12% of AGR/GGR.

Response: Centaur expects the default conditions to be substantially similar (if not identical) to the provisions now in effect for the existing first lien financing. The existing financing was a part of the Commission's approval of Centaur's purchase of Indiana Downs in January of 2013. Accordingly, upon the occurrence of an Event of Default under the proposed refinancing, the payments/distributions would be made pursuant to the IDA in the same manner as a default under the existing First Lien debt. If an event of default were to occur, Centaur would anticipate continuing to make the Horsemen's 12% allocation payments without interruption. (Emphasis added.)

As a part of the proposed refinancing of the first lien credit facilities, Centaur has **not** granted a security interest in the Horsemen's 12% allocation payments nor are those accounts designated as collateral for the first lien credit facilities. Accordingly, as previously stated, "[I]f an event of default were to occur, Centaur would anticipate continuing to make the Horsemen's 12% allocation payments without interruption." If an event of default were to occur that resulted in a subsequent bankruptcy proceeding, Centaur would anticipate filing a "first day motion" requesting permission to make the referenced payments uninterrupted- consistent with its actions in the previous Centaur bankruptcy proceeding.

Please let me know if there are any outstanding requests or if you need additional information. If not, I believe that we have provided all of the information required on this issue in advance of next Thursday's meeting and presentation to the Commission. Best personal regards, Robin



Robin L. Babbitt | Partner | Ice Miller LLP | One American Square, Suite 2900 | Indianapolis, IN 46282 | P: 317.236.5826

A------

From: Ellingwood, Lea [mailto:LEllingwood@hrc.IN.gov]

**Sent:** Wednesday, June 18, 2014 10:54 AM

To: Babbitt, Robin

Subject: Centaur refinance - hypothetical question

Importance: High

Robin,

Staff has a question regarding the proposed Centaur refinance. In the event of default on the first lien debt, can you please explain how the 12% AGR distributed under IC 4-35-7-12 will be impacted, if at all.

We'd like to have the question answered in advance of the Commission meeting, to the extent it is possible. If you have any questions, please do not hesitate to contact me.

Best,

Lea

Lea Ellingwood | General Counsel | ph: 317-233-3119 Indiana Horse Racing Commission | 1302 N. Meridian Street, Suite 175 | Indianapolis, IN | 46202

CIRCULAR 230 DISCLOSURE: Except to the extent that this advice concerns the qualification of any qualified plan, to ensure compliance with U.S. Treasury Department Regulations, we are now required to advise you that, unless otherwise expressly indicated, any federal tax advice contained in this communication, including any attachments, is not intended or written by us to be used, and cannot be used, by anyone for the purpose of avoiding federal tax penalties that may be imposed by the federal government or for promoting, marketing or recommending to another party any tax-related matters addressed herein.

CONFIDENTIALITY NOTICE: This E-mail and any attachments are confidential and may be protected by legal privilege. If you are not the intended recipient, be aware that any disclosure, copying, distribution, or use of this E-mail or any attachment is prohibited. If you have received this E-mail in error, please notify us immediately by returning it to the sender and delete this copy from your system.

Thank you.

ICE MILLER LLP

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# Agenda Item #2

#### STATE OF INDIANA BEFORE THE INDIANA HORSE RACING COMMISSION

IN RE:		
THE PETITION OF CENTAUR HOLINGS, LLC,	)	
NEW CENTAUR, LLC, AND	)	
CENTAUR ACQUISITION, LLC	)	
REQUESTING THAT THE COMMISSION	)	SS
APPROVE THE CONSTRUCTIONOF A	)	
NEW DORM FACILITY AT INDIANA GRAND	)	

#### **PETITION**

COMES NOW Petitioners, Centaur Holdings, LLC (Centaur), New Centaur, LLC (New Centaur) and Centaur Acquisition, LLC (Grand), by counsel, and respectfully request that the Indiana Horse Racing Commission (Commission) approve the construction of a new dorm facility at Indiana Grand.

In support of such Petition, Petitioners show the Commission as follows:

- 1. Centaur is the owner of New Centaur, which is the owner of Grand;
- 2. Grand is the holder of a permit to conduct a horse racing at Indiana Grand Racing and Casino f/k/a Indiana Downs and licenses to own and operate Satellite Facilities in Clarksville, Indiana and Evansville, Indiana (currently inactive), which permits and licenses were transferred by the Commission to Grand by order of the Commission dated January 7, 2013;
- 3. As part of the Initial Distribution Agreement approved by the Commission, Grand agreed to construct additional dorm rooms. The plans for the new dorm rooms are attached as Exhibit A and by reference made a part hereof (New Dorm). The New Dorm consists of forty-five (45) sleeping rooms, six showers, restrooms and laundry facilities. It is located immediately west of the existing dorm;
- 4. The Quarter Horse Racing Association of Indiana, Inc. and the Indiana Horsemen's Benevolent & Protective Association, Inc. are in support of this Petition. Please see their letters of support attached as Exhibit B and by reference made a part hereof;
- 5. Grand has negotiated a Construction Management Agreement with Hagerman Construction Company to construct the New Dorm. A copy of the Construction Management Agreement is attached as Exhibit C and by reference made a part hereof (Construction Agreement);
- 6. 71 IAC 11-1-16 requires a permit holder to obtain Commission approval for modifications to an existing facility with cost in excess of \$50,000.00. 71

IAC 11-1-12 requires a permit holder to secure Commission approval to enter into a contract the value of which is \$50,000.00 or more. The cost of constructing the New Dorm is in excess of \$50,000.00;

- 7. Grand has obtained the necessary permits, licenses and approvals to begin construction on the New Dorm; and
- 8. Grand requests Commission approval to construct the New Dorm in accordance with the plans attached as Exhibits A and further requests that the Commission authorize it to enter into the Construction Agreement.

WHERFORE, Grand respectfully request that the Commission authorize: (1) Construction of the New Dorm; (2) Execution of the Construction Agreement; and (3) Such other relief as may be right and proper in the premises.

Respectfully Submitted,

John & Keeler

Attorney for Petitioners, Centaur, New Centaur and Centaur Acquisition, LLC

#### Certificate of Service

I hereby certify that a copy of the foregoing was served upon Ms. Lea Ellingwood, Esq., 1302 N. Meridian Street, Suite 175, Indianapolis, Indiana 46202 by hand delivery, this day of June, 2014.

John / Keelei

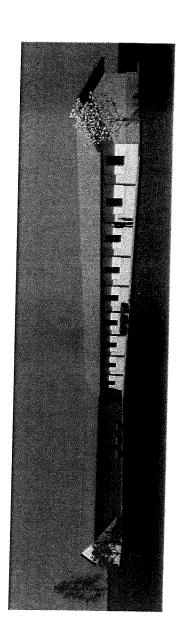
John S. Keeler, # 5110-49 10 West Market Street, Suite 200 Indianapolis, IN 46204 317-656-8782 jkeeler@centaurgaming.net

Proposed Project:

# Indiana Downs Dormitory

Shelbyville, Indiana

March 17th, 2014



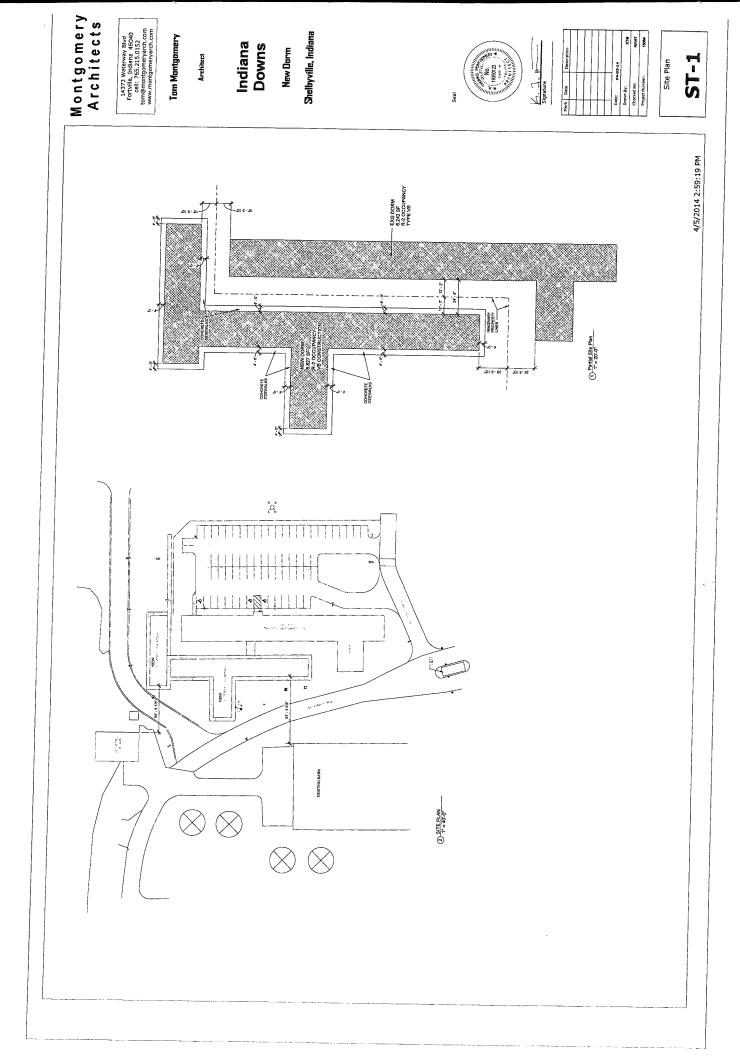
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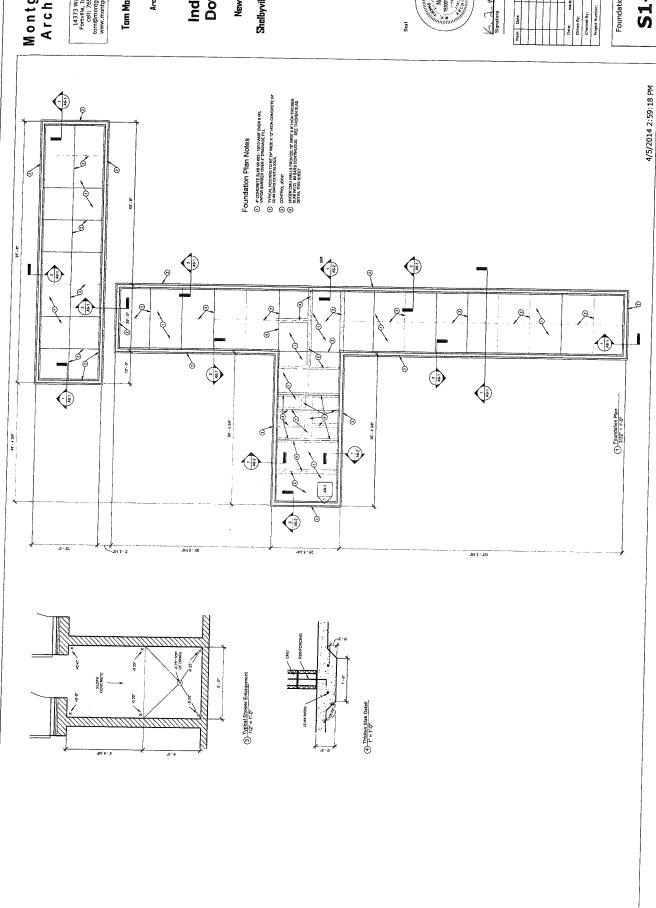
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# SHEET INDEX

SHEET NAME	Title Sheet Site Plans Foundation Plan Roof Framing Plan Overall Floor Plan Enlarged Plans Enlarged Plans Enlarged Plans Reflective Ceiling Plan Roof Plan Exterior Elevations Building Sections Wall Sections Wall Sections Wall Sections Wall Sections Plan Finish Schedule Room Finish Schedule Room Finish Schedule Rednincal & Electrical Details HVAC Plan Plumbing Plan Plumbing Details Electrical Reflective Ceiling Plan
SHEET NUMBER	7-1 87-1 87-1 87-1 87-1 87-1 86-1 86-1 88-1 88-1 88-1 88-1 88-1 88

