

Memorandum of the Executive Session of the
Indiana Horse Racing Commission

July 15, 2021

Harrah's Hoosier Park Racing & Casino
4500 Dan Patch Circle
Anderson, IN 46013

Pursuant to public notice issued in compliance with IC 5-14-1.5-1 et seq., the Indiana Horse Racing Commission (the "Commission") met in executive session at 10:00 a.m. on Thursday, July 15, 2021, at Harrah's Hoosier Park Racing & Casino. Commission members present were Philip C. Borst, Chairman; George Pillow, member; Bill McCarty, member; Bill Estes, member; Deena Pitman, Executive Director; and Noah Jackson, General Counsel. The Commissioners met pursuant to IC 5-14-1.5-6.1(b)(6).

No subject other than that authorized by IC 5-14-1.5-6.1 and identified in the public notice was discussed during the executive session.

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Memorandum of the Regular Meeting of the
Indiana Horse Racing Commission

July 15, 2021

Harrah's Hoosier Park Racing & Casino
Clubhouse
4500 Dan Patch Circle
Anderson, IN 46013

Commission members present: Philip C. Borst, Chairman; George Pillow, member; William McCarty, member, and Bill Estes, member.

Commission Staff members present: Deena Pitman, IHRC Executive Director; Tom Linkmeyer, IHRC Deputy Director; Noah Jackson, IHRC General Counsel; Jessica Barnes, IHRC Breed Development Director; Wendi Samuelson-Dull, IHRC Controller.

Speakers from the audience: Brian Elmore, Executive Director Indiana Horsemen's Benevolent & Protective Association; Joe Morris, Caesars SVP of Racing; Eric Halstrom, VP and GM of Racing Indiana Grand; Rick Moore, VP and GM of Racing Harrah's Hoosier Park; Alan White, Indiana Standardbred Association Board of Directors; Steve Jarmuz, General Manager at Indiana Grand; Christal Johnson, Marketing Sale & Community Relations Manager.

I. Call to Order

Chairman Borst called the meeting to order at approximately 10:30 a.m. A quorum was present.

II. Approval of memorandum from the March 2, 2021, meeting.

Chairman Borst asked for a motion for approval of the memorandum from the March 2, 2021, Commission Meeting. Commissioner Pillow moved to approve. Commissioner Estes seconded. The vote was unanimous, 4-0, in favor of approval.

III. Agenda

Note: All items on the agenda were transcribed by a court reporter from Stewart Richardson. Transcripts are available at www.in.gov/hrc.

1. Consideration of the proposed emergency rule changes.

General Counsel Noah Jackson ("Mr. Jackson") presented the IHRC Emergency Rules broken down by harness racing, flat racing, and all breeds, with the intent to approve them with a single vote. Mr. Jackson detailed how the rules had been presented to the stakeholders for the various breeds, and how a few stakeholder comments had been discussed and addressed by staff. Mr. Jackson explained that all the rules would be adopted through the Commission's emergency rule adoption procedure and go into effect as soon as filed. Mr. Jackson, on behalf of Commission Staff, respectfully requested approval of the proposed emergency rules.

Chairman Borst asked if there were any questions. With no other comments from those present, Chairman Borst asked for a motion and second. Commissioner Estes moved for approval. Commissioner McCarty seconded. The vote was unanimous, 4-0, in favor of approval of the proposed emergency rule changes.

2. Review of commission rulings – February 23, 2021, through July 9, 2021.

The rulings were presented for the Commission's information and no vote was required. Chairman Borst asked if there were any questions. There were none.

3. Consideration of the proposed changes to the approved 2021 Thoroughbred Breed Development Advisory Committee Program based upon updated financial projections and Review of Thoroughbred base purse increases approved by Director Pitman prior to the July 15th meeting.

Jessica Barnes ("Ms. Barnes"), IHRC Breed Development Director, explained that the budget presented at the last meeting was conservative because no one knew what would happen. Based on the incoming revenue and horse population, there was a need for more races than planned for the Indiana-bred program. Upon review, there was a track proposal to adjust the base purse because they felt it was in everyone's interest. Further, it kept the breed development program within the budget that the Commission had already approved. Two emails were sent to Deena Pitman ("Director Pitman"), Executive Director of the IHRC, to ask for permission to move forward with the adjusted base purse.

