

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
FORM 8-K**

**CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

**Date of Report (Date of earliest event reported): February 1, 2021**

**Churchill Downs Incorporated**

(Exact name of registrant as specified in its charter)

<b>Kentucky</b> (State or other jurisdiction of incorporation or organization)	<b>001-33998</b> (Commission File Number)	<b>61-0156015</b> (I.R.S. Employer Identification No.)
<b>600 North Hurstbourne Parkway, Suite 400</b> <b>Louisville, Kentucky</b> (Address of Principal Executive Offices)		<b>40222</b> (Zip Code)

**(502)-636-4400**

(Registrant's telephone number, including area code)

**N/A**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions.

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, No Par Value	CHDN	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 1.01. Entry into a Material Definitive Agreement.***Stock Repurchase Agreement*

On February 1, 2021, Churchill Downs Incorporated (the “Company”) entered into an agreement (the “Stock Repurchase Agreement”) with an affiliate of The Duchossois Group, Inc. (“TDG”) to repurchase 1,000,000 shares of the Company’s common stock for \$193.94 per share in a privately negotiated transaction. The aggregate purchase price is \$193.9 million. The Stock Repurchase Agreement contains customary representations, warranties and covenants of the parties.

The repurchase of shares of common stock from TDG pursuant to the Stock Repurchase Agreement was approved by the Board of Directors of the Company (the “Board”) separately from, and will not reduce the authorized amount remaining under, the existing common stock repurchase program of the Company that was approved by the Board on October 30, 2018. The Company will repurchase the shares using available cash and borrowings under its senior secured credit facility.

*Amendment to Credit Agreement*

Also on February 1, 2021, the Company entered into an amendment (the “Amendment”) to its Credit Agreement (as amended, the “Credit Agreement”), dated December 27, 2017, with the subsidiary guarantors party thereto, JPMorgan Chase Bank, N.A., as administrative agent, and the lenders and other financial institutions party thereto. The Amendment increases the amount of certain otherwise restricted payments permitted during the Financial Covenant Relief Period (as defined in the Second Amendment to the Credit Agreement, dated April 28, 2020) from \$26.0 million to \$226.0 million to accommodate the repurchase of shares of common stock from TDG described above.

The foregoing descriptions of the Stock Repurchase Agreement and the Amendment do not purport to be complete and are qualified in their entirety by reference to the Stock Repurchase Agreement and the Amendment, respectively, copies of which are filed herewith as Exhibit 10.1 and Exhibit 10.2, respectively, and are incorporated by reference herein.

**Item 7.01. Regulation FD Disclosure.**

On February 1, 2021, the Company issued a press release announcing the Company’s agreement to repurchase shares of its common stock from TDG and the Amendment, described under Item 1.01. A copy of the press release is furnished with this Current Report on Form 8-K and attached hereto as Exhibit 99.1.

The information provided pursuant to this Item 7.01 (including Exhibit 99.1) is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities under that Section and shall not be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits

<b>Exhibit Number</b>	<b>Description</b>
10.1	Stock Repurchase Agreement, dated February 1, 2021, between Churchill Downs Incorporated and CDI Holdings, LLC
10.2	Third Amendment to Credit Agreement, dated February 1, 2021, among Churchill Downs Incorporated, the subsidiary guarantors and the lenders parties thereto, and JPMorgan Chas Bank, N.A.
99.1	Press Release, dated February 1, 2021, issued by Churchill Downs Incorporated
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto, duly authorized.

February 1, 2021

**CHURCHILL DOWNS INCORPORATED**

/s/ Marcia A. Dall

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By: Marcia A. Dall

Title: Executive Vice President and Chief Financial Officer  
(Principal Financial and Accounting Officer)

## **STOCK REPURCHASE AGREEMENT**

THIS STOCK REPURCHASE AGREEMENT (this "Agreement") is entered into as of February 1, 2021 by and between Churchill Downs Incorporated, a Kentucky corporation (the "Company"), and CDI Holdings, LLC, a Delaware limited liability company (the "Selling Stockholder").