MONTGOMERY ARCHITECTS, INC. 785-215-0152





14373 Waterway Bivd Fortville, Indiana 46040 cell: 765.215.0152 torn@montgomeryarch.com www.montgomeryarch.com

Tam Mantgamery

Architect

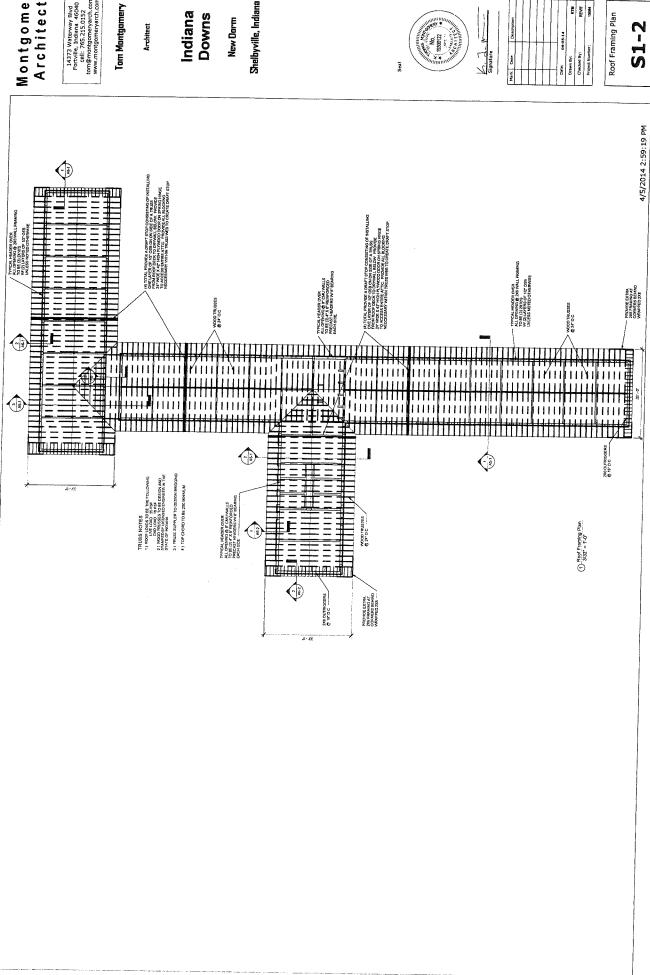
Indiana Downs

New Dorm

Shelbyville, Indiana

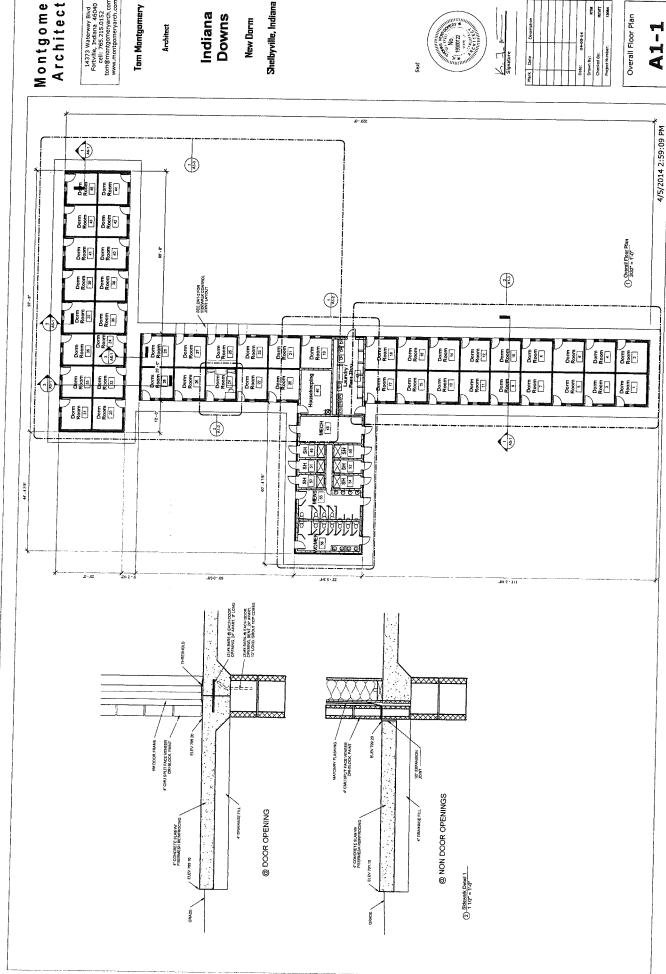
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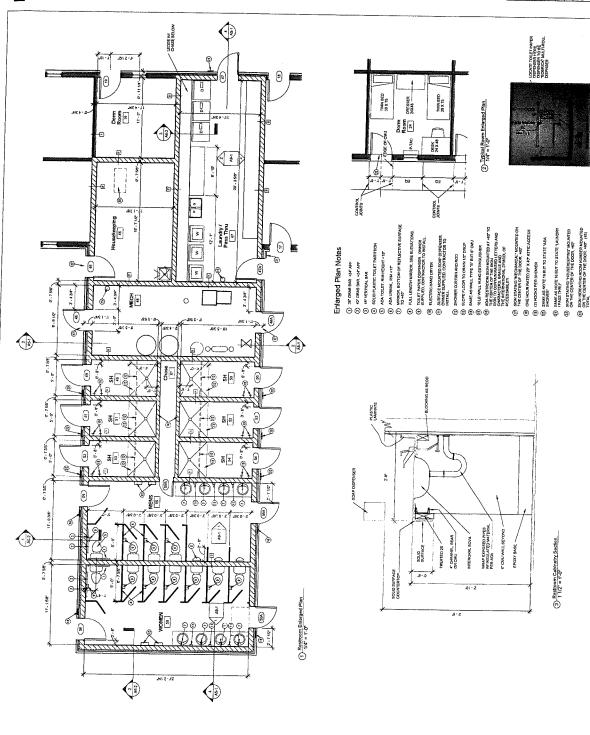
Tom Montgomery





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14373 Waterway Blvd Fortville, Indiana 46040 cell: 765,215,0152 tom@montgomeryarch.com www.montgomeryarch.com

Tom Montgomery

Architect

Indiana Downs

New Dorm

Shelbyville, Indiana

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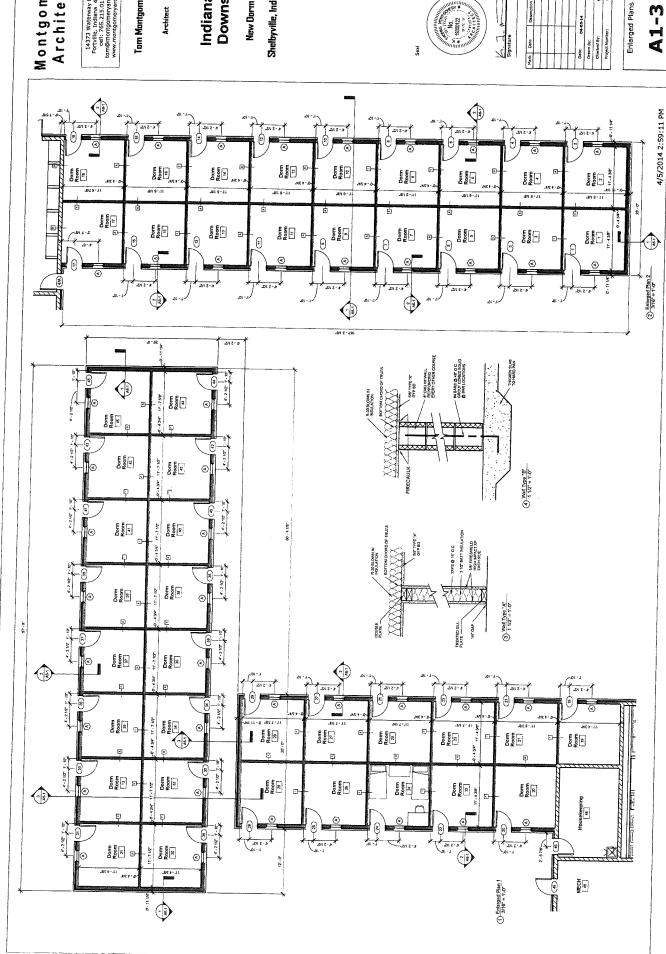
Enlarged Plans

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14373 Waterway Blvd Fortville, Indiana 46040 cell: 765.215.0152 tom@montgomeryarch.com www.montgomeryarch.com

Tom Montgomery

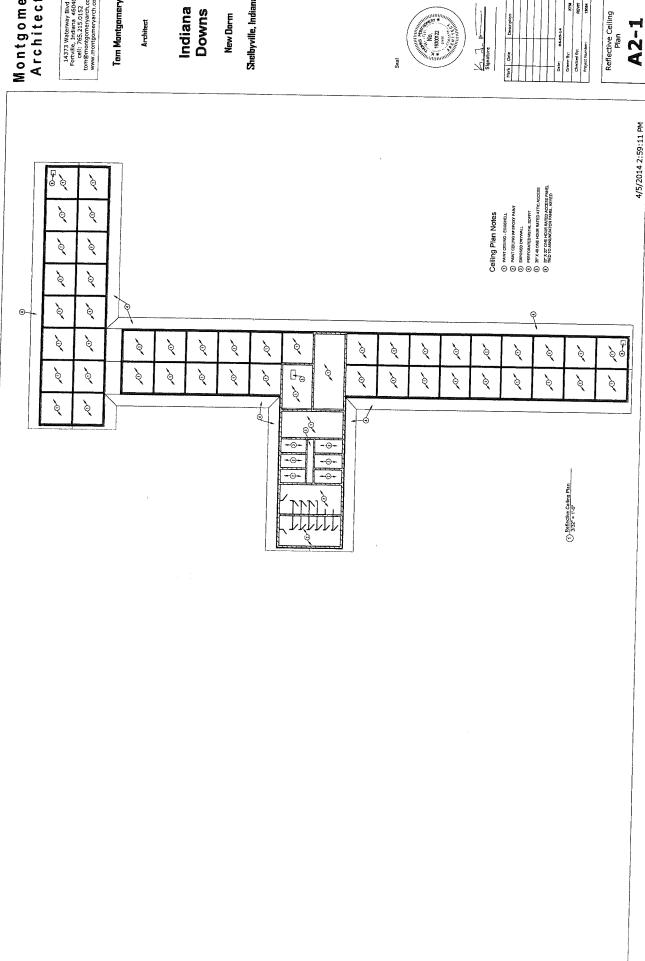
Indiana Downs

New Dorm

Shelbyville, Indiana

REVIT 13084

Enlarged Plans



14373 Waterway Blvd Fortville, Indiana 46040 cell: 765.215.0152 tom@montgomeryarch.com www.montgomeryarch.com

# Tom Montgomery

Architect

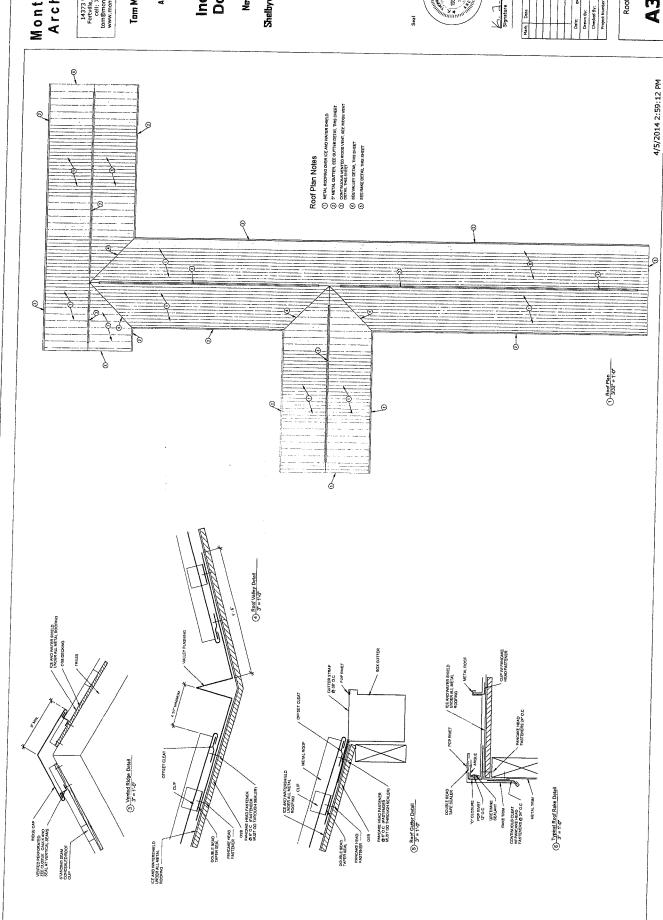
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Shelbyville, Indiana



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14373 Waterway Blvd Fortville, Indiana 46040 cell: 765, 215, 0152 tom@montgomeryarch.com www.montgomeryarch.com