Next, the committee reviewed revenues coming into the program, the incoming revenues versus the budget, and how to make adjustments to the budgeted amounts to avoid building up a huge reserve. The Thoroughbred program submitted an amended proposal of the percentages going forward each month to the breed, the overnight races, added races, and a second-place breeder's award pool, which is a new program. The proposal only goes through October, allowing for funds to build up in November and December. It restores stakes races to the previous levels and gives the track the ability to card the number of Indiana-bred races that they need. Also, it provides opportunities to the horsemen, a bonus for the program.

Also included is a second-place breeder's award and stallion owners award in place, but it does not pay out until the end of the year. It works with a fixed income out the money accumulated at the end of the year. It gives money to the breeder's that they can invest back in the program.

Included was a request to renew the incentive program to attract new mares. The proposal would allow the committee to start working on the program for 2022 to increase awareness now.

Seeing no questions, Chairman Borst asked for a motion to approve the proposed changes

to the approved 2021 Thoroughbred Breed Development Advisory Committee program based on the updated financial projections and review of Thoroughbred base purse increases by Director Pitman prior to the July 15 meeting. Commissioner McCarty moved to approve. Commissioner Estes seconded the motion. Seeing no further questions, Chairman Borst asked for a vote. The vote was unanimous, 4-0, for approval.

4. Consideration of the proposed changes to the approved 2021 Quarter Horse Breed Development Advisory Committee Program based upon updated financial projections.

Ms. Barnes, IHRC Breed Development Director, explained that the Quarter Horse program started with a conservative budget also. The Quarter Horse budget had quite a bit of reserves going in and did not see very many cuts. Money is currently accumulating. The committee does not want to use the Thoroughbred percentage approach, but a different approach that does not build huge reserves.

First, the Quarter Horse committee would like to take the money accumulated over the projections and utilize it for awards on trials (owner, breeder, and stallion), a new element of the program. Next, the committee would like to use any remaining money to add Indiana races increments of five (5) based on money coming in each month, not to exceed fifteen (15) additional Indiana races.

Chairman Borst asked if there were any Commission questions. Chairman Borst, hearing no comments, asked for a motion and a second to approve the proposed changes of the approved 2021 Quarter Horse Breed Development Advisory Committee program based on updated financial projections. Commissioner Estes moved to approve. Commissioner Pillow seconded the motion. The vote was unanimous, 4-0, for approval.

5. Consideration of the proposed changes to the approved 2021 Standardbred Breed Development Advisory Committee and Board Programs based upon updated financial projections.

Ms. Barnes explained that the Standardbred program used the same conservative projections and currently \$1.8 million above what was projected. The plan is to allocate an additional \$1.7 million to Indiana sired overnight races or their mini-series, races the racetrack writes through the racing office specifically for Indiana-sired horses. This area of the budget has not returned to pre-COVID levels.

No changes to the sires stakes was proposed due to the committee members being satisfied the sires stakes programs is at the elevated level it needs to be. No changes were proposed for the fair circuit program due to the Indiana State Fair being a couple of

weeks out and then just a few fair programs afterwards.

The Standardbred committee added to the breeder's awards, a pool of money that is paid out at the end of the season. The committee wanted to bring the breeder's awards back to pre-COVID levels and add \$300,000.00 to the program because it had not been increased in years. This brings the program to \$1 million.

Ms. Barnes addressed the Standardbred Advisory Board program which receives an annual appropriation. It is now funded through pari-mutual taxes, but it comes from Commission appropriation through the Budget Agency. The budget is not out because the fair meeting was not held this year. The Advisory Board primarily deals with the conditions of the sires stakes and administering the Indiana Sired Fair Circuit. Funds help to administer the fair program, provide for the testing at the Indiana Sired Fair Circuit races, and provide for some operational funds for those races.

The Advisory Board annual appropriation is \$193,500.00. Over the years the Advisory Board had managed to build up funds but have but the amount built up has been moving down each year lately. The Advisory Committee has been looking at Advance Deposit Wagering ("ADW") funds coming into the IHRC since the statute specifically says they have to be used for state and county fairs. The committee would like to shift those \$157,000 dollars from the Advisory Board Budget to the ADW funds earmarked by statute for County and State Fair purposes.

