



More Than You Imagine!

Robert A Farinella
President & CEO

June 5, 2001

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Des Moines, IA 50309

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Dear Jack:

Prairie Meadows is asking for the 2001 Thoroughbred Iowa Supplement Agreement to be amended. We currently are paying 35% supplement in restricted races and 55% supplement in open races and we believe that will deplete the fund prematurely. We recommend changing the supplement to 30% in restricted races and 35% in open company races.

This recommendation has been presented to RACI and to the ITBOA and they have both concluded that this split should go into effect immediately for the current Thoroughbred Meet as well as for the Mixed Meet.

Thank You.

Sincerely,

Robert A. Farinella
CEO, President & General Manager

ITBOA President

RAF/mlm



2001 IOWA THOROUGHBRED SUPPLEMENT PROGRAM

Prairie Meadows in accordance with 99D.12 paragraph 1 and 99D.11 paragraph 5 agrees to deduct breakage and one percent (1%) of three or more horse exotic wagers from the pari-mutuel pools and understands that this deduction is to be distributed to the breeders and/or owners of Iowa-foaled horses.

This payment shall be used as a supplement to monies won by Iowa-foaled horses.

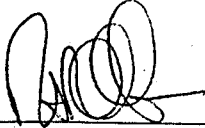
Payments will be made to those horses that finish first, second, third or fourth in both restricted and open races as long as the horse is registered as an Iowa foal.

The supplement will be a percentage proportionate to the money earned by the horse in that particular race. That percentage is thirty five percent (35%) for restricted races and fifty-five (55%) for open races. This percentage is subject to change based upon the activity to the Iowa Bred Purse Supplement Fund. The split of the supplement shall be approximately eighty percent (80%) dedicated to overnight events and approximately twenty percent (20%) ear marked for Iowa Bred Stakes.


The President of the ITBOA has the ability to change these numbers fifteen percent (15%) either way to coincide with money in the Iowa Supplement Fund.

On any race when monies are taken from the Iowa Bred Purse Supplement Fund and are added or calculated to make up a purse for a race, no additional Iowa Supplement monies will be used. This shall cover Iowa Bred Stakes races.

The Stallion Awards program will receive approximately \$65,000 to \$75,000 of the Iowa Bred Purse Supplement Fund. This represents approximately two and one-half percent (2.5%) of the total purse supplement paid for the thoroughbred season. The Iowa Thoroughbred Breeders and Owners Association will be responsible for all tracking and dispersal of the monies earned by a Iowa Bred sired by a Iowa registered stallion.

By: 
Robert Farinella
General Manager
Prairie Meadows Racetrack & Casino

Date: 30 JAN 01

By: 
Scott Pope
President
Iowa Thoroughbred Breeders and Owners

Date: 26 2 01



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JUL 19 2000

RACING AND GAMING COMM.

2000 IOWA HARNESS HORSE SUPPLEMENT PROGRAM

Prairie Meadows in accordance with 99D.12 paragraph 1 and 99D.11 paragraph 5 agrees to deduct breakage and one percent (1%) of three or more horse exotic wagers from the pari-mutual pools and understands that this deduction is to be distributed to the breeders and/or owners of Iowa-foaled horses. Additionally, Prairie Meadows will also utilize Casino revenues to achieve the 2000-budgeted amount for the Iowa Supplement Fund.

This payment shall be used as a supplement to monies won by Iowa-foaled horses.

Payments will be made to those horses that finish first, second, third or fourth in both restricted and open races as long as the horse is registered as an Iowa foal.

The supplement will be a percentage proportionate to the money earned by the horse in that particular race. That percentage is fifty percent (50%). This percentage is subject to change based upon the activity to the Iowa Bred Purse Supplement Fund. The split of the supplement shall be approximately eighty percent (80%) dedicated to overnight events and approximately twenty percent (20%) earmarked for Iowa Bred Stakes.

The President of the IHHA has the ability to change these numbers fifteen percent (15%) either way to coincide with money in the Iowa Supplement Fund.

On any race when monies are taken from the Iowa Bred Purse Supplement Fund and are added or calculated to make up a purse for a race, no additional Iowa Supplement monies will be used. This shall cover Iowa Bred Stakes races.