# Tom Montgomery

Architect

# Indiana Downs

New Darm

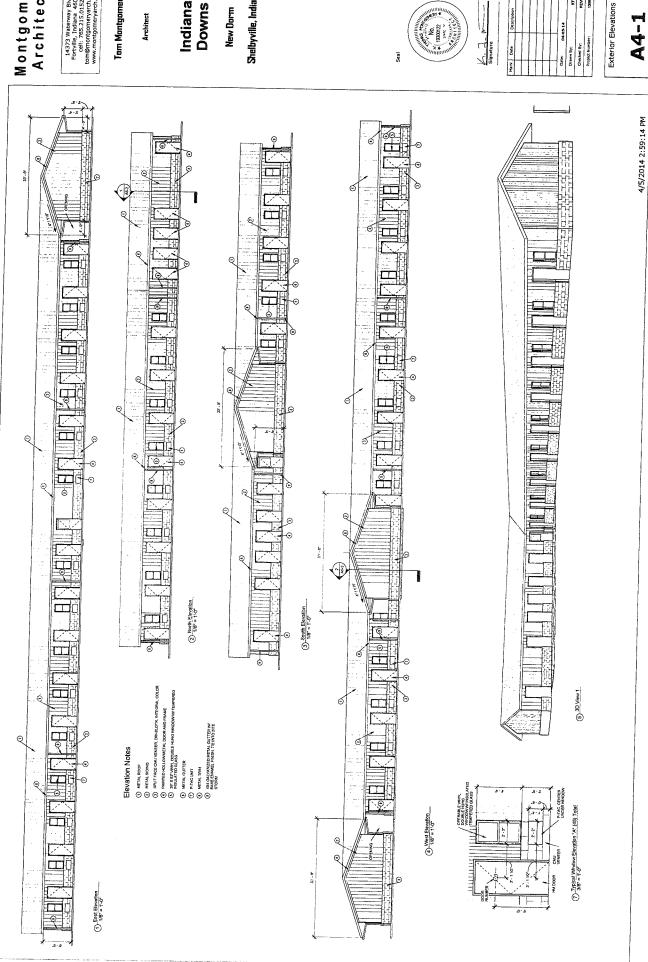
Shelbyville, Indiana



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Roof Plan

A3-1



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Tom Mantgamery

Architect

Indiana Downs

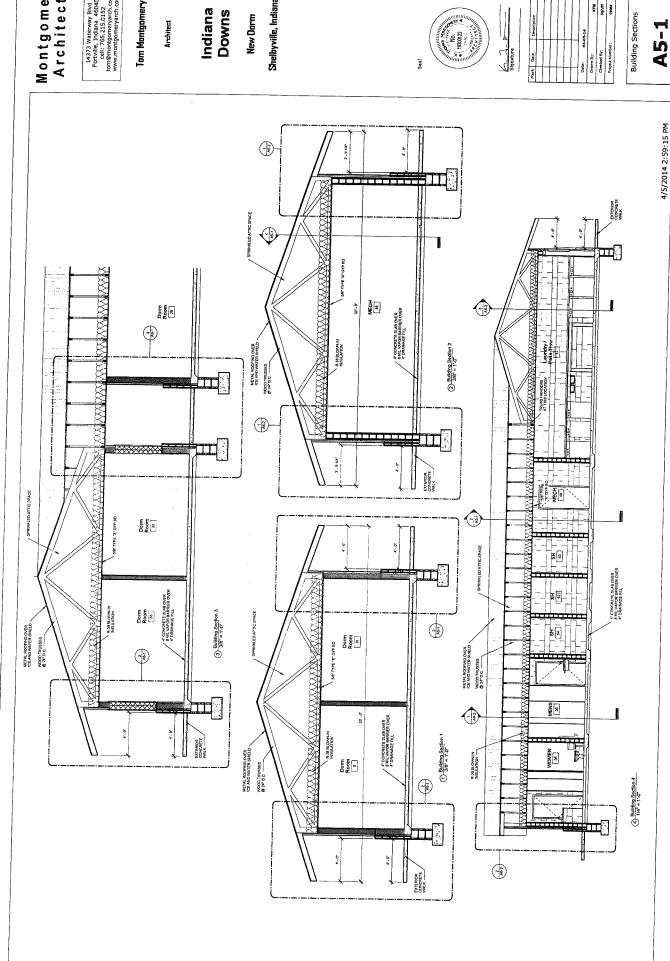
New Dorm

Shelbyville, Indiana





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Architect

Indiana Downs

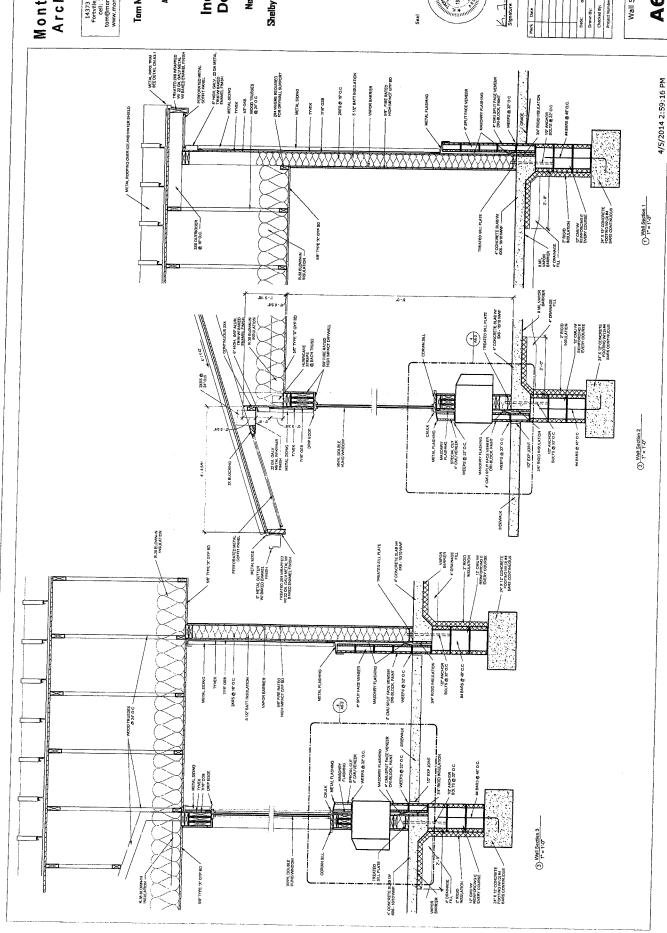
New Dorm

Shelbyville, Indiana



**Building Sections** 

A5-1



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# Tom Montgomery

Architect

# Indiana Downs

New Dorm

Shelbyville, Indiana

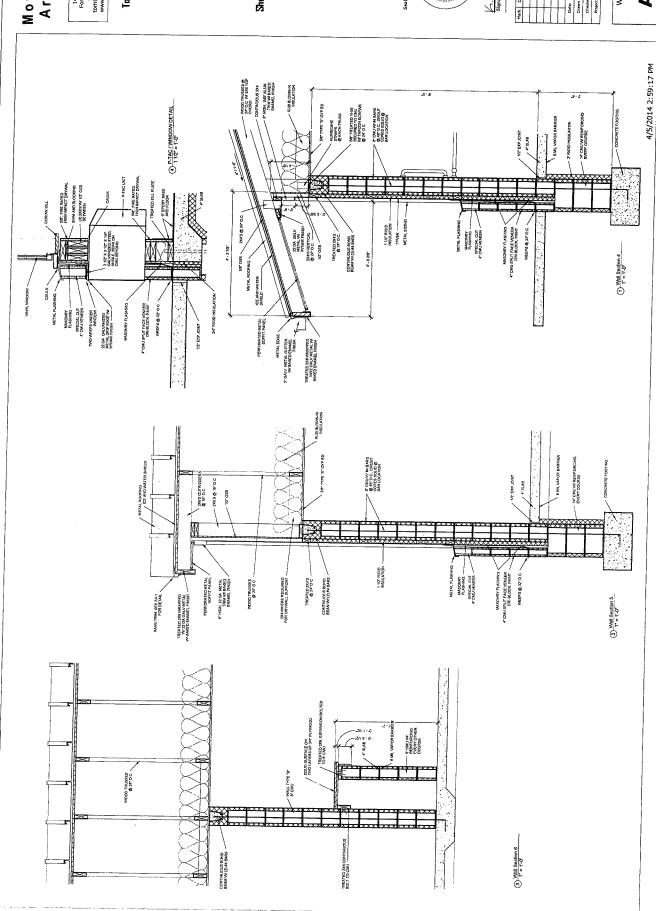


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Wall Sections

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# Tom Mantgamery

Architect

#### Indiana Downs

New Darm

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Description				
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Wall Sections

A6-2

## Door Hardware Schedule

Montgomery Architects

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Tom Montgomery

Architect

SET 1: DORM DOOR - SCHLAGE CLASS ONE CYLINDRICAL ENTRY FUNCTION LOCKSET WITH REMOVABLE CORE, FBB HINGES, WALL STOP, WEATHERSTRIPPING, THRESHOLD.

SET 2: SHOWER DOOR - SCHLAGE CLASS ONE CYLINDRICAL MASSAGE EUNCHON LOCKSET, FEB HINKES, DEADBOLT WITH THUMBTURN INTERIOR AND KEYED EXTERIOR, CLOSER, FLOOR STOP, WEATHERSTRIPPING, THRESHOLD.

SET 3. RESTOOM DOOR - PULL HANDLE EXTERIOR, PUSH PLATE TRIENGN, DEADADOLI KYEDE BYETERIOR & THUMSTURN INTERIOR FIB HINGES, CLOSER, ELOOR STOPS SAR & SEA. WALL STOPS SES 56. WEATHERSTRIPPING, THRESHOLD.

SET 4: CHASE DOOR - SCHLAGE CLASS ONE CYLINDRICAL STOREROOM FUNCTION LOCKSET WITH REMOVABLE CORE, FBB HINGES, MUTES, FLOOR STOP

SET S. MECHANICAL ROOM DOOR - SCHLAGE CLASS OWE CHANDRICALS INDERROOM PUTCHOL LOCKSEWTWH REMOVABLE CORE, FIBB HINGES, FLOOR STOP, WEATHERSTIPPING. THESSHOLD, DEABBOLT WITH THUMBTURN INTERIOR AND KEYED EXTERIOR.

SET 6: OFFICE DOOR - SCHLAGE CLASS ONE CYLINDRICAL ENTRY FINCTION LOCKSET WITH REMOVABLE CORE, FBB HINGES, WALL STOP. WEATHERSTRIPPING, THRESHOLD.

SET?: LAUNDRY ROOM DOOR - PUIL HANDLE EXTERIOR, PUSH
PLATE INTERIOR, DEADOLT KEVED EXTERIOR & THIMBTURN
INTERIOR. FBB HINGES, CLOSE, FLOOR STOP DOOR 47, WALL STOP
DOOR 47A, WEATHERSTRIPPING, THRESHOLD.

1) Door Hardware Schedule

Label Door Material Type Mark



Description						Ē	REVIT
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Door Schedule

DOOR TYPE "B"

2 Door Types

RAME TYPE "HM!"

FRAME TYPE "HM2"

3 Frame Types

A8-1

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Shelbyville, Indiana

New Dorm

Indiana Downs

# Montgomery Architects

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14373 Waterway Blvd Fortville, Indiana 46040 cell: 765.215.0152 tom@montgomeryarch.com www.montgomeryarch.com

Tom Montgomery

Architect

Indiana Downs

New Dorm

Shelbyville, Indiana

	1,1	Roor	Room Schedule		
	;		Base		Cailing
Number	Name	Wall Finish	Finish	Floor Finish	Finish
-	Dorm Room	PAINT	6- EPOXY	EDONY	
2	Darm Room	PAINT	6" EPOXY	EPOXY	PAINT
9	Corm Room	PAINT	6" EPOXY	EPOXY	PAINT
5	Dorm Doom	PAINT	6" EPOXY	EPOXY	PAINT
9	Dom Room	TAIN		EPOXY	PAINT
7	Dorm Room	DAINT	6" EPOXY	EPOXY	PAINT
00	Dorm Room	PAINT	e EPOXY	EPOXY	PAINT
6	Dorm Room	DAINT	e EPOXY	EPOXY	PAINT
10	Dorm Room	DAINT	6 EPOXY	EPOXY	PAINT
11	Dorm Ream	PAINT	6 EPOXY	EPOXY	PAINT
12	Dorm Room	PAINT	G CPOAY	EPOXY	PAINT
13	Dorm Room	PAINT	EBOXY	EPOXY	PAINT
4	Dorm Room	PAINT	S. EDON	EPOXY	PAINT
15	Dorm Room	PAINT	S EBOXV	EPOXY	PAINT
16	Dorm Room	PAINT	6- FBOXY	EPOXY	PAINT
17	Dorm Room	PAINT	6- EPOXV	EPONY	PAINT
18	Corm Room	PAINT		EDONO	PAINT
19	Dorm Room	PAINT	6" EPONY	EPON	PAINT
89	Dorm Room	PAINT	6" EPOXY	FPOXY	PAINT
21	Darm Room	PAINT	6" EPOXY	FPON	PAINT
22	Оогт Room	PAINT	6" EPOXY	FPON	PAINT
23	Dorm Room	PAINT	6" EPOXY	FPOXY	PAIN
24	Dorm Room	PAINT	6" EPOXY	EPOXY	DAMIN
0 20	Dorm Room	PAINT	6" EPOXY	EPOXY	PAINT
	Loom Koom	PAINT	6" EPOXY	EPOXY	PAINT
1	Derri Room	PAINT	6 EPOXY	EPOXY	PAINT
	Donill Room	FAINT	6" EPOXY	EPOXY	PAINT
Ī	Dorm Boom	PAIN	6" EPOXY	EPOXY	PAINT
	Dom Room	DAINT	6 EPOXY	EPOXY	PAINT
32	Dorm Room	PAINT	6 EPOXY	EPOXY	PAINT
8	Dorm Room	PAINT	o EPOXY	EPOXY	PAINT
	Dorm Room	PAINT	6" EPOXY	EPOXY	PAINT
	Dorm Room	PAINT	6° FPOXY	EPOXY	PAINT
	Dorm Room	PAINT	6" EPOXY	EDONA	PAINT
	Dorm Room	PAINT	6" EPOXY	EPON	PAINT
88	Dorm Roam	PAINT	6" EPOXY	EPOXY	DAINT
1	Dorm Room	PAINT	6" EPOXY	EPOXY	PAINT
	Dorm Koom	PAINT	6" EPOXY	EPOXY	PAINT
	Dorm Room	PAINT	6 EPOXY	EPOXY	PAINT
10	Dorm Room	DAMIT	6 EPOXY	EPOXY	PAINT
	Dorm Room	PAINT	6" EPOXY	EPOXY	PAINT
	Dorm Room	PAINT	6- FPOXY	EPOXY	PAINT
2	Housekeeping	EPOXY PAINT	6- EPOXY	FPOXY	PAIN
1	Laundry / Pass Thru	EPOXY PAINT	6" EPOXY	EPOXY	DAME
2 0	MECH	NONE	NONE	NONE	PASKT
	100	EPOXY PAINT	6" EPOXY	EPOXY	FPOXY DAINT
	200	EPOXY PAINT	6" EPOXY	EPOXY	EPONY DAINT
000	100	EPOXY PAINT	6" EPOXY	EPOXY	EPOXY PAINT
	0.0	EPOXY PAINT	6" EPOXY	EPOXY	EPOXY PAINT
	H. C.	EPOXY PAINT	6" EPOXY	EPOXY	EPOXY PAINT
. S	MENS	FPOXY PAINT	F- EPOXY	EPOXY	EPOXY PAINT
8	WOMEN	EPOXY PAINT	6 FPOXY	EPOXY	PAINT
7	Chase			TYOU'S	PAINT

SOUD SURFACE

(2) Laundry Elevation 1

(1) Restroom Vanity Elevation

MTEGRAL SINK -----WAAP PIPES W/
PROTECTIVE COATING --

SOLID SURFACE BACKSPLASH COUNTERTOP AND FASCIA

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		-								4-556	,
		-	227-1348"	-	SOUD SURFACE COUNTERTOP, FASCIA &		1000	SUPPORT LEGS		-5.55c	
					SOUD S	11/				4.538	·
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Signature

Room Finish Schedule

	a a a	Sure,	21000	C	3×40	O ARGE	\$ 1 WALL	\$ 3 3 WAY	\$ SC PANS	MCHT.	
HVACLEGEND	ITEM	ARFLOW		SUPPLY AIR GRILLE	RETURN AIR GRILLE		INSULATED FLEX DUCT MAX 6 LENGTH		RIGID INSULATED SUPPLY DUCT W CFM DUCT SIZE DIMENSION # IS WOTH		
£	SYMBOL	Į	2	Z	7			BX12	650		

RIGID INSULATED RETURN DUCT

EXHAUST FAN THERMOSTAT OUTSIDE AIR

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**1** -OA-

		GRILLES &	
	0	2 2	× -
		er m	
	69 60" - 96" AFF ED 42" - 54" AFF	SMOKE DETECTO MS ALSO INCLUD XXW 45 TOTAL	
i	STROBES SHALL BE MOUNTED @ 80" - 96" AFF PULL BOXES SHALL BE MOUNTED A?" - 54" AFF	EACH DORM ROOM A SYSTEM SMOKE DETECTO IN EACH OF THE 45 DORM ROOMS ALSO INCLUI A MINI HORN IN EACH DORM ROOM 45 TOTAL	
PIRE ALARM NOTES		EACH DORM I IN EACH OF TO A MINI HORN I	
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CONDENSATE LINE EMPTY TO FLOOR DRAIN

