

## **2009 AGREEMENT**

This agreement made and entered into by and between the ILLINOIS HARNESS HORSEMEN'S ASSOCIATION, an Illinois not-for-profit corporation (hereinafter referred to as the "IHHA"), and BALMORAL RACING CLUB, INC. and MAYWOOD PARK TROTTING ASSOCIATION, INC. (hereinafter referred to as the "LICENSEES"), all of which are authorized to do business in Illinois.

### **WITNESSETH:**

WHEREAS, LICENSEES are organizations licensed by the Illinois Racing Board (hereinafter referred to as the "IRB") to conduct, and are engaged in the business of conducting, pari-mutuel harness race meetings at Balmoral Park and Maywood Park; and,

WHEREAS, the IHHA is a voluntary association of independent contractors who are owners, trainers and drivers of harness horses; and,

WHEREAS, the IHHA represents that it has been designated by a majority of the horse owners, trainers and drivers (HORSEMEN) to represent all HORSEMEN racing at LICENSEES' tracks as their agent for the purpose of negotiating the within Agreement; and,

WHEREAS, the parties hereto desire to cooperate in promoting the popularity of the sport of harness racing, and in insuring the continuity of harness racing at LICENSEES' tracks for the best interest of racing and the best interests of the parties

hereto and the public.

NOW, THEREFORE IN CONSIDERATION OF THE MUTUAL BENEFITS TO BE DERIVED BY THE PARTIES HERETO, IT IS AGREED AS FOLLOWS:

1. The terms of this Agreement apply to and govern the harness race meetings to be conducted by the LICENSEES for the year 2009.

2. From LICENSEES' retained share of the pari-mutuel handle, as provided for by the laws of the State of Illinois, the LICENSEES shall pay to the HORSEMEN'S purse account, monies as specified in the Horse Racing Act of 1975 as amended. From the HORSEMEN'S purse account, payments shall be made by the LICENSEES as follows:

A.) To the IHHA, in the amount of SIX THOUSAND THREE HUNDRED (\$6,300) DOLLARS or less as directed by the IHHA per host day 2009 for those host days in which the Licensee has been allotted harness race dates by the Illinois Racing Board. The LICENSEES shall pay these monies, pursuant to section 37-29(d) of the Horse Racing Act of 1975 as amended. The payments shall be made within fourteen (14) days after weekly billing.

B.) An amount equal to FOUR THOUSAND EIGHT HUNDRED FIFTY (\$4,850.00) DOLLARS per 2009 IRB allotted harness host day totaling ONE MILLION SEVEN-HUNDRED SEVENTY THOUSAND TWO HUNDRED FIFTY (\$1,770,250) DOLLARS shall be designated for payment of purses for stakes, including elimination and consolation races, futurities, and early and late closers per the stakes schedule in

Exhibit A attached hereto. This amount will be allocated from the HORSEMEN'S purse account on a host day basis during 2009 for the period that the Licensee has been allotted harness race dates by the Illinois Racing Board. All nominating, sustaining and starting payments shall be held for the benefit of entrant and shall be paid out as part of the respective purses for such races. Deductions may not be made from nomination, sustaining and starting payments or from the advertised purse for clerical or any other expenses. This stakes purse schedule may be changed only by mutual written agreement of LICENSEES and the IHHA. Should any listed event be canceled, the specified purse money for those stakes may remain available for other stakes. At the request of the IHHA, the LICENSEE shall provide to the IHHA a compilation listing of all nominating, sustaining, and starting payments, and, audit report indicating individual purses paid for stakes as listed along with source of purse monies for those respective races. At the conclusion of the last scheduled harness race program for the year 2009, any balance, positive or negative, in the amounts designated for purses in stakes races shall be adjusted in the HORSEMEN'S purse account and become available for purses in non-stake races.

C.) To purses for stakes, including elimination and consolation races, futurities, and early and late closers in an amount not to exceed EIGHT THOUSAND (\$8,000.00) DOLLARS per race.

D.) To purses for races other than those covered in paragraphs 2B & 2C. The purses paid will initially be the same as those in effect at the end of racing under previous agreements. This shall include a 12% purse bonus paid from the HORSEMEN'S purse account to any Illinois Conceived and Foaled (ICF) horse registered under subparagraph(j)(2) of section 31 of the Illinois Horse Racing Act of 1975 finishing first,

second or third in races open to non-ICF horses where no entry, nominating or starting fees are paid. LICENSEES' Race Secretary shall make every reasonable effort to avoid the use of multiple, secondary or also eligible conditions. Any race with multiple, secondary or also eligible conditions, including multiple claiming prices, shall pay a purse equal to the average of the highest and lowest purses for the various conditions. LICENSEES may reduce all purses by a fixed percentage, not to exceed 10%, if the HORSEMEN'S purse account (less amounts designated for purses in stake races and as reserve as defined in paragraph 3) has a debit (overpayment) balance greater than THREE HUNDRED THOUSAND (\$300,000.00) DOLLARS at the time a new condition sheet is published. LICENSEES shall increase all purses by a fixed percentage not to exceed 10% if the HORSEMEN'S purse account (less amounts designated for purses in stake races and as reserve as defined in paragraph 3) has a credit (underpayment) balance greater than THREE HUNDRED THOUSAND (\$300,000) DOLLARS at the time a new condition sheet is published except upon mutual agreement of LICENSEE and the IHHA. No such percentage changes may occur in purses prior to June 1, 2009 without the approval of the IHHA. Any other modification of the purses for specific conditions, other than those described above, may be made only by mutual agreement of LICENSEES and the IHHA. LICENSEES' Race Secretary and the IHHA Condition Sheet and Purse Account Committee members shall meet regularly to discuss the purses and conditions.

3. Any purse monies received by LICENSEES other than from the retained share of the pari-mutuel handle, including but not limited to that from unclaimed outstanding tickets, lump sum settlements of interstate simulcasting costs and/or audits of

previous purse account activity, shall be transferred to the 2009 HORSEMEN'S purse account and maintained by the LICENSEE as a reserve. Purse account balances from racing under previous Agreements may be transferred to the 2009 HORSEMEN'S purse account as the 2009 beginning balance or to this reserve. Any adjustments to the HORSEMEN'S purse account as a result of audits, simulcast cost settlements or other events for periods prior to 2009 must be treated as if they had occurred on December 31, 2008.

