

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

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

For the quarterly period ended June 30, 2023

OR

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

For the transition period from _____ to _____

Commission file number 001-33998

Churchill Downs Incorporated

(Exact name of registrant as specified in its charter)

Kentucky

(State or other jurisdiction of incorporation or organization)

600 North Hurstbourne Parkway, Suite 400

Louisville, Kentucky

(Address of Principal Executive Offices)

61-0156015

(I.R.S. Employer Identification No.)

40222

(Zip Code)

(502) 636-4400

Registrant's telephone number, including area code

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 Global Select Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Non-accelerated filer

Accelerated filer

Smaller reporting company

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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The number of shares outstanding of registrant's common stock at July 19, 2023 was 74,869,136 shares.

CHURCHILL DOWNS INCORPORATED
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For the Quarter Ended June 30, 2023

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CHURCHILL DOWNS INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
<i>(in millions, except per common share data)</i>				
Net revenue:				
Live and Historical Racing	\$ 385.0	\$ 260.9	\$ 599.4	\$ 346.9
TwinSpires	137.4	136.8	232.2	237.1
Gaming	245.9	184.3	495.9	361.6
All Other	0.2	0.5	0.5	1.0
Total net revenue	<u>768.5</u>	<u>582.5</u>	<u>1,328.0</u>	<u>946.6</u>
Operating expense:				
Live and Historical Racing	204.2	121.4	347.5	189.1
TwinSpires	80.7	90.2	146.4	165.1
Gaming	179.2	128.8	352.7	254.0
All Other	5.7	2.8	10.7	5.9
Selling, general and administrative expense	48.1	38.4	100.4	74.3
Asset impairments	24.5	—	24.5	4.9
Transaction expense, net	0.5	1.2	0.3	6.2
Total operating expense	<u>542.9</u>	<u>382.8</u>	<u>982.5</u>	<u>699.5</u>
Operating income	225.6	199.7	345.5	247.1
Other (expense) income:				
Interest expense, net	(65.2)	(35.1)	(129.9)	(56.4)
Equity in income of unconsolidated affiliates	38.8	40.5	77.1	73.0
Gain on sale of assets	—	274.6	114.0	274.6
Miscellaneous, net	—	0.2	1.4	0.2
Total other (expense) income	<u>(26.4)</u>	<u>280.2</u>	<u>62.6</u>	<u>291.4</u>
Income from operations before provision for income taxes	199.2	479.9	408.1	538.5
Income tax provision	(56.2)	(140.6)	(109.4)	(157.1)
Net income	<u>\$ 143.0</u>	<u>\$ 339.3</u>	<u>\$ 298.7</u>	<u>\$ 381.4</u>
Net income per common share data:				
Basic net income	<u>\$ 1.90</u>	<u>\$ 4.45</u>	<u>\$ 3.97</u>	<u>\$ 4.99</u>
Diluted net income	<u>\$ 1.86</u>	<u>\$ 4.39</u>	<u>\$ 3.90</u>	<u>\$ 4.92</u>
Weighted average shares outstanding:				
Basic	75.3	76.2	75.3	76.4
Diluted	76.9	77.2	76.5	77.4

The accompanying notes are an integral part of the condensed consolidated financial statements.

CHURCHILL DOWNS INCORPORATED
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

(in millions)

	June 30, 2023	December 31, 2022
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 374.0	\$ 129.8
Restricted cash	67.1	74.9
Accounts receivable, net	79.5	81.5
Income taxes receivable	—	14.0
Other current assets	62.6	44.3
Total current assets	583.2	344.5
Property and equipment, net	2,229.9	1,978.3
Investment in and advances to unconsolidated affiliates	644.8	659.4
Goodwill	722.9	723.8
Other intangible assets, net	2,364.9	2,391.8
Other assets	32.9	27.0
Long-term assets held for sale	—	82.0
Total assets	<u>\$ 6,578.6</u>	<u>\$ 6,206.8</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 164.2	\$ 145.5
Accrued expenses and other current liabilities	359.1	361.0
Income taxes payable	29.9	2.1
Current deferred revenue	25.8	39.0
Current maturities of long-term debt	68.0	47.0
Dividends payable	1.0	27.0
Total current liabilities	648.0	621.6
Long-term debt, net of current maturities and loan origination fees	1,482.6	2,081.6
Notes payable, net of debt issuance costs	3,068.8	2,477.1
Non-current deferred revenue	9.5	11.8
Deferred income taxes	373.2	340.8
Other liabilities	142.7	122.4
Total liabilities	5,724.8	5,655.3
Commitments and contingencies		
Shareholders' equity:		
Preferred stock	—	—
Common stock	8.0	—
Retained earnings	846.7	552.4
Accumulated other comprehensive loss	(0.9)	(0.9)
Total shareholders' equity	853.8	551.5
Total liabilities and shareholders' equity	<u>\$ 6,578.6</u>	<u>\$ 6,206.8</u>

The accompanying notes are an integral part of the condensed consolidated financial statements.

FORM 10-Q FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2023

CHURCHILL DOWNS INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(Unaudited)

	Common Stock		Retained Earnings	Accumulated Other Comprehensive Loss	Total Shareholders' Equity
	Shares	Amount			
<i>(in millions)</i>					
Balance, December 31, 2022	74.8	\$ —	\$ 552.4	\$ (0.9)	\$ 551.5
Net income			155.7		155.7
Issuance of common stock	0.2				—
Taxes paid related to net share settlement of stock awards	(0.1)	(8.6)	(2.7)		(11.3)
Stock-based compensation		8.6			8.6
Other			(0.3)		(0.3)
Balance, March 31, 2023	74.9	—	705.1	(0.9)	704.2
Net income			143.0		143.0
Taxes paid related to net share settlement of stock awards		(0.1)			(0.1)
Stock-based compensation		8.1			8.1
Other			(1.4)		(1.4)
Balance, June 30, 2023	74.9	\$ 8.0	\$ 846.7	\$ (0.9)	\$ 853.8

	Common Stock		Retained Earnings	Accumulated Other Comprehensive Loss	Total Shareholders' Equity
	Shares	Amount			
<i>(in millions)</i>					
Balance, December 31, 2021	76.2	\$ —	\$ 307.7	\$ (0.9)	\$ 306.8
Net income			42.1		42.1
Issuance of common stock	0.2				—
Repurchase of common stock	(0.2)	(7.0)	(18.0)		(25.0)
Taxes paid related to net share settlement of stock awards	(0.2)		(13.1)		(13.1)
Stock-based compensation		7.0			7.0
Balance, March 31, 2022	76.0	—	318.7	(0.9)	317.8
Net income			339.3		339.3
Repurchase of common stock	(0.6)	(7.4)	(54.1)		(61.5)
Taxes paid related to net share settlement of stock awards			(0.1)		(0.1)
Stock-based compensation		7.4			7.4
Balance, June 30, 2022	75.4	\$ —	\$ 603.8	\$ (0.9)	\$ 602.9

The accompanying notes are an integral part of the condensed consolidated financial statements.

CHURCHILL DOWNS INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

<i>(in millions)</i>	Six Months Ended June 30,	
	2023	2022
Cash flows from operating activities:		
Net income	\$ 298.7	\$ 381.4
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	79.7	51.2
Distributions from unconsolidated affiliates	91.7	77.9
Equity in income of unconsolidated affiliates	(77.1)	(73.0)
Stock-based compensation	16.7	14.4
Deferred income taxes	32.4	20.4
Asset impairments	24.5	4.9
Amortization of operating lease assets	3.5	2.7
Gain on sale of assets	(114.0)	(274.6)
Other	3.6	2.9
Changes in operating assets and liabilities:		
Income taxes	41.6	154.0
Deferred revenue	(15.5)	(37.9)
Other assets and liabilities	16.8	56.5
Net cash provided by operating activities	402.6	380.8
Cash flows from investing activities:		
Capital maintenance expenditures	(30.2)	(23.0)
Capital project expenditures	(282.2)	(144.1)
Proceeds from sale of assets	195.7	279.0
Other	(2.3)	(7.3)
Net cash (used in) provided by investing activities	(119.0)	104.6
Cash flows from financing activities:		
Proceeds from borrowings under long-term debt obligations	1,223.3	1,200.0
Repayments of borrowings under long-term debt obligations	(1,201.4)	(3.5)
Payment of dividends	(26.7)	(25.7)
Repurchase of common stock	(0.5)	(84.5)
Taxes paid related to net share settlement of stock awards	(13.2)	(13.2)
Debt issuance costs	(12.2)	(11.4)
Change in bank overdraft	(16.2)	(3.0)
Other	(0.8)	(0.2)
Net cash (used in) provided by financing activities	(47.7)	1,058.5
Cash flows from discontinued operations:		
Operating activities of discontinued operations	0.5	—
Net increase in cash, cash equivalents and restricted cash	236.4	1,543.9
Cash, cash equivalents and restricted cash, beginning of period	204.7	355.6
Cash, cash equivalents and restricted cash, end of period	\$ 441.1	\$ 1,899.5

The accompanying notes are an integral part of the condensed consolidated financial statements.

CHURCHILL DOWNS INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)
(Unaudited)

<i>(in millions)</i>	Six Months Ended June 30,			
	2023		2022	
Supplemental disclosures of cash flow information:				
Cash paid for interest	\$	135.4	\$	42.4
Cash paid for income taxes		35.6		15.9
Cash received from income tax refunds		0.8		33.1
Schedule of non-cash operating, investing and financing activities:				
Property and equipment additions included in accounts payable and accrued expenses	\$	51.4	\$	32.5
Debt issuance costs included in accrued expense and other current liabilities		1.4		1.8
Right-of-use assets obtained in exchange for lease obligations in operating leases		1.1		0.9
Right-of-use assets obtained in exchange for lease obligations in finance leases		33.2		—
Repurchase of common stock included in accrued expense and other current liabilities		—		2.0

The accompanying notes are an integral part of the condensed consolidated financial statements.

