

Agenda Item #3

COPY

STATE OF INDIANA
BEFORE THE INDIANA HORSE RACING COMMISSION

IN RE:
THE PETITION OF CENTAUR HOLDINGS, LLC,)
FOR AUTHORITY TO ISSUE CLASS M UNITS)
TO BARTON A. EARLY)

2014 MAR 24 P 2:43

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INDIANA HORSE RACING COMMISSION

PETITION

COMES NOW Petitioner, Centaur Holdings, LLC (Centaur), by counsel respectfully requests that the Indiana Horse Racing Commission (Commission) approve the issuance of 37,500 Class M-1, M-2 and M-3 Units of Centaur to Barton A. Early (Early).

In support of such Petition, Petitioner shows the Commission as follows:

1. Centaur is the owner of New Centaur, LLC which is the owner of Hoosier Park, LLC (Hoosier) and Centaur Acquisition, LLC (Acquisition);
2. Hoosier is the holder of a permit to conduct a horse racing meeting at Hoosier Park in Anderson, Indiana, which permit was issued by the Commission pursuant to IC 4-31-5-8. The permit issued to Hoosier was most recently renewed by the Commission at its regular meeting on December 10, 2013;
3. Hoosier is also 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. Acquisition is the holder of a permit to conduct a horse racing at Shelbyville, Indiana, which permit was issued by the Commission pursuant to IC 4-31-5-8. The permit issued to Acquisition was most recently renewed by the Commission at its regular meeting on December 10, 2013;
5. Acquisition 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 issued by the Commission to Acquisition pursuant to IC 4-31-5.5-3. The license for Clarksville issued to

Acquisition was most recently renewed by the Commission at its regular meeting on December 10, 2013;

6. The Centaur Board of Managers approved at its December 5, 2013 meeting a Future Leaders Equity Incentive Compensation Policy (Future Leaders Plan). A true and accurate copy of the Future Leaders Plan is attached hereto as Exhibit A and by reference made a part hereof. The purpose of the Future Leaders Plan is to identify Centaur employees with management potential and incent them to remain with Centaur. Simultaneously with the adoption of the Future Leaders Plan, the Board of Managers amended its Operating Agreement and adopted resolutions to implement the plan. Copies of these documents are on file with the Commission.
7. Centaur has selected Early as the first employee to be to participate in the Future Leaders Plan and receive a grant of 37,500 class M-1, M-2 and M-3 Units. Early is a capable young man with an extremely bright future in the racing and gaming industry. His resume is attached as Exhibit B and by reference made a part hereof. Early is currently licensed by the Commission and has submitted a Background Investigation – Personal Disclosure Form to the Commission on January 17, 2014 so that the Commission could determine his suitability as an owner of an interest in a permit holder.
8. A Summary of Rights and Restrictions of Class M Units issued by Centaur Holdings, LLC Pursuant to the Long Term Equity Incentive Plan which outlines the rights, privileges and restrictions of Class M-1, M-2 and M-3 shares is attached hereto as Exhibit C and by reference made a part hereof.
9. The 37,500 Class M-1, M-2 and M-3 shares Constitute less than 5% of the equity securities or other ownership interest in Centaur and are thus deemed by 71 IAC 11-1-13(c) to be a "nominal change of ownership."
10. 71 IAC 11-1-13(c) reads as follows:

The sale, pledge, encumbrance, execution of an option agreement, or other transfer of ownership of a permit which is less than five percent (5%) of the equity securities

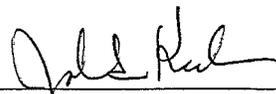
or other ownership interest of a partnership, association, corporation, or other entity holding a permit shall be considered a nominal change of ownership. A request for approval to make a nominal change of ownership shall be filed with the commission within fifteen (15) days of the execution of the documents upon which the proposed nominal change of ownership will be based. The commission shall determine whether the proposed nominal change of ownership may have an adverse effect upon pari-mutuel racing or the integrity of pari-mutuel racing. Upon receipt of all information required by the commission with regard to a proposed nominal change of ownership, the commission or its executive director shall, as soon as practicable, make a determination whether to authorize and approve the nominal change in ownership of a permit holder.