4. LICENSEES and the IHHA agree that the term "recapture" shall refer to the total certified amount which "wagering facilities are permitted to receive from any amount otherwise payable to the HORSEMEN'S purse account" per subsection (g-13) of Section 26 of the Horse Racing Act of 1975 as amended. LICENSEES and the IHHA acknowledge that the "LETTER AGREEMENT RELATING TO POTENTIAL NEW SOURCES OF REVENUE" dated May 20, 2008 and May 2, 2006 (see exhibit C attached), if effected, does supersede the provisions of this Section 4.

If the amount appropriated by the State of Illinois and approved by the Governor for "reimbursement of 2009 recapture" for the race meets covered under this agreement should fall short of the "2009 recapture" monies certified by the IRB in January 2009 as due to LICENSEES under the present law, then THIRTY-PERCENT (30%) of the non-reimbursed recapture (\$1,344,915.50 if reimbursement is 0) based on Illinois racing in 2008 and certified collectible in 2009 will be transferred to LICENSEES from the HORSEMEN'S purse account in pro-rated equal amounts (\$3,684.70 per host day if reimbursement is 0) per 2009 IRB allotted harness host day

Transfer of the 70% (seventy percent) of the remaining non-reimbursed recapture

(\$3,138,131.50 if reimbursement is 0) based on Illinois racing in 2008 and certified collectible in 2009 from the HORSEMEN'S purse account to LICENSEES shall be referred to as deferred non-reimbursed recapture and shall be withheld from "new revenue" when it becomes available. "New revenue" is defined, for purposes of this Agreement, as revenue from any legislatively enacted non-pari-mutuel revenue source such as, but not limited to, gaming revenues other than from horse racing. If no such legislation is enacted and becomes effective on or before December 31, 2015 no amount of deferred non-reimbursed 2009 recapture shall be transferred from the HORSEMEN'S purse account to LICENSEES. The transfer of this deferred balance of non-reimbursed 2009 recapture from the HORSEMEN'S purse account to LICENSEES, combined with any transfer of deferred recapture from other agreements, will be limited to 50% of the HORSEMEN'S purse account money received in any given year from such new revenue generated or 50% of the total non-reimbursed deferred recapture, whichever is less, until the total deferred non-reimbursed recapture is \$500,000 or less – at which time, it becomes due and payable that year in its entirety. All deferred and recapture monies due in any given year, but unpaid as a result of these limits, shall be deferred to the following years.

If monies are appropriated and paid at any time in the future for "reimbursement of 2009 recapture," the amount due LICENSEES as deferred recapture for 2009 will be reduced by the amount paid to LICENSEES and treated as if paid on July 1, 2009. Any and all monies already transferred from the HORSEMEN'S purse account to LICENSEES as recapture for 2009 shall be adjusted retroactively.

4A. It is agreed that the following Section numbered 4A replaces in its entirety the paragraph numbered 4 in the 2008 agreement between the IHHA and LICENSEES:

4A. LICENSEES and the IHHA agree that the term “recapture” shall refer to the total certified amount which “wagering facilities are permitted to receive from any amount otherwise payable to the HORSEMEN’S purse account” per subsection (g-13) of Section 26 of the Horse Racing Act of 1975 as amended.

LICENSEES and the IHHA further agree that no certified “recapture” monies or monies intended for “reimbursement of recapture” for 2008 may be added to or subtracted from the HORSEMEN’S purse account until June 30, 2008. If, at such time, the amount appropriated by the State of Illinois and approved by the Governor for “reimbursement of 2008 recapture” for the race meets covered under this agreement should fall short of the “2008 recapture” monies certified by the IRB in January 2008 as due to LICENSEES under the present law, THIRTY PERCENT (30%) of the remaining non-reimbursed 2008 recapture (\$1,281,620.00) if reimbursement is 0) will be transferred to LICENSEES from the HORSEMEN’S purse account on June 30, 2008.

Transfer of the remaining non-reimbursed recapture for 2008 (\$2,990,447.00) if reimbursement is 0) from the HORSEMEN’S purse account to LICENSEES shall be referred to as deferred non-reimbursed recapture and shall be withheld from “new revenue” when it becomes available. “New revenue” is defined, for purposes of this Agreement, as revenue from any legislatively enacted non-pari-mutuel revenue source such as, but no limited to, gaming revenues other than from horse racing. If no such legislation is enacted and becomes effective on or before December 31, 2014, no amount of deferred non-reimbursed 2008 recapture shall be transferred from the HORSEMEN’S purse account to LICENSEES. The transfer of this deferred balance of non-reimbursed 2008 recapture from the HORSEMEN’S purse account to LICENSEES, combined with any transfer of deferred recapture from other agreements, will be limited to 50% of the total non-reimbursed deferred recapture, whichever is less, until the total non-reimbursed recapture is \$500,000 or less – at which time, it becomes due and payable that year in its entirety. All deferred and recapture monies due in any given year, but unpaid as a result of these limits, shall be deferred to the following year.

If monies are appropriated and paid at any time in the future for “reimbursement of 2008 recapture”, the amount due LICENSEES as deferred recapture for 2008 will be reduced by the amount paid to LICENSEES and treated as if paid on July 1, 2008. Any and all

monies already transferred from the HORSEMEN'S purse account to LICENSEES as recapture for 2008 shall be adjusted retroactively.

4B. It is agreed that the following Section numbered 4B replaces in its entirety the paragraph numbered 4 in the 2007 agreement between the IHHA and LICENSEES:

4B. LICENSEES and the IHHA agree that the term "recapture" shall refer to the total certified amount which "wagering facilities are permitted to receive from any amount otherwise payable to the HORSEMEN'S purse account" per subsection (g-13) of Section 26 of the Horse Racing Act of 1975 as amended.

LICENSEES and the IHHA further agree that no certified "recapture" monies or monies intended for "reimbursement of recapture" for 2007 may be added to or subtracted from the HORSEMEN'S purse account until June 30, 2007. If, at such time, the amount appropriated by the State of Illinois and approved by the Governor for "reimbursement of 2007 recapture" for the race meets covered under this agreement should fall short of the "2007 recapture" monies certified by the IRB in January 2007 as due to LICENSEES under the present law, THIRTY PERCENT (30%) of the remaining non-reimbursed 2007 recapture (\$1,589,776.00) if reimbursement is 0) will be transferred to LICENSEES from the HORSEMEN'S purse account on June 30, 2007.