By: Gary Palmer
Gary Palmer
Sr. Vice President of Operations

By: Bo Red
The President
Iowa Harness Horsemen's

Date: 7-17-00

Date: 7-12 00

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An Equal Opportunity Employer

**FIRST AMENDMENT
TO
FIVE YEAR AGREEMENT
RE HORSE PURSES**

THIS FIRST AMENDMENT is made and entered into this 31st day of December, 1999, by and among the RACING ASSOCIATION OF CENTRAL IOWA, doing business as Prairie Meadows Racetrack and Casino, and hereinafter referred to as "RACI," the IOWA DIVISION OF THE HORSEMEN'S BENEVOLENT AND PROTECTIVE ASSOCIATION, INC., hereinafter referred to as the "IAHPA," and the IOWA QUARTER HORSE RACING ENTERPRISE, INC., hereinafter referred to as "IQHREL."

WHEREAS, on September 24, 1997, the parties entered into a certain Five Year Agreement Re Horse Purses (the "Agreement") which Agreement provided, among other things, for certain purses to be paid by RACI on Thoroughbred and Quarter Horse races for the 1998 – 2002 calendar years as more particularly provided in Paragraph 1 thereof (the "Purses"), and for certain horse-related improvements to be made by RACI to the Prairie Meadows facilities as more particularly provided in Paragraph 2 thereof (the "Improvements"); and

WHEREAS, the Agreement was approved by the Iowa Racing and Gaming Commission (the IRGC"); and

WHEREAS, RACI has paid the Purses as provided in the Agreement and has constructed some but not all of the Improvements (the training track, jockey dormitory, four barns and a viewing stand have been constructed and the turf track, starting gate and horse pavilion have not been constructed); and

WHEREAS, the IRGC has inquired as to RACI's intentions regarding those Improvements not yet constructed and requested that if all Improvements are not to be completed prior to December 31, 2002, the Agreement should be so amended; and

*Approved
1/20/99*

WHEREAS, RACI has advised IAHBPA and IQHREI of RACI's intentions to honor the Purses as provided in the Agreement and to complete those Improvements not yet constructed during calendar years 2003-2005, if the 2002 Referendum passes; and

WHEREAS, the parties are in mutual agreement that the Agreement should be amended as hereinafter provided.

NOW, THEREFORE, in consideration of the promises and undertakings hereinafter set forth, and subject to the approval of this First Amendment by the IRGC, the parties herein agree to amend the Agreement as follows:

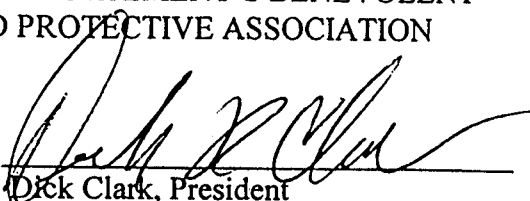
1. Paragraph 2, Leasehold Improvements, is amended to provide that subject to passage of the 2002 Referendum, and subject to RACI then being able to demonstrate "financial responsibility sufficient to meet adequately the requirements" of the following improvements as required by Iowa Code Sections 99D.3(b) and 99F.7(b), RACI agrees to make the following improvements to the Prairie Meadows facilities in the respective year designated:

<u>ITEM</u>	<u>YEAR</u>
Turf Track	2003
Jockeys' Quarters	2003
Paddock	2003
Dormitory	2003
Dormitory	2005
Dormitory	2006
Horse Pavilion	2005
Starting Gate	2005

2. In all other respects, including but not limited to the Purses, the Agreement remains in full force and effect and binding on the parties.

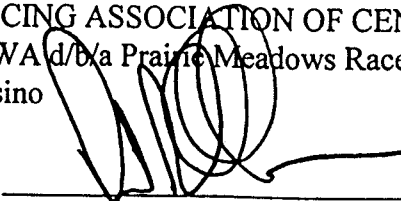
IOWA HORSEMENT'S BENEVOLENT
AND PROTECTIVE ASSOCIATION

By:


Dick Clark, President

RACING ASSOCIATION OF CENTRAL
IOWA d/b/a Prairie Meadows Racetrack and
Casino

By:


Robert Farinella
CEO, President and General Manager

IOWA QUARTER HORSE RACING
ENTERPRISES, INC.

By: Jack Peters
Jack Peters, President

FIVE YEAR AGREEMENT RE HORSE PURSES

THIS AGREEMENT is made and entered into this 24th day of September, 1997, by and among the RACING ASSOCIATION OF CENTRAL IOWA, doing business as Prairie Meadows Racetrack and Casino, and hereinafter referred to as "RACI", the IOWA DIVISION OF THE HORSEMEN'S BENEVOLENT AND PROTECTIVE ASSOCIATION, INC., hereinafter referred to as the "IAHBPA", and IOWA QUARTER HORSE RACING ENTERPRISE, INC., hereinafter referred to as "IQHREI".