There were no questions on the Standardbred Breed Development Committee or Advisory Board proposals. Chairman Borst, hearing no comments, asked for a motion and a second to approve the both the Breed Development Advisory Committee and Advisory Board budget. Commissioner Pillow moved to approve. Commissioner Estes seconded the motion. The vote was unanimous, 4-0, for approval of both.

6. Consideration of Harrah's Hoosier Park's request to card additional races on specified dates pursuant to the authority granted to the Commission in Ind. Code § 4-31-5-9(c).

Director Pitman explained that at the March meeting Rick Moore ("Mr. Moore"), VP and GM of Racing Harrah's Hoosier Park ("HHP"), made a request to add additional races to specific dates, which required a statute change. Now that the statute has been changed Mr. Moore came back with the request.

Mr. Moore explained how under executive authority last year, HHP was able to card additional races on the big race nights, allowing them to produce six (6) nights of a \$1 million or more from handle. HHP's maximum number of races per night is fourteen

(14). HHP was seeking approval to card up to fifteen (15) races per night, Dan Patch night being one the fifteen (15) race nights. HHP has five (5) nights coming up that would benefit from having fifteen (15) races.

Chairman Borst asked if there were any Commission questions. Chairman Borst, hearing no comments, asked for a motion and a second to approve allowing additional races on those five (5) nights. Commissioner McCarty moved to approve. Commissioner Pillow seconded the motion. The vote was unanimous, 4-0, for approval of additional races on five (5) nights.

7. Consideration of Harrah's Hoosier Park's request to substitute certain items on the required 15-year equipment capital expenditure chart which places requirements for racetrack capital expenditures on Caesars through 2033.

Mr. Moore, VP and GM of Racing Harrah's Hoosier Park, presented HHP's request to substitute certain items on the required 15-year equipment list. Mr. Moore explained the items listed for this year were a small John Deere skid steer, a large John Deere skid steer loader, and three Ford Explorer Interceptors. HHP bid out the skid steers between Bobcat, John Deere, and New Holland. New Holland submitted an aggressive bid in both price and commitment to customer service. HHP wants to purchase the New Holland skid steers.

HHP does not need the Interceptor feature in the barn area and would prefer to purchase a Ford F150 four-wheel drive super crew cab. Mr. Moore stated the cost is about the same.

Chairman Borst asked if there were questions from the Commission. Seeing none he asked for a motion and second to approve HHP's substitutions on the equipment list. Commissioner McCarty moved approval and Commissioner Estes seconded the motion. The vote carried unanimously, 4-0, in favor of approval.

8. Presentation and discussion of the Indiana Standardbred Association's ("ISA") May 4, 2021, letter notifying the Commission that ISA held a vote and approved winter training at Harrah's Hoosier Park beginning at the conclusion of the 2021 race meet.

Joe Morris ("Mr. Morris"), Caesars SVP of Racing, stated it is his understanding of the requirements that once the ISA requested winter training, it meant HHP was doing winter training. Mr. Morris covered: his concern with putting private facilities and fairgrounds in the surrounding area that now house horses over the winter out of business; his meeting with ISA's Winter Barn committee and their sharing his concern about the surrounding businesses; the goal of winter training being to have more horses available on opening day; the discussion to start opening winter training to those who have been stabled on the track during the race meet; location of the barns close to the racetrack; open grooms quarters and provide food for the grooms; working on a formula to give out

winter training stalls based on the number of starts for the year; and when to allow two-year olds. Mr. Morris stated Indiana Grand went through the winter training process last year. Also, the need to winterize.

Alan White (“Mr. White”), Indiana Standardbred Association Board of Directors, stated a main concern was at present the racing season has started earlier in March and is extending into December with potential for unpredictable cold weather. Mr. White wanted to encourage capital improvements to the barn areas to include winterization because that would be necessary during the race season.

Mr. Jackson, General Counsel, suggest a motion for Director Pitman to conditionally approve a plan and to have that reported and approved or considered by the Commission at the next meeting.