Transfer of the remaining non-reimbursed recapture for 2007 (\$3,151,382.00) if reimbursement is 0) from the HORSEMEN'S purse account to LICENSEES shall be referred to as deferred non-reimbursed recapture and shall be withheld from "new revenue" when it becomes available. "New revenue" is defined, for purposes of this Agreement, as revenue from any legislatively enacted non-pari-mutuel revenue source such as, but no limited to, gaming revenues other than from horse racing. If no such legislation is enacted and becomes effective on or before December 31, 2013, no amount of deferred non-reimbursed 2007 recapture shall be transferred from the HORSEMEN'S purse account to LICENSEES. The transfer of this deferred balance of non-reimbursed 2007 recapture from the HORSEMEN'S purse account to LICENSEES, combined with any transfer of deferred recapture from other agreements, will be limited to 50% of the total non-reimbursed deferred recapture, whichever is less, until the total non-reimbursed recapture is \$500,000 or less – at which time, it becomes due and payable that year in its entirety. All deferred and recapture monies due in any given year, but unpaid as a result of these limits, shall be deferred to the following year.

If monies are appropriated and paid at any time in the future for "reimbursement of 2007 recapture", the amount due LICENSEES as deferred recapture for 2007 will be reduced by the amount paid to LICENSEES and treated as if paid on July 1, 2007. Any and all monies already transferred from the HORSEMEN'S purse account to LICENSEES as recapture for 2007 shall be adjusted retroactively.

5. It is agreed that the following Section numbered 5 replaces in its entirety the paragraph numbered 4 in the 2006 agreement between the IHHA and LICENSEES:

5. LICENSEES and the IHHA agree that the term "recapture" shall refer to the total certified amount which "wagering facilities are permitted to receive from any amount otherwise payable to the HORSEMEN'S purse account" per subsection (g-13) of Section 26 of the Horse Racing Act of 1975 as amended.

LICENSEES and the IHHA further agree that no certified "recapture" monies or monies intended for "reimbursement of recapture" for 2006 may be added to or subtracted from the HORSEMEN'S purse account until June 30, 2006. If, at such time, the amount appropriated by the State of Illinois and approved by the Governor for "reimbursement of 2006 recapture" for the race meets covered under this agreement should fall short of the "2006 recapture" monies certified by the IRB in January 2006 as due to LICENSEES under the present law, \$67,801(5/318 of non-reimbursed 2006 recapture) shall be transferred from the HORSEMEN'S purse account on January 3, 2006 and THIRTY PERCENT (30%) of the remaining non-reimbursed 2006 recapture (\$1,273,293.90) if reimbursement is 0) will be transferred to LICENSEES from the HORSEMEN'S purse account on June 30, 2006.

Transfer of the remaining non-reimbursed recapture for 2006 (\$2,971,019.10) if reimbursement is 0) from the HORSEMEN'S purse account to LICENSEES shall be referred to as deferred non-reimbursed recapture and shall be withheld from "new revenue" when it becomes available. "New revenue" is defined, for purposes of this Agreement, as revenue from any legislatively enacted non-pari-mutuel revenue source such as, but no limited to, gaming revenues other than from horse racing. If no such legislation is enacted and becomes effective on or before December 31, 2012, no amount of deferred non-reimbursed 2006 recapture shall be transferred from the HORSEMEN'S purse account to LICENSEES. The transfer of this deferred balance of non-reimbursed 2006 recapture from the HORSEMEN'S purse account to LICENSEES, combined with any transfer of deferred recapture from other agreements, will be limited to 50% of the total non-reimbursed deferred recapture, whichever is less, until the total non-reimbursed recapture is \$500,000 or

less – at which time, it becomes due and payable that year in its entirety. All deferred and recapture monies due in any given year, but unpaid as a result of these limits, shall be deferred to the following year.

If monies are appropriated and paid at any time in the future for “reimbursement of 2006 recapture”, the amount due LICENSEES as deferred recapture for 2006 will be reduced by the amount paid to LICENSEES and treated as if paid on July 1, 2006. Any and all monies already transferred from the HORSEMEN’S purse account to LICENSEES as recapture for 2006 shall be adjusted retroactively.

6. It is agreed that the following section numbered 6 replaces in its entirety the paragraph numbered 4 and 5 in the 2005 Agreement between IHHA and LICENSEES:

6. LICENSEES and the IHHA further agree that no amount of money has been appropriated by the State of Illinois and approved by the Governor for “reimbursement of 2005 recapture” certified by the Illinois Racing Board in January 2005 as due to LICENSEES and that LICENSEES have not been reimbursed in full from the HORSEMEN’S purse account for all of the amounts of 2005 recapture which have been certified by the Illinois Racing Board as due LICENSEES. The LICENSEES agree to waive TEN PERCENT (10%) of the non-reimbursed 2005 recapture and not to take said TEN PERCENT (10%) out of the HORSEMEN’S purse account. On June 30, 2005, TEN PERCENT (10%) of the non-reimbursed 2005 recapture was transferred to LICENSEES from the HORSEMEN’S purse account.

An additional FIVE PERCENT (5%) of the non-reimbursed 2005 recapture plus 1.8% interest will be transferred to LICENSEES from the HORSEMEN’S purse account on JUNE 30, 2006.

An additional FIVE PERCENT (5%) of the non-reimbursed 2005 recapture plus two years of interest at 1.8% compounded annually will be transferred permanently to LICENSEES’ from the HORSEMEN’S purse account for June 30, 2007 if LICENSEES are awarded harness racing dates for 2007.

The remaining SEVENTY PERCENT (70%) of the non-reimbursed recapture (also referred to as deferred non-reimbursed recapture) for 2005 (\$3,348,577.40 if reimbursement is 0) shall not be transferred from the HORSEMEN’S purse account to LICENSEES unless and until “new revenue” becomes available. “New revenue” is defined,

for purposes of this provision as any legislatively enacted non-pari-mutuel revenue source such as, but not limited to, gaming revenues other than from horse racing. If such legislation is not enacted and does not become effective before January 1, 2007, no amount of deferred non-reimbursed recapture for 2005 shall be transferred from the HORSEMEN'S purse account to LICENSEES.