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EXTERIOR GRULE SIDEWALL GRILLE

GAS UNE IN ATTIC

REFRIGERANT LINE

DUCT DETECTOR

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CONDENSER

FLU FROM GAS APPLIANCE MOTORISED DAMPER

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DA AIR SENSOR

OASEN

GRILLES & DIFFUSERS	OFFISER TITUS TIMSA 24"X24" SOLIARE FACE, ACUISTABLE PATTERNA ROUND NECK SIZE	RETURN GRILLE TITUS SOF EGGCHATE 24'X24'	DIFFLORE, TITLS REGISTER 17 X F WALLISTABLE AIR CONTROLS	RETURN GRILLE HTUS SOF EGGCRATE 12X17	SIOEWALL REGISTER POTTOREE PED RIZ EXTERIOR GOLOR TO RE SELECTED	
GRILLES &	$\boxtimes$		Ø	Ø		

SECUENCE OF OPERATION

SETTEMPORES OF OPERATION

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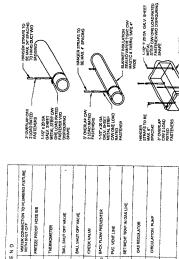
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٥	FLUSH VALVE WATER CLOSET		The second second
6	SELF RIMAING LAVATORY	, !	THEORE PROOF HOSE BIB
. 1		G	Tutouourum
5	DROP IN STAINLESS STEEL, SINK	>	Na Campung
1	SHUT OFF VALVE	õ	BALL SHUT OFF VALVE
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'i -	HOTWATER LINE	Ý	CHECK VALVE
4	SANTARY LINE	OGEN	BACK FLOW PREVENTER
9	GASUNE		PVC VENT LINE
£c:	FLOOR DRAIN W/ CLEANOUT	5	SETIMENT TRAP IN CAS LINE
80 a	CLEANOUT HOTWATER RECIRCULATION LINE	6	GASREGULATOR
i		0	CIRCULATION PUMP

HVAC EQUIPMENT
UNTT
1800 CFM CAS FURNACE HEAT, ELECTRIC COCUNG RIPLY 100 K BTUS HEATING ARK BTH COCUMO
LENNOX WOOGLEGO AHU FURNACE ELZSGUHOT fOXVEOC 1004 input hest
EXHAUST FANS EF
INJUR PANGREEN HECK SO.90 D. 1/10. 481 CPM & 5 STATIC PRESSURE 1725 RPM W SPEED CONTROL.
EXHAUST PANS EF1
BROAN QTXE 110S 110 CPM HUMIDITY SENSING
HERMOSTAT
HONEYWELL VISION PRO TOUCH SCREEN DUAL FUEL WITHSTORIDGE
PTACLINITS
THRU THE WALL HEAT / COCK, PTAC, BY STITS COCKING, 3 BK BTU, ELECTRICHEATING HEAT POUND HEATING 9 SK BTU, AMARK ARPROPEZEES 1187 255 CFM. PARALLEL PLUG TYPE 15 AMPR 125 VOLTS.



HANGER STRAPS TO BE MAX. 4" SPACING

Montgomery

Architects

14373 Waterway Blvd Fortville, Indiana 46040 cell: 765.215.0152 tom@montgomeryarch.com www.montgomeryarch.com

Tom Montgomery

Architect

BLAWET INSULATION SEALED VAPOR TIGHT CAV MASTIC & FABRIC TAPE 4" WIDE

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Shelbyville, Indiana

New Dorm

Indiana Downs

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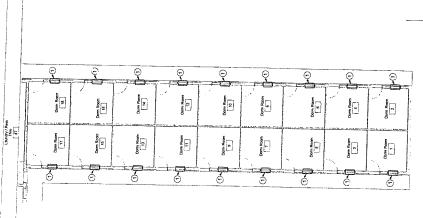


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Mechanical
Electrical Details

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(ii) 1.8" X IST LOUVER AT CERUNS FOR COMBUSTION AIR 187 SO IN COPENHACIN LOUVER, WE DECORANT DAMPER AUGUST 12" PROM G.G. TO HAVE MOTORIZED LOUVER GASCIED WHEN WATER HEATER GAS ACTIVATED, MOTORISED DAMPER TO OPEN (3) 6" DOUBLE WALL FLU PIPE FROM EACH WATER HEATER COMBIN TO 8" DOUBLE WALL FLU PIPE THRU ROOF W! RAIN GAURD CAP

兄子 FLU THRU ROOF COMBINE CAS ORYER FLUS & TAKE THRU ROOF TOOSTHER SEE MANKACTURER RECOMENDATIONS POR FLU SIZE

(I) EXHAUST LOWER ON DIDEWALL W/ BACKDRAFT DAMPER 65 IN FREE AIR SPACE 14" X 12"

() 18"X 10" LOUVER INWALL W/ BACK DRAFT DAMPER FOR DUTSID AIR 70 SO IN FREE AIR SPACE

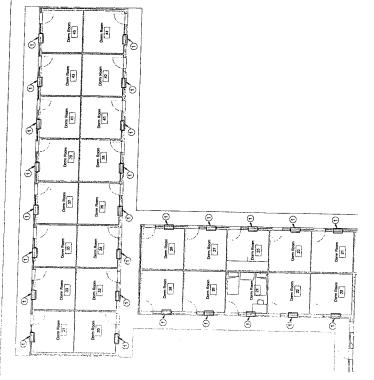
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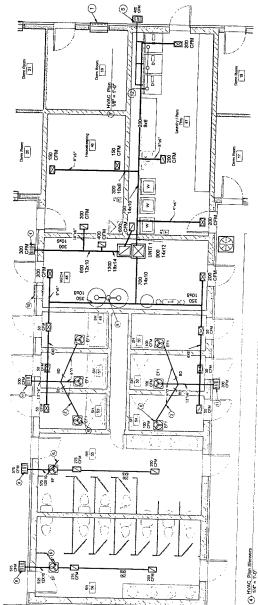
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### Montgomery Architects

14373 Waterway Blvd Fortville, Indiana 46040 cell: 765.215.0152 ton@montgomeryarch.com www.montgomeryarch.com

Tom Montgomery Architect

Indiana Downs

New Dorm

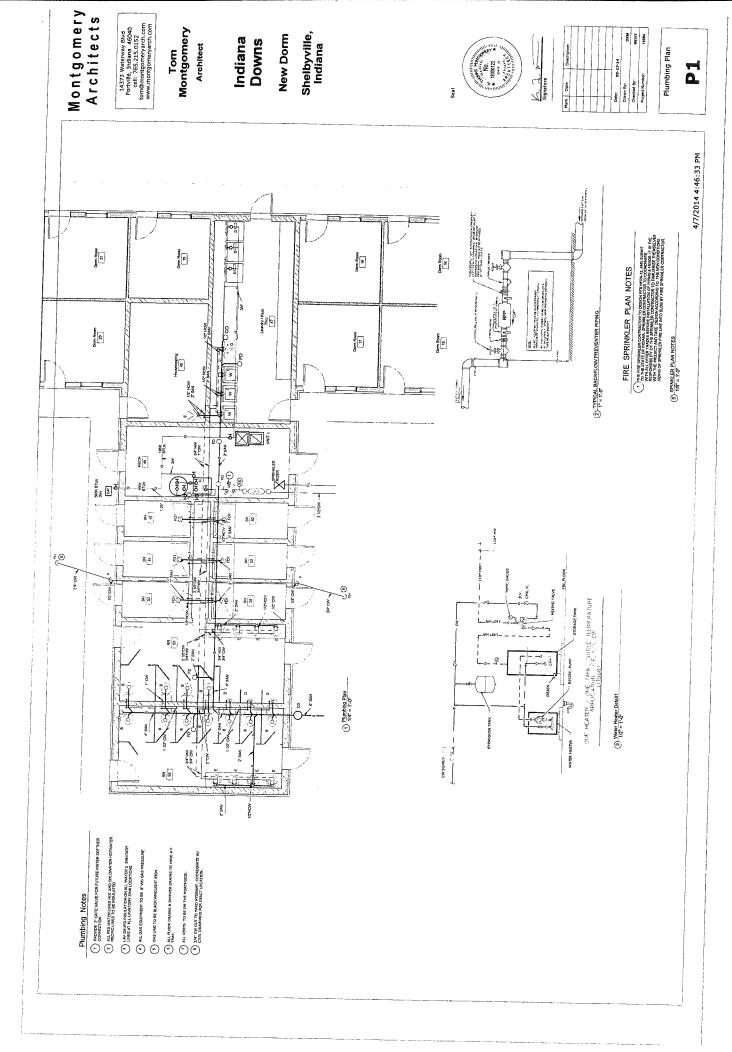
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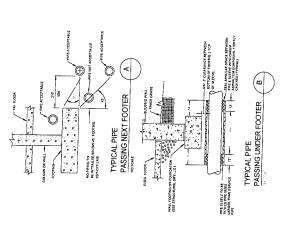
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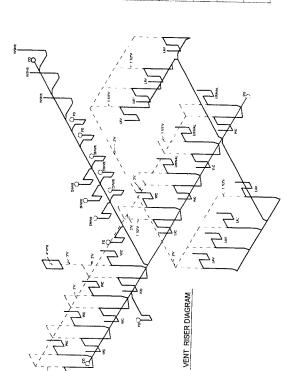
HVAC Plan

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Montgomery Architects

Tom Montgomery <sup>Architect</sup>

Indiana Downs

New Dorm

Shelbyville, Indiana



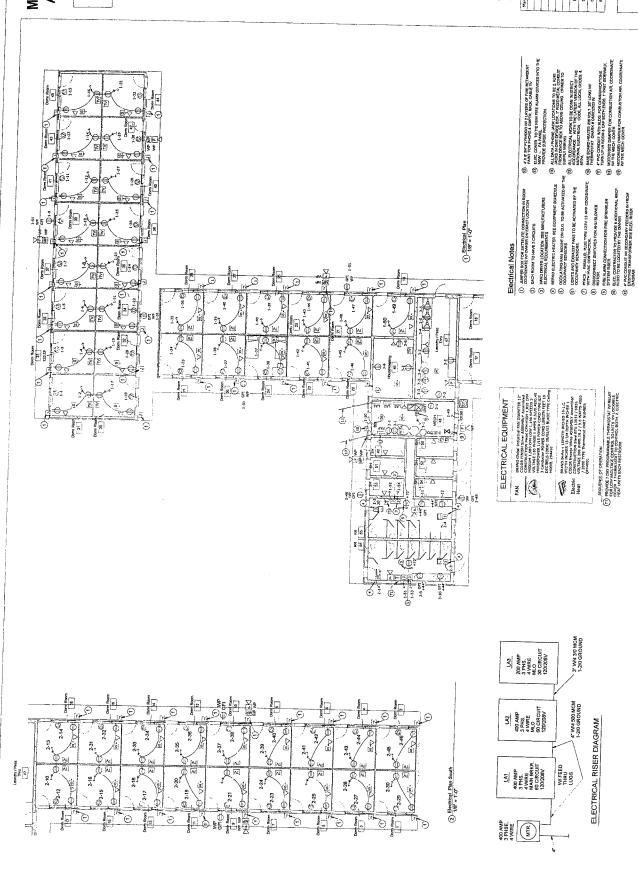
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EXPANSION TANK
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Plumbing Details

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### Montgomery Architects

14373 Waterway Blvd Fortville, Indiana 46040 cell; 765,215,0152 tom@montgomeryarch.com www.montgomeryarch.com

Tom Montgomery

Indiana Architect

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Shelbyville, Indiana

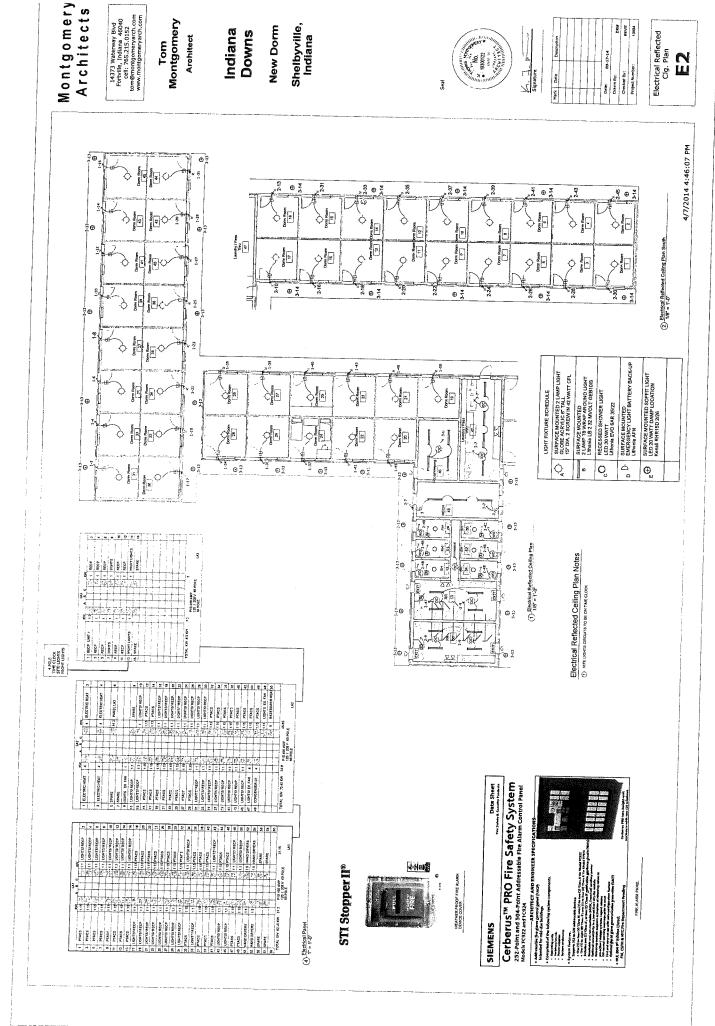


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#### Indiana Horsemen's Benevolent & Protective Association, Inc.