Either the Executive Director or the Commission must approve the issuance of the M Units to Early on account of the rule quoted above.

11. The issuance of Class M-1, M-2 and M-3 Units to Early is in the best interests of horse racing in Indiana and Centaur because it rewards and incents Early, a lifelong Hoosier, to remain with Centaur and apply his considerable talents to the promotion and management of the sport.

WHEREFORE, Petitioner respectfully request that the Executive Director, or, alternatively, the Commission: (1) Approve the issuance of 37,500 Class M-1, M-2 and M-3 Units to Early subject to and in accordance with the Centaur Long Term Incentive Plan; and (3) Grant such other relief as may be right and proper in the premises.

Respectfully Submitted,



John S. Keeler
Attorney for Petitioner, CentaurHoldings, 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 21 day of March, 2014.



John S. Keeler

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

Centaur Holdings, LLC

Future Leaders Equity Incentive Compensation Policy

December 5, 2013

The purpose of this policy is to describe the criteria and process for awarding equity incentive compensation to senior and mid-level employees of Centaur Holdings, LLC (the "Company").

Each year, the Board of Managers of the Company (the "Board") will evaluate whether any employees of the Company should be awarded equity incentive compensation based on such individual's work history at the Company. The following criteria should be used when evaluating whether an individual would be considered for an award under the Centaur Holdings, LLC Long Term Incentive Plan (the "Plan"):

- Exceeds expectations in current position;
- Demonstrates leadership skills and interest in long term advancement opportunities with the Company;
- Demonstrates integrity and high moral character;
- Demonstrates high degree of enthusiasm and professionalism;
- Serves as key member of the management of the Company and its subsidiaries;
- Demonstrates potential to be future executive of the Company;
- Excels among peers; and
- Any other criteria determined to be important by the Board.

The senior management of the Company shall recommend to the Board individuals that senior management believes meet the above criteria. If the Board determines an individual meets the criteria set forth above, the Board, with the assistance of senior management, shall determine the type and amount of each award to be granted to such individual pursuant to the Plan. In the event the Plan does not have the type or number of units available for an award approved by the Board for such individual, the Board may amend the Plan to increase the number of available units or type of units in order to facilitate the grant of such award. Any award made pursuant to this Policy shall be subject to the terms and conditions of the Plan and to the extent required, necessary regulatory approvals.

IN WITNESS WHEREOF, the undersigned duly authorized officer has executed this Policy on behalf of the Board of the Company, effective as of the date above.

CENTAUR HOLDINGS, LLC

By: John S. Keeler

Name: John S. Keeler

Title: VP, Gen Counsel & Secretary

Barton A. Early

Address: 9765 San Marco Pass • Indianapolis, IN • 46280 • (317) 698-4467 • bearly@centaurgaming.net

EDUCATION:

Purdue University West Lafayette, IN Aug '04 – Dec '08
-B.S. Organizational Leadership & Supervision
-Minor in Forensic Science

University of Virginia Eastern & Western Europe June '08 – Aug. '08
-Semester at Sea

WORK EXPERIENCE:

Operations Administrator April 2013 – Present
New Centaur, LLC

Responsible for assisting the President & C.O.O. in all assigned projects regarding, but not limited to, Indiana Grand Racing & Casino, Hoosier Park Racing & Casino and Hoosier Park's Winner's Circle Pub, Grille & OTB. The Operations Administrator's main duties include monthly tracking & analysis, monthly reporting and accounting of assigned projects, more specifically relating to the current integration of Hoosier Park Racing & Casino and Indiana Grand Racing & Casino.

Special Projects Manager December 2012 – April 2013
Hoosier Park Racing & Casino

Responsible for assisting the President & C.O.O along with the Director of Special Projects regarding analysis, time-lines, reporting, and accounting of assigned projects, more specifically relating to the integration preparation of Hoosier Park Racing & Casino and Indiana Grand Casino/Indiana Downs.