- a) transfers shall not occur from revenues received from on track electronic gaming devices other than those devices used for pari-mutuel wagering on horseracing unless and until such devices are approved by the General Assembly and the Governor and become public law (and after any legal challenges are exhausted) provided that this provision shall be applicable only to and including December 31, 2007 for the year due in 2005 and if no such legislation becomes law and final on or before said date no 2005 recapture shall be transferred from revenues received from on track electronic gaming devices other than those devices used for pari-mutuel wagering on horseracing;
- b) transfers shall not occur from revenues received from the tenth riverboat casino license unless and until said license is finally awarded the right to operate (and after any legal challenges are exhausted) provided that this provision shall be applicable only to and including December 31, 2007 and if no such right to operate is awarded and becomes final on or before December 31, 2007 no 2005 recapture shall be transferred from revenues received from the tenth riverboat license.

The transfer of this deferred balance of non-reimbursed 2005 recapture from the HORSEMEN'S purse account to LICENSEES, combined with any transfer of deferred recapture from other agreements, will be limited to 50% of the HORSEMEN'S purse account money received in any given year from such "new revenue" generated.

If monies are appropriated and paid at any time in the future for "reimbursement of 2005 recapture," the amount due LICENSEES as deferred recapture for 2005 will be reduced by the amount paid to LICENSEES and treated as if paid on July 1, 2005. Any and all monies already transferred from the HORSEMEN'S purse account by LICENSEES as recapture for 2005 shall be adjusted retroactively.

7. It is agreed that the following section numbered 7 replaces in its entirety paragraph numbered 5 in the 2003-2004 Agreement between IHHA and LICENSEES entered into on March 11, 2003:

7. LICENSEES and the IHHA further agree that no amount of money has been appropriated by the State of Illinois and approved by the Governor for "reimbursement of 2004 recapture" certified by the Illinois Racing Board as due LICENSEES and that LICENSEES have not been reimbursed in full from the HORSEMEN'S purse account for all of the amounts of 2004 recapture monies which have been certified by the Illinois Racing Board as due LICENSEES. The LICENSEES agree to waive TEN PERCENT (10%) of the non-reimbursed 2004 recapture and not to take said TEN PERCENT (10%) out of the HORSEMEN'S purse account. On June 30, 2004, TEN PERCENT (10%) of the non-reimbursed 2004 recapture was transferred to LICENSEES from the HORSEMEN'S purse account.

An additional FIVE PERCENT (5%) of the non-reimbursed 2004 recapture plus half of one year of interest at the LICENSEES' BORROWING rate established on 1/1/04 for 2004 was transferred to LICENSEES on June 30, 2005 from the HORSEMEN'S purse account.

An additional FIVE PERCENT (5%) of the non-reimbursed 2004 recapture plus two years of interest at 1.625% compounded annually will be transferred to the LICENSEES from the reserve in the HORSEMEN'S purse account on June 30, 2006.

The remaining SEVENTY PERCENT (70%) of the non-reimbursed recapture (also referred to as deferred non-reimbursed recapture) for 2004 shall not be transferred from the HORSEMEN'S purse account to LICENSEES unless and until "new revenue" becomes available. "New revenue" is defined, for purposes of this provision numbered 6, as any legislatively enacted non-pari-mutuel revenue source such as, but not limited to, gaming revenues other than from horse racing. If such legislation is not enacted and effective before January 1, 2007, no amount of deferred recapture for 2004 shall be transferred from the HORSEMEN'S purse account to LICENSEES.

The transfer of the deferred balance of non-reimbursed 2004 recapture from the HORSEMEN'S purse account to LICENSEES, combined with any transfer of deferred recapture for other years, will be limited to 50% of the HORSEMEN'S purse account money received in any given year from such "new revenue" generated. .

If monies are appropriated and paid at any time in the future for "reimbursement of 2004 recapture," the amount due LICENSEES as deferred recapture for 2004 will be reduced by the amount paid to LICENSEES and treated as if paid on July 1, 2004. Any and all monies already transferred from the HORSEMEN'S purse account to LICENSEES as recapture for 2004 shall be adjusted retroactively.

8. LICENSEES' representative and the IHHA Purse Account Committee chairman or his representative shall meet at least once per month to determine what reductions, if any, should be made in the reserves maintained by Licensees in the HORSEMEN'S purse account, thereby making such monies available for purses. Should they fail to reach agreement, LICENSEES shall reduce the reserve by an amount equal to the reserve divided by the number of IRB allotted host dates remaining under this Agreement. Monies from the HORSEMEN'S purse account of one LICENSEE may be transferred to the HORSEMEN'S purse account of another LICENSEE under memorandum agreement between the LICENSEES and with notification of the IHHA.

9. LICENSEES shall deposit daily from their share of retained pari-mutuel handle to the HORSEMEN'S purse account an amount equal to LICENSEES' "cost of funds" interest rate as of the first business day of 2009 applied to the previous day's credit (underpayment) purse account balance, if any, up to THREE HUNDRED THOUSAND (\$300,000) DOLLARS including amounts designated for purses in stake races and as reserve as defined in paragraphs 2B and 3. Should a credit balance (underpayment) in excess of THREE HUNDRED THOUSAND (\$300,000) DOLLARS exist in the HORSEMEN'S purse account, including amounts designated for purses in stake races and as reserve as defined in paragraphs 2B and 3, LICENSEES shall invest that excess as directed by the IHHA with concurrence of LICENSEE. The proceeds of such investment, if any, will be added to the HORSEMEN'S purse account.

LICENSEES may withdraw daily from the HORSEMEN'S purse account an amount equal to LICENSEES' "cost of funds" interest rate as of the first business day of 2009 applied to the previous day's debit (overpayment) purse account balance, if any, up to THREE HUNDRED THOUSAND (\$300,000) DOLLARS including amounts designated for purses in stake races and as reserve as defined in paragraphs 2B and 3. Should a debit balance (overpayment) in excess of THREE HUNDRED THOUSAND (\$300,000) DOLLARS exist in the HORSEMEN'S purse account after January 28, 2009, including amounts designated for purses in stake races and as reserve as defined in paragraphs 2B and 3, LICENSEE may withdraw daily from the HORSEMEN'S purse account an amount equal to .008219% (3% divided by 365 = .00008219) of that excess. This interest rate, in conjunction with the limit on purse reductions in paragraph 2D are subject to renegotiation as of June 1, 2009 but in the absence of an agreement by the parties the interest rate will default to the LICENSEE'S "cost of funds".