Commissioner Pillow asked Mr. Morris what does winterization entail. Mr. Morris stated since there is no heating system, frozen pipes are a concern. They would need to go through and remove any pipes on the outside walls and replumb them inside. Mr. Morris stated having sixty (60) horses in each barn would keep the temperature inside above freezing. The pipes would be heat taped, covered with foam, and then plastic pipe to keep the horses from eating the foam. The Indiana Department of Environmental Management (“IDEM”) requires the drainage water from the horse baths kept in a tank. HHP will have to figure out a way to keep that water moving so it will not freeze. The windows in the stalls will have to have to way to secure them closed.

Chairman Borst asked if there were any other questions. Seeing none he asked for a motion and second to give Director Pitman the ability to approve a plan until the next Commission meeting where the Commission can give its approval. Commissioner McCarty moved approval and Commissioner Estes seconded the motion. The vote carried unanimously, 4-0, in favor of approval.

9. Presentation and discussion of the Indiana Standardbred Association’s June 17, 2021 letter notifying the Commission that the ISA Board voted to request standardbred ADW payments be redirected from Harrah’s Hoosier Park purse account and placed in an escrow account as of June 30th to be used for future unidentified projects.

Mr. White, Indiana Standardbred Association Board of Directors, presented for the ISA. Mr. White stated the ISA had discussed many different options as to what use they would like for the money. The letter specified that within the next sixty (60) to ninety (90) days the ISA would come up with a final plan to present to the Commission for approval as to how the money would be spent.

There was a discussion between Mr. White, Chairman Borst, Mr. Jackson, and Director Pitman as to how any proposed changes would work, if an escrow account with Caesars would be necessary, and how to set up the account. Mr. Morris, Caesars SVP of Racing, discussed the proposed course of action, how it relates to Caesars plans for HHP, and Caesars' willingness to work with the ISA. ISA will present their final proposal at a future meeting. No vote was required.

10. Consideration of the Indiana Horsemen's Benevolent and Protective Association's request to place its assigned portion of ADW funds into the purse account for the remainder of the 2021 season.

Brian Elmore ("Mr. Elmore"), Executive Director Indiana Horsemen's Benevolent & Protective Association ("Indiana HBPA"), explained the Indiana HBPA would like to take their entire balance in their Indiana HBPA segregated trust account from ADW funds and transfer it to the purse account at Indiana Grand.

The Indiana HBPA wants to fund additional monies to the Thoroughbred breed development program because they found they have had to rely on Indiana bred and sired horses to fill races this year. The additional funding would allow the opportunity for additional racing. Finally, with Commission approval, the additional funding would allow additional race days to be added to the calendar which would help the trainers and owners catch up the COVID shortened season last year.

Chairman Borst asked if the money was already in the account. Mr. Elmore affirmed the money was in the account. Chairman Borst asked if anybody opposed the request or if there were any questions from the Commission. Hearing none, Chairman Borst asked for a motion and second to approve the request. Commissioner Pillow moved approval and Commissioner McCarty seconded the motion. The vote was unanimous, 4-0, in favor of approval.

11. Consideration of the renewal of PENN ADW's Secondary Pari-Mutuel Organization license which will allow PENN ADW to continue providing advance deposit wagering services to Indiana customers.

Mr. Jackson explained that at last year's May meeting, PENN ADW's license was granted for one (1) year. Commission Staff had reviewed the application and determined it was substantially compliant with IHRC regulations. Commission Staff has a contract with the Thoroughbred Racing and Protective Bureau ("TRPB") to review daily wagering data provided by PENN ADW. Commission Staff has been in contact with the Oregon

Racing Commission, which has set itself up as the foremost authority on ADW operators, and PENN ADW is in good standing with the Oregon Racing Commission. Further, no issues have been raised by TRPB. Mr. Jackson, on behalf of Commission Staff, respectfully requested the approval of the Secondary Pari-Mutuel Organization (“SPMO”) renewal for PENN ADW, with the renewal term from July 15th of this year through July 15th of next.

Chairman Borst asked if there were any questions. Chairman Borst asked for a motion and second to approval the renewal PENN ADW’s SPMO license. Commissioner Estes moved approval and Commissioner McCarty seconded the motion. The vote was unanimous, 4-0, in favor of approval.