WHEREAS, RACI is engaged in the business of Pari-mutuel racing and gaming; and

WHEREAS, a portion of RACI's business is devoted to Thoroughbred horse racing and Quarter Horse racing, and involves the acceptance of Pari-mutuel wagers on Thoroughbred and Quarter Horse races; and

WHEREAS, the IAHBPA is the representative of the Iowa Horsemen and the local representative of the National HBPA, a chartered corporation which was established in an effort to assist and represent the interests of horsemen engaged in the horse racing industry; and

WHEREAS, the IQHREI represents the horsemen who race Quarter Horses at Prairie Meadows; and

WHEREAS, in an effort to stabilize that portion of RACI's business involving Thoroughbred and Quarter Horse racing, and in an effort to foster the growth of the Iowa horse industry, RACI and the IAHBPA and IQHREI have reached an understanding with respect to a five (5) year purse schedule as hereinafter provided; and

WHEREAS, in consideration for such purse schedule and certain horse-related improvements to be made to Prairie Meadows over the next five years, the IAHBPA and IQHREI are willing to commit the time, effort and resources of the IAHBPA and IQHREI and their respective members to discourage and prevent the enactment of legislation by the Iowa Legislature of any mandatory purse payments; and

WHEREAS, the IAHBPA and IQHREI acknowledge that RACI, subject to and conditioned upon the execution of this Agreement, has submitted a Proposal dated September 11, 1997 to the Polk County Board of Supervisors (the "Supervisors") which contemplates such purse schedule and such horse-related improvements, which Proposal was accepted by such Supervisors on September 12, 1997, and which is now before the Iowa Racing and Gaming Commission ("IRGC") for approval or rejection; and

WHEREAS, the parties are desirous of executing this Agreement so as to confirm to the IRGC and the Supervisors the terms of their respective commitments to each other;

NOW, THEREFORE, in consideration of the promises and undertakings hereinafter set forth, and subject to approval of the Proposal by the IRGC, and further subject to approval of this Agreement by the IRGC, the parties agree as follows:

1. PURSE SCHEDULE. RACI herein commits to the following purse schedule for the live racing seasons to be held at RACI in the 1998-2002 calendar years, it being understood that such purses shall be apportioned between Thoroughbred races and Quarter Horse races as subsequently determined by RACI, LAHBPA and IQHREI:

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Purses:	\$10,312,521	11,849,902	\$13,653,246	\$15,052,704	\$16,595,606
Iowa					
Supplements:	<u>2,062,504</u>	<u>2,369,980</u>	<u>2,730,649</u>	<u>3,010,541</u>	<u>3,319,121</u>
Total Purses and					
Supplements:	\$12,375,025	\$14,219,882	\$16,383,895	\$18,063,244	\$19,914,727

2. LEASEHOLD IMPROVEMENTS. Between January 1, 1998 and December 31, 2002, RACI herein commits that it will make certain Leasehold Improvements (which improvements have been pre-approved by the Supervisors by acceptance of the Proposal), including a training track, a turf track, two barns, a viewing stand, a new starting gate, a horse pavilion, and dormitory facilities for jockeys, all of which are deemed essential in maintaining and/or improving the quality of horse racing at Prairie Meadows.

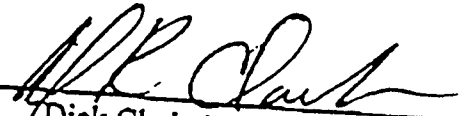
3. NO LEGISLATIVE PURSE MANDATE. In consideration for RACI's agreement to pay the aforesaid purses and to construct the aforesaid Leasehold Improvements, LAHBPA and IQHREI herein commit the time, effort and resources of the LAHBPA and IQHREI and their respective members to discourage and/or prevent the passage of any legislation by the Iowa Legislature over the next five years wherein purses at Prairie Meadows are mandated in any manner. The LAHBPA and IQHREI herein acknowledge that the passage of any such legislation shall render this Agreement and RACI's commitments hereunder null and void.