Community Relations Coordinator April 2012 – May 2012
Indiana Grand Casino
Indiana Live! Casino January 2010 – June 2011

Responsible for the creation and management of Indiana Live! Casino's community relations program; planning, organizing and maintaining all casino partnerships, sponsorships & donations; planning and organization of employee involvement with community related events; budgeting and planning for yearly Marketing "sponsorships" budget; created guidelines for Indiana Live! Casino sponsorship & donation submission requests.

- Initiated Community Relations department at Indiana Live! Casino, a department not in existence before assigned to task
- Negotiated and executed contracts throughout the year with outside vendors and partners
- Created guidelines for Indiana Live! Casino sponsorships & donations submission requests
 - Evaluated requests for both sponsorships and donations received daily
- Created "Live! in the Community" publication to be issued each year to assist all employees in being knowledgeable of what organizations/foundations ILC contributed to and how employees can get involved the next year

- “Live! in the Community” is a 20-page newsletter of Indiana Live! Casino’s 2010 sponsorships and donations
- Worked and attended off-site sponsorships and donation events
- Provided awareness of ILC community events to 900+ employees through:
 - In-house advertising
 - Sign-ups and registration
 - Coordinating plans to, from, and during events

Promotions & Events Coordinator

Indiana Grand Casino

July 2011 – March 2012

Responsible for organizing, executing and coordinating all special events and promotions under management’s directives, including evaluating and booking entertainment in all Indiana Grand Casino entertainment venues. Assist in planning and implementing marketing department initiatives.

- Compose, develop and construct details of special events, promotions, tournaments and casino related functions
- Work directly with the purchasing department to negotiate with vendors for product pricing, entertainment fees, promotional items while keeping the marketing budget intact
- Manage financial duties within marketing department, gaming operations and patron giveaways, such as awarding cash prizes, free play and all other gaming related prizes

Development Manager (Steve Wynn Management Trainee program)

Indiana *Live!* Casino

March 2009 - December 2009

Responsible for becoming familiar with all facets of the Casino Operations through completion of designated training/projects in various pre-determined departments of Indiana Live! Casino; responsible for learning casino’s operation principles, concepts, and philosophies as well as the overall organization, services and customers.

- Maintained up-to-date knowledge of operational procedures, practices and policies within assigned areas of the organization
- Completed assigned projects within division or department to help improve operational problems
- Assumed duties and responsibilities of a wide variety of positions within organization to learn the internal workings of the gaming industry
- Gathered and analyzed information necessary to facilitate executive decision-making, providing consultation
- Established and maintained effective chains of communication at various levels within organization

Trained/worked in the following departments as several different roles during this time:

- **Security**
 - Security Officer, Security Supervisor, Security Dispatch
- **Valet**
 - Valet Attendant, Lead Valet Attendant
- **Marketing**
 - Players Club Representative, Players Club Lead, Casino Host, Marketing Coordinator, PR/Advertising Coordinator, Group Sales Representative, Promotions & Events Coordinator, Community Relations Coordinator
- **Slots**
 - Slot Analysis, EGD Attendant (*program cut short due to casino mgmt. turnover*)

TECHNOLOGY INTEGRATION PROFILE:

Technology Proficiency

Skilled in the frequent use of the following programs:

- Patron Management, Micro Gaming Technologies (MGT), Stratton Warren System (Agilysys)
- Microsoft Outlook, Word, PowerPoint, Excel, Publisher & Access

PROFESSIONAL AND COMMUNITY MEMBERSHIPS:

Damar Services, Inc.

March 2011 - Present

- Board of Directors member for Damar Services

The Penrod Society

April 2010 - Present

- Volunteer organization strongly rooted in Central Indiana and a major supporter of Indy Arts
- Society includes influential alumni throughout the Indianapolis business and civic community

The Columbia Club

- Member.