10. Any adjustments to the 2009 HORSEMEN'S purse account as a result of audits, simulcast cost settlements or other events after December 31, 2009 must be treated as if they had occurred on December 31, 2009. In the event LICENSEES are awarded racing dates in year, 2010 any debit (overpayment) or credit (underpayment) balance in the HORSEMEN'S purse account at the end of the year 2009, after all required payments and adjustments, shall be carried forward to year 2010. In the event LICENSEES are not awarded harness racing dates for 2010 and a credit (underpayment) balance exists in the combined HORSEMEN'S purse accounts at the end of year 2009 after all required payments and adjustments, LICENSEES shall forthwith pay to the IHHA, to be administered by it for the benefit of the HORSEMEN, an amount equal to

the adjusted credit (underpayment) balance in the HORSEMEN'S purse account plus interest at the daily rates described in paragraph 9. In the event LICENSEES are not awarded harness racing dates for 2010 and a debit (overpayment) balance exists in the HORSEMEN'S purse account at the end of year 2009 after all required payments and adjustments, the IHHA shall forthwith pay LICENSEES an amount equal to the adjusted balance in the HORSEMEN'S purse account plus interest at the daily rates described in paragraph 9 within a reasonable time.

11. Delete this paragraph

12. The LICENSEES shall send, each and every week, by facsimile machine or other electronic means, to the IHHA office, a purse account report indicating on a daily basis the total amount of monies wagered, the LICENSEES' commissions, the amount of purses earned, the amount of purses paid, any reductions or increases in amounts designated for stakes and/or in reserves, and all other transfers of monies into and out of the HORSEMEN'S purse account. Reports from all LICENSEES shall use identical formats. At the conclusion of the year, the LICENSEES will furnish the IHHA a composite weekly and annual statement of summaries of all totals of the aforesaid. LICENSEES within THREE (3) months of the conclusion of the year, will furnish to the IHHA office a letter verifying the final balance in the HORSEMEN'S purse account. For purposes of paragraphs numbered 2 through 10 of this Agreement, split race meetings within the same racing year will be combined and treated as one coordinated race meeting between racing associations that conduct races at Maywood Park and Balmoral Park.

13. During the term of this Agreement, the LICENSEES may conduct any

stakes, including elimination and consolation, futurity and early and late closing races requiring a nomination, sustaining, entry and/or starting payment using no more than EIGHT THOUSAND (\$8,000.00) DOLLARS of HORSEMEN'S purse account funds per race. The LICENSEES may also conduct the stakes races, including eliminations and consolations, listed in Exhibit A of this document as long as the purses monies in excess of EIGHT THOUSAND (\$8,000) DOLLARS per race are paid from the purse monies in the HORSEMEN'S purse account that have been designated for payment of stakes provided the purse monies used in excess of EIGHT THOUSAND (\$8,000) DOLLARS do not exceed the maximums specified for each race. The LICENSEES agree to furnish the IHHA a list of all such stake, futurity and early and late closing races, no later than thirty days prior to advertising and are subject to approval of the IHHA, which shall not be unreasonably withheld.

14. It is agreed that FOUR THOUSAND (\$4,000.00) DOLLARS has been established as the minimum claiming price of the horses at LICENSEES' tracks.

15. The LICENSEES shall provide, without cost to the IHHA or to the HORSEMEN, policies of insurance, providing coverage for licensed USTA member trainers and/or drivers licensed by the IRB who are actively participating as drivers and/or trainers at Maywood Park or Balmoral Park, in an amount not less than ONE HUNDRED THOUSAND (\$100,000.00) DOLLARS for accidental death or dismemberment, TWO HUNDRED FIFTY THOUSAND (\$250,000.00) DOLLAR medical accident coverage for racing participants, and THREE HUNDRED FIFTY (\$350) DOLLARS per week for a period of up to 104 weeks disability insurance, covering life, injury or accident to participants during activities related to jogging,

training, and the warm-up for and conduct of any race. LICENSEES shall pay any and all deductibles and/or co-payments under said insurance policies. The LICENSEES shall provide the IHHA with copies of all insurance policies purchased and notices with respect thereto and the IHHA shall receive evidence of all premium payments.

16. From the LICENSEES' retained share of the pari-mutuel handle, the LICENSEES shall be liable for the sum of ONE HUNDRED (\$100.00) DOLLARS for each race card conducted for the payment of sulky damage claims. No payment will be made unless the owner of the sulky is a member of the IHHA at the time of loss. The IHHA and LICENSEES shall work together to insure that no abuse occurs under this paragraph and agree that all sulky damage claims must be approved by a two-person committee, which shall be named by the LICENSEES and the IHHA. Further that claims shall be paid based on the rules and guidelines adopted and incorporated into this Agreement and more fully set forth in Exhibit B attached hereto. Any monies not distributed for damage occurring prior to the end of the period covered by this agreement must revert back to the LICENSEES.

17. It is agreed that any horse that is scheduled to race from post position eight (8) at Maywood Park and is scratched prior to checking into the pre-race paddock, must draw for the outside post positions in his next start at Maywood Park if the horse's first start after the scratch is within THIRTEEN (13) days of the scratch date. If such an outside post position draw is not applied when called for due to inadvertent error, it shall be applied in the horse's first start at Maywood Park after discovery of the error.

The outside post position draw will not be applied if

A.) The horse is claimed between the scratch and its next start at Maywood

Park or

B.) The first start at Maywood Park is a stakes race, in which case the outside draw will be applicable to the first start at Maywood Park after the stakes race or

C.) A horse is excused by the stewards with no penalty (e.g. Transportation). Provided, however, the provisions of this paragraph 16 are subject to IRB Rules 1312.240 and 1312.210(b).

18. The number of minimum FOUR THOUSAND DOLLAR (\$4,000) claiming races must be as evenly divided as possible between Maywood and Balmoral racetracks.

