

## 2026 AGREEMENT

### SUBURBAN DOWNS, INC. AT HAWTHORNE RACE COURSE, INC.

This agreement is 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 SUBURBAN DOWNS, INC. authorized to do business in Illinois (hereinafter referred to a "LICENSEE").

#### WITNESSETH:

WHEREAS, LICENSEE is an organization licensed by the Illinois Racing Board to conduct, and is engaged in the business of conducting pari-mutuel harness race meetings at Hawthorne Racecourse; and,

WHEREAS, the IHHA is a voluntary association made up of independent contractors who are owners, breeders, trainers, drivers and caretakers (grooms) of harness horses (HORSEMEN); and,

WHEREAS, the IHHA represents that it has been designated by a majority of the HORSEMEN to represent all HORSEMEN racing at LICENSEE'S track 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 ensuring the continuity of harness racing at LICENSEE'S track for 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 all harness race meetings to be conducted by LICENSEE for the year 2026.
2. From LICENSEE'S retained share of the pari-mutuel handle and other gambling income, as provided for by the laws of the State of Illinois, LICENSEE must pay to the HORSEMEN'S daily purse account, moneys as specified in the Horse Racing Act of 1975 as amended the Illinois Gambling Act as amended and any other applicable statute. The share of the gambling proceeds due to the horsemen's purse account shall be reflected on a daily basis on the weekly purse report in a similar manner as the pari-mutual handle proceeds have been accounted for in the past.

From the HORSEMEN'S daily purse account payments must be made by LICENSEE as follows:

A. LICENSEE agrees to pay to the IHHA, in amounts totaling \$620,500 dollars and in the daily amount of one thousand seven hundred (\$1,700) dollars per day from January 1 through December 31 of 2026. LICENSEE shall pay these monies, pursuant to section 37-29(d) of the Horse Racing Act of 1975 as amended. **Invoices will be sent out on a monthly basis. Beginning on February 1, 2026, all invoices must be paid in full within twenty-one (21) days of receipt. Overdue or unpaid balances are subject to a late payment fee. For each invoice payment made after twenty-one (21) days, LICENSEE shall pay from LICENSEE'S share of the pari-mutuel handle to the IHHA a late payment fee of 2% interest per month, charged daily, until the balance is paid in full. This payment and late fee penalty shall be in addition to and not in lieu of any other paragraphs/sections under this agreement. Beginning on the first day of this agreement, February 1, 2026, LICENSEES agree that any unpaid invoices that are overdue from the 2025 agreement are subject to a late payment fee. LICENSEE shall pay from LICENSEE'S share of the pari-mutuel handle to the IHHA a late payment fee of 2% interest per month, charged daily, until the balance is paid in full. This payment and late fee penalty shall be in addition to and not in lieu of any other paragraphs/sections under this agreement.**

B. To purses for stakes, including eliminations, legs and consolation races, in the amounts identified in Exhibit A unless mutually agreed to by the IHHA and LICENSEE. All nominating, sustaining, entry and starting payments shall be held for the benefit of entrants and shall be paid out as part of the respective purses for such races. LICENSEE may withhold that portion of the Night Of Champions Finals purses covered by the Illinois Department of Agriculture 708 Fund until payment is received from the state but shall pay 100% of all other published purse amounts immediately and without delay. **Failure to release this money within 72 hours will result in a 2% late payment fee of 2% interest per month, charged daily, until the balance is paid in full.** Deductions may not be made from nomination, sustaining, entry 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 LICENSEE and the IHHA. At the request of the IHHA, LICENSEE shall provide to the IHHA a compilation listing of all nominating, sustaining, entry and starting payments, and an audit report indicating individual purses paid for

stakes as listed along with source of purse monies paid for those respective races.

C. Licensees and the IHHA agree that Overnight purses for the agreed upon 62 days of racing (34 live at Hawthorne and 28 at Springfield/Du Quoin) shall average \$5,000 per race based on \$50,000 per ten race program. Licensee and the IHHA agree that if non-traditional money becomes available for purses, including but not limited to HRF/IRB excess funds, to the extent of which the law will allow, those added monies shall be used to increase purses at Hawthorne during the Fall meet.

D. When an excess of horses enter an overnight race, preference shall be determined using the standard "least recently raced" methodology. For entered horses with the same most recent race date, preference will always be given to ICF horses.