1. DESCRIPTION OF BUSINESS

Basis of Presentation

Churchill Downs Incorporated (the "Company", "we", "our") financial statements are presented in conformity with the requirements of this Quarterly Report on Form 10-Q and consequently do not include all of the disclosures normally required by U.S. generally accepted accounting principles ("GAAP") or those normally made in our Annual Report on Form 10-K. The December 31, 2022 Condensed Consolidated Balance Sheet data was derived from audited financial statements but does not include all disclosures required by GAAP.

The following information is unaudited. All per share amounts assume dilution unless otherwise noted. This report should be read in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2022.

In the opinion of management, all adjustments necessary for a fair statement of this information have been made, and all such adjustments are of a normal, recurring nature.

We conduct our business through three reportable segments: Live and Historical Racing, TwinSpires, and Gaming. We aggregate our other businesses as well as certain corporate operations, and other immaterial joint ventures, in All Other. We report net revenue and operating expense associated with these reportable segments in the accompanying Condensed Consolidated Statements of Comprehensive Income.

Stock Split

Effective May 22, 2023, the Company's common stock was split two-for-one (the "Stock Split") with a proportionate increase in the number of its authorized shares of common stock. All share and per-share amounts have been retroactively adjusted to reflect the effects of the Stock Split.

Refer to Note 8, Shareholders' Equity for further information on the Stock Split.

Presque Isle Impairment

During the second quarter, we evaluated economic conditions subsequent to the date of our annual impairment assessment on April 1, 2023, including competition in the market and inflationary pressures, which increased during the second quarter of 2023, and impacted the performance and outlook of Presque Isle Downs and Casino ("Presque Isle"). As a result, the Company concluded that a trigger event for impairment testing occurred related to the Presque Isle gaming rights, trademark, and the reporting unit's goodwill at the end of the second quarter. Based on the 2023 trigger event, the Company evaluated and subsequently updated the projected cash flows and discount rate to reflect the current environment. As a result, the Company recognized a non-cash impairment charge of \$24.5 million in the second quarter of 2023 for the Presque Isle gaming rights and trademark.

Refer to Note 5, Asset Impairments for further information on the impairment.

Arlington Sale

On February 15, 2023, we closed on the sale of the Arlington International Racecourse property ("Arlington") located in Arlington Heights, Illinois. We sold 326-acres to the Chicago Bears for \$197.2 million. For more information, refer to Note 4, Dispositions.

Acquisition of Peninsula Pacific Entertainment

On November 1, 2022, the Company completed the acquisition of substantially all of the assets of Peninsula Pacific Entertainment LLC ("P2E") with a base purchase price of \$2.75 billion ("P2E Transaction") subject to working capital and other purchase price adjustments. The P2E assets acquired included Colonial Downs Racetrack ("Colonial Downs") and six Historical Racing Machine ("HRM") entertainment venues in Virginia, del Lago Resort & Casino in New York ("del Lago"), and Hard Rock Hotel & Casino in Iowa ("Hard Rock Sioux City"), as well as the development rights for the Dumfries and Emporia HRM facilities in Virginia, up to five additional HRM entertainment venues in Virginia, and the potential for ONE Casino and Resort in Virginia in collaboration with Urban One, Inc.

Refer to Note 3, Acquisitions for further information on the transaction.

Acquisitions of Chasers Poker Room and Ellis Park

On September 2, 2022, the Company completed the acquisition of Chasers Poker Room ("Chasers") in Salem, New Hampshire (the "Chasers Transaction"). As part of the transaction, we made an initial payment to the sellers for rights to operate the poker room and to build an HRM venue. Additional payments will be made once all necessary permits are obtained, and the planned historical racing entertainment venue is opened. The Company plans to develop an expanded charitable gaming facility in New Hampshire to accommodate HRMs and table games.

On September 26, 2022, we completed the acquisition of Ellis Park Racing and Gaming ("Ellis Park") in Henderson, Kentucky, from Enchantment Holdings, LLC, an affiliate of Laguna Development Corporation, for total consideration of \$79.0 million in cash, subject to certain working capital and other purchase price adjustments (the "Ellis Park Transaction").

Refer to Note 3, Acquisitions for further information on the transactions.

Exit of the Direct Online Sports and Casino Business

On February 24, 2022 the Company announced plans to exit the direct online sports and casino business. The Company has exited the direct online Sports and Casino business in every state except for Arizona. The Company plans to maintain its retail Sports operations and has monetized two of its online market access licenses.

2. RECENT ACCOUNTING PRONOUNCEMENTS

Recent Accounting Pronouncements - effective in 2023 or thereafter

In March 2020, the Financial Accounting Standards Board ("FASB") issued ASU 2020-04, Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting, which provides optional expedients and exceptions to applying the guidance on contract modifications, hedge accounting, and other transactions, and to simplify the accounting for transitioning from the London Interbank Offered Rate ("LIBOR") and other interbank offered rates to alternative reference rates. The guidance was effective upon issuance. In December 2022, the FASB deferred the date for which this guidance can be applied from December 31, 2022 to December 31, 2024. The use of LIBOR was phased out at the end of 2021, although the phase-out of U.S. dollar LIBOR for existing agreements was delayed until June 2023. During the second quarter of 2023, the Company completed the transition of its financing from LIBOR to the Secured Overnight Financing Rate ("SOFR"). These transition activities did not have a material impact on the Company's financial statements.

3. ACQUISITIONS

Chasers Poker Room

On September 2, 2022, the Company completed the Chasers Transaction which was treated as an asset acquisition because substantially all the value of the gross assets acquired was concentrated in the gaming rights. The Company made an initial payment at closing and recorded a liability for the remaining payments due on a future date. In conjunction with the acquisition, the Company recorded an \$82.2 million gaming rights intangible asset which represented its fair value at the date of acquisition.

The fair value of the gaming rights acquired in the Chasers Transaction was determined using the Greenfield Method, which is an income approach methodology that calculates the present value of the gaming rights intangible asset based on a projected cash flow stream. This method assumes that the gaming rights intangible asset provides the opportunity to develop a gaming or historical racing facility in a specified region, and that the present value of the projected cash flows is a result of the realization of advantages contained in these rights. Under this methodology, the acquirer is expected to absorb all start-up costs, as well as incur all expenses pertaining to the acquisition and/or the creation of all tangible and intangible assets. The estimated future revenue, future operating expenses, start-up costs, and discount rate were the primary inputs in the valuation. The gaming rights intangible asset was assigned an indefinite useful life based on the Company's expected use of the asset and determination that no legal, regulatory, contractual, competitive, economic, or other factors limit the useful life of the gaming rights.

Ellis Park

On September 26, 2022, the Company completed the Ellis Park Transaction for total consideration of \$79.0 million in cash, plus \$3.5 million in working capital and other preliminary purchase price adjustments. The fair values of the Ellis Park Transaction were based upon preliminary valuations. Estimates and assumptions used in such valuations are subject to change, which could be significant, within the measurement period up to one year from the acquisition date. The areas of the preliminary valuations that are not yet finalized relate to the amounts for income taxes, working capital adjustments and the final amount of residual goodwill. The Company expects to continue to obtain information to assist in determining fair values of net assets acquired at the acquisition date during the measurement period. The preliminary fair values as of June 30, 2023 for the assets acquired and liabilities assumed, net of cash acquired of \$1.4 million, at the date of acquisition are as follows: property and equipment of \$19.3 million, indefinite-lived gaming rights of \$47.4 million, indefinite-lived trademark of \$3.6 million, goodwill of \$9.3 million, and net working capital of \$1.5 million.

The Company has not included other disclosures regarding the Chasers or Ellis Park Transactions as these transactions are immaterial to our business.

P2E Transaction

On November 1, 2022, the Company completed the acquisition of substantially all the assets of P2E for preliminary purchase consideration of \$2,835.9 million, net of cash acquired. The P2E assets acquired included Colonial Downs and six HRM entertainment venues in Virginia, del Lago in New York, and Hard Rock Sioux City in Iowa, as well as the development rights for Dumfries and Emporia HRM facilities in Virginia, up to five additional HRM entertainment venues in Virginia, and the potential for ONE Casino & Resort in Virginia in collaboration with Urban One.

The following table summarizes the preliminary fair value of the assets acquired and liabilities assumed, net of cash acquired of \$126.4 million, as of November 1, 2022:

<i>(in millions)</i>	Total
Accounts receivable, net	\$ 9.8
Other current assets	7.2
Property and equipment	611.2
Goodwill	347.8
Other intangible assets	1,941.5
Deferred taxes	20.8
Other assets	16.0
Total assets acquired	\$ 2,954.3
Accounts payable	4.0
Accrued expenses and other current liabilities	96.9
Other liabilities assumed	17.5
Total liabilities assumed	\$ 118.4
Net assets acquired (net of cash)	\$ 2,835.9

The fair value of the intangible assets consists of the following:

<i>(in millions)</i>	Fair Value Recognized
Gaming rights	\$ 1,865.6
Trademark	75.9
Total intangible assets	\$ 1,941.5

Current assets and current liabilities were valued at the existing carrying values, as these items are short term in nature and represent management's estimated fair value of the respective items at November 1, 2022.

Churchill Downs Incorporated
Notes to Condensed Consolidated Financial Statements
(Unaudited)

The property and equipment acquired primarily relates to land, buildings, equipment, and furniture and fixtures. The fair value of the land was determined using the market approach and the fair values of the remaining property and equipment were primarily determined using the cost replacement method which is based on replacement or reproduction costs of the assets.