4. OTHER TERMS. The parties acknowledge and agree that on an annual basis, and separate and distinct from this Agreement, they will negotiate and execute an agreement which provides for (i) certain other payments to the LAHBPA and IQHREI, (ii) the division of purses, (iii) the dates for the Thoroughbred Meet, Quarter Horse Meet, and/or Mixed Meet, (iv) the actual purse schedule for Thoroughbreds and Quarter Horses, (v) the number of races per day and (vi) various other matters pertinent to their relationship.

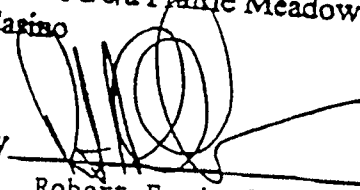
5. AUTHORIZATION. The parties executing this Agreement on behalf of RACI and the LAHBPA and IQHREI represent and warrant that they have each been duly authorized by

their respective Board of Directors to enter into this Agreement and to bind each of the respective entities.

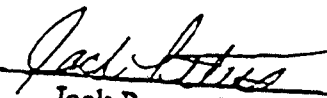
IOWA HORSEMEN'S BENEVOLENT
AND PROTECTIVE ASSOCIATION

By 
Dick Clark, President

RACING ASSOCIATION OF CENTRAL
IOWA d/b/a Prairie Meadows Racetrack and
Casino

By 
Robert Farinella
CEO, President and General Manager

IOWA QUARTER HORSE RACING
ENTERPRISES, INC.

By 
Jack Peters, President

**AGREEMENT FOR 1999 -2002
THOROUGHBRED MEET
AND MIXED MEET**

THIS AGREEMENT made and entered into this 30 day of September, 1998 between the RACING ASSOCIATION OF CENTRAL IOWA, doing business as Prairie Meadows Racetrack and Casino, and hereinafter referred to as the "TRACK", and the IOWA DIVISION OF THE HORSEMEN'S BENEVOLENT AND PROTECTIVE ASSOCIATION, INC., hereinafter referred to as the "IAHBPA".

WHEREAS, the Track is engaged in the business of Pari-mutuel racing and gaming; and

WHEREAS, a portion of the Track's business is devoted to Thoroughbred horse racing and involves the acceptance of Pari-mutuel wagers on Thoroughbred races; and

WHEREAS, the IAHBPA is the representative of all horsemen racing at Prairie Meadows and the local representative of the National Horsemen's Benevolent And Protective Association, a chartered corporation which was established in an effort to assist and represent the interests of horsemen engaged in the horse racing industry; and

WHEREAS, the parties believe it to be in their mutual best interests that this Agreement be executed so as to avoid controversies between the Track, the IAHBPA, its members, and racing patrons in general, and for the further purpose of providing an orderly and uniform method of stakes and purse distribution by the Track.

NOW, THEREFORE, in consideration of the promises and the undertakings of the parties as hereinafter set forth, the parties agree as follows:

1. Term Of Contract. This contract shall be effective for the 1999-2002 calendar years and shall commence at such time as it is approved by the Board of Directors of each party, subject to Paragraph 21 below.

2. Payments To IAHBPA. To the extent the IAHBPA can provide satisfactory evidence of the need for monies to nurture, grow, promote and develop the Iowa Thoroughbred industry for each calendar year during the term of this Agreement, the Track agrees to pay to IAHBPA a sum not to exceed \$125,000.00 to be paid on the following dates of each calendar year:

(1)	January 1	\$25,000
(2)	March 1	\$25,000 ¹
(3)	April 1	\$25,000
(4)	May 1	\$25,000
(5)	June 1	\$25,000

¹ To be paid to IAHBPA Employee Benefit Fund.

In consideration therefore, IAHBPA will indemnify, defend and hold harmless the Track from any and all claims or other actions made by or taken on behalf of any and all Thoroughbred owners.

3. Division Of Purses. The division of purses to Thoroughbred owners for all live Thoroughbred races conducted by the Track in calendar years 1999-2002, with the exception of all live stake races, shall be as follows:

<u>Winner</u>	<u>Place</u>	<u>Show</u>	<u>Fourth</u>	<u>Fifth</u>
60%	20%	12%	5%	3%

The foregoing schedule of purse distribution may be amended only by mutual written agreement of the parties.

4. Thoroughbred Meet And Mixed Meet. It is acknowledged and agreed that the Track will conduct two meets for each calendar year during the term of this Agreement: a Thoroughbred Meet consisting of not less than 53 live racing days for Thoroughbreds only, commencing mid to late April of each year and ending in early July of each year and a Mixed Meet consisting of 45 live racing days for Thoroughbreds and Quarter horses, commencing mid July and ending late September or early October of each year.