32 Hollaway Boulevard Brownsburg, IN 46112 (317)-903-4382 www.inhbpa.org

Joe Gorajec, Executive Director Indiana Horse Racing Commission 1302 Meridian Street, Suite 175 Indianapolis, IN 46202

June 3, 2014

Joe,

On behalf of the Indiana HBPA, I would like to take a moment and acknowledge the process, plans and receptiveness to input shown by Centaur and Indiana Grand as they begin adding dormitories to the backside of Indiana Grand.

One of the challenges for our owners and trainers – and ultimately, the people who work for them – is finding a place to live during the seven-month racing season at Indiana Grand. The net effect of the long-time shortage of dorm space at this track is two-fold: 1.) inadequate facilities for help forced to double, triple or even quadruple-up in existing dorms; and, 2.) a shortage of quality help because people don't want to come here, knowing the housing situation. That has served no one well.

We have seen the plans for the new dorms and have shared our suggestions. Some of what we recommended has been incorporated into the layout and plans we've seen, including the full set we recently examined. We truly appreciate the spirit of partnership they have demonstrated throughout this process. That bodes well for the future of thoroughbred racing in Indiana.

We have been vocal about the need for additional dorm space and the need for adequate bathroom facilities at Indiana Grand. Centaur and Indiana Grand are attempting to address these needs on a short- and a long-term basis. More needs to be done, but we applaud them for what they are beginning to do. They are demonstrating a willingness to invest in this facility – in the back of the house, as well as the front.

We appreciate and endorse their plans. The Indiana Grand dorms will be a great addition to the backside of the track and a key piece in the future success of the thoroughbred racing and breeding industry in the state.

Joe Davis, President Indiana HBPA

Mark 0.0-

1

#### John Keeler

From:

Brian Elmore [Brian.Elmore@hoosierpark.com]

Sent:

Tuesday, June 03, 2014 12:33 PM

To: Cc: John Keeler John Schuster

Subject:

FW: Dormitories at Indiana Grand

From: Michelle Collins [mailto:mjcollins2004@yahoo.com]

Sent: Tuesday, June 03, 2014 11:39 AM

To: Brian Elmore

Cc: Roger Lewis; Vickie Duke; Mike Gross; Patrick Rowles

Subject: Dormitories at Indiana Grand

Brian,

The QHRAI has been involved in multiple meetings where the new dormitories at Indiana Grand have been discussed. The leaders of Centaur, including Rod Ratcliff, Jim Brown, you, Jon Schuster and Kevin Greely have asked for our input, which we have provided. We are very excited for the dorms to be completed. We think they will be a great addition to the backside of Indiana Grand and create an environment that horsemen living on the backside will appreciate and take great comfort.

Sincerely,

Michelle Collins Executive Director Quarter Horse Racing Association of Indiana, Inc. ph 317-509-6372

Q.H.R.A.I.

Serving the Quarter Horse Racing Industry In Indiana Since 1966

### **AIA**° Document A134™ – 2009

### Standard Form of Agreement Between Owner and Construction Manager as Constructor where the basis of payment is the Cost of the Work Plus a Fee without a Guaranteed Maximum Price

AGREEMENT made as of the Fourth day of April in the year Two Thousand Fourteen (In words, indicate day, month and year.)

REVISED 6-5-14

BETWEEN the Owner:

(Name, legal status and address)

Centaur Acquisition, LLC, dba Indiana Grand Casino 4300 North Michigan Road Shelbyville, Indiana 46176

and the Construction Manager: (Name, legal status and address)

Hagerman, Inc. 10315 Allisonville Road Fishers, Indiana 46038

for the following Project: (Name and address or location)

Indiana Grand New Dormitory 14-0337Q 4300 North Michigan Road Shelbyville, Indiana 46176

The Architect/Mechanical Engineer/ Electrical Engineer: (Name, legal status and address)

Montgomery Architects 14373 Waterway Blvd Fishers, Indiana 46040

The Civil Engineer: (Name, legal status and address)

Beam, Longest and Neff, LLC 8126 Castleton Road Indianapolis, Indiana 46250

The Owner's Designated Representative: (Name, address and other information)

Jim Brown 10 W. Market Street, Suite 200 Indianapolis, Indiana 46204

Init.

#### **ADDITIONS AND DELETIONS:**

The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An Additions and Deletions Report that notes added information as well as revisions to the standard form text is available from the author and should be reviewed. A vertical line in the left margin of this document indicates where the author has added necessary information and where the author has added to or deleted from the original AIA text.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

AIA Document A201™–2007, General Conditions of the Contract for Construction, is adopted in this document by reference. Do not use with other general conditions unless this document is modified.

AIA Document A134™ – 2009 (formerly A131™CMc – 2003). Copyright © 1994, 2003 and 2009 by The American Institute of Architects. All rights reserved. WARNING: This AIA® Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law. This document was produced by AIA software at 09:10:57 on 06/05/2014 under Order No.5179901110\_1 which expires on 04/08/2015, and is not for resale. User Notes:

The Construction Manager's Designated Representative: (Name, address and other information)

Mike Holtkamp 10315 Allisonville Road Fishers, Indiana 46038

The Architect's Designated Representative: (Name, address and other information)

Tom Montgomery 14373 Waterway Blvd Fishers, Indiana 46040

The Owner and Construction Manager agree as follows.

#### TABLE OF ARTICLES

- 1 GENERAL PROVISIONS
- 2 CONSTRUCTION MANAGER'S RESPONSIBILITIES
- 3 OWNER'S RESPONSIBILITIES
- 4 COMPENSATION AND PAYMENTS FOR PRECONSTRUCTION PHASE SERVICES
- 5 COMPENSATION FOR CONSTRUCTION PHASE SERVICES
- COST OF THE WORK FOR CONSTRUCTION PHASE
- PAYMENTS FOR CONSTRUCTION PHASE SERVICES
- INSURANCE AND BONDS
- 9 DISPUTE RESOLUTION
- 10 TERMINATION OR SUSPENSION
- 11 MISCELLANEOUS PROVISIONS
- 12 SCOPE OF THE AGREEMENT

#### ARTICLE 1 GENERAL PROVISIONS

#### § 1.1 The Contract Documents

The Contract Documents consist of this Agreement, Conditions of the Contract (General, Supplementary and other Conditions), Drawings, Specifications, Addenda issued prior to the execution of this Agreement, other documents listed in this Agreement, and Modifications issued after execution of this Agreement, all of which form the Contract and are as fully a part of the Contract as if attached to this Agreement or repeated herein. Upon the Owner's approval of the Control Estimate, the Contract Documents will also include the documents described in Section 2.2.4 and revisions prepared by the Architect and furnished by the Owner as described in Section 2.2.5. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations or agreements, either written or oral. If anything in the other Contract Documents, other than a Modification, is inconsistent with this Agreement, this Agreement shall govern.

#### § 1.2 Relationship of the Parties

The Construction Manager accepts the relationship of trust and confidence established by this Agreement and covenants with the Owner to cooperate with the Architect and exercise the Construction Manager's skill and judgment in furthering the interests of the Owner; to furnish efficient construction administration, management services and supervision; to furnish at all times an adequate supply of workers and materials; and to perform the Work in an expeditious and economical manner consistent with the Owner's interests. The Owner agrees to furnish or approve, in a timely manner, information required by the Construction Manager and to make payments to the Construction Manager in accordance with the requirements of the Contract Documents.

#### § 1.3 General Conditions

For the Preconstruction Phase, AIA Document A201<sup>TM</sup>–2007, General Conditions of the Contract for Construction, shall apply only as specifically provided in this Agreement. For the Construction Phase, the general conditions of the contract shall be as set forth in A201–2007, which document is incorporated herein by reference. The term "Contractor" as used in A201–2007 shall mean the Construction Manager.

#### § 1.4 Contract Sum, Contract Time and Changes in the Work

The Contract Sum is the actual Cost of the Work as defined in Section 6.1.1 plus the Construction Manager's Fee as defined in Section 5.1. The Contract Time is the period of time, including authorized adjustments, allotted in the Contract Documents for Substantial Completion of the Work as certified by the Architect in accordance with Section

9.8 of AIA Document A201–2007. The Contract Time shall be measured from the date of commencement of the Construction Phase as established pursuant to Section 2.3.1.2 of this Agreement. Changes in the Work shall be governed by Section 5.2 of this Agreement and not by Article 7 of A201–2007. If, however, the Contract Time has been established in accordance with Section 2.2.4.5, Article 7 of A201–2007 shall control adjustments to the Contract Time.

#### ARTICLE 2 CONSTRUCTION MANAGER'S RESPONSIBILITIES

The Construction Manager's Preconstruction Phase responsibilities are set forth in Sections 2.1 and 2.2. The Construction Manager's Construction Phase responsibilities are set forth in Section 2.3. The Owner and Construction Manager may agree, in consultation with the Architect, for the Construction Phase to commence prior to completion of the Preconstruction Phase, in which case, both phases will proceed concurrently. The Construction Manager shall identify a representative authorized to act on behalf of the Construction Manager with respect to the Project.

#### § 2.1 Preconstruction Phase

§ 2.1.1 The Construction Manager shall provide a preliminary evaluation of the Owner's program, schedule and construction budget requirements, each in terms of the other.

#### § 2.1.2 Consultation

The Construction Manager shall schedule and conduct meetings with the Architect and Owner to discuss such matters as procedures, progress, coordination, and scheduling of the Work. The Construction Manager shall advise the Owner and the Architect on proposed site use and improvements, selection of materials, and building systems and equipment. The Construction Manager shall also provide recommendations consistent with the Project requirements to the Owner and Architect on constructability; availability of materials and labor; time requirements for procurement, installation and construction; and factors related to construction cost including, but not limited to, costs of alternative designs or materials, preliminary budgets, life-cycle data, and possible cost reductions.

§ 2.1.3 When Project requirements in Section 3.1.1 have been sufficiently identified, the Construction Manager shall prepare and periodically update a Project schedule for the Architect's review and the Owner's acceptance. The Construction Manager shall obtain the Architect's approval for the portion of the Project schedule relating to the performance of the Architect's services. The Project schedule shall coordinate and integrate the Construction Manager's services, the Architect's services, other Owner consultants' services, and the Owner's responsibilities and identify items that could affect the Project's timely completion. The updated Project schedule shall include the following: submission of the Control Estimate; the components of the Work; times of commencement and completion required of each Subcontractor; ordering and delivery of products, including those that must be ordered well in advance of construction; and the occupancy requirements of the Owner.

#### § 2.1.4 Phased Construction

The Construction Manager shall provide recommendations with regard to accelerated or fast-track scheduling, procurement, or phased construction. The Construction Manager shall take into consideration cost reductions, cost information, constructability, provisions for temporary facilities and procurement and construction scheduling issues.

#### § 2.1.5 Preliminary Cost Estimates

§ 2.1.5.1 Based on the preliminary design and other design criteria prepared by the Architect, the Construction Manager shall prepare preliminary estimates of the Cost of the Work or the cost of program requirements using area, volume or similar conceptual estimating techniques for the Architect's review and Owner's approval. If the Architect or Construction Manager suggest alternative materials and systems, the Construction Manager shall provide cost evaluations of those alternative materials and systems.

§ 2.1.5.2 As the Architect progresses with the preparation of the Schematic Design, Design Development and Construction Documents, the Construction Manager shall prepare and update, at appropriate intervals agreed to by the Owner, Construction Manager and Architect, estimates of the Cost of the Work of increasing detail and refinement and allowing for the further development of the design until such time as the Construction Manager submits a Control Estimate for the Work, pursuant to Section 2.2. Such estimates shall be provided for the Architect's review and the Owner's approval. The Construction Manager shall inform the Owner and Architect when estimates of the Cost of the Work exceed the latest approved Project budget and make recommendations for corrective action.

§ 2.1.6 Subcontractors and Suppliers

The Construction Manager shall develop bidders' interest in the Project.

§ 2.1.7 The Construction Manager shall prepare, for the Architect's review and the Owner's acceptance, a procurement schedule for items that must be ordered well in advance of construction. The Construction Manager shall expedite and coordinate the ordering and delivery of materials that must be ordered well in advance of construction. If the Owner agrees to procure any items prior to the Owner's approval of the Control Estimate, the Owner shall procure the items on terms and conditions acceptable to the Construction Manager. Upon the Owner's approval of the Control Estimate, the Owner shall assign all contracts for these items to the Construction Manager and the Construction Manager shall thereafter accept responsibility for them.

§ 2.1.8 Extent of Responsibility

The Construction Manager shall exercise reasonable care in preparing schedules and estimates. The Construction Manager, however, does not warrant or guarantee estimates and schedules, including the Control Estimate and the estimated date of Substantial Completion, except as provided in Section 2.2.4.5. The Construction Manager is not required to ascertain that the Drawings and Specifications are in accordance with applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities, but the Construction Manager shall promptly report to the Architect and Owner any nonconformity discovered by or made known to the Construction Manager as a request for information in such form as the Architect may require.

§ 2.1.9 Notices and Compliance with Laws

The Construction Manager shall comply with applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities applicable to its performance under this Contract, and with equal employment opportunity programs, and other programs as may be required by governmental and quasi governmental authorities for inclusion in the Contract Documents.

#### § 2.2 Control Estimate

- § 2.2.1 At a time to be mutually agreed upon by the Owner and the Construction Manager and in consultation with the Architect, the Construction Manager shall prepare a Control Estimate for the Owner's review and acceptance. The Control Estimate shall be the sum of the Construction Manager's estimate of the Cost of the Work and the Construction Manager's Fee and shall include those items set forth in Section 2.2.4 below. When the Control Estimate is acceptable to the Owner, the Owner shall acknowledge it in writing.
- § 2.2.2 The Construction Manager shall develop and implement a detailed system of cost control that will provide the Owner and Architect with timely information as to the anticipated total Cost of the Work. The cost control system shall compare the Control Estimate with the actual cost for activities in progress and estimates for uncompleted tasks and proposed changes. This information shall be reported to the Owner, in writing, no later than the Construction Manager's first Application for Payment and shall be revised and submitted with each Application for Payment.
- § 2.2.3 To the extent that the Drawings and Specifications are anticipated to require further development by the Architect, the Construction Manager shall provide in the Control Estimate for such further development consistent with the Contract Documents and reasonably inferable therefrom. Such further development does not include changes in scope, systems, kinds and quality of materials, finishes or equipment, all of which, if required, shall be incorporated in a revised Control Estimate by mutual agreement of the parties.