3. Underpayment/Overpayment of Purses – LICENSEE will use best efforts, subject to paragraph 2C of this Agreement, to collect and distribute all purses earned, after deduction for stakes, IHHA fees and recapture, to overnight purses in amounts determined by management to minimize any significant underpayment at the conclusion of 2026. To the extent an underpayment of purses exists at the conclusion of 2026, and LICENSEE does not conduct a harness meeting in 2027, then LICENSEE shall pay such underpayment to the successor's harness horseman's purse account for 2027. In the event no successor receives harness race dates for 2027, LICENSEE and the IHHA shall jointly determine the best and fairest method for using such underpayment to the benefit of horsemen. To the extent an underpayment exists and LICENSEE is awarded dates for 2027, then such underpayment will be carried forward and credited to the harness purse account of LICENSEE for 2027. To the extent an overpayment of purses exists at the conclusion of 2026, and LICENSEE does not conduct a harness meeting in 2027, then repayment of such overpayment will be made from the successor's harness horseman's purse account for 2027. To the extent an overpayment exists at the conclusion of 2026 and LICENSEE is awarded dates for 2027, then such overpayment will be carried forward and charged to the harness purse account of LICENSEE for 2027.

4. LICENSEE must provide safe transportation that is street legal and comparable to other racetracks in the country, from the areas of the backstretch to the areas of the front stretch for all horsemen, their grooms and their equipment as necessary. LICENSEE will adhere to IRB rule concerning backstretch lighting.

*Section 1305.290 Track Lights*

b) The stable area must be properly lighted, so that it will be entirely void of darkness in all sections; lights will be turned on at dusk and they shall remain on until one hour after the last race.

5. LICENSEE must send, for each and every week of 2026, to the IHHA office, a purse account report in a form and format to be agreed on. At the conclusion of the year, LICENSEE will furnish the IHHA an annual statement of summaries of all totals of the aforesaid. LICENSEE, within SIX (6) months of the conclusion of the year, will furnish to the IHHA office a letter verifying the final balance in the HORSEMEN'S daily purse account.

6. From LICENSEE'S retained share of the pari-mutual handle, LICENSEE shall be liable for the sum of ONE HUNDRED FIFTY (\$150.00) 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 LICENSEE shall work together to ensure 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 LICENSEE and the IHHA. 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 LICENSEE.

7. LICENSEE'S racing secretary shall have posted at all times condition sheets for a minimum of one week's racing with new sheets published weekly no later than twenty-four (24) 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 and sent via mass text to those trainers requesting such notification. Such revisions should occur as seldom as possible and be used primarily to replace races which do not fill. LICENSEE'S race offices shall be open and adequately staffed to receive entries, driver changes and inquiries regarding the draw and to correct draw errors, by phone or in person.

8. Qualifiers will be held approximately one week before the start of racing at any track covered by this agreement. LICENSEE with advice from the IHHA shall then schedule qualifiers for the balance of the race schedule at each track. If or when qualifiers take place on a race day, they must start at a time early enough so they are completed before any potential conflicts with horses warming up for the evening's races. Qualifying races and schooling races shall take place on the same scheduled day each week, weather permitting.