### **Recitals**

WHEREAS, the Selling Stockholder beneficially owns an aggregate of 3,000,000 shares of the Company's common stock, no par value per share ("Common Stock");

WHEREAS, the Selling Stockholder desires to sell to the Company, and the Company desires to repurchase from the Selling Stockholder, an aggregate of 1,000,000 shares of Common Stock (the "Shares") at a price of \$193.94 per Share, for an aggregate price of \$193,940,000.00 for the Shares (such aggregate purchase price, the "Purchase Price"), upon the terms and subject to the conditions set forth in this Agreement (the "Repurchase"); and

WHEREAS, concurrently with the execution and delivery of this Agreement, each of the Selling Stockholder and the Company is executing and delivering a letter agreement containing certain representations, warranties and agreements of the Selling Stockholder in connection herewith (the "Big Boy Representation Letter Agreement").

NOW, THEREFORE, in consideration of the mutual covenants herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned hereby agree as follows:

### **Agreement**

1. Repurchase.

(a) *Purchase and Sale.* At the Closing (as defined below), the Company hereby agrees to repurchase from the Selling Stockholder, and the Selling Stockholder hereby agrees to sell and deliver, or cause to be delivered, to the Company, the Shares for an aggregate purchase price equal to the Purchase Price.

(b) *Closing.* Subject to the terms and conditions of this Agreement and the delivery of the deliverables contemplated by Section 1(c) of this Agreement, the closing of the sale of the Shares contemplated hereby (the "Closing") will take place on February 2, 2021 at approximately 10:00 a.m., Eastern time, via the electronic exchange of deliverables, or such other time, date or place as shall be agreed upon in writing by the parties.

(c) *Closing Deliveries and Actions.* At the Closing, the Selling Stockholder shall deliver, or cause to be delivered, to the Company or as instructed by the Company the stock certificate(s) representing the Shares being sold by the Selling Stockholder, accompanied by duly executed stock powers relating to such Shares, and the Company shall deliver to the Selling Stockholder by wire transfer, in accordance with written instructions to be provided by the Selling Stockholder no later than two business days prior to the Closing, immediately available funds in an amount equal to the Purchase Price.

(d) *Other Payments.* The Selling Stockholder agrees to pay all stamp, stock transfer and similar duties, if any, in connection with the Repurchase.

2. Representations of the Company. The Company represents and warrants to the Selling Stockholder that, as of the date hereof and at the Closing:

(a) The Company is a corporation duly organized, validly existing and in good standing under the laws of the Commonwealth of Kentucky.

(b) The Company has the full power and authority to execute, deliver and carry out the terms and provisions of this Agreement and to consummate the transactions contemplated hereby, and has taken all necessary action to authorize the execution, delivery and performance of this Agreement.

(c) This Agreement has been duly and validly authorized, executed and delivered by the Company and constitutes a legal, valid and binding obligation of the Company, enforceable against the Company in

accordance with its terms, except to the extent that (i) such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect affecting creditors' rights generally and (ii) the remedy of specific performance and injunctive and other forms of equitable relief may be subject to certain equitable defenses and to the discretion of the court before which any proceedings thereof may be brought. The execution and delivery of this Agreement, and the consummation of the transactions contemplated hereby, have been approved by the Audit Committee of the Company's Board of Directors in accordance with the Company's policies and procedures for identifying and approving related person transactions.

(d) The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby will not conflict with, result in the breach of any of the terms or conditions of, constitute a default under or violate, accelerate or permit the acceleration of any other similar right of any other party under the Amended and Restated Articles of Incorporation or Amended and Restated Bylaws of the Company, any law, rule or regulation or any agreement, lease, mortgage, note, bond, indenture, license or other document or undertaking to which the Company is a party or by which the Company or its properties may be bound, nor will such execution, delivery and consummation violate any order, writ, injunction or decree of any federal, state, local or foreign court, administrative agency or governmental or regulatory authority or body (each, an "Authority") to which the Company or any of its properties is subject, the effect of any of which, either individually or in the aggregate, would have, or reasonably be expected to have, a material adverse effect on the consolidated financial position, stockholders' equity or results of operations of the Company and its subsidiaries, taken as a whole, or materially impact the Company's ability to consummate the transactions contemplated by this Agreement (a "Material Adverse Effect"); and no consent, approval, authorization, order, registration or qualification of or with any such Authority is required for the consummation by the Company of the transactions contemplated by this Agreement, except such consents, approvals, authorizations and orders as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(e) The Company acknowledges that it has not relied upon any express or implied representations or warranties of any nature made by or on behalf of the Selling Stockholder, whether or not any such representations, warranties or statements were made in writing or orally, except as expressly set forth for the benefit of the Company in this Agreement or in the Big Boy Representation Letter Agreement.