12. Presentation of Caesars bi-annual capital report including information on all expenditures from the Initial Capital Fund Escrow Account, established in the Commission’s July 15, 2020, Final Order approving transfer of racing permits.
 - a. Update regarding ongoing construction and capital projects at both Indiana Grand (to include Winner’s Circle OTB update at Indiana Grand) and Harrah’s Hoosier Park.
 - b. Consideration of Two Year RCFAC Plan for Indiana Grand and Harrah’s Hoosier Park.

Mr. Morris, Caesars SVP of Racing, presented a one-page sheet showing the initial account balance, how it was to be split between HHP and Indiana Grand, the amounts spent so far, the projects completed, and the amount remaining.

Next, Mr. Morris updated the ongoing projects. At HHP, the video surveillance project of all 650 stalls is complete, including DVR data storage. Barn 4 had storage removed and stalls added. At Indiana Grand, the horse walker has been completed. The new barn is expected to be complete by the end of December and will be winterized. Mr. Morris introduced Steve Jarmuz (“Mr. Jarmuz”), General Manager at Indiana Grand, to discuss the Brew Bothers concept and the Winner’s Circle OTB (“OTB”) at Indiana Grand.

Mr. Jarmuz discussed the OTB being currently located on the casino floor. The plan is to move the OTB to the first floor of the clubhouse, and want to offer mutual tellers, program sales, and food and beverage seven days a week. The plan also includes 50-plus TVs. The OTB brand will change to a Brew Brothers. Chairman Borst asked if there were any questions. There were none.

Mr. Morris updated the two-year RCFAC plan. At HHP, Mr. Morris requested a couple of change for 2021. One is to purchase a trash compactor for \$11,600.00 instead of

buying a garbage truck for around \$130-135,000.00. The other is to add asphalt to the part of the backside for easier maintenance for winter training. Mr. Morris wants to spend approximately \$65,000.00 to winterize five (5) barns at HHP. For 2022, they want to change the old lighting in the barn area to more efficient and brighter LED lighting. The estimated cost is \$153,000.00. Lighting has been changed on two (2) poles at the track and HHP wants to change the rest of the pole lighting over the next two (2) years. That would total approximately \$548,000.00 for 2022. Winterizing the paddock with gas heat is estimated at \$80,000.00. If roof insulation is necessary, it would be added next year. Also, they plan to add bigger TV screens to the paddock. Last, the plan is to re-gutter barns as the current gutters are original. 2023 would require approximately \$500.00.00 to finish the track lighting.

Mr. Morris explained the current plan at Indiana Grand is to make no updates in 2022 and let the fund catch up. Due to the doors and windows being closed in winter, the lighting needs to be updated to LED. Projected cost is \$71,000.00. Asphalt will be added on the back stretch, and they will improve drainage. Public address system improvements at \$25,000.00. Indiana Grand is requesting two (2) new winter harrows made for frozen ground be part of the winterization funding.

Mr. Jackson discussed the requirement for Commission approval for any expenditure over \$50,000.00. Mr. Jackson asked Mr. Morris if any approval is given will Mr. Morris then update the Commission as quotes become final. Mr. Morris stated his intent to bring all changes before the Commission. Mr. Jackson asked if the harrows were approved by the committee to come out of RCFAC funds because the amount is under the Commission approval requirement and the harrows could possibly be a regular capital expenditure. Mr. Morris stated it was voted on with the understanding the harrows were winter related and should be able to go through the RCFAC fund. It was understood the Commission would only be voting on the 2021 changes at this meeting. Mr. White asked about the track lighting and the proper budget. It will be decided when the track lighting comes up for a vote at a later meeting.

Chairman Borst asked if there were any questions or comments. Hearing none, Chairman Borst asked for a motion and a second. Commissioner Estes moved the Commission approve the changes for 2021 at HHP. Commissioner McCarty seconded. The vote was unanimous, 4-0, in favor of approval.

For informational purposes only, Mr. Morris discussed Caesars intent to rebrand some of the sports betting under Caesars name.