The fair value of the gaming rights was determined using the Greenfield Method, which is an income approach methodology that calculates the present value of the overall business enterprise based on a projected cash flow stream. This method assumes that the gaming rights intangible assets provide the opportunity to develop a casino or historical racing facility in a specified region, and that the present value of the projected cash flows are a result of the realization of advantages contained in these rights. Under this methodology, the acquirer is expected to absorb all start-up costs, as well as incur all expenses pertaining to the acquisition and/or the creation of all tangible and intangible assets. The estimated future revenue and operating expenses, start-up costs, and discount rates were the primary assumptions and estimates in the valuation of the gaming rights. The gaming rights intangible assets were assigned an indefinite useful life based on the Company's expected use of the assets and determination that no legal, regulatory, contractual, competitive, economic, or other factors limit the useful life of the gaming rights.

The trademark intangible assets were valued using the relief-from-royalty method of the income approach, which estimates the fair value of the intangible assets by discounting the fair value of the hypothetical royalty payments a market participant would be willing to pay to enjoy the benefits of the assets. The estimated future revenue, royalty rates, and discount rates were the primary assumptions and estimates in the valuation of the trademarks. The trademarks were assigned an indefinite useful life based on the Company's intention to keep the trademarks for an indefinite period of time.

Goodwill of \$347.8 million was recognized due to the expected contribution of P2E to the Company's overall business strategy. The goodwill was assigned to the Gaming segment in the amount of \$129.1 million and to the Live and Historical Racing segment in the amount of \$218.7 million and is mostly deductible for tax purposes.

Estimates and assumptions used in such valuations are subject to change, which could be significant, within the measurement period up to one year from the acquisition date. The preliminary purchase consideration is subject to adjustment upon finalization of customary post-closing adjustments related to working capital. The primary areas of the preliminary valuation that are not yet finalized relate to the fair values of amounts for income taxes, adjustments to working capital, and the final amount of residual goodwill. The Company expects to continue to obtain information to assist in determining fair values of net assets acquired at the acquisition date during the measurement period.

The following unaudited pro forma consolidated financial information for the Company has been prepared assuming the P2E Transaction had occurred as of January 1, 2021. The unaudited pro forma financial information is not necessarily indicative of either future results of operations or results of operations that might have been achieved had the acquisition been consummated as of January 1, 2021.

<i>(in millions)</i>	Three months ended June 30, 2022	Six months ended June 30, 2022
Net revenue	\$ 745.9	\$ 1,258.8
Net income	\$ 360.1	\$ 401.4

4. DISPOSITIONS

2023 Dispositions

Lady Luck Casino Nemacolin

On June 26, 2023, the Company's management agreement for Lady Luck Casino Nemacolin ("Lady Luck") in Farmington, Pennsylvania expired and was not renewed. The Company completed the sale of substantially all of its assets at Lady Luck for an immaterial amount.

Arlington

On February 15, 2023, we closed on the sale of the Arlington property in Arlington Heights, Illinois, to the Chicago Bears for \$197.2 million. We received net proceeds of \$195.7 million for the 326-acres and recognized a gain of \$114.0 million on the sale, which is included in other income in the accompanying Condensed Consolidated Statements of Comprehensive Income. Certain assets of Arlington totaling \$82.0 million were classified held for sale as of December 31, 2022 on the accompanying Condensed Consolidated Balance Sheets. Arlington's operations and assets are included in All Other in our consolidated results.

The Company executed a forward like-kind exchange transaction by purchasing certain property as part of the P2E Transaction for \$197.2 million, which qualified as an Internal Revenue Code §1031 transaction. An exchange accommodation titleholder ("EAT"), a type of variable interest entity, was used to facilitate this reverse like-kind exchange. The Company determined that it is the primary beneficiary of the EAT, thus the property held by the EAT has been consolidated and recorded in property and equipment, net on the Condensed Consolidated Balance Sheets.

As of June 30, 2023, the Company has a \$27.8 million deferred tax liability related to the Arlington sale on the Condensed Consolidated Balance Sheets.

5. ASSET IMPAIRMENTS

Presque Isle Impairment

We performed our annual goodwill and indefinite-lived intangible assets impairment analysis for Presque Isle as of April 1, 2023. Based on the results of this analysis, no impairments for Presque Isle were identified. Subsequent to the annual test, we continued to evaluate economic conditions, including competition in the market and inflationary pressures, which increased during the second quarter of 2023, and impacted the performance and outlook of Presque Isle. As a result, the Company concluded that a trigger event for impairment testing occurred related to the Presque Isle gaming rights, trademark, and the reporting unit's goodwill at the end of the second quarter.

Based on the 2023 trigger event, the Company evaluated and subsequently updated the projected cash flows and discount rate to reflect the current environment. As a result, the Company recognized a non-cash impairment charge of \$24.5 million in the second quarter of 2023 for the Presque Isle gaming rights and trademark, which are included in the Gaming segment. The fair value of the Presque Isle gaming rights was determined using the Greenfield Method, an income approach methodology that calculates the present value based on a projected cash flow stream. The fair values of the trademark was determined by using the relief-from-royalty method of the income approach.

The fair value of the Presque Isle reporting unit's goodwill was determined under the market and income valuation approaches using inputs primarily related to discounted projected cash flows and price multiples of comparable publicly traded companies. No impairment was recognized for the Presque Isle goodwill in second quarter of 2023.

6. GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill, by segment, is composed of the following:

<i>(in millions)</i>	Live and Historical	TwinSpires	Gaming	All Other	Total
Balances as of December 31, 2022	\$ 280.3	\$ 152.2	\$ 290.3	\$ 1.0	\$ 723.8
Adjustments	0.1	—	—	(1.0)	(0.9)
Balances as of June 30, 2023	<u>\$ 280.4</u>	<u>\$ 152.2</u>	<u>\$ 290.3</u>	<u>\$ —</u>	<u>\$ 722.9</u>

We performed our annual goodwill impairment analysis as of April 1, 2023, and no adjustment to the carrying value of goodwill was required. We assessed goodwill for impairment by performing qualitative or quantitative analyses for each reporting unit. We concluded that the fair values of our reporting units exceeded their carrying values, and therefore no impairments were identified.

Other intangible assets are comprised of the following:

<i>(in millions)</i>	June 30, 2023			December 31, 2022		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Definite-lived intangible assets	\$ 31.0	\$ (23.8)	\$ 7.2	\$ 31.0	\$ (21.4)	\$ 9.6
Indefinite-lived intangible assets			2,357.7			2,382.2
Total			\$ 2,364.9			\$ 2,391.8

We performed our annual indefinite-lived intangible assets impairment analysis as of April 1, 2023. We assessed our indefinite-lived intangible assets for impairment by performing qualitative or quantitative analyses for each asset. Based on the results of these analyses, no indefinite-lived intangible asset impairments were identified in connection with our annual impairment testing.

Refer to Note 5, Asset Impairments, for information regarding the intangible asset impairment recognized during the second quarter of 2023.

7. INCOME TAXES

The Company's effective income tax rate for the three and six months ended June 30, 2023 was higher than the U.S. federal statutory rate of 21.0% primarily resulting from state income taxes and non-deductible officer's compensation.

The Company's effective income tax rate for the three and six months ended June 30, 2022 was higher than the U.S. federal statutory rate of 21.0% primarily resulting from state income taxes and non-deductible officer's compensation.

8. SHAREHOLDERS' EQUITY

Stock Repurchase Programs

On September 29, 2021, the Board of Directors of the Company approved a common stock repurchase program of up to \$500.0 million ("2021 Stock Repurchase Program"). Repurchases may be made at management's discretion from time to time on the open market (either with or without a 10b5-1 plan) or through privately negotiated transactions. The repurchase program has no time limit and may be suspended or discontinued at any time. We had approximately \$270.2 million of repurchase authority remaining under the 2021 Stock Repurchase Program at June 30, 2023.

We repurchased the following shares under the 2021 Stock Repurchase Program:

<i>(in millions, except share data)</i>	Three Months Ended June 30,				Six Months Ended June 30,			
	2023		2022		2023		2022	
	Shares	Aggregate Purchase Price	Shares	Aggregate Purchase Price	Shares	Aggregate Purchase Price	Shares	Aggregate Purchase Price
Repurchase Program								
2021 Stock Repurchase Program ⁽¹⁾	—	\$ —	643,108	\$ 61.5	—	\$ —	876,834	\$ 86.5

⁽¹⁾ Number of shares have been adjusted for the Stock Split.

Stock Split

On April 25, 2023, the Company's Board of Directors approved a two-for-one Stock Split and an amendment to the Company's Articles of Incorporation to increase the number of shares of common stock the Company is authorized to issue from 150,000,000 shares, no par value, to 300,000,000 shares, no par value. This amendment to the Company's Articles of Incorporation became effective on May 19, 2023 and our common stock began trading at the split-adjusted price on May 22, 2023. All share and per-share amounts in the Company's consolidated financial statements and related notes have been retroactively adjusted to reflect the effects of the Stock Split.

9. STOCK-BASED COMPENSATION PLANS

We have stock-based employee compensation plans with awards outstanding under the Churchill Downs Incorporated 2016 Omnibus Stock Incentive Plan (the "2016 Plan") and the Executive Long-Term Incentive Compensation Plan, which was adopted pursuant to the 2016 Plan. Our total stock-based compensation expense, which includes expenses related to restricted stock awards ("RSAs"), restricted stock unit awards ("RSUs"), performance share unit awards ("PSUs"), and stock options associated with our employee stock purchase plan was \$8.1 million and \$16.7 million for the three and six months ended June 30, 2023 and \$7.4 million and \$14.4 million for the three and six months ended June 30, 2022, respectively.

During the six months ended June 30, 2023, the Company awarded RSUs to employees, RSUs and PSUs to certain named executive officers ("NEOs"), and RSAs and RSUs to directors. The vesting criteria for the PSU awards granted in 2023 were based on a three-year service period with two performance conditions and a market condition related to relative total shareholder return ("TSR") consistent with prior year grants. The total compensation cost we will recognize under the PSUs is determined using the Monte Carlo valuation methodology, which factors in the value of the TSR market condition when determining the grant date fair value of the PSU. Compensation cost for each PSU is recognized during the performance and service period based on the probable achievement of the two performance criteria. The PSUs are converted into shares of our common stock at the time the PSU award value is finalized.