3. Representations of the Selling Stockholder. The Selling Stockholder represents and warrants to the Company that, as of the date hereof and at the Closing:

(a) The Selling Stockholder is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware.

(b) The Selling Stockholder has the full power and authority to execute, deliver and carry out the terms and provisions of this Agreement and consummate the transactions contemplated hereby, and has taken all necessary action to authorize the execution, delivery and performance of this Agreement.

(c) This Agreement has been duly and validly authorized, executed and delivered by the Selling Stockholder, and constitutes a legal, valid and binding agreement of the Selling Stockholder, enforceable against the Selling Stockholder in accordance with its terms, except to the extent that (i) such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect affecting creditors' rights generally and (ii) the remedy of specific performance and injunctive and other forms of equitable relief may be subject to certain equitable defenses and to the discretion of the court before which any proceedings therefor may be brought.

(d) The sale of the Shares to be sold by the Selling Stockholder hereunder and the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby will not conflict with, result in the breach of any of the terms or conditions of, constitute a default under or violate, accelerate or permit the acceleration of any other similar right of any other party under the governing organizational documents of the Selling Stockholder, any law, rule or regulation, or any agreement, lease, mortgage, note, bond, indenture, license or other document or undertaking, to which the Selling Stockholder is a party or by which the Selling Stockholder or its properties may be bound, nor will such execution, delivery and consummation violate any order, writ, injunction or decree of any Authority to which the Selling Stockholder or any of its properties is subject, the effect of any of which, either individually or in the aggregate, would affect the validity of the Shares to be sold by

the Selling Stockholder or reasonably be expected to materially impact the Selling Stockholder's ability to perform its obligations under this Agreement; and no consent, approval, authorization, order, registration or qualification of or with any such Authority is required for the performance by the Selling Stockholder of its obligations under this Agreement and the consummation by the Selling Stockholder of the transactions contemplated by this Agreement in connection with the Shares to be sold by the Selling Stockholder hereunder, except such consents, approvals, authorizations and orders as would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the Selling Stockholder's ability to consummate the transactions contemplated by this Agreement.

(e) The Selling Stockholder has, and immediately prior to the delivery of the Shares to the Company at the Closing, the Selling Stockholder will have, valid and unencumbered title to the Shares to be sold by the Selling Stockholder hereunder at such time of delivery. At the Closing, valid title to the Shares shall vest with the Company, free and clear of any and all liens, claims, charges, pledges, encumbrances and security interests other than those existing under applicable securities laws and those created by the Company or any of its affiliates.

4. Publicity. Each of the Selling Stockholder and the Company agrees that it shall not, and that it shall cause its affiliates and representatives not to, (a) publish, release or file any initial press release or other public statement or announcement relating to the transactions contemplated by this Agreement (an "Initial Press Release") before providing a copy of such release, statement or announcement to the other, and (b) after the date hereof, publish, release or file any future press release or other public statement or announcement relating to the transactions contemplated by this Agreement that is materially inconsistent with any such Initial Press Release.

5. Notices. All notices, demands or other communications to be given or delivered under or by reason of the provisions of this Agreement will be in writing and will be deemed to have been given when delivered personally, mailed by certified or registered mail (return receipt requested and postage prepaid), sent via a nationally recognized overnight courier, or sent via email (receipt of which is confirmed) to the recipient. Such notices, demands and other communications shall be sent as follows:

To the Selling Stockholder:

CDI Holdings, LLC 444 W. Lake, Suite 2000 Chicago, Illinois 60606 Attention: General Counsel Email: ereeves@duch.com  
With a copy to (which shall not constitute notice):  
Mayer Brown LLP 71 S. Wacker Drive Chicago, Illinois 60606 Attention: Jodi Simala  
Email: jsimala@mayerbrown.com

To the Company:

Churchill Downs Incorporated 600 N. Hurstbourne Parkway, Ste. 400 Louisville, Kentucky 40222  
Attention: General Counsel  
Email: brad.blackwell@kyderby.com

With a copy to (which shall not constitute notice):

Sidley Austin LLP  
One South Dearborn Street  
Chicago, Illinois 60603  
Attention: Brian J. Fahrney  
Email: bfahrney@sidley.com

or such other address or to the attention of such other person as the recipient party shall have specified by prior written notice to the sending party.