9. A representative of the IHHA may be present when the entry box is opened. LICENSEE'S racing secretary must publicly announce the draw, and then wait at least twenty (20) minutes to proceed with the draw. If a horseman enters a horse in more than one class, their entry must indicate the first choice for that horse. LICENSEE must publish and consistently apply rules for the entry of a horse in a race other than the first choice indicated.
10. LICENSEE agrees to pay the premium on an insurance policy covering perils such as fire, lightning, windstorm, cyclone, tornado, explosion, riot, earthquake, or flood, provided that the terms of such policy includes coverage on all horses stabled at Hawthorne Race Course, up to FIFTEEN THOUSAND DOLLARS (\$15,000) for any one horse, except that unraced horses aged one year eight months or older are limited to FIVE THOUSAND DOLLARS (\$5,000) per horse, and TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000) per occurrence, that LICENSEE is 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. As a condition to LICENSEE'S liability for premiums, the IHHA agrees that it will deliver, to LICENSEE, a duly executed copy of the policy, together with evidence from the Illinois Department of Insurance that the said underwriter is legally qualified and registered to insure risks located in Illinois. In lieu of paying premiums on a policy issued by an underwriter selected by the IHHA, LICENSEE may provide similar coverage on all horses stabled at Hawthorne Race Course under a policy issued by an underwriter selected by LICENSEE, provided LICENSEE must furnish the IHHA with evidence of such coverage and of the underwriter's qualification to issue such policy on risks located in Illinois.
11. LICENSEE must provide free official programs to owners, trainers, and drivers of horses scheduled to race. These free official programs must be available in the paddock and race office no later than one (1) hour prior to the first race. LICENSEE shall provide a minimum of 100 programs to the paddock each race night and periodically review to determine if this number is adequate.
12. LICENSEE and the IHHA mutually agree that a blacksmith must be on site one hour before scheduled post.
13. LICENSEE and the IHHA mutually agree that the track must be open six (6) hours per day, seven (7) days per week for training and/or qualifying races during the weeks when LICENSEE is conducting live races and conditions permit, with specific hours to be agreed to by LICENSEE and the IHHA. LICENSEE shall also provide, at no charge to horsemen during live racing, stall facilities with appropriate utilities at Hawthorne Racecourse for horses racing there during those times when LICENSEE is conducting live races at Hawthorne Racecourse.
14. LICENSEE must furnish office space at no charge to the HORSEMEN to be used by the IHHA Field Representatives.
15. HORSEMAN BOOKKEEPING SERVICES: LICENSEE and the IHHA agree to split the cost of bookkeeping services 50/50, inclusive of payroll. Payment for 50% of the cost of the bookkeeping services will not be deducted from the standardbred purse account. LICENSEE will pay all expenses and LICENSEE or "In Compass" will send a bill to the IHHA for its 50% share of expenses on a monthly basis, billing to occur within 30 days of month end.
16. LICENSEE must furnish at the beginning of each meeting various items of paddock equipment as required under the IRB rules. LICENSEE agrees to set up a procedure whereby the paddock judge would check in and out said equipment in order to account for the same.
17. LICENSEE must make available a track kitchen which shall be open until the conclusion of the last race on any night when racing occurs at Hawthorne Racecourse.
18. RACES PER NIGHT: LICENSEE will conduct a minimum of 10 races per night. Provided, however, that if there are insufficient horses entered to conduct such races this schedule may be amended. For purposes of this paragraph, "insufficient horses entered" shall be defined as fewer than 70 horses entered for a particular race date. On any date in which insufficient horses (69 or less) are entered at the time the entry box is closed, LICENSEE agrees to immediately notify the IHHA of the lack of entries and to extended the time allowed for entries by four hours to allow the IHHA to assist LICENSEE'S race office in reaching out to trainers to attempt to procure a sufficient number of horses. Should a race card not fill following an effort to procure a sufficient number of horses, LICENSEE agrees to add additional races (when applicable) to the remaining cards during that same week where a sufficient number of horses are available.
19. LICENSEE'S condition sheet must be date specific. No races shall be listed that do not correspond with one specific date. For example, a \$10,000 claiming race to be run on Saturday or Sunday is not acceptable. Provided, however, that if a race date is cancelled due to insufficient entries, races scheduled for the date cancelled may be carried over to another date that week by amending the condition sheet for the subsequent date. LICENSEE shall fax or e-mail to the IHHA the condition sheet and the overnight sheet as soon as available.
20. STANDARDBRED SHIPPING: No horse shall be permitted to exit the track unless a sign out sheet is signed by

authorized trainer or authorized trainer representative. The sign out sheets at the Hawthorne stable gate will contain in part, "Shipping a horse with the intent to send to a slaughterhouse facility is strictly forbidden and will result in revocation of racing privileges"

21. LICENSEE agrees to pay the legally mandated twelve- and one-half percent breeder's awards. In consideration of the 2026 racing schedule, Payment for Jan-Feb is due by March 31, 2026. Payment for Spr/Duq racing thru Aug is due by Sept 30, 2026. Payment for remainder of racing in 2026 (Sept-Dec) is due by Jan 31, 2027. **Unpaid breeder's awards are subject to a late payment fee. For any breeder's awards payments that are not paid by the due date, LICENSEE shall pay from LICENSEE'S share of the pari-mutuel handle to the IHHA a late payment fee of 2% interest per month, charge daily, until the balance is paid in full. This payment and late fee penalty shall be in addition to and not in lieu of any other paragraphs/sections under this agreement. Beginning on the first day of this agreement, February 1, 2026, LICENSEES agree that any unpaid breeder's awards payments that were not paid by the due date from the 2025 agreement will be subject to a late payment fee. LICENSEE shall pay from LICENSEE'S share of the pari-mutuel handle to the IHHA a late payment fee of 2% interest per month, charged daily, until the balance is paid in full. This payment and late fee penalty shall be in addition to and not in lieu of any other paragraphs/sections under this agreement.**