Wyoming Antelope Club

- Member

LEADERSHIP HONORS:

Purdue University

August 2004 – December 2008

- Vice President of Theta Chi Fraternity (2006)

Bishop Chatard High School

August 2000 – May 2004

- Football Team Captain (2003-2004)
- Baseball Team Captain (2004)
- Trojan Pride Award (2004)
- 1 of 3 players to win (4) State Championships at Bishop Chatard
- All-City, All-State Football & Baseball (2002-2004)

REFERENCES:

Barney Levensgood
Executive Director
Indiana Convention Center & Lucas Oil Stadium
(317) 262-3400
barney.levensgood@icclos.com

Greg Johnson
Chairman and CEO
Damar Services, Inc.
(317) 856-5201 Ext. 108
Gregj@damar.org

Bob Stewart
Former General Manager, Senior VP of Casino Operations
Indiana Live! Casino, Las Vegas Hilton
(812) 584-0311
Robert.a.stewart@hotmail.com

SUMMARY OF RIGHTS AND RESTRICTIONS OF CLASS M UNITS
ISSUED BY CENTAUR HOLDINGS, LLC PURSUANT TO THE
LONG TERM EQUITY INCENTIVE PLAN
AND EARLY GRANT AGREEMENT

This memorandum is intended to summarize (i) the rights and restrictions of the Class M-1 Units, Class M-2 Units and Class M-3 Units (collectively, the "Class M Units") under the Third Amended and Restated Limited Liability Company Agreement (the "LLC Agreement") of Centaur Holdings, LLC (the "Company"), (ii) the terms and conditions of the Class M Units issued by the Company to certain employees pursuant to the Centaur Holdings, LLC Long Term Equity Incentive Plan, effective as of October 1, 2011 (the "Plan") and (iii) the terms and conditions of the Class M Unit Grant Agreements contemplated to be entered into by and between the Company and Bart Early (the "Early Award Agreements").

LLC Agreement

The LLC Agreement authorizes creation of the Class M Units and describes the rights, preferences, obligations and duties relating to the Class M Units, as summarized below:

- Voting Rights – Except for certain amendments (described below), Class M Units have no voting rights or governance rights.
- Change in Capital Structure – If there is a change in the Company's capital structure, the Company's Board of Managers (the "Board") may adjust the rights of the Class M Units to maintain their original economic effect. In such event, the Class M Units would have the same distribution rights and their economic interest would not be reduced or accreted, but they may be diluted (on a pro rata basis similar to the other classes of units existing at such time) if additional investors made additional equity contributions. The Board may authorize additional classes of Units that are senior to Class M Units.
- Call Right – Class M Units are not subject to the Company call right set forth in the LLC Agreement, but are subject to repurchase and forfeiture rights as set forth in the Plan.
- Distributions - The Company will distribute (a) 53.6489% of any member distributions to the holders of the Class B Units and (b) 46.5311% of any member distributions to the holders of Class A Units and Class M Units. Of the distributions to holders of Class A Units and Class M Units, holders of vested Class M Units are entitled to receive up to 15% of the distributions based on the following schedule:
 - to the extent payments to lenders holding the term loans at emergence from bankruptcy exceed \$120M, five percent of the excess;
 - to the extent such payments exceed \$300M, five percent of the excess; and
 - to the extent such payments exceed \$480M, five percent of the excess.

At closing of the Indiana Grand acquisition, the Company made \$60M in payments to the lenders.

- Amendments – Approval of a majority of the outstanding Class M Units is required for amendments of the LLC Agreement relating to distributions (including distributions of assets upon winding up of the Company) and drag-along rights/company sale (other than in connection

with a capital structure change) if such amendment is materially adverse to the holders of the Class M Units.

Plan

Under the Plan, the Board (the administrator of the Plan) is authorized to issue Class M Units to certain employees.