6. Miscellaneous.

(a) Survival of Representations and Warranties. All representations and warranties contained herein or made in writing by any party in connection herewith shall survive the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby until the expiration of the applicable statute of limitations.

(b) Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal, or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or any other jurisdiction, but this Agreement will be reformed, construed, and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

(c) Complete Agreement. The Big Boy Representation Letter Agreement is hereby incorporated herein and made a part hereof as if set forth in full herein. This Agreement, together with the Big Boy Representation Letter Agreement, supersedes all prior agreements and understandings (whether written or oral) between the Company and the Selling Stockholder with respect to the subject matter hereof.

(d) Counterparts. This Agreement may be executed by any one or more of the parties hereto in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument. This Agreement, and any and all agreements and instruments executed and delivered in accordance herewith, to the extent signed and delivered by means of facsimile or other electronic format or signature (including email, "pdf," "tif," "jpg," DocuSign and Adobe Sign), shall be treated in all manner and respects and for all purposes as an original signature and an original agreement or instrument and shall be considered to have the same legal effect, validity and enforceability as if it were the original signed version thereof delivered in person.

(e) Successors and Assigns. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned, in whole or in part, by either party without the prior written consent of the other party. Except as otherwise provided herein, this Agreement shall bind and inure to the benefit of and be enforceable by the Selling Stockholder and the Company and their respective successors and assigns.

(f) No Third Party Beneficiaries or Other Rights. This Agreement is for the sole benefit of the parties and their successors and permitted assigns and nothing herein express or implied shall give or shall be construed to confer any legal or equitable rights or remedies to any person other than the parties to this Agreement and such successors and permitted assigns.

(g) Governing Law. THIS AGREEMENT AND ANY MATTERS RELATED TO THIS TRANSACTION SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS THAT WOULD RESULT IN THE APPLICATION OF ANY LAW OTHER THAN THE LAWS OF THE STATE OF NEW YORK. The Company and the Selling Stockholder each agrees that any suit or proceeding arising in respect of this Agreement will be tried exclusively in the U.S. District Court for the Southern District of New York or, if that court does not have subject matter jurisdiction, in any state court located in The City and County of New York, and the Company and the Selling Stockholder each agrees to submit to the jurisdiction of, and to venue in, such courts.

(h) Waiver of Jury Trial. The Company and the Selling Stockholder each hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

(i) Mutuality of Drafting. The parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as jointly drafted by the parties, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provision of the Agreement.

(j) Remedies. The parties hereto agree and acknowledge that money damages may not be an adequate remedy for any breach of the provisions of this Agreement and that any party may in its sole discretion apply to any court of law or equity of competent jurisdiction (without posting any bond or deposit) for specific performance or other injunctive relief in order to enforce, or prevent any violations of, the provisions of this Agreement.

(k) Amendment and Waiver. The provisions of this Agreement may be amended or waived only with the prior written consent of the Company and the Selling Stockholder.

(l) Expenses. Each of the Company and the Selling Stockholder shall bear its own expenses in connection with the drafting, negotiation, execution and delivery of this Agreement and the consummation of the transactions contemplated hereby.

*[Signatures appear on following pages.]*



IN WITNESS WHEREOF, the parties hereto have executed this Stock Repurchase Agreement as of the date first written above.

**COMPANY:**

**CHURCHILL DOWNS INCORPORATED**

By: /s/ Marcia A. Dall

Name: Marcia A. Dall

Title: Executive Vice President & CFO

**SELLING STOCKHOLDER:**

**CDI HOLDINGS, LLC**

By: /s/ Michael E. Flannery

Name: Michael E. Flannery

Title: Executive Vice President & CFO

### THIRD AMENDMENT TO CREDIT AGREEMENT

This **THIRD AMENDMENT TO CREDIT AGREEMENT** (this "Third Amendment"), dated as of February 1, 2021 and effective as of the Effective Date (as hereinafter defined), is made and entered into by and among **CHURCHILL DOWNS INCORPORATED**, a Kentucky corporation ("Borrower"), the other Credit Parties, each of the Lenders (as hereinafter defined) party hereto, and **JPMORGAN CHASE BANK, N.A.**, as administrative agent under the Credit Agreement referred to below (in such capacity, "Administrative Agent").