22. LICENSEE 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 Hawthorne Racecourse, 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 FIVE HUNDRED (\$500) 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. LICENSEE shall pay any and all deductibles and/or co-payments under said insurance policies. LICENSEE 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.

23. It is agreed that FOUR THOUSAND (\$4,000.00) DOLLARS has been established as the minimum claiming price of the horses at LICENSEE'S track unless otherwise agreed to by LICENSEE and the IHHA.

24. 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 affected on an agreed pro-rated basis, without interest.

25. 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.

26. LICENSEE agrees 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 LICENSEE.

27. Licensee and the IHHA agree that safety of horsemen and horses is paramount to having a successful meet. IRB Rule reads... Section 1314.30 Postponement of Races:

No racing shall be conducted by any race track operator over any track which is dangerous to drivers or horses competing thereon. If at any time inclement weather or other conditions appear to make the track unsafe, representatives of management and the horsemen shall meet to determine whether or not racing shall be conducted. If a difference of opinion exists, the decision of the state steward shall be final.

A. Licensee will provide a quality working conditioner and use it accordingly and all other equipment needed to conduct a safe and consistent racetrack and training surface on a daily basis.

B. If the races are cancelled at any point in time for any reason, such as, but not limited to, weather, power outages, pandemic etc. a mutually agreed (between IHHA and Licensee) upon stipend will be paid out to the owners of horses that are scheduled "in-to-go."

28. LICENSEE shall, upon written request of the IHHA, provide a copy of any single day's wagering data from the totalizator companies involved.



29. Any horseman and / or the IHHA may file a grievance or complaint alleging a violation, misrepresentation and / or misapplication of this Agreement. LICENSEE and the IHHA agree to resolve any and all disputes pertaining to, and only to, violations of this Agreement between LICENSEE and individual horsemen, the HORSEMEN as a group and/or the IHHA via a joint LICENSEE and IHHA review panel. This LICENSEE and IHHA review panel shall consist of two people identified by LICENSEE and two people identified by the IHHA. LICENSEE and the IHHA further agree that disputes which are not resolved by the review panel 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 LICENSEE 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.

30. LICENSEE shall provide an on-track ambulance during live racing, including qualifiers, which meet all requirements for transportation of injured or ill horsemen to off track hospitals. Said ambulance will be manned at any time horses are on the track for either live racing or qualifiers. 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.

31. Recognizing that being granted a sports betting license in Illinois has come to fruition because of their long-standing commitment to horse racing, from LICENSEE'S retained share of the pari-mutuel handle and or other gambling income, LICENSEE, because of their affiliation with Sports Fanatics, agrees to add a noteworthy dollar amount, which will exceed the previous year's amount to the horsemen's purse account for an ICF Stake or ICF Series type of event.


32. LICENSEE shall construct their facility in such a manner as to allow children to attend and view live racing without violating laws against their presence in areas with casino gambling.

33. Licensees agree to race twenty-eight additional days during June, July, August, September and October in Springfield and/ or DuQuoin. The days and times to approximate Exhibit C subject to Illinois Department of Agriculture concurrence. Purse paying races held by Licensee at any venue, with or without pari-mutuel wagering, shall be considered part of the SDI extended parimutual meet for purposes of future SDI race conditions.

34. Licensees agree that this agreement shall cover not only the traditional races and occurrences at Hawthorne Racecourse as in year's past but also to any races or occurrences that take place anywhere else where Hawthorne/Suburban Downs is the organizational licensee, such as but not limited to the Springfield or DuQuoin State Fairgrounds.

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. IN WITNESS WHEREOF, the parties have entered into this Agreement this day of December 1 2025.

ILLINOIS HARNESS HORSEMEN'S ASSOCIATION

By: 

SUBURBAN DOWNS, INC.

By: 

Exhibit A: Stakes.

Exhibit B: Sully Insurance.

Exhibit C: Summer Racing Schedule.