



Ohio State Racing Commission

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John Kasich
Governor

Robert K. Schmitz
Chairman

Minutes of the OSRC Meeting held September 21, 2018

1-The Ohio State Racing Commission (Commission) held its monthly meeting September 21, 2018 at the Riffe Center, 77 South High Street, Columbus, Ohio, Floor Room 1960 at 10 am.

2-OSRC Chairman Robert K. Schmitz called the meeting to order. Commissioners Todd Book, Gary Koch, Greg Simpson and Thomas Winters were present.

3-Commissioner Simpson moved to approve the minutes of the meeting held on August 29, 2018. Commissioner Winters seconded the motion and the motion was unanimously approved.

4-Commissioner Winters moved to approve the ratification of the Executive Director's approvals. Commissioner Simpson seconded the motion and the motion was unanimously approved.

5-Commissioner Winters offered consideration of Resolution 2018-10 and Commissioner Book seconded the motion. The resolution discussed the transfer of ownership of Belterra Park from Pinnacle Entertainment to Boyd Gaming. Keith Smith and Brian Larson spoke on behalf of Boyd Gaming. Richard Helm, special counsel for the Commission, gave a detailed summary of the transaction. He also discussed Resolution 2018-10. Commissioner Winters moved to adopt Resolution 2018-10 and Commissioner Simpson seconded the motion. The motion to adopt Resolution 2018-10 was unanimously approved by roll call vote: Chairman Schmitz voted Yes; Commissioner Winters voted Yes; Commissioner Koch voted Yes; Commissioner Simpson voted Yes; Commissioner Book voted Yes.

6- Executive Director William Crawford discussed approval of Belterra Park's requested 2019 race dates. Belterra Park requested 93 Thoroughbred race dates (April 26 thru September 29) and 6 Quarter Horse race dates (May 27, 2019 thru September 29, 2019). The same number of race dates as 2018. Commissioner Koch moved to approve Belterra Park's request. Commissioner Simpson seconded the motion. The motion was unanimously approved.

7-Executive Director William Crawford gave an update on catastrophic horse fatalities due to training or racing. There was a total of 37 catastrophic breakdowns through September 14, 2018. During the month of September there were three Thoroughbred and zero Standardbred fatalities due to racing and or training.

8-Sherry White, OSRC Fiscal Officer, gave her monthly financial report. Ms. White stated OSRC revenues are even with last year. Payroll Expenses are up eleven percent due to the recent cost of living adjustment for employees.

9- Chairman Schmitz thanked Boyd Corporation and Commissioner Winters for helping with the Belterra Park transaction. He further thanked the Ohio Harness Horsemen Association for its one-million-dollar contribution to support races at the Little Brown Jug.

10-There were no public comments.

11-Commissioner Koch moved to adjourn the meeting. Commissioner Simpson seconded the motion and the motion was unanimously approved. The public meeting adjourned at 10:43 a.m.

Date, Time & Place of Next Meeting

October 31, 2018 @ 10 am Room 1948

77 South High Street, Columbus Ohio 43215

Robert K. Schmitz, Chairman

William Crawford, Executive Director

OHIO STATE RACING COMMISSION

RESOLUTION 2018-10

WHEREAS, Chapter 3769 of the Revised Code authorizes the Ohio State Racing Commission (“Commission”) to regulate and preserve the integrity of horse racing in Ohio;

WHEREAS, Revised Code 3769.03 authorizes the Commission to issue, deny, suspend, diminish or revoke permits to conduct horse racing;

WHEREAS, the Commission has issued permits for calendar year 2018 to PNK (Ohio), LLC (“PNK”), which is owned by Pinnacle Entertainment Inc., to conduct horse racing meetings at 6301 Kellogg Road, Cincinnati, Ohio 45230, known as Belterra Park;

WHEREAS, PNK and Boyd Gaming Corporation (“Boyd”) have executed and delivered to the Commission a letter dated September 20, 2018 (the “Letter”) that relates to the transactions by which, among other things, all of the membership interests of PNK will be purchased by Boyd TCIV, LLC, a wholly-owned subsidiary of Boyd (“Boyd Purchaser”), and another wholly-owned subsidiary of Boyd will purchase the real property comprising Belterra Park using the proceeds of a loan made by GLP Capital, LP, a subsidiary of Gaming and Leisure Properties, Inc.;

WHEREAS, the Letter includes certain representations and warranties of PNK and Boyd, and also includes their acknowledgment and agreement to certain conditions to the Commission’s approval of the purchase of PNK by Boyd Purchaser.

NOW, THEREFORE, BE IT RESOLVED that, in reliance upon the representations and warranties of PNK and Boyd in the Letter, the Commission approves the change of ownership of PNK, and recognizes that PNK will be owned by Boyd Purchaser, in each case, upon the following conditions:

- (i) The executed Transaction Documents (as defined in the Letter) shall be identical in substance to the drafts of the Transaction Documents delivered to the Commission on September 20, 2018;
- (ii) Only PNK, Boyd, or a subsidiary of Boyd, shall hold racing permits for Belterra Park, and the continued effectiveness, renewal and transferability of permits for Belterra Park shall remain subject to continued compliance with Chapter 3769 of the Revised Code and the rules and actions of the Commission;
- (iii) All of the membership interests in PNK and Boyd Landlord (as defined in the Letter) shall be held by Boyd or one or more wholly-owned subsidiaries of Boyd, unless otherwise agreed in writing by the Commission;
- (iv) The Transaction Documents shall be executed, and the Transaction (as defined in the Letter) closed, without any substantive changes to the drafts and terms communicated to

the Commission on or prior to the date of the Letter, unless otherwise agreed in writing by the Commission;

- (v) The Commission shall be provided with fully-executed copies of all of the Transaction Documents not later than ten (10) days after their execution;
- (vi) The terms of the Transaction Documents shall not be amended, modified or waived without the prior written consent of the Commission; and
- (vii) Boyd and PNK shall cooperate with the Commission and its staff and provide any and all requested documentation and information with respect to the Transaction or the Transaction Documents from time to time.
- (viii) The Commission's approval of the change of ownership of PNK is contingent and will become effective upon Boyd Purchaser acquiring the membership interests in PNK as described in the Letter by October 26, 2018, and the full satisfaction of all of the Approval Conditions;

The existing PNK permits to conduct horse racing meetings shall remain in effect until the change of PNK ownership.

BE IT FURTHER RESOLVED Boyd Purchaser, as a contingent owner of PNK, must file the PNK permit applications to conduct horse racing meetings for calendar year 2019 by November 15, 2018.

Adopted: September 21, 2018