A summary of the RSAs, RSUs and PSUs granted during 2023 is presented below (units in thousands):

Grant Year	Award Type	Number of Units Awarded ⁽¹⁾⁽²⁾	Vesting Terms
2023	RSU	114	Vest equally over three service periods ending in 2026
2023	PSU	62	Three-year performance and service period ending in 2025
2023	RSU	6	One year service period ending in 2024
2023	RSA	4	One year service period ending in 2024

⁽¹⁾ PSUs reflect the target number of units for the original PSU grant.

⁽²⁾ Number of units awarded have been adjusted for the Stock Split.

10. DEBT

The following table presents our total debt outstanding:

<i>(in millions)</i>	June 30, 2023	December 31, 2022
Term Loan B due 2024	\$ —	\$ 380.0
Term Loan B-1 due 2028	293.3	294.7
Term Loan A due 2027	1,267.5	800.0
Revolver	—	664.1
2027 Senior Notes	600.0	600.0
2028 Senior Notes	700.0	700.0
2030 Senior Notes	1,200.0	1,200.0
2031 Senior Notes	600.0	—
Total debt	4,660.8	4,638.8
Current maturities of long-term debt	(68.0)	(47.0)
Unamortized premium and deferred finance charges	(41.4)	(33.1)
Total debt, net of current maturities and costs	\$ 4,551.4	\$ 4,558.7

Credit Agreement

At June 30, 2023, the Company's senior secured credit facility (as amended from time to time, the "Credit Agreement") consisted of a \$1.2 billion revolving credit facility (the "Revolver"), \$300.0 million senior secured term loan B-1 due 2028 (the "Term Loan B-1"), \$1.3 billion senior secured term loan A due 2027 (the "Term Loan A"), and \$100.0 million swing line commitment. Certain amendments to the Credit Agreement entered into during 2022 and 2023, respectively, are described below.

On April 13, 2022, we amended the Credit Agreement to extend the maturity date of its Revolver to April 13, 2027, to increase the commitments under the existing revolving credit facility from \$700.0 million to \$1.2 billion, and to increase the swing line commitment from \$50.0 million to \$100.0 million. This amendment also provided for the senior secured Term Loan A due April 13, 2027 in the amount of \$800.0 million, which was drawn on November 1, 2022 as part of the financing for the P2E Transaction. Refer to Note 3, Acquisitions for more information regarding the P2E Transaction. The Company capitalized \$3.2 million of debt issuance costs associated with the Revolver commitment increase and \$6.4 million of debt issuance costs associated with the Term Loan A which are being amortized as interest expense over the 5-year term.

On February 24, 2023, we amended our Credit Agreement to increase the loans under the existing Term Loan A due 2027 from \$800.0 million to \$1.3 billion and made certain other changes to the existing credit agreement. The Company used the net proceeds from the borrowings under the increased Term Loan A to repay outstanding loans under its Revolver, pay related transaction fees and expenses, and for general corporate purposes. The Company capitalized \$2.6 million of debt issuance costs associated with the increased Term Loan A which are being amortized as interest expense over the remainder of the 5-year term.

The Company is required to pay a commitment fee on the unused portion of the Revolver as determined by a pricing grid based on the consolidated total net secured leverage ratio of the Company. For the period ended June 30, 2023, the Company's commitment fee rate was 0.25%.

The Revolver and Term Loan A bear interest at SOFR plus 10 basis points, plus a variable applicable margin which is determined by the Company's net leverage ratio. As of June 30, 2023, that applicable margin was 150 basis points. The Term Loan B-1 bears interest at SOFR plus 210 basis points.

The Company completed the transition of its financing from LIBOR to SOFR during the second quarter of 2023. These transition activities did not have a material impact on the Company's financial statements.

2031 Senior Notes

On April 25, 2023, the Company completed an offering of \$600.0 million in aggregate principal amount of 6.750% senior unsecured notes that mature on April 25, 2031 (the "2031 Notes") in a private offering to qualified institutional buyers pursuant to Rule 144A that is exempt from registration under the Securities Act of 1933, as amended (the "Securities Act"), and to certain non-U.S. persons in accordance with Regulation S under the Securities Act. The Company used a portion of the net proceeds from the offering to repay indebtedness outstanding under its Term Loan B Facility due 2024 and to fund related transaction fees and expenses, working capital and other general corporate purposes. The Company recognized a loss on extinguishment on Term Loan B of \$1.3 million, which is included in miscellaneous, net in the accompanying Condensed Consolidated Statements of Comprehensive Income. The Company capitalized \$10.6 million of debt issuance costs associated with the 2031 Senior Notes which are being amortized as interest expense over the remainder of the 8-year term.

The 2031 Notes were issued at 100% of the principal amount, plus interest deemed to have accrued from April 25, 2023, with interest payable in arrears on May 1st and November 1st of each year, commencing on November 1, 2023. The 2031 Notes will vote as one class under the indenture governing the 2031 Senior Notes.

The 2031 Senior Notes were issued pursuant to an indenture, entered into on April 25, 2023 (the "2031 Indenture"), among the Company, certain subsidiaries of the Company as guarantors, and U.S. Bank National Association, as trustee. The Company may redeem some or all of the 2031 Senior Notes at any time at redemption prices set forth in the 2031 Indenture. The terms of the 2031 Indenture, among other things, limit the ability of the Company to: (i) incur additional debt and issue preferred stock, (ii) pay dividends or make other restricted payments, (iii) make certain investments, (iv) create liens, (v) allow restrictions on the ability of certain of our subsidiaries to pay dividends or make other payments, (vi) sell assets, (vii) merge or consolidate with other entities, and (viii) enter into transactions with affiliates.

In connection with the issuance of the 2031 Notes, the Company and the guarantors entered into a Registration Rights Agreement to register any notes under the Securities Act for resale that are not freely tradable 366 days from April 25, 2023.

11. REVENUE FROM CONTRACTS WITH CUSTOMERS

Performance Obligations

As of June 30, 2023, our Live and Historical Racing segment had remaining performance obligations on contracts with a duration greater than one year relating to television rights, sponsorships, personal seat licenses, and admissions, with an aggregate transaction price of \$126.8 million. The revenue we expect to recognize on these remaining performance obligations is \$1.5 million for the remainder of 2023, \$48.9 million in 2024, \$38.1 million in 2025, and the remainder thereafter.

As of June 30, 2023, our remaining performance obligations on contracts with a duration greater than one year in segments other than Live and Historical Racing were not material.

Contract Assets and Contract Liabilities

As of June 30, 2023 and December 31, 2022, contract assets were not material.

As of June 30, 2023 and December 31, 2022, contract liabilities were \$43.5 million and \$58.7 million, respectively, which are included in current deferred revenue, non-current deferred revenue, and accrued expense in the accompanying Condensed Consolidated Balance Sheets. Contract liabilities primarily relate to the Live and Historical Racing segment and the decrease was primarily due to revenue recognized for fulfilled performance obligations. We recognized \$38.8 million and \$42.4 million of revenue during the three months and six months ended June 30, 2023, respectively, which was included in the contract liabilities balance at December 31, 2022. We recognized \$43.6 million and \$46.8 million of revenue during the three months and six months ended June 30, 2022, respectively, which was included in the contract liabilities balance at December 31, 2021.

Disaggregation of Revenue

The Company has included its disaggregated revenue disclosures as follows:

- For the Live and Historical Racing segment, revenue is disaggregated between Churchill Downs Racetrack and historical racing properties given that our racing facilities revenues primarily revolve around live racing events while our historical racing properties revenues primarily revolve around historical racing. This segment is also disaggregated by location given the geographic economic factors that affect the revenue of service offerings. Within the Live and Historical racing segment, revenue is further disaggregated between live and simulcast racing, historical racing, racing event-related services, and other services.
- For the TwinSpires segment, revenue is disaggregated between live and simulcast racing, gaming, and other services.
- For the Gaming segment, revenue is disaggregated by location given the geographic economic factors that affect the revenue of gaming service offerings. Within the Gaming segment, revenue is further disaggregated between live and simulcast racing, racing event-related services, gaming, and other services.

We believe that these disclosures depict how the amount, nature, timing, and uncertainty of cash flows are affected by economic factors. The tables below present net revenue from external customers and intercompany revenue from each of our segments:

Churchill Downs Incorporated
Notes to Condensed Consolidated Financial Statements
(Unaudited)

<i>(in millions)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Net revenue from external customers:				
Live and Historical Racing:				
Churchill Downs Racetrack	\$ 178.3	\$ 174.2	\$ 180.7	\$ 176.2
Louisville	45.3	44.2	89.3	87.0
Northern Kentucky	17.3	8.4	43.6	19.2
Southwestern Kentucky	37.6	34.1	74.1	64.5
Western Kentucky	9.4	—	14.2	—
Virginia	94.6	—	192.3	—
New Hampshire	2.5	—	5.2	—
Total Live and Historical Racing	\$ 385.0	\$ 260.9	\$ 599.4	\$ 346.9
TwinSpires:	\$ 137.4	\$ 136.8	\$ 232.2	\$ 237.1
Gaming:				
Florida	\$ 26.0	\$ 27.9	\$ 52.1	\$ 54.9
Iowa	24.0	—	48.5	—
Louisiana	33.8	37.2	77.9	78.7
Maine	29.5	29.4	57.2	56.2
Maryland	27.6	27.4	50.9	48.7
Mississippi	25.8	26.0	53.3	53.5
New York	44.6	—	89.1	—
Pennsylvania	34.6	36.4	66.9	69.6
Total Gaming	\$ 245.9	\$ 184.3	\$ 495.9	\$ 361.6
All Other	0.2	0.5	0.5	1.0
Net revenue from external customers	\$ 768.5	\$ 582.5	\$ 1,328.0	\$ 946.6
Intercompany net revenues:				
Live and Historical Racing	\$ 23.0	\$ 15.0	\$ 24.4	\$ 16.2
TwinSpires	1.7	1.7	3.3	2.8
Gaming	2.0	0.2	3.6	2.1
All Other	—	—	—	—
Eliminations	(26.7)	(16.9)	(31.3)	(21.1)
Intercompany net revenue	\$ —	\$ —	\$ —	\$ —