#### RECITALS

A. Borrower and the Lenders party hereto are parties to that certain Credit Agreement, dated as of December 27, 2017 (as amended by that certain First Amendment to Credit Agreement, dated as of March 16, 2020, that certain Second Amendment to Credit Agreement, dated as of April 28, 2020, and as further amended, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement") by and among Borrower, the subsidiaries of Borrower party thereto as guarantors, the banks, financial institutions and other entities from time to time party thereto as lenders (including the L/C Lenders and the Swingline Lender) (collectively, the "Lenders"), Administrative Agent and as collateral agent under the Credit Agreement (in such capacity, "Collateral Agent").

B. Borrower has requested that the Lenders party hereto agree to amend the Credit Agreement subject to, and in accordance with, the terms and conditions set forth herein.

C. Borrower, the Lenders party hereto, constituting the Required Revolving Lenders and the Required Lenders, and the Administrative Agent, are willing to agree to enter into this Third Amendment, subject to the conditions and on the terms set forth below.

#### AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower, each of the other Credit Parties and each of the Lenders party hereto agree as follows:

1. Definitions. Except as otherwise expressly provided herein, capitalized terms used in this Third Amendment (including in the Recitals above) shall have the meanings given in the Credit Agreement, and the rules of construction set forth in the Credit Agreement shall apply to this Third Amendment.

2. Amendment to Credit Agreement. The definition of Financial Covenant Relief Condition set forth in Section 1.01 of the Credit Agreement is hereby amended to:

- (a) delete the term "dividends" as set forth therein and replace such term with the terms "Restricted Payments" and
- (b) delete the terms "\$26.0 million" as set forth therein and replace such terms with the terms "\$226.0 million".

3. Representations and Warranties. To induce the Lenders party hereto to agree to this Third Amendment, Borrower and each of the other Credit Parties represent to the Lenders and Administrative Agent that as of the date hereof and as of the Effective Date (before and after giving effect to all of the transactions occurring on the Effective Date):

(a) Borrower and each Restricted Subsidiary (i) is a corporation, partnership, limited liability company or other entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization; (ii)(1) has all requisite corporate or other power and authority and (2) has all governmental licenses, authorizations, consents and approvals necessary to own its Property and carry on its business as now being conducted; and (iii) is qualified to do business and is in good standing in all jurisdictions in which the nature of the business conducted by it makes such qualification necessary; except, in the case of clauses (ii)(2) and (iii) where the failure thereof individually or in the aggregate would not reasonably be expected to have a Material Adverse Effect;

(b) Borrower and each Restricted Subsidiary has all necessary corporate or other organizational power, authority and legal right to execute, deliver and perform its obligations under this Third Amendment and each other Credit Document to which it is a party and to consummate the transactions herein and therein contemplated; the execution, delivery and performance by Borrower and each Restricted Subsidiary of this Third

Amendment and each other Credit Document to which it is a party and the consummation of the transactions herein and therein contemplated have been duly authorized by all necessary corporate, partnership or other organizational action on its part; and this Third Amendment has been duly and validly executed and delivered by each Credit Party and constitutes, and each of the other Credit Documents to which it is a party when executed and delivered by such Credit Party will constitute, its legal, valid and binding obligation, enforceable against each Credit Party, as applicable, in accordance with its terms, except as such enforceability may be limited by (a) bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or similar laws of general applicability from time to time in effect affecting the enforcement of creditors' rights and remedies and (b) the application of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law);

(c) none of the execution, delivery and performance by any Credit Party of this Third Amendment nor the consummation of the transactions herein contemplated do or will (i) conflict with or result in a breach of, or require any consent (which has not been obtained and is in full force and effect) under (x) any Organizational Document of any Credit Party or (y) any applicable Requirement of Law (including, without limitation, any Gaming/Racing Law) or (z) any order, writ, injunction or decree of any Governmental Authority binding on any Credit Party, or tortiously interfere with, result in a breach of, or require termination of, any term or provision of any Contractual Obligation of any Credit Party or (ii) constitute (with due notice or lapse of time or both) a default under any such Contractual Obligation or (iii) result in or require the creation or imposition of any Lien (except for the Liens created pursuant to the Security Documents) upon any Property of any Credit Party pursuant to the terms of any such Contractual Obligation, except with respect to (i)(y), (i)(z), (ii) or (iii) which would not reasonably be expected to result in a Material Adverse Effect; and

(d) no Default or Event of Default has occurred and is continuing.