5. Purse Schedule. The Track and IAHBPA have agreed to an aggregate annual target purse (not including Iowa Supplement) for Thoroughbred races run at the Track for the 99-2002 calendar years as follows:

<u>Thoroughbred Meet</u>		<u>Mixed Meet</u>	
1999	\$7,600,000	1999	\$2,800,000
2000	\$8,700,000	2000	\$3,400,000
2001	\$9,450,000	2001	\$3,850,000
2002	\$10,250,000	2002	\$4,350,000

all as to be more particularly described in a purse schedule mutually agreed to by RACI's Racing Secretary and the President of the IAHBPA on or before February 1st of each calendar year. At the request of the IAHBPA, the Track will provide an analysis of the total purse payments during the course of the racing season for purse schedule evaluation by both the Track and IAHBPA.

6. Number Of Races. It is agreed that during the Thoroughbred Meet there will not be less than nine (9) Thoroughbred races per day and that during the Mixed Meet, there will not be less than six (6) Thoroughbred races per day.

7. Rundown Of Races. The Track will announce the final rundown of entries at least ten (10) minutes prior to the closing of entries and will notify the horsemen of the number of horses entered in each race written for that day. Dividing of races will be announced prior to closing of entries so horsemen will have the opportunity to switch, enter doubles, etc.

8. Off Races. After entries are closed each day, the Racing Secretary shall post in the Racing Office the number of horses entered in each off race. Upon request, the Racing Secretary shall provide the President and/or Secretary of the IAHBPA the numbers of the trainers entered in the off races.
9. Uniform Scratch Rule. The scratch rules will be posted at the beginning of the race meeting in the Racing Office or in the Condition Book and cannot be altered without the permission of the IAHBPA.
10. Stall Eligibility. Stall eligibility will be mutually determined at a later date by the Racing Secretary and the President of the IAHBPA.
11. Stall Space. Not more than forty (40) stalls will be approved for any single stable at the Track.
12. Opening Of Race Plant Facilities. Except for adverse weather conditions or other acts of God, the Track will have its racetrack and barn area open for the Thoroughbred horses two to four weeks prior to the first day of the Thoroughbred Meet, as solely determined by the Track.
13. Fire And Disaster Insurance Premium. The Track shall pay to the IAHBPA one-half (1/2) of the assessment on a policy of fire and other hazards insurance covering horses and tack belonging to the horsemen racing at the Track. Any amount rebated to the IAHBPA, or amounts not spent on this item, is to be returned to the Track no later than ten (10) days after receipt by the IAHBPA.
14. Accommodations. The Track agrees to provide office space for use by the IAHBPA President and Secretary-Treasurer during the term of this Agreement. In addition, one clubhouse dining table with seating for six (6) will be provided to the IAHBPA.
15. Horseshoer. The Track shall provide a licensed horseshoer. Said horseshoer will be positioned in the paddock area and is to remain on duty until after the last race of the day.
16. Simulcasting Authority Of The Track. The IAHBPA understands and agrees that the Track shall have sole discretion and authority to simulcast any event it so chooses throughout the term of this Agreement. Under no circumstances shall the IAHBPA interfere, either directly or indirectly, with the simulcasting authority of the Track. The Track must secure permission from the President of the IAHBPA to send its signal to the following states: Tennessee, Mississippi, Alabama, Washington, Oregon and Oklahoma.
17. Horse Tattooing. Any and all costs associated with having a horse tattoo number applied to the upper lip of a horse for identification purposes shall be at the sole cost of the horse owner.
18. Additional Dates, Make-Up Dates. Under no circumstances will the Track be obligated to make up any days lost during any racing season that are attributable to jockey strikes,

inclement weather, or other circumstances beyond the control of the Track. Prairie Meadows will make its best effort to run all race cards for each year during the term of this Agreement.

19. Interest On Horsemen's Account. It is agreed by both parties that for the term of this Agreement there shall be no interest paid to the IAHBPA on the fund in the Horsemen's Account.

20. Amendment. This Agreement contains the entire understanding of the parties with respect to the transactions contemplated hereby. The terms and conditions of this contract may be modified or amended only by mutual written agreement of both parties.

21. Commission Approval. The terms and conditions of this contract shall be subject to approval of the IOWA RACING AND GAMING COMMISSION.