13. Caesars updates:

- a. Update regarding Caesars Community Giving Report – Quarter Two
- b. Update regarding employment levels and the return to 2019 pre-pandemic employment at both Indiana Grand and Harrah's Hoosier Park
- c. Sunday racing discussion

Christal Johnson ("Ms. Johnson"), Marketing Sales & Community Relations Manager, presented the update regarding Caesars Community Giving Report for HHP. Ms. Johnson noted that Caesars Entertainment increased the operating and donations sponsorship to \$430,000.00. HHP partnered with and/or donated to a number of organizations: \$25,000.00 to the restoration of the historic Paramount Theater in Anderson; \$10,000.00 to Friends of Mounds State Park for ADA accessible trails; \$10,000.00 to the Morning Dove Therapeutic Riding Center; provided an all-female team to Madison County's Habitat for Humanity's women and build program; is planning to host Empire of Hope to help raise awareness and funding for the care of horses after their racing career; and continuing their commitment to the Purdue Equine Specialty Hospital with approximately \$400,000.00 by the end of 2021.

Lenny Lisle ("Ms. Lisle"), VP of Marketing at Indiana Grand, presented. Ms. Lisle noted Indiana Grand's commitment for 2021 was \$525,000.00. Indiana Grand purchased a retired show horse from the Morning Dove Therapeutic Riding Center that children with autism are able to engage with; donating \$100,000.00 to the Shelbyville Fairground revitalization project; and helped Marion, Johnson, Shelby, Decatur, Rush, Hancock, and Hamilton counties.

Mr. Morris updated the employment numbers. Mr. Morris noted that on July 9th Caesars put a \$12 minimum wage across all properties everywhere for non-tipped employees. Also, bonuses for new hires, and referral bonuses for employees. The weekly payroll amount is within \$2,000.00 to the 2019 level. Mutuels employment and security are down but pay for both is up at HHP.

At Indiana Grand, the payroll is up. Mutuels are down from 46 to 26. Indiana Grand is looking to add 6 mutuel positions. The rest of the decrease is due to the change in racing days. The racing office is down a couple of people. However, a few jobs have been combined, and blood gas technicians have been outsourced. There are nine (9) openings in security. Chairman Borst asked if there were any questions. There were none.

Mr. Moore, VP and GM of Racing Harrah's Hoosier Park, discussed Sunday racing. The handle increased 32.9 percent for the first eight Sunday race days of the 2021 race meet compared to the corresponding Tuesdays from 2019. The on track portion of the handle

increased 21.5 percent. Mr. Moore noted that Tuesdays had low attendance in the past and that currently on Sundays the dining room ranges from half to three-quarters full, and there are families on the apron enjoying the remainder of their weekend. Racing on Sundays helps HHP mission to grow racing in Indiana. HHP would like to keep racing on Sundays.

Chairman Borst asked if there were any questions or any comments from Staff about Sunday. Director Pitman noted she had heard a lot of comments regarding Sunday racing and encouraged any horsemen that wanted to come up and speak about it. Mr. White, Indiana Standardbred Association Board of Directors, expressed that while a hardship for the horsemen, they have been more than willing to cooperate with the experiment of racing on Sunday. Mr. White noted the track is now closed on Monday for training. Mr. Moore noted that the day the main track is closed was moved from Sunday to Monday, and the jog track is still open seven days a week.

Chairman Borst asked if there were any other comments from Commission Staff or Commission members. There were none. Chairman Borst noted the plan to rebrand Indiana Grand to Horseshoe Indianapolis. No vote was required on Caesars updates.

14. Consideration of Caesars request for the IHRC to grant Executive Director Pitman the authority to conditionally approve an increase of Indiana Grand race dates to the end of the regular race season until which time the IHRC can convene and formally approve said request.

Eric Halstrom (“Mr. Halstrom”), VP and GM of Racing Indiana Grand, stated that the purse projections were very conservative at the start of the race meet. They had recently raised purses by 10 percent for Thoroughbreds, and a thousand dollars across the board for Quarter Horses. They believe there will be an opportunity to add a few racing days if the current trends continue. All parties involved will decide when to make the call when it is determined the funds are there and the extra days will not impact 2022 purse funds. Mr. Halstrom, on behalf of all parties involved, requested the Commission to give Director Pitman the authority to conditionally approve race dates as they are requested by Indiana Grand, with the understanding the dates will be brought back before the Commission for final approval.

Chairman Borst asked if Commission members and Commission Staff understood the request and were okay with it. Director Pitman had no issue with the request. Commissioner Pillow asked Mr. Halstrom if they were filling race up currently. Mr. Halstrom stated they needed more horses. Mr. Halstrom noted that, while the race meet is continuous, it is almost as if you are running spring, summer, and fall race meets. Mr.