4. Effectiveness of this Third Amendment. This Third Amendment shall be effective on the date (the "Effective Date") on which all of the following conditions are satisfied or waived:

(a) Borrower, the other Credit Parties, Administrative Agent and each Lender who has consented hereto (constituting collectively the Required Revolving Lenders and the Required Lenders) have delivered their fully executed signature pages hereto to Administrative Agent;

(b) (i) no Default or Event of Default shall have occurred and be continuing, (ii) each of the representations and warranties contained in Section 3 of this Third Amendment shall be true and correct and (iii) Administrative Agent shall have received an Officer's Certificate of Borrower, dated the Effective Date, certifying that the conditions set forth in this clause (b) have been satisfied;

(c) On or prior to the Effective Date, Administrative Agent and each Lender party hereto shall have received at least three (3) Business Days prior to the Effective Date all documentation and other information reasonably requested in writing at least ten (10) Business Days prior to the Effective Date by Administrative Agent and such Lender, as applicable, that Administrative Agent and such Lender, as applicable, reasonably determine is required by regulatory authorities from the Credit Parties under applicable "know your customer" and anti-money laundering rules and regulations, including without limitation the Act;

(d) No later than three (3) Business Days prior to the Effective Date, to the extent Borrower qualifies as a "legal entity customer" under the Beneficial Ownership Regulation and to the extent requested by Administrative Agent or any Lender at least ten (10) Business Days prior to the Effective Date, Administrative Agent and each such Lender, as applicable, shall have received a Beneficial Ownership Certification in relation to Borrower; and

(e) to the extent invoiced at least two (2) Business Days prior to the Effective Date (unless otherwise agreed by Borrower), all costs and expenses (including, without limitation, reasonable legal fees and expenses of Cahill Gordon & Reindel LLP) of Administrative Agent in respect of the transactions contemplated herein, shall have been paid to the extent due.

5. Acknowledgments.

(a) Borrower and each other Credit Party acknowledges and agrees that, both before and after giving effect to this Third Amendment, Borrower and each other Credit Party is, jointly and severally, indebted to the Lenders and the other Secured Parties for the Obligations, without defense, counterclaim or offset of any kind.

Borrower and each other Credit Party hereby ratifies and reaffirms the validity, enforceability and binding nature of such Obligations both before and after giving effect to this Third Amendment (except as the enforceability thereof may be limited by bankruptcy, insolvency or similar laws affecting creditors' rights generally and subject to general principles of equity).

(b) Borrower and each other Credit Party hereby ratifies and reaffirms its obligations under the Credit Documents to which it is a party and its prior grant and the validity and enforceability (except as the enforceability thereof may be limited by bankruptcy, insolvency or similar laws affecting creditors' rights generally and subject to general principles of equity) of the Liens and security interests granted to Collateral Agent for the benefit of the Secured Parties to secure all of the Obligations by Borrower and each other Credit Party pursuant to the Credit Documents to which any of Borrower or such other Credit Party is a party and hereby confirms and agrees that, after giving effect to this Third Amendment, all such Liens and security interests are, and each such Credit Document is, and shall continue to be, in full force and effect and each is hereby ratified and confirmed in all respects.

6. Miscellaneous.

(a) THIS THIRD AMENDMENT AND ANY CLAIMS, CONTROVERSIES, DISPUTES, OR CAUSES OF ACTION (WHETHER ARISING UNDER CONTRACT LAW, TORT LAW OR OTHERWISE) BASED UPON OR RELATING TO THIS THIRD AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW PRINCIPLES THAT WOULD APPLY THE LAW OF ANOTHER JURISDICTION.

(b) EACH PARTY HERETO AGREES THAT SECTIONS 13.09(b), (c), (d) AND (e) OF THE CREDIT AGREEMENT SHALL APPLY TO THIS THIRD AMENDMENT *MUTATIS MUTANDIS*.

(c) This Third Amendment may be executed in one or more duplicate counterparts and, subject to the other terms and conditions of this Third Amendment, when signed by all of the parties listed below shall constitute a single binding agreement. Delivery of an executed signature page to this Third Amendment by facsimile transmission or other electronic transmission (including portable document format (“pdf”) or similar format) shall be as effective as delivery of a manually signed counterpart of this Third Amendment. This Third Amendment, the Credit Agreement and the other Credit Documents constitute the entire contract among the parties thereto relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof.