- **Eligible Participants** – Any employee selected by the Board (an "Employee") is eligible for a grant of Class M Units (each an "Award").
- **Number of Class M Units Authorized** - The Company is authorized to issue up to 1,500,000 Class M Units (500,000 Class M-1 Units, 500,000 Class M-2 Units and 500,000 Class M-3 Units), or a greater amount as determined by the Board.
- **Lapsed Awards** – If an Award is redeemed, forfeited, canceled or terminated, expired or lapsed for any reason, the Board may re-issue such Class M Units.
- **Award Agreement** – The terms and conditions of an Award will be set forth in an award agreement. The terms may not be inconsistent with the Plan or the LLC Agreement.
- **Restrictions** – Each Award will vest over time as described in the Award Agreement, may be transferred only as authorized in the LLC Agreement and will be subject to other restrictions as may be provided in the Award Agreement. Additional restrictions may be based upon the achievement of specific performance objectives, time-based restrictions on vesting following the attainment of the performance objectives, and/or restrictions under applicable federal or state securities or tax laws, which may lapse all at once or in installments.
- **Membership Rights** – Each Employee granted an Award will be a member of the Company.
- **Adjustments** – If there is an (i) equity restructuring of the Company pursuant to LLC Agreement, (ii) an unusual and non-recurring event occurs that affects the Company's financials or (iii) the Board determines an adjustment is appropriate, the Board may make a corresponding adjustment to the Class M Units. Fractional shares may, but are not required to be, settled in cash.

Early Award Agreement

The Early Award Agreements describe the Awards to Bart Early ("Early"). The material terms include:

- **Number of Class M Units** – 112,500 Class M Units (37,500 Class M-1 Units, 37,500 Class M-2 Units and 37,500 Class M-3 Units).
- **Vesting Schedule** - The Class M Units vest as follows: 50% at the end of twenty-four (24) months after the Grant Date and 1/48th of the Units as of the end of each month thereafter through the 48th month after the Grant Date. Vesting of the Class M Units accelerates (i) 100% upon a liquidity event and (ii) an additional 12 months if Early is terminated without cause or for good reason. Early must remain with the Company for 24 months to receive any of the vested Class M Units if he wants to terminate his employment for other than good reason. If Early terminates his

employment with the Company after 24 months, dies or becomes disabled, a pro rata portion of his units will vest based on a fraction equal to the number of months he was employed by the Company over 48.

- Forfeiture – If Early is terminated for any reason, all unvested Class M Units are deemed forfeited and automatically returned to the Company. If Early is terminated for cause, all Class M Units (vested and unvested) are forfeited.
- Repurchase Rights – The Company may repurchase any vested Class M Units at any time upon (i) Early's termination, or (ii) an involuntary transfer by Early (which includes a bankruptcy or a divorce). The repurchase price will be the fair market value of the vested Class M Units on the date of involuntary transfer or termination if the termination is without cause, for good reason or upon his death or disability. The repurchase price will be 75% of fair market value on the date of termination if the termination is without good reason. Payment may be in cash or through a promissory note (interest rate equal to the rate under First Lien Debt Agreement (as defined in the LLC Agreement)).
- Membership Rights – Early only has membership rights in the Company with respect to the vested Class M Units.
- Employment Rights – Neither the Plan, nor the Early Award Agreement, confer upon Early any right to employment by the Company.

Agenda Item #4

STATE OF INDIANA

BEFORE THE INDIANA HORSE RACING COMMISSION

IN RE:

THE PETITION OF CENTAUR HOLDINGS, LLC,)
 NEW CENTAUR, LLC, HOOSIER PARK, LLC)
 AND CENTAUR ACQUISITION, LLC TO:) SS
 (1) AMEND 71 IAC 7-1-13; AND (2) AMEND)
 71 IAC 7.5-1-4 SO AS TO UNCOUPLE;)
 ENTRIES WITH THE SAME TRAINER)

PETITION

2014 JUN 24 P 12:45
 INDIANA HORSE RACING COMMISSION

Comes Now Petitioners, Centaur Holdings, LLC (Holdings), New Centaur, LLC (Centaur), Hoosier Park, LLC (Hoosier Park) and Centaur Acquisition, LLC (Indiana Grand), by counsel, and respectfully request that the Indiana Horse Racing Commission (Commission) enter an order to: (1) Amend 71 IAC 7-1-13; and (2) Amend 71 IAC 7.5-1-4 so as to uncouple entries with the same trainer. In support of such petition, Petitioners show the Commission as follows:

1. Holdings is the owner of Centaur, which is the owner of Hoosier Park and Indiana Grand;
2. Hoosier Park is the holder of a permit to conduct a horse racing meeting at its facilities located in Anderson, Indiana, 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 Park 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 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 were transferred by the Commission to Grand by order of the Commission dated January 7, 2013 and most recently renewed by the Commission at its regular meeting on December 10, 2013;
5. As authorized by 71 IAC 2-12-1, Petitioners respectfully request that the Commission amend two rules namely: (1) 71 IAC 7-1-13, which is applicable to harness racing;

and (2)7.5-1-4, which is applicable to flat racing, both applicable to coupled entries. Centaur recommends to the Commission that the rules be amended to read as follows:

(1) 71 IAC 7-1-13 Coupled entries

Sec. 13. (a) Two (2) or more horses which are entered in a race shall be joined as a mutuel entry and single betting interest if they are owned or leased in whole or in part by the same owner or are trained by a trainer who owns or leases any interest in any of the other horses in the race **except entries may be uncoupled in stake races and invitational races.** ~~Horses trained by the same trainer but owned entirely by different owners shall be coupled as a single betting unit.~~ (b) No more than two (2) horses having common ties through ownership or training may be entered in an overnight race **except in races to be divided.** Under no circumstances may both horses of a coupled entry start to the exclusion of a single entry. When making a coupled entry, a preference for one (1) of the horses must be made; and

(2) 71 IAC 7.5-1-4 Coupled entries

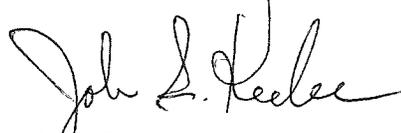
Sec. 4. . (a) Two (2) or more horses which are entered in a race shall be joined as a mutuel and single betting interest if they are owned or leased in whole or in part by the same owner, **except entries may be uncoupled in stake races and invitational races with the permission of the stewards.** ~~Horses trained by the same trainer but owned entirely by different owners shall be coupled as a single betting interest; however, the association, with the permission of the stewards, may uncouple such horses in quarter horse races.~~ (b) No more than two (2) horses having common ties through ownership or training may be entered in an overnight race, **except in races to be divided.** No owner may start two (2) or more horses in a race to the exclusion of another owner's single entry except in stakes or stakes trials. Preference for horses with the same trainer, but having no common ties of ownership, will be determined by the conditions of the race and/or preference date and may exclude a single entry. (c) A trainer may not train for another trainer licensed in the state of Indiana.

6. Amendment of the rules as requested is in the best interests of pari-mutuel racing in Indiana; and

7. The proposed amendment is supported by the Indiana Horsemen's Benevolent and Protective Association, Indiana Thoroughbred Breeders and Owners Association, Indiana Quarterhorse Racing Association and the Indiana Standardbred Association.

WHEREFORE, Petitioners respectfully request that the Commission enter an order which: (1) Amends 71 IAC 7-1-13 and 71 IAC 7.5-1-4 in the manner requested herein and grant such other relief as might be right and proper in the premises.

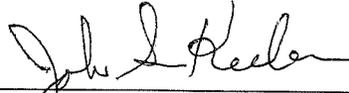
Respectfully Submitted,

A handwritten signature in black ink, appearing to read "John S. Keeler". The signature is fluid and cursive, with a large initial "J" and "K".

John S. Keeler
Attorney for Petitioners

Certificate of Service

I hereby certify that a copy of the foregoing was served upon Lea Ellingwood, 1302 N. Meridian Street, Suite 175, Indianapolis, Indiana 46202, by hand delivery, this 24 day of June, 2014.



John S. Keeler

John S. Keeler
5110-49
New Centaur, LLC
10 West Market Street, Suite 200
Indianapolis, IN 46204
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jkeeler@centaurgaming.net