Halstrom believes they will have plenty of horses by fall, in part due to Churchill's season being completed. Mr. Jackson asked Mr. Halstrom if they could have added race days last race meet. Mr. Halstrom stated, "Yes." Almost nobody wanted to end the meet as scheduled and go home.

Chairman Borst asked if there were any other Commission questions. There were none. Chairman Borst asked for a motion, and a second, to grant Director Pitman the authority to conditionally approve the increased race days. Commissioner McCarty moved to grant Director Pitman the discretion to reach an agreement subject to Commission review. Commission Estes seconded. The vote was unanimous, 4-0, in favor of approval.

15. Presentation from the Friends of Ferdinand horse adoption program.

Wendy Brown ("Ms. Brown"), Board Member, stated it is important to us a big-tent approach involving all stakeholders. Ms. Brown noted Indiana Grand is a member of the National Thoroughbred Racing Alliance ("NTRA"). The NTRA has a code of standards and certain directives for racetrack members regarding recognized placement/adoption programs and help facilitating the horse transfers.

Diana Cooper ("Ms. Cooper"), Board Member, noted they are a recognized non-profit 501(c)(3) founded in 2005. Friends of Ferdinand's ("FoF's") motto is rehab, retrain, and re-home. About 70 percent of their Thoroughbreds come from either Indiana tracks or Indiana breeding. About 20 percent of FoF's funding comes from Indiana racing. FoF has started accepting retired broodmares. Ms. Cooper discussed the adoption of horses (contract and thirty (30) day trial), the volunteers, the rehab phase with veterinary assistance as necessary, the retraining program for a new career for the horses, foster homes, and FoF's two (2) primary training facilities (English and western).

Ms. Cooper noted FoF operates on a pretty marginal budget. Expenses such as boarding stipends, veterinarian/farrier care, etc., are offset by the adoption fees. More financial information was included in FoF's packet. FoF is Indiana's only Thoroughbred Aftercare Alliance ("TAA") accredited in Indiana. TAA accreditation includes a two-year application period, inspections by board certified veterinarians or TAA staff at every facility, among many other requirements and checks.

Sara Busbice ("Ms. Busbice"), President, discussed aftercare, highlighting what New York, Pennsylvania, and California have done. FoF also provided information from other states in the packet. The states have developed a strategic plan for providing aftercare with viable funding sources. The most successful programs include an intermediary

organization or person. Ms. Busbice expressed a desire to see Indiana's industry develop a first exit plan for aftercare, both medical and financial; see the Commission explore lessons learned from other states; and see the Commission meet with the TAA and gain their insights and recommendations for the first exit plan. Both Ms. Busbice and Chairman Borst asked if there were any questions. There were none. No vote was required.

III. Old Business

There was no old business.

IV. New Business

Mr. Elmore, Executive Director Indiana HBPA, discussed the separate funds (initial 10-year capital fund, second 10-year capital fund, and the capital equipment list) set up for expenditures. Mr. Elmore, on behalf of himself and others, requested the Commission come up with a clarification of each of the funds and what they are used for by the end of the year. Chairman Borst noted Mr. Elmore's request.

Chairman Borst asked Director Pitman if there were any new business. Director Pitman discussed the Association of Racing Commissioners International ("ARCI") meeting in Chicago which had a Q&A session with representatives from the Horseracing Integrity and Safety Act ("HISA") program. It was noted that HISA officials have yet to reach out to any racing jurisdictions to gather any specific information; there were not a lot of direct answers to many questions asked; HISA officials did state they would like to have programs available to commissions to review and comment by the fall, it was not clear exactly when that would be; it was not clear what level of participation would be allowed or what weight might be given to commission issues and concerns, and current known HISA officials do not have an extensive background in state government processes.

HISA officials indicated a desire to be collaborative with the states. They are currently drafting rules and policies. The timeline to submit rules to the Federal Trade Commission ("FTC") is January 1, 2022, in order to have notice and comment and pass the rules four (4) months before they would take effect on July 1, 2022. There will be little time for commissions to properly implement the HISA rules.

V. Adjournment

The meeting was adjourned at approximately 1:11 p.m.