#### § 2.2.4 The Control Estimate shall include

- .1 a list of the Drawings and Specifications, including all Addenda thereto, and the Conditions of the Contract;
- 2 a list of the clarifications and assumptions made by the Construction Manager in the preparation of the Control Estimate, including assumptions under Section 2.2.3, to supplement the information provided by the Owner and contained in the Drawings and Specifications;
- .3 a statement of the estimated Cost of the Work organized by trade categories or systems, allowances, and the Construction Manager's Fee;
- .4 the anticipated date of Substantial Completion upon which the Control Estimate is based, and a schedule for the issuance dates of the Construction Documents upon which the anticipated Substantial Completion date relies; and

1

- .5 a statement as to whether or not the duration from the stated date of commencement of the Construction Phase to the estimated date of Substantial Completion shall become the Contract Time and be subject to the provisions of Article 8 of A201-2007.
- § 2:25 The Owner shall authorize the Architect to incorporate the agreed-upon assumptions and clarifications contained in the Control Estimate. The Owner shall promptly furnish those revised Drawings and Specifications to the Construction Manager as they are revised. The Construction Manager shall notify the Owner and Architect of any inconsistencies between the Control Estimate and the revised Drawings and Specifications.

#### § 2.3 Construction Phase

- § 2.3.1 General
- § 2.3.1.1 For purposes of Section 8.1.2 of A201–2007, the date of commencement of the Work shall mean the date of commencement of the Construction Phase.
- § 2.3.1.2 The Construction Phase shall commence upon the Owner's approval of the Control Estimate or the Owner's issuance of a Notice to Proceed, whichever occurs earlier.
- § 2.3.1.3 Prior to commencement of the Construction Phase, the Construction Manager shall not incur any cost to be reimbursed as part of the Cost of the Work.

#### § 2.3.2 Administration

- § 2.3.2.1 Those portions of the Work that the Construction Manager does not customarily perform with the Construction Manager's own personnel shall be performed under subcontracts or by other appropriate agreements with the Construction Manager. The Owner may designate specific persons from whom, or entities from which, the Construction Manager shall obtain bids. The Construction Manager shall obtain bids from Subcontractors and from suppliers of materials or equipment fabricated especially for the Work and shall deliver such bids to the Architect. The Owner shall then determine, with the advice of the Construction Manager and the Architect, which bids will be accepted. The Construction Manager shall not be required to contract with anyone to whom the Construction Manager has reasonable objection.
- § 2.3.2.2 Subcontracts or other agreements shall conform to the applicable payment provisions of this Agreement, and shall not be awarded on the basis of cost plus a fee without the prior consent of the Owner. If the Subcontract is awarded on a cost-plus a fee basis, the Construction Manager shall provide in the Subcontract for the Owner to receive the same audit rights with regard to the Subcontractor as the Owner receives with regard to the Construction Manager in Section 6.11 below.
- § 2.3.2.3 If the Construction Manager recommends a specific bidder that may be considered a "related party" according to Section 6.10, then the Construction Manager shall promptly notify the Owner in writing of such relationship and notify the Owner of the specific nature of the contemplated transaction, according to Section 6.10.2.
- § 2.3.2.4 The Construction Manager shall schedule and conduct meetings to discuss such matters as procedures, progress, coordination, scheduling, and status of the Work. The Construction Manager shall prepare and promptly distribute minutes to the Owner and Architect.
- § 2.3.2.5 Upon the Owner's approval of the Control Estimate, the Construction Manager shall prepare and submit to the Owner and Architect a construction schedule for the Work and submittal schedule in accordance with Section 3.10 of A201–2007.
- § 2.3.2.6 The Construction Manager shall record the progress of the Project. On a monthly basis, or otherwise as agreed to by the Owner, the Construction Manager shall submit written progress reports to the Owner and Architect, showing percentages of completion and other information required by the Owner. The Construction Manager shall also keep, and make available to the Owner and Architect, a daily log containing a record for each day of weather, portions of the Work in progress, number of workers on site, identification of equipment on site, problems that might affect progress of the Work, accidents, injuries, and other information required by the Owner.

#### § 2.4 Professional Services

Section 3.12.10 of A201-2007 shall apply to both the Preconstruction and Construction Phases.

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#### § 2.5 Hazardous Materials

Section 10.3 of A201-2007 shall apply to both the Preconstruction and Construction Phases.

#### ARTICLE 3 OWNER'S RESPONSIBILITIES

#### § 3.1 Information and Services Required of the Owner

- § 3.1. The Owner shall provide information with reasonable promptness, regarding requirements for and limitations on the Project, including a written program which shall set forth the Owner's objectives, constraints, and criteria, including schedule, space requirements and relationships, flexibility and expandability, special equipment, systems, sustainability and site requirements.
- § 3.1.2 Prior to the Owner's approval of the Control Estimate, or within seven days of receiving the Owner's written acknowledgment required by Section 2.2.1, the Construction Manager may request in writing that the Owner provide reasonable evidence that the Owner has made financial arrangements to fulfill the Owner's obligations under the Contract. Thereafter, the Construction Manager may only request such evidence if (1) the Owner fails to make payments to the Construction Manager as the Contract Documents require, (2) a change in the Work materially changes the Contract Sum, or (3) the Construction Manager identifies in writing a reasonable concern regarding the Owner's ability to make payment when due. The Owner shall furnish such evidence as a condition precedent to commencement or continuation of the Work or the portion of the Work affected by a material change. After the Owner furnishes the evidence, the Owner shall not materially vary such financial arrangements without prior notice to the Construction Manager and Architect.
- § 3.1.3 The Owner shall establish and periodically update the Owner's budget for the Project, including (1) the budget for the Cost of the Work as defined in Section 6.1.1, (2) the Owner's other costs, and (3) reasonable contingencies related to all of these costs. If the Owner significantly increases or decreases the Owner's budget for the Cost of the Work, the Owner shall notify the Construction Manager and Architect. The Owner and the Architect, in consultation with the Construction Manager, shall thereafter agree to a corresponding change in the budget for the Cost of the Work or in the Project's scope and quality.
- § 3.1.4 Structural and Environmental Tests, Surveys and Reports. During the Preconstruction Phase, the Owner shall furnish the following information or services with reasonable promptness. The Owner shall also furnish any other information or services under the Owner's control and relevant to the Construction Manager's performance of the Work with reasonable promptness after receiving the Construction Manager's written request for such information or services. The Construction Manager shall be entitled to rely on the accuracy of information and services furnished by the Owner but shall exercise proper precautions relating to the safe performance of the Work.
- § 3.1.4.1 The Owner shall furnish tests, inspections and reports required by law and as otherwise agreed to by the parties, such as structural, mechanical, and chemical tests, tests for air and water pollution, and tests for hazardous materials.
- § 3.1.4.2 The Owner shall furnish surveys describing physical characteristics, legal limitations and utility locations for the site of the Project, and a legal description of the site. The surveys and legal information shall include, as applicable, grades and lines of streets, alleys, pavements and adjoining property and structures; designated wetlands; adjacent drainage; rights-of-way, restrictions, easements, encroachments, zoning, deed restrictions, boundaries and contours of the site; locations, dimensions and necessary data with respect to existing buildings, other improvements and trees; and information concerning available utility services and lines, both public and private, above and below grade, including inverts and depths. All the information on the survey shall be referenced to a Project benchmark.
- § 3.1.4.3 The Owner, when such services are requested, shall furnish services of geotechnical engineers, which may include but are not limited to test borings, test pits, determinations of soil bearing values, percolation tests, evaluations of hazardous materials, seismic evaluation, ground corrosion tests and resistivity tests, including necessary operations for anticipating subsoil conditions, with written reports and appropriate recommendations.
- § 3.1.4.4 During the Construction Phase, the Owner shall furnish information or services required of the Owner by the Contract Documents with reasonable promptness. The Owner shall also furnish any other information or services under the Owner's control and relevant to the Construction Manager's performance of the Work with reasonable promptness after receiving the Construction Manager's written request for such information or services.

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§ 3.2 Owner's Designated Representative

The Owner shall identify a representative authorized to act on behalf of the Owner with respect to the Project. The Owner's representative shall render decisions promptly and furnish information expeditiously, so as to avoid unreasonable delay in the services or Work of the Construction Manager. Except as otherwise provided in Section 4.2.1 of A201–2007, the Architect does not have such authority. The term "Owner" means the Owner or the Owner's authorized representative.

§ 3.2.1 Legal Requirements. The Owner shall furnish all legal, insurance and accounting services, including auditing services, that may be reasonably necessary at any time for the Project to meet the Owner's needs and interests.

#### § 3.3 Architect

The Owner shall retain an Architect to provide services, duties and responsibilities as described in AIA Document B103<sup>TM</sup>\_2007, Standard Form of Agreement Between Owner and Architect, including any additional services requested by the Construction Manager that are necessary for the Preconstruction and Construction Phase services under this Agreement. The Owner shall provide the Construction Manager a copy of the executed agreement between the Owner and the Architect, and any further modifications to the agreement.

#### ARTICLE 4 COMPENSATION AND PAYMENTS FOR PRECONSTRUCTION PHASE SERVICES § 4.1 Compensation

§ 4.1.1 For the Construction Manager's Preconstruction Phase services, the Owner shall compensate the Construction Manager as follows: Staff Billing Rates, General Conditions at Cost Plus a 5% Fee.

§ 4.1.2 For the Construction Manager's Preconstruction Phase services described in Sections 2.1 and 2.2: (Insert amount of, or basis for, compensation and include a list of reimbursable cost items, as applicable.)

Preconstruction and Construction Phase: The CM staff shall be billed at an hourly rate, see list attached, with a 5% Fee Markup. Reimbursables expenses shall be billed at cost plus a 5% Markup. Reimbursables shall include, but not limited to, items needed to support the project staff. This includes items like travel, mileage, car rental, car lease, living expenses, meals, main office and field office supplies. Land line phones and cell phones. Radios, postage mail and overnight mailings. Printing and blueprinting cost. Reproduction cost of prints and specs. Project photographs, field office maintenance and utility cost for field office. All preconstruction and construction reimbursables shall be billed to the General Conditions category of the project budget, again as noted with a 5% fee.

- § 4.1.3 If the Preconstruction Phase services covered by this Agreement have not been completed within () months of the date of this Agreement, through no fault of the Construction Manager, the Construction Manager's compensation for Preconstruction Phase services shall be equitably adjusted. Staff to be billed at an hourly rate and Reimbursables and General Conditions to be billed at cost plus 5% fee.
- § 4.1.4 Compensation based on Direct Personnel Expense includes the direct salaries of the Construction Manager's personnel providing Preconstruction Phase services and the Construction Manager's costs for the mandatory and customary contributions and benefits related thereto, such as employment taxes and other statutory employee benefits, insurance, sick leave, holidays, vacations, employee retirement plans and similar contributions.

Note: Refer to Staff Billing Rates

#### § 4.2 Payments

- § 4.2.1 Unless otherwise agreed, payments for services shall be made monthly in proportion to services performed.
- § 4.2.2 Payments are due and payable upon presentation of the Construction Manager's invoice. Amounts unpaid after Thirty (30) days after the invoice date shall bear interest at the rate entered below, or in the absence thereof at the legal rate prevailing from time to time at the principal place of business of the Construction Manager. (Insert rate of monthly or annual interest agreed upon.)
- 12 % annual

#### ARTICLE 5 COMPENSATION FOR CONSTRUCTION PHASE SERVICES

§ 5.1 For the Construction Manager's performance of the Work as described in Section 2.3, the Owner shall pay the Construction Manager the Contract Sum in current funds for the Construction Manager's performance of the Contract. The Contract Sum is the Cost of the Work as defined in Section 6.1.1 plus the Construction Manager's Fee.

§ 5.1.1 The Construction Manager's Fee:

(State a lump sum, percentage of Cost of the Work or other provision for determining the Construction Manager's Fee.)

5%

§ 5.1.2 The method of adjustment of the Construction Manager's Fee for changes in the Work:

Added scope is cost of the work plus a 5% fee

§ 5.1.3 Limitations, if any, on a Subcontractor's overhead and profit for increases in the cost of its portion of the Work:

15%

§ 5.1.4 Rental rates for Construction Manager-owned equipment shall not exceed Fifteen percent (15 %) of the standard rate paid at the place of the Project.

§ 5.1.5 Unit prices, if any:

(Identify and state the unit price; state the quantity limitations, if any, to which the unit price will be applicable.)

Item NA

**Units and Limitations** 

Price per Unit (\$0.00)

§ 5.2 Changes in the Work

§ 5.2.1 The Owner may, without invalidating the Contract, order changes in the Work within the general scope of the Contract consisting of additions, deletions or other revisions. The Owner shall issue such changes in writing. The Architect may make minor changes in the Work as provided in Section 7.4 of AIA Document A201–2007, General Conditions of the Contract for Construction. The Construction Manager shall be entitled to an equitable adjustment in the Contract Time as a result of changes in the Work. The Construction Manager shall incorporate all changes in the Work and Contract Time as separate entries in the Control Estimate.

- § 5.2.2 Increased costs for the items set forth in Sections 6.1 through 6.7 that result from changes in the Work shall become part of the Cost of the Work, and the Construction Manager's Fee shall be adjusted as provided in Section 5.1.2
- § 5.2.3 If the Construction Manager receives any Drawings, Specifications, interpretations or instructions from the Owner or Architect which are inconsistent with the Contract Documents, or encounters unanticipated conditions, any of which will result in a significant change in the Cost of the Work or estimated date of Substantial Completion in comparison with the Control Estimate, the Construction Manager shall promptly notify the Owner and Architect in writing and shall not proceed with the affected Work until the Construction Manager receives further written instructions from the Owner and Architect.
- § 5.2.4 If no specific provision is made in Section 5.1.2 for adjustment of the Construction Manager's Fee in the case of changes in the Work, or if the extent of such changes is such, in the aggregate, that application of the adjustment provisions of Section 5.1.2 will cause substantial inequity to the Owner or Construction Manager, the Construction Manager's Fee shall be equitably adjusted on the same basis that was used to establish the Fee for the original Work.