(d) Wherever possible, each provision of this Third Amendment shall be interpreted in such manner as to be effective and valid under applicable Law, but if any provision of this Third Amendment shall be prohibited by or invalid under applicable Law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Third Amendment.

(e) Except as amended hereby, all of the provisions of the Credit Agreement and the other Credit Documents shall remain in full force and effect except that each reference to the “Credit Agreement”, or words of like import in any Credit Document, shall mean and be a reference to the Credit Agreement as amended hereby. This Third Amendment shall be deemed a “Credit Document” as defined in the Credit Agreement.

(f) This Third Amendment shall not extinguish the obligations for the payment of money outstanding under the Credit Agreement or discharge or release the priority of any Credit Document (or any other security therefor). Nothing herein contained shall be construed as a substitution or novation of the obligations outstanding under the Credit Agreement, any of the other Credit Documents or the instruments, documents and agreements securing the same, which shall remain in full force and effect. Nothing in this Third Amendment shall be construed as a release or other discharge of Borrower or any other Credit Party from any of its obligations and liabilities under the Credit Agreement or the other Credit Documents.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties have caused this Third Amendment to be duly executed as of the day and year first above written, to be effective as of the Effective Date.

**Borrower:**

**CHURCHILL DOWNS INCORPORATED**

**By:** /s/ Marcia A. Dall

**Name:** Marcia A. Dall

**Title:** Executive Vice President and Chief Financial Officer

**ARLINGTON PARK RACECOURSE, LLC  
BB DEVELOPMENT LLC  
CALDER RACE COURSE, INC.  
CHURCHILL DOWNS INTERACTIVE GAMING, LLC  
CHURCHILL DOWNS MANAGEMENT COMPANY, LLC  
CHURCHILL DOWNS RACETRACK, LLC  
CHURCHILL DOWNS TECHNOLOGY INITIATIVES COMPANY  
DERBY CITY GAMING, LLC  
HCRH, LLC  
LLN PA, LLC  
MAGNOLIA HILL, LLC  
MVGR, LLC  
PID, LLC  
SW GAMING LLC  
TROPICAL PARK, LLC  
YUBET.COM, LLC**

By: /s/ Marcia A. Dall  
Name: Marcia A. Dall  
Title: Treasurer

**ARLINGTON OTB CORP.  
CHURCHILL DOWNS LOUISIANA VIDEO POKER COMPANY, L.L.C.  
CHURCHILL DOWNS LOUISIANA HORSERACING COMPANY, L.L.C.  
VIDEO SERVICES, L.L.C.**

By: /s/ Michael W. Anderson  
Name: Michael W. Anderson  
Title: Secretary

**UNITED TOTE COMPANY**

By: /s/ Benjamin C. Murr  
Name: Benjamin C. Murr  
Title: Treasurer

**QUAD CITY DOWNS, INC.**

By: /s/ Bradley K. Blackwell  
Name: Bradley K. Blackwell  
Title: Secretary

**OCEAN DOWNS LLC  
OCEAN ENTERPRISE 589 LLC  
OLD BAY GAMING AND RACING, LLC  
RACING SERVICES LLC**

By: /s/ Bobbi Sample  
Name: Bobbi Sample  
Title: General Manager

**JPMORGAN CHASE BANK, N.A.**, as Administrative Agent and a Lender

By:

Name:

Title:



The undersigned Lender hereby consents to this Third Amendment with respect to 100% of the outstanding principal amount of the Revolving Loans and Revolving Commitments held by such Lender:

as a Lender,

By:

Name:

Title:

**If two signatures required:**

By:

Name:

Title:

# CHURCHILL DOWNS

I N C O R P O R A T E D

## FOR IMMEDIATE RELEASE

Contact: Nick Zangari  
(502) 394-1157  
Nick.Zangari@kyderby.com

### **Churchill Downs Incorporated Announces Privately Negotiated Repurchase of One Million Shares**

#### ***CDI Repurchasing One Million Shares for \$193.94 per Share from an Affiliate of The Duchossois Group, Inc.***

**LOUISVILLE, Ky. (February 1, 2021)** - Churchill Downs Incorporated (“CDI” or “the Company”) (Nasdaq: CHDN) announced today that the Company has agreed to repurchase 1,000,000 shares of its common stock for \$193.94 per share from an affiliate of The Duchossois Group, Inc. in a privately negotiated transaction. The aggregate purchase price is \$193.9 million.