22. Stipulation. It is expressly understood and agreed between the parties that in the event the Track does not conduct a Thoroughbred Meet and/or Mixed Meet for any year during the term of this Agreement, this Agreement, in whole and part, shall be deemed null and void as to any Meet not conducted.

23. Survival Effect. This agreement shall be binding upon and inure to the benefit of the parties hereto, their respective successors and assigns; provided however that no assignment by the Track shall be valid unless previously consented to in writing by the IAHBPA.

IN WITNESS HEREOF, the parties hereto have caused this Agreement to be executed by their authorized officers and representatives on the day and year set forth below.

Dated this 30 day of September, 1998.

RACING ASSOCIATION OF CENTRAL
IOWA D/B/A Prairie Meadows Racetrack
and Casino

("TRACK")

IOWA HORSEMEN'S BENEVOLENT AND
PROTECTIVE ASSOCIATION

("IAHBPA")

By Tom Timmons
Tom Timmons
Chief Operating Officer/
Vice President of Operations

By Dick Clark
Dick Clark
President

AGREEMENT
FOR 1999-2002 MIXED MEET
(QUARTER HORSE)

THIS AGREEMENT, made and entered into this 13 day of December, 1998, between RACING ASSOCIATION OF CENTRAL IOWA, INC. hereinafter referred to as the "Track" and IOWA QUARTER HORSE RACING ENTERPRISE, INC., hereinafter referred to as "IQHREI".

WITNESSETH

WHEREAS, the Track is engaged in the business of pari-mutuel racing and gaming at certain facilities in Altoona, Iowa known as Prairie Meadows Racetrack and Casino ("Prairie Meadows"); and

WHEREAS, a portion of the Track's business is devoted to Quarter Horse racing and involves the acceptance of pari-mutuel wagers on Quarter Horse races; and

WHEREAS, it is the Track's intention to conduct a mixed meet each calendar year during the term of this Agreement wherein Quarter Horse races and Thoroughbred races will be held (the "Mixed Meet"); and

WHEREAS, the IQHREI represents the Quarter Horse horsemen racing at the Track; and

WHEREAS, the parties believe it to be in their mutual best interests that this Agreement be executed so as to avoid controversies between the Track and IQHREI which might interfere with the orderly commencement of and conduct of race meetings to the detriment of the Track, IQHREI, its members and racing patrons, and for the further purpose of providing for an orderly and uniform method of stakes and purse distribution by the Track.

NOW, THEREFORE, in consideration of the promises and the undertakings of the parties as hereinafter set forth, it is agreed as follows:

1. TERM OF CONTRACT. This Agreement shall be effective for the 1999-2002 calendar years, and shall commence at such time as it is approved by the Board of Directors of each party, subject to Paragraph 13 below.
2. PAYMENTS TO IQHREI. To the extent the IQHREI can provide satisfactory evidence of the need for monies to nurture, grow, promote and develop the Iowa Quarter Horse industry for each calendar year during the term of this Agreement, the Track agrees to pay to IQHREI a sum not to exceed the following amounts per calendar year for such purpose:

1999

\$35,000

2000	\$40,000
2001	\$45,000
2002	\$50,000

In consideration therefore, IQHREI will indemnify, defend and hold harmless the Track from any and all claims or other actions made by or taken on behalf of any and all Quarter Horsemen, as such claims or actions may pertain to this Agreement.

3. DIVISION OF PURSES. The division of purses to the Quarter Horse owners for all live races conducted by the Track in calendar years 1999-2002, with the exception of all life stake races, shall be as follows:

<u>Win</u>	<u>Place</u>	<u>Show</u>	<u>Fourth</u>	<u>Fifth</u>
60%	20%	12%	5%	3%

The foregoing schedule of pursue distribution may be amended only by mutual agreement of the parties.

4. PURSE SCHEDULE. The Track and IQHREI have agreed to an aggregate annual target purse (not including Iowa Supplement) for Quarter Horse races run at the Track for the 1999-2002 calendar years as follows:

1999	\$1,400,000
2000	\$1,600,000
2001	\$1,750,000
2002	\$1,950,000

which purse schedule is based on there being 45 days of Mixed Meet live racing with four (4) races per day for Quarter Horses, to be more particularly described in a purse schedule mutually agreed to by the Track's Racing Secretary and the President of IQHREI on or before February 1st of each calendar year. At the request of IQHREI, the Track will provide an analysis of the total purse payments during the course of each racing season for purse schedule evaluation by both the Track and IQHREI.