#### ARTICLE 6 COST OF THE WORK FOR CONSTRUCTION PHASE

§ 6.1 Costs to Be Reimbursed

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§ 6.1.1 The term Cost of the Work shall mean costs necessarily incurred by the Construction Manager in the proper performance of the Work. Such costs shall be at rates not higher than the standard paid at the place of the Project

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except with prior consent of the Owner. The Cost of the Work shall include only the items set forth in Sections 6.1 through 6.7.

§ 6.1.2 Where any cost is subject to the Owner's prior approval, the Construction Manager shall obtain this approval prior to incurring the cost.

#### § 6.2 Labor Costs

- § 6.2.1 Wages of construction workers directly employed by the Construction Manager to perform the construction of the Work at the site or, with the Owner's prior approval, at off-site workshops.
- § 6.2.2 Wages or salaries of the Construction Manager's supervisory and administrative personnel when stationed at the site with the Owner's prior approval.

(If it is intended that the wages or salaries of certain personnel stationed at the Construction Manager's principal or other offices shall be included in the Cost of the Work, identify in Section 11.5, the personnel to be included, whether for all or only part of their time, and the rates at which their time will be charged to the Work.)

Attached are the Preconstruction and Construction, Staff Hourly Billing Rates.

- § 6.2.3 Wages and salaries of the Construction Manager's supervisory or administrative personnel engaged at factories, workshops or on the road, in expediting the production or transportation of materials or equipment required for the Work, but only for that portion of their time required for the Work.
- § 6.2.4 Costs paid or incurred by the Construction Manager for taxes, insurance, contributions, assessments and benefits required by law or collective bargaining agreements and, for personnel not covered by such agreements, customary benefits such as sick leave, medical and health benefits, holidays, vacations and pensions, provided such costs are based on wages and salaries included in the Cost of the Work under Sections 6.2.1 through 6.2.3.
- § 6.2.5 Bonuses, profit sharing, incentive compensation and any other discretionary payments paid to anyone hired by the Construction Manager or paid to any Subcontractor or vendor, with the Owner's prior approval.

#### 6 6.3 Subcontract Costs

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Payments made by the Construction Manager to Subcontractors in accordance with the requirements of the subcontracts.

- § 6.4 Costs of Materials and Equipment Incorporated in the Completed Construction
- § 6.4.1 Costs, including transportation and storage, of materials and equipment incorporated or to be incorporated in the completed construction.
- § 6.4.2 Costs of materials described in the preceding Section 6.4.1 in excess of those actually installed to allow for reasonable waste and spoilage. Unused excess materials, if any, shall become the Owner's property at the completion of the Work or, at the Owner's option, shall be sold by the Construction Manager. Any amounts realized from such sales shall be credited to the Owner as a deduction from the Cost of the Work.
- § 6.5 Costs of Other Materials and Equipment, Temporary Facilities and Related Items
- § 6.5.1 Costs of transportation, storage, installation, maintenance, dismantling and removal of materials, supplies, temporary facilities, machinery, equipment and hand tools not customarily owned by construction workers that are provided by the Construction Manager at the site and fully consumed in the performance of the Work. Costs of materials, supplies, temporary facilities, machinery, equipment and tools that are not fully consumed shall be based on the cost or value of the item at the time it is first used on the Project site less the value of the item when it is no longer used at the Project site. Costs for items not fully consumed by the Construction Manager shall mean fair market value.
- § 6.5.2 Rental charges for temporary facilities, machinery, equipment and hand tools not customarily owned by construction workers that are provided by the Construction Manager at the site and costs of transportation, installation, minor repairs, dismantling and removal. The total rental cost of any Construction Manager-owned item may not exceed the purchase price of any comparable item. Rates of Construction Manager-owned equipment and quantities of equipment shall be subject to the Owner's prior approval.

- § 6.5.3 Costs of removal of debris from the site of the Work and its proper and legal disposal.
- § 6.5.4 Costs of document reproductions, facsimile transmissions and long-distance telephone calls, postage and parcel delivery charges, telephone service at the site and reasonable petty cash expenses of the site office.
- § 6.5.5 That portion of the reasonable expenses of the Construction Manager's supervisory or administrative personnel incurred while traveling in discharge of duties connected with the Work.
- § 6.5.6 Costs of materials and equipment suitably stored off the site at a mutually acceptable location, subject to the Owner's prior approval

#### § 6.6 Miscellaneous Costs

- § 6.6.1 Premiums for that portion of insurance and bonds required by the Contract Documents that can be directly attributed to this Contract, Self-insurance for either full or partial amounts of the coverages required by the Contract Documents, with the Owner's prior approval.
- § 6.6.2 Sales, use or similar taxes imposed by a governmental authority that are related to the Work and for which the Construction Manager is liable.
- § 6.6.3 Fees and assessments for the building permit and for other permits, licenses and inspections for which the Construction Manager is required by the Contract Documents to pay.
- § 6.6.4 Fees of laboratories for tests required by the Contract Documents, except those related to defective or nonconforming Work for which reimbursement is excluded by Section 13.5.3 of AIA Document A201–2007 or by other provisions of the Contract Documents, and which do not fall within the scope of Section 6.7.3.
- § 6.6.5 Royalties and license fees paid for the use of a particular design, process or product required by the Contract Documents; the cost of defending suits or claims for infringement of patent rights arising from such requirement of the Contract Documents; and payments made in accordance with legal judgments against the Construction Manager resulting from such suits or claims and payments of settlements made with the Owner's consent. However, such costs of legal defenses, judgments and settlements shall not be included in the calculation of the Construction Manager's Fee. If such royalties, fees and costs are excluded by the last sentence of Section 3.17 of AIA Document A201–2007 or other provisions of the Contract Documents, then they shall not be included in the Cost of the Work.
- § 6.6.6 Costs for electronic equipment and software, directly related to the Work with the Owner's prior approval.
- § 6.6.7 Deposits lost for causes other than the Construction Manager's negligence or failure to fulfill a specific responsibility in the Contract Documents.
- § 6.6.8 Legal, mediation and arbitration costs, including attorneys' fees, other than those arising from disputes between the Owner and Construction Manager, reasonably incurred by the Construction Manager after the execution of this Agreement in the performance of the Work and with the Owner's prior approval, which shall not be unreasonably withheld.
- § 6.6.9 Subject to the Owner's prior approval, expenses incurred in accordance with the Construction Manager's standard written personnel policy for relocation and temporary living allowances of the Construction Manager's personnel required for the Work.

#### § 6.7 Other Costs and Emergencies

- § 6.7.1 Other costs incurred in the performance of the Work if, and to the extent, approved in advance in writing by the Owner.
- § 6.7.2 Costs incurred in taking action to prevent threatened damage, injury or loss in case of an emergency affecting the safety of persons and property, as provided in Section 10.4 of AIA Document A201–2007.
- § 6.7.3 Costs of repairing or correcting damaged or nonconforming Work executed by the Construction Manager, Subcontractors or suppliers, provided that such damaged or nonconforming Work was not caused by negligence or

failure to fulfill a specific responsibility of the Construction Manager and only to the extent that the cost of repair or correction is not recovered by the Construction Manager from insurance, sureties, Subcontractors, suppliers, or others.

§ 6.7.4 The costs described in Sections 6.1 through 6.7 shall be included in the Cost of the Work notwithstanding any provision of AIA Document A201–2007 or other Conditions of the Contract which may require the Construction Manager to pay such costs, unless such costs are excluded by the provisions of Section 6.8.

#### § 6.8 Costs Not to Be Reimbursed

§ 6.8.1 The Cost of the Work shall not include the items listed below:

Salaries and other compensation of the Construction Manager's personnel stationed at the Construction Manager's principal office or offices other than the site office, except as specifically provided in Section 6.2, or as may be provided in Article 11;

2 Expenses of the Construction Manager's principal office and offices other than the site office;

.3 Overhead and general expenses, except as may be expressly included in Sections 6.1 through 6.7;

4 The Construction Manager's capital expenses, including interest on the Construction Manager's capital employed for the Work;

- .5 Except as provided in Section 6.7.3 of this Agreement, costs due to the negligence or failure of the Construction Manager, Subcontractors and suppliers or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable to fulfill a specific responsibility of the Contract;
- .6 Any cost not specifically and expressly described in Sections 6.1 through 6.7; and

.7 Costs for services incurred during the Preconstruction Phase.

#### § 6.9 Discounts, Rebates and Refunds

§ 6.9.1 Cash discounts obtained on payments made by the Construction Manager shall accrue to the Owner if (1) before making the payment, the Construction Manager included them in an Application for Payment and received payment from the Owner, or (2) the Owner has deposited funds with the Construction Manager with which to make payments; otherwise, cash discounts shall accrue to the Construction Manager. Trade discounts, rebates, refunds and amounts received from sales of surplus materials and equipment shall accrue to the Owner, and the Construction Manager shall make provisions so that they can be obtained.

§ 6.9.2 Amounts that accrue to the Owner in accordance with the provisions of Section 6.9.1 shall be credited to the Owner as a deduction from the Cost of the Work.

#### § 6.10 Related Party Transactions

§ 6.10.1 For purposes of Section 6.10, the term "related party" shall mean a parent, subsidiary, affiliate or other entity having common ownership or management with the Construction Manager; any entity in which any stockholder in, or management employee of, the Construction Manager owns any interest in excess of ten percent in the aggregate; or any person or entity which has the right to control the business or affairs of the Construction Manager. The term "related party" includes any member of the immediate family of any person identified above.

§ 6.10.2 If any of the costs to be reimbursed arise from a transaction between the Construction Manager and a related party, the Construction Manager shall notify the Owner of the specific nature of the contemplated transaction, including the identity of the related party and the anticipated cost to be incurred, before any such transaction is consummated or cost incurred. If the Owner, after such notification, authorizes the proposed transaction, then the cost incurred shall be included as a cost to be reimbursed, and the Construction Manager shall procure the Work, equipment, goods or service from the related party, as a Subcontractor, according to the terms of Sections 2.3.2.1, 2.3.2.2 and 2.3.2.3. If the Owner fails to authorize the transaction, the Construction Manager shall procure the Work, equipment, goods or service from some person or entity other than a related party according to the terms of Sections 2.3.2.1, 2.3.2.2 and 2.3.2.3.

#### § 6.11 Accounting Records

The Construction Manager shall keep full and detailed records and accounts related to the cost of the Work and exercise such controls as may be necessary for proper financial management under this Contract and to substantiate all costs incurred. The accounting and control systems shall be satisfactory to the Owner. The Owner and the Owner's auditors shall, during regular business hours and upon reasonable notice, be afforded access to, and shall be permitted to audit and copy, the Construction Manager's records and accounts, including complete documentation supporting accounting entries, books, correspondence, instructions, drawings, receipts, subcontracts, Subcontractor's proposals,

purchase orders, vouchers, memoranda and other data relating to this Contract. The Construction Manager shall preserve these records for a period of three years after final payment, or for such longer period as may be required by law.

#### ARTICLE 7 PAYMENTS FOR CONSTRUCTION PHASE SERVICES

§ 7.1 Progress Payments

§ 7.1.1 Based upon Applications for Payment submitted to the Construction Manager and Certificates for Payment issued by the Construction Manager, the Owner shall make progress payments on account of the Contract Sum to the Construction Manager as provided below and elsewhere in the Contract Documents.

§ 7.1.2 The period covered by each Application for Payment shall be one calendar month ending on the last day of the month, or as follows:

30th day of each month

#### 7.1.3

Init.

(Federal, state or local laws may require payment within a certain period of time.)

Note: The Architect will not be reviewing the pay applications. Owner to pay the CM within 30 days of pay application submittal.

- § 7.1.4 With each Application for Payment, the Construction Manager shall submit payrolls, petty cash accounts, receipted invoices or invoices with check vouchers attached, and any other evidence required by the Owner or Architect to demonstrate that cash disbursements already made by the Construction Manager on account of the Cost of the Work equal or exceed progress payments already received by the Construction Manager, less that portion of those payments attributable to the Construction Manager's Fee, plus payrolls for the period covered by the present Application for Payment.
- § 7.1.5 Applications for Payment shall show the Cost of the Work actually incurred by the Construction Manager through the end of the period covered by the Application for Payment and for which the Construction Manager has made or intends to make actual payment prior to the next Application for Payment.
- § 7.1.6 Subject to other provisions of the Contract Documents, the amount of each progress payment shall be computed as follows:

A Take the Cost of the Work as described in Section 6.1.1;

- .2 Add the Construction Manager's Fee, less retainage. The Construction Manager's Fee shall be computed upon the Cost of the Work described in the preceding Section 7.1.6.1 at the rate stated in Section 5.1.1; or if the Construction Manager's Fee is stated as a fixed sum in that Section, an amount that bears the same ratio to that fixed-sum Fee as the Cost of the Work bears to a reasonable estimate of the probable Cost of the Work upon its completion;
- .3 Subtract retainage of Five percent (5 %) from that portion of the Work that the Construction Manager self-performs;

.4 Subtract the aggregate of previous payments made by the Owner;

- .5 Subtract the shortfall, if any, indicated by the Construction Manager in the documentation required by Section 7.1.4 or resulting from errors subsequently discovered by the Owner's auditors in such documentation; and
- .6 Subtract amounts, if any, for which the Architect has withheld or withdrawn a Certificate for Payment as provided in the Contract Documents.
- No retainage to be held on Construction Managers Staff, Fee, or General Conditions, only on the work.
- § 7.1.7 The Owner and Construction Manager shall agree upon (1) a mutually acceptable procedure for review and approval of payments to Subcontractors and (2) the percentage of retainage held on Subcontracts, and the Construction Manager shall execute subcontracts in accordance with those agreements.
- § 7.1.8 Except with the Owner's prior approval, the Construction Manager shall not make advance payments to suppliers for materials or equipment which have not been delivered and stored at the site.