19. LICENSEES' racing secretary, shall, during all meets conducted during the term of this Agreement, have posted at all times, condition sheets for a minimum of one week's racing with new sheets published weekly no later than thirty six (36) hours prior to the first deadline for entries on said sheet. No race may be scheduled which has not been listed on the condition sheet or specified as a condition revision on an overnight sheet.

20. Qualifying races shall be scheduled weekly, with at least one track holding morning qualifying racing if there are more than three races.

21. A representative of the IHHA may be present when the entry box is opened. The LICENSEES' Race Secretaries shall publicly announce the draw, and then wait at least ten (10) minutes to proceed with the draw. If a horseman enters a horse in more than one class, his entry must indicate the first choice for that horse. LICENSEES shall publish and consistently apply rules for the entry of a horse in a race other than the first choice indicated. No LICENSEE employee may be involved in the draw of a race or

resolution of multiple claims on a particular horse if they are the spouse, parent, child or sibling of a horseman entering in that race or involved in that claim. As required by IRB Rules 1312.210(b) and a 510.30(b) only a steward or his or her designated representative may be involved in the draw of a race or the resolution of multiple claims on a particular horse.

22. It is agreed that, from the date of execution of this Agreement until five years after the expiration of this Agreement, there may be, at the option of the IHHA, an audit, at the expense of the requesting party, by a mutually agreed accountant, of the HORSEMEN'S purse account to determine any underpayment or overpayment during the period covered by this Agreement, as the case may be. Upon completion of said audit, the parties hereto agree to fulfill their obligations as the case may be, with payment to be effected on an agreed pro-rated basis, without interest.

It is further agreed that the IHHA shall provide a copy of its certified annual audit to LICENSEES immediately upon its availability.

23. The LICENSEES further agree to pay the premium on an insurance policy obtained from the Harness Horsemen International that covers perils similar to those contained in the 2005 agreement such as fire, lightning, windstorm, cyclone, tornado, explosion, earthquake or flood and all terms of such policy including coverage on all horses stabled at Balmoral Park and Maywood Park and that the LICENSEES are named in the policy as an insured, and that the insurance underwriter is legally qualified to issue policies of insurance that cover risks located in Illinois and LICENSEE will provide proof of such coverage to the IHHA upon request.

24. Recognizing the importance of post parades to the betting public,

LICENSEES and the IHHA agree that horses must enter the track for post parades on the following schedule:

Temperature above 50 degrees	10 minutes before race
Temperature 32 to 50 degrees	8 minutes before race
Temperature 15 to 31 degrees	6 minutes before race
Temperature under 15 degrees	4 minutes before race

If there is precipitation or other unusual or severe weather conditions, these times may be adjusted to the specific conditions prevailing. Provided, however, the provisions of this paragraph are subject to the IRB Rule 1306.200(a) and the approval of the Presiding Judge, who is required by IRB Rule to provide his post-parade schedule to the Paddock Judge.

25. The LICENSEES hereby recognize the IHHA and its respective standing committees, as per Exhibit D attached, as being duly designated representatives of all harness HORSEMEN in all matters affecting said HORSEMEN during the term of this Agreement. The LICENSEES must be provided with a current roster of the members of said committees and their duties which may be modified during contract period.

26. LICENSEES shall provide free official programs to owners, trainers, and drivers of horses scheduled to race. These free official programs must be available in the paddock not later than one (1) hour prior to the first race. Upon request, LICENSEES shall provide the owners (or their representative) of the winning horse of a race with one electronic video copy (VCR tape or DVD) of that race at no cost to the owner, such videos to be ordered within forty-eight (48) hours after the night of the race. LICENSEES shall take such video orders for a reasonable length of time after the last

race.

27. No HORSEMAN may be denied stall space or racing privileges because of membership in or activity on behalf of the IHHA or for lawful activity related to the negotiations for this Agreement. Revocation of stall space or denial of racing privileges, once allocated, must be for just cause and the reason for such revocation or denial must be set forth in writing to the HORSEMAN affected. Any revocation of stall space, once allocated, or denial of racing privileges may become subject to the provisions of Paragraph 49 of this Agreement.

28. In races with the purse of a claiming price of \$12,000 or less, acceptance may or may not be given to horses that meet the following criteria over other horses entered:

Illinois Conceived and Foaled and/or Illinois Owned and/or Illinois Trained and/or having made their last three (3) starts in Illinois.

Illinois trained shall be defined as any trainer that has made at least 60 starts in Illinois in the previous 12 month period (calculated month by month) or has made at least 60% of his starts in Illinois in the previous 12 month period.

Horses in races with the purse of a claiming price of \$12,000 or less that do not meet the above criteria, if accepted will be conditionally accepted provided they do not take a racing opportunity from a horse that is accepted, not in to race, not part of an entry, and meets the criteria.

29. The LICENSEES agree that stall/racing application forms, if modified from those used during 2008, will not be printed or distributed for any meet conducted

during the term of this Agreement, and the succeeding year, until such time as it receives approval from the IRB as to the form and content of said modified stall/racing application form. Proposed modifications of the stall/racing application form must be provided to the IHHA not less than 30 days prior to submission to the IRB.

30. The IHHA and LICENSEES agree that full fields provide more competitive racing, meet with the approval of racing fans and IRB rules, and enhance pari-mutuel handle, purses, and state revenue. The IHHA, therefore agrees that it will fully support up to five races on any one given program at Maywood Park with nine horse fields. LICENSEES agree to add THREE HUNDRED (\$300.00) DOLLARS from their retained share of the pari-mutuel handle to the purse for each such overnight race at Maywood Park with nine horses actually racing. Nine horse fields in overnight races shall be limited to races with a claiming price of FIFTEEN THOUSAND (\$15,000) DOLLARS or less. Overnight races to be conducted at Maywood Park with nine horse fields shall be clearly identified on the weekly condition sheet.

31. The LICENSEES and the IHHA shall mutually agree on the Outrider and said Outrider must be on duty each day during racing hours as required by IRB Rule 1305.230, including, but not limited to, pari-mutuel, qualifying and non-betting races. In the event the Outrider is not available, racing may take place with the mutual consent of the IHHA Drivers Committee and the LICENSEES, provided that the Board of Stewards is unable to approve a substitute outrider for the emergency under IRB rule 422.70.