5. NUMBER OF RACES. It is agreed that during the racing days of the Mixed Meet, there will be four (4) Quarter Horse races per day providing there are sufficient entries to allow for no less than six (6) betting interests per race. On days when trial races are scheduled for two year olds, these trial races will be

additional to the four (4) races per day described above provided that the four (4) races fill with at least seven (7) betting interests per race.

Trial races will be run with fields of no more than ten (10) horses, however, should the Track and IQHREI agree to do so, then larger fields will be carded in trial heats.

If the Track writes an 870 yard race for both Thoroughbreds and Quarter Horses, it is agreed that this race will not count as one of the daily Quarter Horses races should less than 50% (fifty percent) of the runners entered be Quarter Horses. In all 870 yard races Quarter Horses will be preferred.

6. COMMENCEMENT DATE FOR MIXED MEET. The parties acknowledge the present intent of the Track to commence the Mixed Meet on or about mid-July of each year and to end such meet on or before mid-October of each year, the exact dates to be as subsequently determined by the Track.
7. STALL SPACES. The Track agrees to provide 40% of all stalls to the Quarter Horsemen for the Mixed Meet.
8. STALL ELIGIBILITY. Stall eligibility will be mutually determined at a later date by the Racing Secretary and the President of the IQHREI.
9. IQHREI PROMOTION. The Track will provide a table at Prairie Meadows during both the Thoroughbred Meet and the Mixed Meet for use by the IQHREI to promote Quarter Horse racing.
10. SIMULCASTING. The parties agree to utilize their best efforts to promote simulcasting of in-bound and out-bound signals of Quarter Horse racing.
11. ADDITIONAL DATES, MAKE-UP DATES. Under no circumstances will the Track be obligated to make up any days lost during any racing season that are attributable to jockey strikes, inclement weather, or other circumstances beyond the control of the Track.
12. AMENDMENT. This Agreement constitutes the entire understanding of the parties with respect to the transactions contemplated hereby. The terms and conditions of this contract may be modified or amended only by mutual written agreement of both parties.
13. COMMISSION APPROVAL. The terms and conditions of this contract shall be subject to approval of the Iowa Racing and Gaming Commission.
14. STIPULATION. It is expressly understood and agreed between the parties that in the event the Track does not conduct a Mixed Meet for any year during the term of this Agreement, this Agreement, in whole and in part, shall be deemed null and void as to any such year the Mixed Meet is not conducted.

15. DEFAULT. If either party defaults under the terms of this Agreement, and such default is not cured within 10 days of receiving a default notice from the non-defaulting party, this Agreement may, at the option of the non-defaulting party, be terminated and the non-defaulting party may, in addition thereto, exercise any and all legal or equitable rights or remedies it may have under Iowa law.

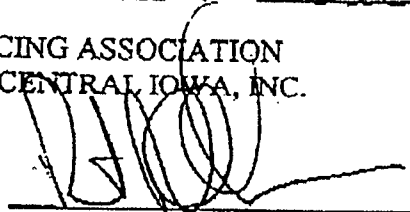
IN WITNESS HEREOF, the parties hereto have caused this Agreement to be executed by their authorized officers and representatives as of the day and year set forth below.

Dated this 13 day of Dec., 1998.

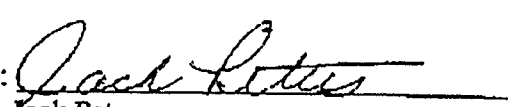
RACING ASSOCIATION
OF CENTRAL IOWA, INC.

IOWA QUARTER HORSE RACING
ENTERPRISES, INC.

BY: _____


Robert Farinella
General Manager/President/CEO

BY: _____


Jack Peters
President, IQHREI

**FIVE YEAR AGREEMENT
WITH
IOWA HARNESS HORSEMEN'S ASSOCIATION**

THIS AGREEMENT is made and entered into this 12th day of January, 1998, by and among the RACING ASSOCIATION OF CENTRAL IOWA, doing business as Prairie Meadows Racetrack and Casino, and hereinafter referred to as "RACI", and the IOWA HARNESS HORSEMEN'S ASSOCIATION, hereinafter referred to as "IHHA".