Churchill Downs Incorporated
Notes to Condensed Consolidated Financial Statements
(Unaudited)

Three Months Ended June 30, 2023						
<i>(in millions)</i>	Live and Historical Racing	TwinSpires	Gaming	Total Segments	All Other	Total
Net revenue from external customers						
Pari-mutuel:						
Live and simulcast racing	\$ 40.2	\$ 117.5	\$ 3.2	\$ 160.9	\$ —	\$ 160.9
Historical racing ^(a)	184.1	—	7.0	191.1	—	191.1
Racing event-related services	136.7	—	1.5	138.2	—	138.2
Gaming ^(a)	2.5	1.2	206.9	210.6	—	210.6
Other ^(a)	21.5	18.7	27.3	67.5	0.2	67.7
Total	\$ 385.0	\$ 137.4	\$ 245.9	\$ 768.3	\$ 0.2	\$ 768.5

Three Months Ended June 30, 2022						
<i>(in millions)</i>	Live and Historical Racing	TwinSpires	Gaming	Total Segments	All Other	Total
Net revenue from external customers						
Pari-mutuel:						
Live and simulcast racing	\$ 46.5	\$ 118.4	\$ 5.5	\$ 170.4	\$ —	\$ 170.4
Historical racing ^(a)	78.4	—	1.3	79.7	—	79.7
Racing event-related services	121.9	—	0.2	122.1	—	122.1
Gaming ^(a)	—	6.2	158.1	164.3	—	164.3
Other ^(a)	14.1	12.2	19.2	45.5	0.5	46.0
Total	\$ 260.9	\$ 136.8	\$ 184.3	\$ 582.0	\$ 0.5	\$ 582.5

^(a) Food and beverage, hotel, and other services furnished to customers for free as an inducement to wager or through the redemption of our customers' loyalty points are recorded at the estimated standalone selling prices in Other revenue with a corresponding offset recorded as a reduction in historical racing pari-mutuel revenue for HRMs or gaming revenue for our casino properties. These amounts were \$12.3 million for the three months ended June 30, 2023 and \$7.7 million for the three months ended June 30, 2022.

Churchill Downs Incorporated
Notes to Condensed Consolidated Financial Statements
(Unaudited)

Six Months Ended June 30, 2023

<i>(in millions)</i>	Live and Historical Racing	TwinSpires	Gaming	Total Segments	All Other	Total
Net revenue from external customers						
Pari-mutuel:						
Live and simulcast racing	\$ 51.2	\$ 196.9	\$ 14.8	\$ 262.9	\$ —	\$ 262.9
Historical racing ^(a)	369.4	—	13.0	382.4	—	382.4
Racing event-related services	137.7	—	3.4	141.1	—	141.1
Gaming ^(a)	5.1	5.6	412.4	423.1	—	423.1
Other ^(a)	36.0	29.7	52.3	118.0	0.5	118.5
Total	\$ 599.4	\$ 232.2	\$ 495.9	\$ 1,327.5	\$ 0.5	\$ 1,328.0

Six Months Ended June 30, 2022

<i>(in millions)</i>	Live and Historical Racing	TwinSpires	Gaming	Total Segments	All Other	Total
Net revenue from external customers						
Pari-mutuel:						
Live and simulcast racing	\$ 52.1	\$ 199.9	\$ 18.4	\$ 270.4	\$ —	\$ 270.4
Historical racing ^(a)	152.0	—	1.3	153.3	—	153.3
Racing event-related services	122.4	—	0.6	123.0	—	123.0
Gaming ^(a)	—	16.5	309.0	325.5	—	325.5
Other ^(a)	20.4	20.7	32.3	73.4	1.0	74.4
Total	\$ 346.9	\$ 237.1	\$ 361.6	\$ 945.6	\$ 1.0	\$ 946.6

^(a) Food and beverage, hotel, and other services furnished to customers for free as an inducement to wager or through the redemption of our customers' loyalty points are recorded at the estimated standalone selling prices in Other revenue with a corresponding offset recorded as a reduction in historical racing pari-mutuel revenue for HRMs or gaming revenue for our casino properties. These amounts were \$24.5 million for the six months ended June 30, 2023 and \$14.8 million for the six months ended June 30, 2022.

12. OTHER BALANCE SHEET ITEMS

Accounts receivable, net

Accounts receivable is comprised of the following:

(in millions)

	June 30, 2023	December 31, 2022
Trade receivables	\$ 33.8	\$ 12.5
Simulcast and online wagering receivables	34.6	54.1
Other receivables	16.6	20.6
	85.0	87.2
Allowance for credit losses	(5.5)	(5.7)
Total	<u>\$ 79.5</u>	<u>\$ 81.5</u>

Accrued expenses and other current liabilities

Accrued expenses and other current liabilities consisted of the following:

(in millions)

	June 30, 2023	December 31, 2022
Account wagering deposits liability	\$ 52.9	\$ 57.8
Accrued salaries and related benefits	23.8	39.6
Purses payable	49.0	46.1
Accrued interest	48.8	47.8
Accrued fixed assets	43.8	39.5
Accrued gaming liabilities	25.6	26.3
Other	115.2	103.9
Total	<u>\$ 359.1</u>	<u>\$ 361.0</u>

13. INVESTMENTS IN AND ADVANCES TO UNCONSOLIDATED AFFILIATES

Investments in and advances to unconsolidated affiliates as of June 30, 2023 and December 31, 2022 primarily consisted of a 61.3% interest in Rivers Casino Des Plaines ("Rivers Des Plaines"), a 50% interest in Miami Valley Gaming and Racing ("MVG"), and other immaterial joint ventures.

Rivers Des Plaines

The ownership of Rivers Des Plaines is comprised of the following: (1) the Company owns 61.3%, (2) High Plains Gaming, LLC ("High Plains"), an affiliate of Rush Street Gaming, LLC, owns 36.0%, and (3) Casino Investors, LLC owns 2.7%. Both the Company and High Plains have participating rights over Rivers Des Plaines, and both must consent to operating, investing and financing decisions. As a result, we account for Rivers Des Plaines using the equity method. As of June 30, 2023, the net aggregate basis difference between the Company's investment in Rivers Des Plaines and the amounts of the underlying equity in net assets was \$832.5 million.

Our investment in Rivers Des Plaines was \$531.4 million and \$544.9 million as of June 30, 2023 and December 31, 2022, respectively. The Company received distributions from Rivers Des Plaines of \$68.2 million and \$61.3 million for the six months ended June 30, 2023 and 2022, respectively.

Miami Valley Gaming

Delaware North Companies Gaming & Entertainment Inc. ("DNC") owns the remaining 50% interest in MVG. Since both the Company and DNC have participating rights over MVG, and both must consent to MVG's operating, investing and financing decisions, we account for MVG using the equity method.

Our investment in MVG was \$113.3 million and \$114.4 million as of June 30, 2023 and December 31, 2022, respectively. The Company received distributions from MVG of \$23.5 million and \$16.5 million for the six months ended June 30, 2023 and 2022, respectively.

Churchill Downs Incorporated
Notes to Condensed Consolidated Financial Statements
(Unaudited)

Summarized Financial Results for our Unconsolidated Affiliates

Summarized below are the financial results for our unconsolidated affiliates.

<i>(in millions)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Net revenue	\$ 218.7	\$ 214.6	\$ 439.3	\$ 391.8
Operating and SG&A expense	135.0	130.7	272.2	248.9
Depreciation and amortization	5.9	6.3	11.6	11.6
Total operating expense	140.9	137.0	283.8	260.5
Operating income	77.8	77.6	155.5	131.3
Interest and other, net	(10.7)	(7.3)	(21.6)	(3.2)
Net income	\$ 67.1	\$ 70.3	\$ 133.9	\$ 128.1

<i>(in millions)</i>	June 30, 2023		December 31, 2022	
	Assets			
Current assets	\$ 86.4	\$ 91.0		
Property and equipment, net	342.5	345.7		
Other assets, net	264.4	265.0		
Total assets	\$ 693.3	\$ 701.7		
Liabilities and Members' Deficit				
Current liabilities	\$ 107.3	\$ 97.9		
Long-term debt	846.4	838.6		
Other liabilities	0.4	0.2		
Members' deficit	(260.8)	(235.0)		
Total liabilities and members' deficit	\$ 693.3	\$ 701.7		

14. FAIR VALUE OF ASSETS AND LIABILITIES

We endeavor to utilize the best available information in measuring fair value. Financial assets and liabilities are classified based on the lowest level of input that is significant to the fair value measurement. The following methods and assumptions are used to estimate the fair value of each class of financial instruments for which it is practicable to estimate.

Restricted Cash

Our restricted cash accounts held in money market and interest-bearing accounts qualify for Level 1 in the fair value hierarchy, which includes unadjusted quoted market prices in active markets for identical assets.

Debt

The fair value of the Company's 2031 Senior Notes, 2030 Senior Notes, 2028 Senior Notes, and 2027 Senior Notes are estimated based on unadjusted quoted prices for identical or similar liabilities in markets that are not active and as such are Level 2 measurements. The fair values of the Company's Term Loan B, Term Loan B-1, Term Loan A, and Revolver under the Credit Agreement approximate the gross carrying value of the variable rate debt and as such are Level 2 measurements.