32. The terms and conditions of this Agreement apply and pertain only to race meets conducted by the LICENSEES at their respective facilities. In the event the LICENSEES race at any other racetracks, all terms and conditions provided in this

Agreement shall be of no force and effect and not binding upon either party with respect to race meetings conducted at such other racetrack, unless mutually agreed except any non-reimbursed recapture still due to LICENSEES shall be portable with LICENSEES. Negotiations of a new Agreement with respect to such other racetracks must be commenced by either party upon written request..

33. Prior to the LICENSEES entering into any agreement with any third party, whereby the LICENSEES receive additional income or revenues by reason of the receiving (except with respect to simulcasts to the extent expressly provided by statute) or transmissions of any signal, electronic or otherwise, or any other type of coverage relative to harness racing, the LICENSEE shall provide any agreement with third party for IHHA review, and, the parties covenant and agree they shall enter into good faith negotiations to determine the HORSEMEN'S share in such revenue income, if any. In the event that no agreement is reached, then and in that event, the LICENSEES must not conduct any of the foregoing, to wit: cable casting, commercial broadcasting, simulcasting, or any other form of signal transmission or reception. The negotiations referred to in this paragraph refer only to the subject matter of the within paragraph. The remainder of the Agreement shall remain in full force and effect.

34. The LICENSEES may assign a stall person to coordinate the LICENSEES' allotment of stalls and placement of horses. The stall person will confer with any duly authorized representative of the IHHA if requested.

35. The LICENSEES and the IHHA agree that the tracks shall make all reasonable effort to be open seven (7) hours per day, six (6) days per week for training, during the weeks when the Licensees are conducting live races and conditions permit.

The LICENSEES shall also provide, at no charge to horsemen during live racing, stall facilities with appropriate utilities at Maywood Park and Balmoral Park for horses racing at those tracks during the those times when the LICENSEES are conducting live races at Maywood Park and Balmoral Park. In the event the LICENSEES are closed for remodeling, renovation, or construction and are not racing during calendar year 2009 and extending into calendar year 2010, LICENSEES shall provide, at no charge to horsemen, stall facilities, use of race track, and housing with appropriate utilities at Maywood Park and Balmoral Park for horses and tenants at whichever facility those horses and tenants would normally be housed and stabled.

36. The LICENSEES agree to pay for, or otherwise provide to the IHHA, a one-half page advertisement in each printed race program, provided space is available. Content of such advertisements will be provided by the Public Relations Committee of the IHHA subject to approval by LICENSEES.

37. The LICENSEES shall furnish office space at no charge to the IHHA to be used by the IHHA Field Representative.

38. The LICENSEES shall have bulletin boards in the track kitchen, race office or other suitable location. The bulletin board must have a lock and a key must be placed under the control of an IHHA representative. The bulletin board shall be used for posting official IHHA and LICENSEES' notes and communications to backstretch personnel. The person in charge of the bulletin board must maintain the board in a clean, orderly and professional manner.

39. The LICENSEES shall furnish, at the beginning of each meeting, various items of paddock equipment as required under the IRB rules. The LICENSEES agree to

set up a procedure whereby the paddock judge would check in and out said equipment in order to account for the same. The LICENSEES shall provide adequate number of stalls for all entrants (horses) in the usual single paddock which shall accommodate all horses programmed to race in the program. The number of stalls to be provided in the usual single paddock shall be equal to the total number of entrants in such program.

40. The LICENSEES shall make available a track kitchen, paddock kitchen and/or mobile catering for the backstretch HORSEMEN at a level at least equal to that available in October of 2008

41. An Inclement Weather Committee or other designated representative of the IHHA must be selected and shall advise whether or not weather conditions may cause a cancellation of a carded event. Those decisions shall be made, along with representatives of the IRB and track management, by no later than 12:00 p.m. (NOON) prior to the scheduled post time of the first race excepting in the case of matinee (afternoon) programs, then such decision shall be made at earliest possible time prior to scheduled post time of first race. The committee's decision must be considered final, if permitted by Rule 1314.30 of the IRB rules. It is agreed that if the weather is predicted by the National Weather Service to be at or is at thirty degrees below zero wind chill factor at post time, and if the committee decides to race, then any driver not wishing to drive or any trainer who wishes to withdraw his entered horse with permission of the Stewards, due to cold weather, will do so at no penalty to himself and in the case of the driver, the trainer may replace the driver without penalty.

42. It is hereby acknowledged by the LICENSEES and the IHHA that in order to help maintain the integrity and safety of racing, it is necessary to conduct spot testing of

drivers, trainers and caretakers, involved in a scheduled race program, relative to the use and abuse of controlled substances. The LICENSEES and the IHHA mutually agree to support and develop the testing program and timing of such testing and to strictly adhere to all Governmental Laws and guidelines relative to such testing. It is also agreed that the drug-testing program is intended to be a remedial one. Any costs of such testing must be borne by LICENSEES.

43. In recognition of the importance of integrity in racing to the success of our industry:

A. LICENSEES and the IHHA agree that when any jurisdiction suspends a trainer for a period of forty-six (46) days or more for a violation of that jurisdiction's medication rules, no horses in his care may be entered and raced by another trainer for at least ten days. A different licensed trainer may enter said horses on the 11<sup>th</sup> day starting with the day when the suspended trainer may no longer enter horses because of the start of the suspension. When any jurisdiction suspends a trainer for a period of less than forty-six (46) days for a violation of that jurisdiction's medication rules, no horses in his care may be entered and raced by another trainer for at least five days. A different licensed trainer may enter said horses on the 6<sup>th</sup> day starting with the day when the suspended trainer may no longer enter horses because of the start of the suspension. Horses being entered in Stakes races with a purse equal to or greater than \$15,000 and/or a nominating payment are exempt from this provision and may be entered and raced by a different trainer.

B. LICENSEES and the IHHA agree that if a trainer is penalized two times in a six month period for a violation of IRB Section 603 (medication rules) and receives two

suspensions, the number of days of the two suspensions shall be averaged and for that number of days post suspension all horses trained by that person shall be required to be in the designated security barn by noon the day of the race each time they race. A \$25 security fee shall be charged for each horse racing with a maximum of \$100 per trainer per night.