WHEREAS, RACI is engaged in the business of Pari-mutuel racing and gaming; and

WHEREAS, one of RACI's primary goals is to grow the horse industry in Iowa; and

WHEREAS, the IHHA represents the Iowa horsemen who breed, train and race standard bred horses; and

WHEREAS, RACI has heretofore provided funds to the IHHA to help finance its activities; and

WHEREAS, the members of the IHHA presently race their horses in Iowa county fairs and the Iowa State Fair and intend to increase the quantity and improve the quality of their horses so as to move RACI to hold an annual meet for standard bred horses; and

WHEREAS, in an effort to foster the growth of the Iowa standard bred horse industry, RACI and the IHHA have reached an understanding with respect to a five (5) year schedule for financial support as hereinafter provided; and

WHEREAS, in consideration for such financial support, the IHHA is willing to commit the time, effort and resources of the IHHA and its members to discourage and prevent the enactment of legislation by the Iowa Legislature of any mandatory purse payments; and

WHEREAS, the parties are desirous of executing this Agreement so as to confirm the terms of their respective commitments to each other;

NOW, THEREFORE, in consideration of the promises and undertakings hereinafter set forth, and subject to approval of this Agreement by the Iowa Racing and Gaming Commission, the parties agree as follows:

1. **PURSES AND OTHER FINANCIAL SUPPORT.** RACI herein commits to provide the following funds to IHHA for the 1998-2002 calendar year for use (1) in providing

purses for standard bred races at the Iowa county fairs and the Iowa State Fair, or as otherwise needed to grow and nurture the standard bred horse industry in Iowa, and (ii) in providing purses for standard bred races at Prairie Meadows:

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
County or State Fair Purses, etc.	\$600,000	\$620,000	\$750,000	\$750,000	\$750,000
Purses at Prairie Meadows	-0-	\$180,000	\$600,000	\$600,000	\$600,000

2. **USE OF FUNDS.** The IHHA commits to use the funds described above to provide purses for standard bred races at the Iowa county fairs and the Iowa State Fair and to otherwise grow and nurture the standard bred horse industry in Iowa and to provide purses of not less than \$30,000 per day for the live standard bred races held at Prairie Meadows. IHHA agrees, on an annual basis, to give a full and complete accounting of the use of such funds. In that regard, RACI shall have the right, upon three (3) days notice, to review the IHHA's books and records to confirm such funds are being spent for their intended purpose.

3. **NO LEGISLATIVE PURSE MANDATE.** In consideration for RACI's agreement to provide the aforesaid financial support, IHHA herein commits the time, effort and resources of the IHHA and its members to discourage and/or prevent the passage of any legislation by the Iowa Legislature over the next five years wherein purses at Prairie Meadows are mandated in any manner. The IHHA herein acknowledges that the passage of any such legislation shall render this Agreement and RACI's commitments hereunder null and void.

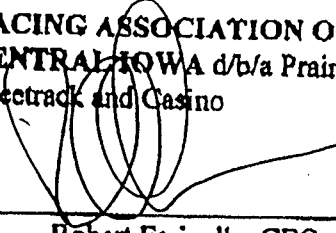
4. **STANDARD BREDS AT PRAIRIE MEADOWS.** RACI acknowledges that it is the IHHA's goal and intent to have a annual standard bred meet at Prairie Meadows. IHHA acknowledges and agrees that there will be no such meet in the 1998 calendar year. RACI agrees that it will utilize its best efforts, weather permitting and without any obligation to reschedule weather-canceled meets, to provide six (6) days of live standard bred racing in the 1999 calendar year and twenty (20) days of live standard bred racing in each of the 2000-2002 calendar years, the number of standard bred races each day to be as mutually determined by the parties based on the quantity and quality of Iowa's standard bred horses. IHHA acknowledges and agrees that for the 1999 calendar year, RACI has no duty or obligation, and does not intend, to scrape the surface of its track to the limestone base, or to take any other special measures to accommodate the particular needs of standard bred racing. RACI acknowledges and agrees that for the 2000 - 2002 calendar years, it will scrape the track to the limestone base prior to the live standard bred race meet.

5. **AUTHORIZATION.** The parties executing this Agreement on behalf of RACI and the IHHA represent and warrant that they have each been duly authorized by their respective Board of Directors to enter into this Agreement and to bind each of the respective entities.

**IOWA HARNESS HORSEMEN'S
ASSOCIATION**

By Clara Hennes Harrison Casper
Raye Reed, President

**RACING ASSOCIATION OF
CENTRAL IOWA d/b/a Prairie Meadows
Racetrack and Casino**

By 
Robert Farinella, CEO, President
and General Manager