Churchill Downs Incorporated
Notes to Condensed Consolidated Financial Statements
(Unaudited)

The carrying amounts and estimated fair values by input level of the Company's financial instruments are as follows:

<i>(in millions)</i>	June 30, 2023				
	Carrying Amount	Fair Value	Level 1	Level 2	Level 3
Financial assets:					
Restricted cash	\$ 67.1	\$ 67.1	\$ 67.1	\$ —	\$ —
Financial liabilities:					
Term Loan B-1	\$ 290.4	\$ 293.3	\$ —	\$ 293.3	\$ —
Term Loan A	1,260.2	1,267.5	—	1,267.5	—
2027 Senior Notes	595.9	573.0	—	573.0	—
2028 Senior Notes	698.6	647.5	—	647.5	—
2030 Senior Notes	1,184.5	1,119.0	—	1,119.0	—
2031 Senior Notes	589.7	593.6	—	593.6	—

<i>(in millions)</i>	December 31, 2022				
	Carrying Amount	Fair Value	Level 1	Level 2	Level 3
Financial assets:					
Restricted cash	\$ 74.9	\$ 74.9	\$ 74.9	\$ —	\$ —
Financial liabilities:					
Term Loan B	\$ 378.4	\$ 380.0	\$ —	\$ 380.0	\$ —
Term Loan B-1	291.6	294.8	—	294.8	—
Term Loan A	794.5	800.0	—	800.0	—
Revolver	664.1	664.1	—	664.1	—
2027 Senior Notes	595.3	574.5	—	574.5	—
2028 Senior Notes	698.4	626.5	—	626.5	—
2030 Senior Notes	1,183.4	1,079.4	—	1,079.4	—

15. CONTINGENCIES

We may be involved in litigation arising in the ordinary course of conducting business. We carry insurance for workers' compensation claims from our employees and general liability for claims from independent contractors, customers and guests. We are self-insured up to an aggregate stop loss for our general liability and workers' compensation coverages.

We review all litigation on an ongoing basis when making accrual and disclosure decisions. For certain legal proceedings, we cannot reasonably estimate losses or a range of loss, if any, particularly for proceedings that are in the early stages of development or where the plaintiffs seek indeterminate damages. Various factors, including but not limited to, the outcome of potentially lengthy discovery and the resolution of important factual questions, may need to be determined before probability can be established or before a loss or range of loss can be reasonably estimated. In accordance with current accounting standards for loss contingencies and based upon information currently known to us, we establish reserves for litigation when it is probable that a loss associated with a claim or proceeding has been incurred and the amount of the loss or range of loss can be reasonably estimated. When no amount within the range of loss is a better estimate than any other amount, we accrue the minimum amount of the estimable loss. To the extent that such litigation against us may have an exposure to a loss in excess of the amount we have accrued, we believe that such excess would not be material to our consolidated financial condition, results of operations, or cash flows. Legal fees are expensed as incurred.

If the loss contingency in question is not both probable and reasonably estimable, we do not establish an accrual and the matter will continue to be monitored for any developments that would make the loss contingency both probable and reasonably estimable. In the event that a legal proceeding results in a substantial judgment against us, or settlement by us, there can be no assurance that any resulting liability or financial commitment would not have a material adverse impact on our business.

16. NET INCOME PER COMMON SHARE COMPUTATIONS

The following is a reconciliation of the numerator and denominator of the net income per common share computations:

<i>(in millions, except per share data)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Numerator for basic and diluted net income per common share:				
Net income	\$ 143.0	\$ 339.3	\$ 298.7	\$ 381.4
Denominator for net income per common share:				
Basic	75.3	76.2	75.3	76.4
Plus dilutive effect of stock awards	1.6	1.0	1.2	1.0
Diluted	76.9	77.2	76.5	77.4
Net income per common share data:				
Basic net income	\$ 1.90	\$ 4.45	\$ 3.97	\$ 4.99
Diluted net income	\$ 1.86	\$ 4.39	\$ 3.90	\$ 4.92

All share and per-share amounts have been retroactively adjusted to reflect the effects of the Stock Split. Refer to Note 8, Shareholders' Equity for further information on the Stock Split.

17. SEGMENT INFORMATION

We manage our operations through three reportable segments: Live and Historical Racing, TwinSpires, and Gaming. Our operating segments reflect the internal management reporting used by our chief operating decision maker to evaluate results of operations and to assess performance and allocate resources.

We have aggregated Arlington as well as certain corporate operations, and other immaterial joint ventures in All Other to reconcile to consolidated results.

Eliminations include the elimination of intersegment transactions. We utilize non-GAAP measures, including EBITDA (earnings before interest, taxes, depreciation and amortization) and Adjusted EBITDA. Our chief operating decision maker utilizes Adjusted EBITDA to evaluate segment performance, develop strategy and allocate resources. Adjusted EBITDA includes the following adjustments:

Adjusted EBITDA includes our portion of EBITDA from our equity investments.

Adjusted EBITDA excludes:

- Transaction expense, net which includes:
 - Acquisition, disposition, and property sale related charges;
 - Direct online Sports and Casino business exit costs; and
 - Other transaction expense, including legal, accounting, and other deal-related expense;
- Stock-based compensation expense;
- Rivers Des Plaines' impact on our investments in unconsolidated affiliates from:
 - The impact of changes in fair value of interest rate swaps; and
 - Legal reserves and transaction costs;
- Asset impairments;
- Gain on property and asset sales;
- Legal reserves;

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Notes to Condensed Consolidated Financial Statements
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- Pre-opening expense; and
- Other charges, recoveries, and expenses

On June 26, 2023, the Company's management agreement for Lady Luck expired and was not renewed. The Company completed the sale of substantially all of its assets at Lady Luck for an immaterial amount.

As of December 31, 2021, Arlington ceased racing and simulcast operations and the property was sold on February 15, 2023 to the Chicago Bears. Arlington's results and exit costs in 2022 and 2023 are treated as an adjustment to EBITDA.

We utilize the Adjusted EBITDA metric to provide a more accurate measure of our core operating results and enable management and investors to evaluate and compare from period to period our operating performance in a meaningful and consistent manner. Adjusted EBITDA should not be considered as an alternative to operating income as an indicator of performance, as an alternative to cash flows from operating activities as a measure of liquidity, or as an alternative to any other measure provided in accordance with GAAP. Our calculation of Adjusted EBITDA may be different from the calculation used by other companies and, therefore, comparability may be limited. For segment reporting, Adjusted EBITDA includes intercompany revenue and expense totals that are eliminated in the accompanying Consolidated Statements of Comprehensive Income.

The tables below present net revenue from external customers, Adjusted EBITDA by segment and reconciles comprehensive income to Adjusted EBITDA:

Net revenue by segment is comprised of the following:

<i>(in millions)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Live and Historical Racing	\$ 385.0	\$ 260.9	\$ 599.4	\$ 346.9
TwinSpires	137.4	136.8	232.2	237.1
Gaming	245.9	184.3	495.9	361.6
All Other	0.2	0.5	0.5	1.0
Net Revenue	\$ 768.5	\$ 582.5	\$ 1,328.0	\$ 946.6

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Adjusted EBITDA by segment is comprised of the following:

<i>(in millions)</i>	Three Months Ended June 30, 2023		
	Live and Historical Racing	TwinSpires	Gaming
Revenues	\$ 408.0	\$ 139.1	\$ 247.9
Taxes and purses	(85.4)	(7.0)	(81.7)
Marketing and advertising	(12.1)	(5.3)	(9.0)
Salaries and benefits	(30.3)	(7.5)	(39.5)
Content expense	(2.0)	(68.7)	(2.7)
Selling, general and administrative expense	(7.3)	(2.7)	(10.3)
Other operating expense	(47.6)	(14.0)	(30.0)
Other income	0.2	—	48.7
Adjusted EBITDA	<u>\$ 223.5</u>	<u>\$ 33.9</u>	<u>\$ 123.4</u>

<i>(in millions)</i>	Three Months Ended June 30, 2022		
	Live and Historical Racing	TwinSpires	Gaming
Revenues	\$ 275.9	\$ 138.5	\$ 184.5
Taxes and purses	(59.6)	(7.2)	(68.2)
Marketing and advertising	(6.4)	(5.0)	(3.7)
Salaries and benefits	(18.9)	(6.9)	(23.5)
Content expense	(1.0)	(68.1)	(2.2)
Selling, general and administrative expense	(3.0)	(2.6)	(6.7)
Other operating expense	(23.2)	(14.8)	(22.2)
Other income	0.1	—	48.8
Adjusted EBITDA	<u>\$ 163.9</u>	<u>\$ 33.9</u>	<u>\$ 106.8</u>

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<i>(in millions)</i>	Six Months Ended June 30, 2023		
	Live and Historical Racing	TwinSpires	Gaming
Revenues	\$ 623.8	\$ 235.5	\$ 499.5
Taxes and purses	(141.9)	(12.0)	(165.3)
Marketing and advertising	(20.3)	(6.7)	(17.6)
Salaries and benefits	(52.1)	(13.7)	(74.0)
Content expense	(3.5)	(111.7)	(4.5)
Selling, general and administrative expense	(16.0)	(5.1)	(22.5)
Other operating expense	(84.6)	(24.0)	(60.0)
Other income	0.2	1.0	97.3
Adjusted EBITDA	<u>\$ 305.6</u>	<u>\$ 63.3</u>	<u>\$ 252.9</u>

<i>(in millions)</i>	Six Months Ended June 30, 2022		
	Live and Historical Racing	TwinSpires	Gaming
Revenues	\$ 363.1	\$ 239.9	\$ 363.7
Taxes and purses	(86.4)	(14.7)	(135.5)
Marketing and advertising	(9.3)	(10.1)	(7.2)
Salaries and benefits	(29.8)	(13.6)	(47.4)
Content expense	(1.6)	(111.2)	(3.7)
Selling, general and administrative expense	(6.3)	(5.2)	(13.3)
Other operating expense	(38.0)	(27.1)	(42.2)
Other income	0.1	—	83.5
Adjusted EBITDA	<u>\$ 191.8</u>	<u>\$ 58.0</u>	<u>\$ 197.9</u>