On February 1, 2021, CDI also entered into an amendment to its Credit Agreement, dated December 27, 2017, to increase the applicable restricted payment capacity during the Financial Covenant Relief Period, as defined in the second amendment dated April 28, 2020, from \$26 million to \$226 million to accommodate this transaction. CDI will repurchase the shares using available cash and borrowings under its senior secured credit facility.

The repurchase transaction was authorized by the CDI Board of Directors and is separate from the \$147.1 million remaining under its existing share repurchase plan.

#### **About Churchill Downs Incorporated**

Churchill Downs Incorporated is an industry-leading racing, online wagering and gaming entertainment company anchored by our iconic flagship event, the Kentucky Derby. We own and operate three pari-mutuel gaming entertainment venues with approximately 3,050 historical racing machines in Kentucky. We also own and operate TwinSpires, one of the largest and most profitable online wagering platforms for horse racing, sports and iGaming in the U.S. and we have seven retail sportsbooks. We are also a leader in brick-and-mortar casino gaming in eight states with approximately 11,000 slot machines and video lottery terminals and 200 table games. Additional information about CDI can be found online at [www.churchilldownsincorporated.com](http://www.churchilldownsincorporated.com).

*Certain statements made in this news release contain various “forward-looking statements” within the meaning of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are typically identified by the use of terms such as “anticipate,” “believe,” “could,” “estimate,” “expect,” “intend,” “may,” “might,” “plan,” “predict,” “project,” “seek,” “should,” “will,” and similar words or similar expressions (or negative versions of such words or expressions).*

*Although we believe that the expectations reflected in such forward-looking statements are reasonable, we can give no assurance that such expectations will prove to be correct. Important factors, among others, that may affect actual results or outcomes include the following: the impact of the novel coronavirus (COVID-19) pandemic and related economic matters on our results of operations, financial conditions and prospects; the effect of economic conditions on our consumers' confidence and discretionary spending or our access to credit; additional or increased taxes and fees; public perceptions or lack of confidence in the integrity of our business or any deterioration in our reputation; loss of key or highly skilled personnel; restrictions in our debt facilities limiting our flexibility to operate our business; general risks related to real estate ownership, including fluctuations in market values and environmental regulations; catastrophic events and system failures disrupting our operations; online security risk, including cyber-security breaches; inability to recover under our insurance policies for damages sustained at our properties in the event of inclement weather and casualty events; increases in insurance costs and inability to obtain similar insurance coverage in the future; inability to identify and complete acquisition, expansion or divestiture projects, on time, on budget or as planned; difficulty in integrating recent or future acquisitions into our operations; costs and uncertainties relating to the development of new venues and expansion of existing facilities; risks associated with equity investments, strategic alliances and*

*other third-party agreements; inability to respond to rapid technological changes in a timely manner; inadvertent infringement of the intellectual property of others; inability to protect our own intellectual property rights; payment-related risks, such as risk associated with fraudulent credit card and debit card use; compliance with the Foreign Corrupt Practices Act or applicable money-laundering regulations; risks related to pending or future legal proceedings and other actions; inability to negotiate agreements with industry constituents, including horsemen and other racetracks; work stoppages and labor issues; changes in consumer preferences, attendance, wagering and sponsorship with respect to Churchill Downs Racetrack and the Kentucky Derby; personal injury litigation related to injuries occurring at our racetracks; weather and other conditions affecting our ability to conduct live racing; the occurrence of extraordinary events, such as terrorist attacks and public health threats; changes in the regulatory environment of our racing operations; increased competition in the horse racing business; difficulty in attracting a sufficient number of horses and trainers for full field horse races; our inability to utilize and provide totalizator services; changes in regulatory environment of our online horse wagering business; A reduction in the number of people wagering on live horse races; increase in competition in our online horse racing wagering business; uncertainty and changes in the legal landscape relating to our online horse racing wagering business; continued legalization of online sports betting and iGaming in the United States and our ability to predict and capitalize on any such legalization; inability to expand our sports betting operations and effectively compete; failure to manage risks associated with sports betting; failure to comply with laws requiring us to block access to certain individuals could result in penalties or impairment with respect to our mobile and online wagering products; increased competition in our casino business; changes in regulatory environment of our casino business; concentration and evolution of slot machine manufacturing and other technology conditions that could impose additional costs; and inability to collect gaming receivables from the customers to whom we extend credit.*

*We do not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.*