It is further agreed that violations in 2008 shall be considered a part of this sub-paragraph. Violations in 2009 shall be carried forward into 2010 if this sub-paragraph is included in the 2010 agreement between the parties.

C. LICENSEES and the IHHA agree that if a trainer is penalized for a violation of IRB Section 603 (medication rules) three or more times and receives three suspensions within a six month period all horses trained by that person shall be stabled on the grounds of the racetrack for a six month period.

It is further agreed that violations in 2008 shall be considered a part of this sub-paragraph. Violations in 2009 shall be carried forward into 2010 if this sub-paragraph is included in the 2010 agreement between the parties.

D. LICENSEES and the IHHA agree that the actual trainer of every horse should be listed in the program. This correctly tells the wagering public who is in charge of each horse. More importantly, it places the responsibility for each horse on the person who in fact benefits from it. A programmed trainer, with reasonable cause, shall be required to provide evidence that he/she is the trainer. A two-person committee consisting of one person designated by LICENSEES and one person designated by the IHHA may investigate and review the facts. Provided, however, any individual, committee or organization with information that a person listed in the racing program as

trainer of a horse is, in fact, not the trainer of the horse should immediately report such information to the Board of Stewards for their investigation.

44. LICENSEE'S race offices shall be open and adequately staffed to receive entries by phone or in person from 9:00 a.m. to 12:00 noon every day which has a deadline for entries at that office, except that Saturday hours may serve for Sunday entry deadlines. They shall also be open and adequately staffed for this purpose, for one and one-half (1.5) hours prior to the actual deadline for entries when such deadline is Noon or later and for two (2) hours prior to the actual deadline for entries when such deadline is before Noon.

45. LICENSEES must schedule a minimum of seventy-seven (77) races per week in each week for which they have been awarded seven (7) days of race programs. LICENSEES must schedule a minimum of seventy-one (71) races per week in each week for which they have been awarded six (6) days of race programs. LICENSEES must schedule a minimum of fifty-nine (59) races per week in each week for which they have been awarded five (5) days of race programs. LICENSEES must schedule a minimum of ten (10) races in each race program. Changes to all of these minimums will require mutual agreement by the LICENSEE, and the IHHA and approval by the IRB.

46. LICENSEES shall provide authorization for the release, by the totalizator companies involved, of wagering data from the totalizator companies directly to the IHHA. The data must be in electronically readable format and must include data on all wagers contributing to the HORSEMAN'S purse account. Such authorization must be in writing or any other form required by the totalizator companies.

47. LICENSEES agree that no multi-horse wagers not currently available to

the public will be offered to the public or submitted to the IRB for approval without prior approval of the IHHA. The IHHA agrees that it will not unreasonably withhold its approval of such new wagers.

48. LICENSEES and the IHHA agree to form a grievance committee to resolve any and all disputes pertaining to, and only to, violations of this Agreement between LICENSEES and individual horsemen, the HORSEMEN as a group and/or the IHHA. Any horseman and / or the IHHA may file a grievance or complaint alleging a violation, misrepresentation and / or misapplication of this Agreement. This grievance committee shall consist of two people identified by LICENSEES and two people identified by the IHHA. LICENSEES and the IHHA further agree that disputes which are not resolved by the grievance committee shall be jointly submitted and resolved by binding arbitration in Chicago, IL under the rules of the Federal Mediation and Conciliation Service. Cost of arbitration (arbitrator, FMCS and court reporter fees and transcripts) shall be shared equally by LICENSEES and the IHHA. In the event there is an arbitration hearing each party will be limited to one day of testimony in front of the arbitrator. Each party shall bear their own attorney fees and expenses.

49. The grievance and mediation procedures described above shall not apply to disputes arising from an exclusion or denial of racing privileges of any horseman by the LICENSEE. Instead, disputes concerning exclusions by the LICENSEE shall be resolved by the Board of Stewards. The Board of Stewards decisions shall be final and binding, except that the horseman shall retain all rights devolved from section 5/9(e) of the Horse Racing Act.

50. LICENSEES shall provide an on track ambulance during racing, including qualifiers, which meet all requirements for transportation of injured or ill horsemen to off track hospitals. Determination of when to use the on track ambulance for transportation

and delay racing and when to call for another ambulance and delay transportation shall be made on a case by case basis.

51. This Agreement must be binding and inure to the benefit of the successors and assignees of the parties. The above and foregoing constitutes the entire Agreement between the parties hereto. Any modification and amendment thereof must be in writing and signed by the parties and their duly authorized agents or representatives.

52. Notwithstanding any provisions of this Agreement, all races at LICENSEES' racetracks shall be conducted under the Rules and Regulations of the Illinois Racing Board as required by Section 200.10 of the Board's rules and the conditions of LICENSEES' organization licenses.

IN WITNESS WHEREOF, the parties have entered into this Agreement this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

ILLINOIS HARNESS HORSEMEN'S ASSOCIATION

By: \_\_\_\_\_

BALMORAL RACING CLUB, INC.

By: \_\_\_\_\_

MAYWOOD PARK TROTTING ASSOCIATION, INC.

By: \_\_\_\_\_

Exhibit A  
Stakes

To Be Inserted

Exhibit A  
Stakes

To Be Inserted

Exhibit A  
Stakes

To Be Inserted

Exhibit A  
Stakes

To Be Inserted

EXHIBIT B  
SULKY INSURANCE

Sulky Insurance at Maywood Park and Balmoral Park will be limited to sulkies and jog carts only (no wheels or tires). Damage must be incurred while on or entering the race course from the paddock between the start of warm-ups for the race program and until the horse has returned to the paddock at the conclusion of its race (including qualifying races).

Damaged sulkies will be paid for per the following schedule:

Sulky Age	Sulky Amount Covered	Jog Cart Amount Covered
0-24 Months	\$2000.00	\$800.00
25-48 Months	\$1700.00	\$600.00
49 plus Months	\$1200.00	\$500.00

Claims must be approved by the appointed committee within thirty (30) days of the accident or claim will not be paid.

Exhibit C  
5/20/2008 Letter

To Be Inserted

Exhibit C  
5/2/2006 & 5/20/2008 Letters

To Be Inserted

Exhibit D  
IHHA Committees

To Be Inserted