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Adjusted EBITDA by segment is comprised of the following:

<i>(in millions)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Reconciliation of Comprehensive Income to Adjusted EBITDA:				
Net income and comprehensive income	\$ 143.0	\$ 339.3	\$ 298.7	\$ 381.4
Additions:				
Depreciation and amortization	41.8	26.1	79.7	51.2
Interest expense, net	65.2	35.1	129.9	56.4
Income tax provision	56.2	140.6	109.4	157.1
EBITDA	<u>\$ 306.2</u>	<u>\$ 541.1</u>	<u>\$ 617.7</u>	<u>\$ 646.1</u>
Adjustments to EBITDA:				
Stock-based compensation expense	\$ 8.1	\$ 7.4	\$ 16.7	\$ 14.4
Legal reserve	—	3.2	—	3.2
Pre-opening expense	3.2	2.6	6.4	4.7
Arlington exit costs	5.9	1.8	9.3	4.3
Other expenses, net	6.6	—	6.9	—
Transaction expense, net	0.5	1.2	0.3	6.2
Asset impairments	24.5	—	24.5	4.9
Other income, expense:				
Interest, depreciation and amortization expense related to equity investments	9.9	10.5	19.7	21.6
Changes in fair value of Rivers Des Plaines' interest rate swaps	—	(2.2)	—	(12.6)
Rivers Des Plaines' legal reserves and transaction costs	—	0.2	—	0.5
Other charges and recoveries, net	(1.2)	—	(0.9)	1.0
Gain on sale of assets	—	(274.6)	(114.0)	(274.6)
Total adjustments to EBITDA	<u>57.5</u>	<u>(249.9)</u>	<u>(31.1)</u>	<u>(226.4)</u>
Adjusted EBITDA	<u>\$ 363.7</u>	<u>\$ 291.2</u>	<u>\$ 586.6</u>	<u>\$ 419.7</u>
Adjusted EBITDA by segment:				
Live and Historical Racing	\$ 223.5	\$ 163.9	\$ 305.6	\$ 191.8
TwinSpires	33.9	33.9	63.3	58.0
Gaming	123.4	106.8	252.9	197.9
Total segment Adjusted EBITDA	380.8	304.6	621.8	447.7
All Other	(17.1)	(13.4)	(35.2)	(28.0)
Total Adjusted EBITDA	<u>\$ 363.7</u>	<u>\$ 291.2</u>	<u>\$ 586.6</u>	<u>\$ 419.7</u>

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Notes to Condensed Consolidated Financial Statements
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The table below presents total asset information for each of our segments:

<i>(in millions)</i>	June 30, 2023	December 31, 2022
Total assets:		
Live and Historical Racing	\$ 3,552.8	\$ 3,345.4
TwinSpires	288.3	287.9
Gaming	1,802.8	1,824.2
Total segment assets	5,643.9	5,457.5
All Other	934.7	749.3
Total assets	\$ 6,578.6	\$ 6,206.8

The table below presents total capital expenditures for each of our segments:

<i>(in millions)</i>	Six Months Ended June 30,	
	2023	2022
Capital expenditures:		
Live and Historical Racing	\$ 239.8	\$ 119.8
TwinSpires	6.4	6.0
Gaming	62.4	40.4
Total segment capital expenditures	308.6	166.2
All Other	3.8	0.9
Total capital expenditures	\$ 312.4	\$ 167.1

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This report contains various "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 (the "Act"), which provides certain "safe harbor" provisions for forward-looking statements. All forward-looking statements made in this report are made pursuant to the Act. The reader is cautioned that such forward-looking statements are based on information available at the time and / or management's good faith belief with respect to future events, and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in the statements. Forward-looking statements speak only as of the date that the statement was made. We assume no obligation to update forward-looking information to reflect actual results, changes in assumptions or changes in other factors affecting forward-looking information. 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, although some forward-looking statements are expressed differently.

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 that could cause actual results to differ materially from expectations include the following :

- the occurrence of extraordinary events, such as terrorist attacks, public health threats, civil unrest, and inclement weather, including as a result of climate change;
- the effect of economic conditions on our consumers' confidence and discretionary spending or our access to credit, including the impact of inflation;
- additional or increased taxes and fees;
- the impact of the novel coronavirus (COVID-19) pandemic, including the emergence of variant strains, and related economic matters on our results of operations, financial conditions and prospects;
- lack of confidence in the integrity of our core businesses or any deterioration in our reputation;
- loss of key or highly skilled personnel, as well as general disruptions in the general labor market;
- online security risk, including cyber-security breaches, or loss or misuse of our stored information as a result of a breach, including customers' personal information, could lead to government enforcement actions or other litigation;
- the impact of significant competition, and the expectation the competition levels will increase;
- changes in consumer preferences, attendance, wagering, and sponsorships;
- risks associated with equity investments, strategic alliances and other third-party agreements;
- inability to respond to rapid technological changes in a timely manner;
- concentration and evolution of slot machine and historical racing machine ("HRM") manufacturing and other technology conditions that could impose additional costs;
- failure to enter into or maintain agreements with industry constituents, including horsemen and other racetracks; inability to successfully focus on market access and retail operations for our TwinSpires Sports and Casino business and effectively compete; online security risk, including cyber-security breaches, or loss or misuse of our stored information as a result of a breach;
- reliance on our technology services and catastrophic events and system failures disrupting our operations;
- inability to identify, complete, or fully realize the benefits of, our proposed acquisitions, divestitures, development of new venues or the expansion of existing facilities on time, on budget, or as planned;
- difficulty in integrating recent or future acquisitions into our operations;
- cost overruns and other uncertainties associated with the development of new venues and the expansion of existing facilities;
- general risks related to real estate ownership and significant expenditures, including risks related to environmental liabilities;
- personal injury litigation related to injuries occurring at our racetracks;
- compliance with the Foreign Corrupt Practices Act or applicable money-laundering regulations;

- payment-related risks, such as risk associated with fraudulent credit card and debit card use;
- work stoppages and labor issues;
- risks related to pending or future legal proceedings and other actions;
- highly regulated operations and changes in the regulatory environment could adversely affect our business;
- restrictions in our debt facilities limiting our flexibility to operate our business;
- failure to comply with the financial ratios and other covenants in our debt facilities and other indebtedness;
- increase to interest rates (due to inflation or otherwise);
- disruptions in the credit markets or changes to our credit ratings may adversely affect our business;
- increase in our insurance costs, or inability to obtain similar insurance coverage in the future, and inability to recover under our insurance policies for damages sustained at our properties in the event of inclement weather and casualty events; and
- other factors described in our most recent Annual Report on Form 10-K and in other filings we make with the Securities and Exchange Commission.

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.

The following information is unaudited. Tabular dollars are in millions, except per share amounts. All per share amounts assume dilution unless otherwise noted. This report should be read in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2022, including Part I - Item 1A, "Risk Factors" of our Form 10-K for a discussion regarding some of the reasons that actual results may be materially different from those we anticipate.

Our Business

Churchill Downs Incorporated ("CDI" or the "Company") has been creating extraordinary entertainment experiences for nearly 150 years, beginning with the Company's most iconic and enduring asset, the Kentucky Derby. Headquartered in Louisville, Kentucky, CDI has expanded through the development of live and historical racing entertainment venues, the growth of the TwinSpires horse racing online wagering business and the operation and development of regional casino gaming properties.

We conduct our business through three reportable segments: Live and Historical Racing, TwinSpires, and Gaming. We aggregate our other businesses as well as certain corporate operations, and other immaterial joint ventures, in All Other. For additional information about our segments, refer to Note 17, Segment Information, in the notes to our Condensed Consolidated Financial Statements.

Stock Split

Effective May 22, 2023, the Company's common stock was split two-for-one with a proportionate increase in the number of its authorized shares of common stock.

Lady Luck Casino Nemacolin

On June 26, 2023, our management agreement for Lady Luck Casino Nemacolin ("Lady Luck") in Farmington, Pennsylvania expired and was not renewed. The company completed the sale of substantially all of its assets at Lady Luck for an immaterial amount.

Presque Isle Impairment

During the second quarter, we evaluated economic conditions subsequent to the date of our annual impairment assessment on April 1, 2023, including competition in the market and inflationary pressures, which increased during the second quarter of 2023, and impacted the performance and outlook of Presque Isle Downs and Casino ("Presque Isle"). As a result, the Company concluded that a trigger event for impairment testing occurred related to the Presque Isle gaming rights, trademark, and the reporting unit's goodwill at the end of the second quarter. Based on the 2023 trigger event, the Company evaluated and subsequently updated the projected cash flows and discount rate to reflect the current environment. As a result, the Company recognized a non-cash impairment charge of \$24.5 million in the second quarter of 2023 for the Presque Isle gaming rights and trademark.

Arlington Sale

On February 15, 2023, we closed on the sale of the Arlington property in Arlington Heights, Illinois. We sold 326-acres to the Chicago Bears for \$197.2 million. The net proceeds of \$195.7 million were used to pay down the outstanding balance amount on our Revolver that was drawn on to fund the acquisition of substantially all the assets of Peninsula Pacific Entertainment ("P2E").

Financing Transactions

On April 25, 2023, we completed an offering of \$600.0 million in aggregate principal amount of 6.750% senior notes that mature in 2031. The Company used a portion of the net proceeds from the offering to repay indebtedness outstanding under its Term Loan B Facility due 2024 and to fund related transaction fees and expenses, working capital and other general corporate purposes.

On February 24, 2023, we entered into an incremental joinder to our senior secured credit agreement to increase the loans under the existing Term Loan A credit facility due 2027 by \$500.0 million. This joinder increases the existing Term Loan A credit facility due 2027 from \$800.0 million to \$1.3 billion and makes certain other changes to the existing credit agreement. The Company used the net proceeds from the borrowings under the increased Term Loan A to repay outstanding loans under its senior secured revolving credit facility, pay related transaction fees and expenses and for general corporate purposes.