§ 7.1.9 In taking action on the Construction Manager's Applications for Payment, the Architect shall be entitled to rely on the accuracy and completeness of the information furnished by the Construction Manager and shall not be deemed to represent that the Architect has made a detailed examination, audit or arithmetic verification of the documentation submitted in accordance with Section 7.1.4 or other supporting data; that the Architect has made exhaustive or continuous on-site inspections; or that the Architect has made examinations to ascertain how or for what purposes the Construction Manager has used amounts previously paid on account of the Contract. Such examinations, audits and verifications, if required by the Owner, will be performed by the Owner's auditors acting in the sole interest of the Owner. The Architect will not be reviewing the pay applications. The Owner to pay Construction Manager within 30 days of pay application submittal.

#### § 7.2 Final Payment

§ 7.2.1 Final payment, constituting the entire unpaid balance of the Contract Sum, shall be made by the Owner to the Construction Manager when

.1 the Construction Manager has fully performed the Contract except for the Construction Manager's responsibility to correct Work as provided in Section 12.2.2 of AIA Document A201-2007, and to satisfy other requirements, if any, which extend beyond final payment;

the Construction Manager has submitted a final accounting for the Cost of the Work and a final Application for Payment, and

3

The Owner's final payment to the Construction Manager shall be made no later than 30 days after the issuance of the Construction Manager's final Certificate for Payment, or as follows:

§ 7.2.2 The Owner's auditors will review and report in writing on the Construction Manager's final accounting within 30 days after delivery of the final accounting to the Architect by the Construction Manager. Based upon such Cost of the Work as the Owner's auditors report to be substantiated by the Construction Manager's final accounting, and provided the other conditions of Section 7.2.1 have been met, the Architect will, within seven days after receipt of the written report of the Owner's auditors, either issue to the Owner a final Certificate for Payment with a copy to the Construction Manager, or notify the Construction Manager and Owner in writing of the Architect's reasons for withholding a certificate as provided in Section 9.5.1 of the AIA Document A201–2007. The time periods stated in this Section supersede those stated in Section 9.4.1 of the AIA Document A201–2007. The Architect is not responsible for verifying the accuracy of the Construction Manager's final accounting.

§ 7.2.3 If the Owner's auditors report the Cost of the Work as substantiated by the Construction Manager's final accounting to be less than claimed by the Construction Manager, the Construction Manager shall be entitled to request mediation of the disputed amount without seeking an initial decision pursuant to Section 15.2 of A201–2007. A request for mediation shall be made by the Construction Manager within 30 days after the Construction Manager's receipt of a copy of the Architect's final Certificate for Payment. Failure to request mediation within this 30-day period shall result in the substantiated amount reported by the Owner's auditors becoming binding on the Construction Manager. Pending a final resolution of the disputed amount, the Owner shall pay the Construction Manager the amount certified in the Architect's final Certificate for Payment.

§ 7.2.4 If, subsequent to final payment and at the Owner's request, the Construction Manager incurs costs described in Section 6.1.1 and not excluded by Section 6.8 to correct defective or nonconforming Work, the Owner shall reimburse the Construction Manager such costs and the Construction Manager's Fee applicable thereto on the same basis as if such costs had been incurred prior to final payment.

#### ARTICLE 8 INSURANCE AND BONDS

For all phases of the Project, the Construction Manager and the Owner shall purchase and maintain insurance, and the Construction Manager shall provide bonds as set forth in Article 11 of AIA Document A201-2007. (State bonding requirements, if any, and limits of liability for insurance required in Article 11 of AIA Document A201-2007.)

No Payment and Performance Bond is required.

Hagerman to provide an Insurance Certificate for the project.

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The Owner will provide the Builders Risk Insurance Policy or the Owner will provide Insurance that covers the building alterations / additions for the gross construction cost including soft cost, and the coverage for all building materials stored on Centaur's property for any reason including flood and earthquake. The Owner will fund the deductible should a claim occur.

Type of Insurance or Bond NA

Limit of Liability or Bond Amount (\$0.00)

§ 8.1 Waivers of Subrogation

The Owner and Contractor waive all rights against (1) each other and any of their subcontractors, sub-subcontractors, agents and employees, each of the other, and (2) the Architect, Architect's consultants, separate contractors described in Article 6 (AIA A201-2007), if any, and any of their subcontractors, sub-subcontractors, agents and employees, for damages caused by fire or other causes of loss to the extent covered by property insurance obtained pursuant to this Section 11.3 (AIA A201-2007) or other property insurance applicable to the Work, except such rights as they have to proceeds of such insurance held by the Owner as fiduciary. The Owner or Contractor, as appropriate, shall require of the Architect's consultants, separate contractors described in Article 6 (AIA A201-2007), if any, and the subcontractors, sub-subcontractors, agents and employees of any of them, by appropriate agreements, written where legally required for validity, similar waivers each in favor of other parties enumerated herein. The policies shall provide such waivers of subrogation by endorsement or otherwise. A waiver of subrogation shall be effective as to a person or entity even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, did not pay the insurance premium directly or indirectly, and whether or not the person or entity had an insurable interest in the property damaged.

#### ARTICLE 9 DISPUTE RESOLUTION

§ 9.1 Any Claim between the Owner and Construction Manager shall be resolved in accordance with the provisions set forth in this Article 9 and Article 15 of A201–2007. However, for Claims arising from or relating to the Construction Manager's Preconstruction Phase services, no decision by the Initial Decision Maker shall be required as a condition precedent to mediation or binding dispute resolution, and Section 9.3 of this Agreement shall not apply.

§ 9.2 For any Claim subject to, but not resolved by mediation pursuant to Section 15.3 of AIA Document A201–2007, the method of binding dispute resolution shall be as follows:

(Check the appropriate box. If the Owner and Construction Manager do not select a method of binding dispute resolution below, or do not subsequently agree in writing to a binding dispute resolution method other than litigation, Claims will be resolved by litigation in a court of competent jurisdiction.)

- Arbitration pursuant to Section 15.4 of AIA Document A201–2007
- [ ] Litigation in a court of competent jurisdiction
- [X] Other: (Specify)

Mediation to be followed by arbitration (if needed)

#### § 9.3 Initial Decision Maker

The Owner will serve as the Initial Decision Maker pursuant to Section 15.2 of AIA Document A201–2007 for Claims arising from or relating to the Construction Manager's Construction Phase services, unless the parties appoint below another individual, not a party to the Agreement, to serve as the Initial Decision Maker.

(If the parties mutually agree, insert the name, address and other contact information of the Initial Decision Maker, if other than the Architect.)

Jim Brown 10 W. Market Street, Suite 200 Indianapolis, Indiana 46204

#### ARTICLE 10 TERMINATION OR SUSPENSION

§ 10.1 Termination Prior to Owner's Approval of the Control Estimate

§ 10.1.1 Prior to the Owner's approval of the Control Estimate, the Owner may terminate this Agreement upon not less than seven days' written notice to the Construction Manager for the Owner's convenience and without cause and the Construction Manager may terminate this Agreement, upon not less than seven days' written notice to the Owner, for the reasons set forth in Section 14.1.1 of A201–2007.

§ 10.1.2 In the event of termination of this Agreement pursuant to Section 10.1.1, the Construction Manager shall be equitably compensated for Preconstruction Phase services performed prior to receipt of a notice of termination. In no event shall the Construction Manager's compensation under this Section exceed the compensation set forth in Section 4.1.

§ 10.1.3 In the event of termination of this Agreement pursuant to Section 10.1.1, after the commencement of the Construction Phase but prior to the Owner's approval of the Control Estimate, the Owner shall pay to the Construction Manager under Section 10.1.2 an amount calculated as follows, which amount shall be in addition to any compensation paid to the Construction Manager under Section 10.1.2:

1 Take the Cost of the Work incurred by the Construction Manager to the date of termination;

Add the Construction Manager's Fee computed upon the Cost of the Work to the date of termination at the rate stated in Section 5.1 or, if the Construction Manager's Fee is stated as a fixed sum in that Section, an amount that bears the same ratio to that fixed-sum Fee as the Cost of the Work at the time of termination bears to a reasonable estimate of the probable Cost of the Work upon its completion; and

.3 Subtract the aggregate of previous payments made by the Owner for Construction Phase services.

The Owner shall also pay the Construction Manager fair compensation, either by purchase or rental at the election of the Owner, for any equipment owned by the Construction Manager which the Owner elects to retain and which is not otherwise included in the Cost of the Work under Section 10.1.3.1. To the extent that the Owner elects to take legal assignment of subcontracts and purchase orders (including rental agreements), the Construction Manager shall, as a condition of receiving the payments referred to in this Article 10, execute and deliver all such papers and take all such steps, including the legal assignment of such subcontracts and other contractual rights of the Construction Manager, as the Owner may require for the purpose of fully vesting in the Owner the rights and benefits of the Construction Manager under such subcontracts or purchase orders. All Subcontracts, purchase orders and rental agreements entered into by the Construction Manager will contain provisions allowing for assignment to the Owner as described above.

If the Owner accepts assignment of subcontracts, purchase orders or rental agreements as described above, the Owner will reimburse or indemnify the Construction Manager for all costs arising under the subcontract, purchase order or rental agreement if those costs would have been reimbursable as Cost of the Work if the contract had not been terminated. If the Owner chooses not to accept assignment of any subcontract, purchase order or rental agreement that would have constituted a Cost of the Work had this agreement not been terminated, the Construction Manager will terminate the subcontract, purchase order or rental agreement and the Owner will pay the Construction Manager the costs necessarily incurred by the Construction Manager because of such termination.

§ 10.2 Termination Subsequent to the Owner's Approval of the Control Estimate

§ 10.2.1 Subsequent to the Owner's approval of the Control Estimate, the Contract may be terminated as provided in Sections 14.1.1, 14.1.2 and 14.2.1 of A201–2007. The provisions of Article 14 of A201–2007 do not otherwise apply to this Section 10.2.

§ 10.2.2 In the event of such termination by the Owner, the amount payable to the Construction Manager shall not exceed the amount the Construction Manager would have been entitled to receive pursuant to Sections 10.1.2 and 10.1.3 of this Agreement, less any compensation that may be awarded to the Owner pursuant to Article 9.

§ 10.2.3 In the event of such termination by the Construction Manager, the amount payable to the Construction Manager shall be in accordance with Sections 10.1.2 and 10.1.3 of this Agreement, except that the Construction Manager's Fee shall be calculated as if the Work had been fully completed by the Construction Manager, including a reasonable estimate of the Cost of the Work for Work not actually completed.

§ 10.2.4 In addition to the Owner's right to terminate this Agreement for cause as provided in Section 14.2.1 of A201-2007, the Owner may terminate this Agreement for convenience as provided in Section 14.4; however, the Owner shall then only pay the Construction Manager an amount calculated as follows:

Take the Cost of the Work incurred by the Construction Manager to the date of termination;

- Add the Construction Manager's Fee computed upon the Cost of the Work to the date of termination at the rate stated in Section 5.1.1 or, if the Construction Manager's Fee is stated as a fixed sum in that Section, an amount that bears the same ratio to that fixed-sum Fee as the Cost of the Work at the time of termination bears to a reasonable estimate of the probable Cost of the Work upon its completion; and
- .3 Subtract the aggregate of previous payments made by the Owner.

#### § 10.3 Suspension

The Work may be suspended by the Owner as provided in Article 14 of AIA Document A201–2007. In such case, the Control Estimate and Contract Time shall be increased as provided in Section 14.3.2 of AIA Document A201–2007, except that the term "profit" shall be understood to mean the Construction Manager's Fee as described in Sections 5.1 and 5.2.4 of this Agreement.

#### ARTICLE 11 MISCELLANEOUS PROVISIONS

§ 11.1 Terms in this Agreement shall have the same meaning as those in A201-2007.

#### § 11.2 Ownership and Use of Documents

Section 1.5 of A201-2007 shall apply to both the Preconstruction and Construction Phases.

#### § 11.3 Governing Law

Section 13.1 of A201-2007 shall apply to both the Preconstruction and Construction Phases.

#### § 11.4 Assignment

The Owner and Construction Manager, respectively, bind themselves, their agents, successors, assigns and legal representatives to this Agreement. Neither the Owner nor the Construction Manager shall assign this Agreement without the written consent of the other, except that the Owner may assign this Agreement to a lender providing financing for the Project if the lender agrees to assume the Owner's rights and obligations under this Agreement. Except as provided in Section 13.2.2 of A201–2007, neither party to the Contract shall assign the Contract as a whole without written consent of the other. If either party attempts to make such an assignment without such consent, that party shall nevertheless remain legally responsible for all obligations under the Contract.

#### § 11.5 Other provisions:

- A. The current project estimate/ budget for the New Dormitory is \$1,810,449.00.
  - B. The planned date of Substantial Completion for the New Dormitory is September 26, 2014.

#### ARTICLE 12 SCOPE OF THE AGREEMENT

§ 12.1 This Agreement represents the entire and integrated agreement between the Owner and the Construction Manager and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by written instrument signed by both Owner and Construction Manager.

#### § 12.2 The following documents comprise the Agreement:

- 1 AIA Document A134-2009, Standard Form of Agreement Between Owner and Construction Manager as Constructor where the basis of payment is the Cost of the Work Plus a Fee without a Guaranteed Maximum Price
- 2 AIA Document A201–2007, General Conditions of the Contract for Construction (Paragraphs deleted)
  - .3 Other documents:

lnit.

(List other documents, if any, forming part of the Agreement.)

Attachment "A": Preconstruction and Construction Staff Hourly Rates

Attachment "B": Drawing List

Attachment "C": Specification List

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#### Attachment " D": Project Schedule

§ 12.3 This agreement is contingent upon the approval by the Indiana Horse Racing Commission and is subject to cancellation at any time by the Indiana Gaming Commission pursuant to 68 IAC 1-4-1.

This Agreement is entered into as of the day and year first written above.

CENTAUR ACQUISITION, LLC

HAGERMAN, INC

OWNER (Signature)

CONSTRUCTION MANAGER (Signature)

Jim Brown, President & Chief Operating Officer

(Printed name and title)

Bruce A. Molter, President

(Printed name and title)