Transactions Update

On August 11, 2022, we entered into an agreement to sell 49% of United Tote, a wholly-owned subsidiary of the Company to NYRA Content Management Solutions, LLC, a subsidiary of the New York Racing Association. The transaction is subject to usual and customary closing conditions, including applicable regulatory notices and approvals, and is expected to close during 2023.

On December 19, 2022, the Company announced that it entered into a definitive agreement under which we would acquire all the outstanding equity interests of Exacta Systems, LLC ("Exacta") for total consideration of \$250.0 million in cash (the "Exacta Transaction"). The Exacta Transaction is subject to certain working capital and other purchase price adjustments and is expected to close during 2023.

Key Indicators to Evaluate Business Results and Financial Condition

Our management monitors a variety of key indicators to evaluate our business results and financial condition. These indicators include changes in net revenue, operating expense, operating income, earnings per share, outstanding debt balance, operating cash flow and capital spend.

Our consolidated financial statements have been prepared in conformity with U.S. generally accepted accounting principles ("GAAP"). We also use non-GAAP measures, including EBITDA (earnings before interest, taxes, depreciation and amortization) and Adjusted EBITDA. We believe that the use of Adjusted EBITDA as a key performance measure of results of operations enables management and investors to evaluate and compare from period to period our operating performance in a meaningful and consistent manner. Our chief operating decision maker utilizes Adjusted EBITDA to evaluate segment performance, develop strategy and allocate resources. Adjusted EBITDA is a supplemental measure of our performance that is not required by, or presented in accordance with, GAAP. Adjusted EBITDA should not be considered as an alternative to, or more meaningful than, net income (as determined in accordance with GAAP) as a measure of our operating results.

Adjusted EBITDA is defined as earnings before interest, taxes, depreciation and amortization, adjusted for the following:

Adjusted EBITDA includes our portion of EBITDA from our equity investments.

Adjusted EBITDA excludes:

- Transaction expense, net which includes:
 - Acquisition, disposition, and property sale related charges;
 - Direct online Sports and Casino business exit costs; and
 - Other transaction expense, including legal, accounting and other deal-related expense;
- Stock-based compensation expense;
- Rivers Des Plaines' impact on our investments in unconsolidated affiliates from:
 - The impact of changes in fair value of interest rate swaps, and
 - Legal reserves and transaction costs;
- Asset impairments;
- Gain on property and asset sales;
- Legal reserves;
- Pre-opening expense; and
- Other charges, recoveries and expenses

On June 26, 2023, the Company's management agreement for Lady Luck expired and was not renewed. The Company completed the sale of substantially all of its assets at Lady Luck for an immaterial amount.

As of December 31, 2021, Arlington ceased racing and simulcast operations and the property was sold on February 15, 2023 to the Chicago Bears. Arlington's results and exit costs in 2022 and 2023 are treated as an adjustment to EBITDA.

For segment reporting, Adjusted EBITDA includes intercompany revenue and expense totals that are eliminated in the Condensed Consolidated Statements of Comprehensive Income. See the Reconciliation of Comprehensive Income to Adjusted EBITDA included in this section for additional information.

Governmental Regulations and Legislative Changes

We are subject to various federal, state and international laws and regulations that affect our businesses. The ownership, operation and management of our Live and Historical Racing, TwinSpires, and Gaming segments, as well as our other operations, are subject to regulation under the laws and regulations of each of the jurisdictions in which we operate. The ownership, operation and management of our businesses and properties are also subject to legislative actions at both the federal and state level. The following update on our regulatory and legislative actions should be read in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2022, including Part I - Item 1, "Business" for a discussion of regulatory and legislative changes.

Specific State Gaming Regulations

Kentucky

In 2023, the Kentucky General Assembly passed a bill to authorize the Kentucky Horse Racing Commission to regulate sports betting. Only licensed racetracks and their extensions can operate retail sports betting. Each track is allowed to contract with up

to three providers to carryout online or retail sports betting. Retail sports betting will commence on September 7, 2023 and online sports betting will begin on September 28, 2023.

Consolidated Financial Results

The following table reflects our net revenue, operating income, net income, Adjusted EBITDA, and certain other financial information:

(in millions)	Three Months Ended June 30,			Six Months Ended June 30,		
	2023	2022	Change	2023	2022	Change
Net Revenue	\$ 768.5	\$ 582.5	\$ 186.0	\$ 1,328.0	\$ 946.6	\$ 381.4
Operating income	225.6	199.7	25.9	345.5	247.1	98.4
Operating income margin	29 %	34 %		26 %	26 %	
Net income	143.0	339.3	(196.3)	298.7	381.4	(82.7)
Adjusted EBITDA	363.7	291.2	72.5	586.6	419.7	166.9

Three Months Ended June 30, 2023, Compared to Three Months Ended June 30, 2022

- Net revenue increased \$186.0 million driven by a \$124.1 million increase in Live and Historical Racing primarily due to the Virginia properties acquired in the P2E Transaction, a record-breaking Derby Week at Churchill Downs Racetrack, the properties acquired in the Ellis Park and Chasers Transactions, and the opening of Turfway Park in Northern Kentucky in September 2022, a \$61.6 million increase in Gaming primarily due to the New York and Iowa properties acquired in the P2E Transaction, and a \$0.6 million increase in TwinSpires. These increases were partially offset by a \$0.3 million decrease in All Other net revenue.
- Operating income increased \$25.9 million primarily due to a \$41.3 million increase in Live and Historical Racing income from the P2E properties acquired in Virginia, an \$11.2 million increase in Gaming income driven by the P2E acquired properties in New York and Iowa, a \$10.1 million increase in TwinSpires, and a \$0.7 million decrease in transaction costs. Partially offsetting these was a \$24.5 million non-cash impairment of Presque Isle intangible assets, a \$9.7 million increase in selling, general and administrative expenses, and a \$3.2 million decrease in All Other operating income.
- Net income decreased \$196.3 million. The following items impacted comparability of the Company's net income from continuing operations for the three months ended June 30, 2023 compared to three months ended June 30, 2022: a \$193.6 million after-tax gain on the sale of the Calder property in the second quarter of 2022, an \$18.5 million after-tax increase in impairment costs in the second quarter of 2023, and a \$6.0 million after-tax net increase all other nonrecurring expenses. Excluding these items, net income increased \$21.8 million due to a \$43.9 million after-tax increase primarily driven by the results of our operations, partially offset by a \$22.1 million after-tax increase in interest expense associated with higher outstanding debt balances.
- Adjusted EBITDA increased \$72.5 million driven by a \$59.6 million increase in Live and Historical Racing attributable to the Virginia properties acquired in the P2E, Ellis Park and Chasers Transactions and a record-breaking Derby Week at Churchill Downs Racetrack, a \$16.6 million increase in Gaming driven by the New York and Iowa properties acquired in the P2E Transaction, partially offset by a \$3.7 million increase in corporate general administrative expenses.

Six Months Ended June 30, 2023, Compared to Six Months Ended June 30, 2022

- Net revenue increased \$381.4 million driven by a \$252.5 million increase in Live and Historical Racing primarily due to revenue attributable to the Virginia properties acquired in the P2E Transaction, the opening of Turfway Park in Northern Kentucky in September 2022, a record-breaking Derby Week at Churchill Downs Racetrack, the properties acquired in the Ellis Park and Chasers Transactions, and growth at our Oak Grove property in Southwestern Kentucky and a \$134.3 million increase in Gaming primarily due to our New York and Iowa properties acquired in the P2E Transaction. Partially offsetting these increases was a \$4.9 million decrease in TwinSpires primarily due to the exit of the direct online Sports and Casino business in the first quarter of 2022 and a \$0.5 million decrease in All Other net revenue.
- Operating income increased \$98.4 million primarily due to a \$94.1 million increase in Live and Historical Racing income from the P2E properties acquired in Virginia, a \$35.6 million increase in Gaming income driven by the New York and Iowa properties acquired in the P2E Transaction, a \$13.8 million increase in TwinSpires income, and a \$5.9

million decrease in transaction costs. Partially offsetting these was a \$26.1 million increase in selling, general and administrative expenses, a \$19.6 million increase in non-cash impairment costs due to the 2023 impairment of Presque Isle intangible assets, and a \$5.3 million decrease in All Other operating income primarily related to Arlington exit costs.

- Net income decreased \$82.7 million. The following items impacted comparability of the Company's net income from continuing operations for the six months ended June 30, 2023 compared to six months ended June 30, 2022: a \$107.4 million decrease in after-tax gains on property sales, a \$15.0 million increase in after-tax non-cash impairment costs in 2023, a \$9.0 million after-tax benefit related to our equity portion of the non-cash change in the fair value of Rivers Des Plaines' interest rate swap that did not recur in 2023, and a \$1.7 million increase in other nonrecurring costs. Excluding these items, net income increased \$50.4 million primarily due to a \$104.1 million after-tax increase driven by the results of our operations and equity in income from our unconsolidated affiliates, partially offset by a \$53.7 million after-tax increase in interest expense associated with higher outstanding debt balances.
- Adjusted EBITDA increased \$166.9 million driven by a \$113.8 million increase in Live and Historical Racing attributable to the properties acquired in the P2E, Ellis Park and Chasers Transactions and a record-breaking Derby Week at Churchill Downs Racetrack, a \$55.0 million increase in Gaming driven by the New York and Iowa properties acquired in the P2E Transaction, and a \$5.3 million increase in TwinSpires, partially offset by a \$7.2 million increase in corporate general and administrative expenses.

Revenue by Segment

The following table presents revenue for our segments, including intercompany revenue:

(in millions)	Three Months Ended June 30,			Six Months Ended June 30,		
	2023	2022	Change	2023	2022	Change
Live and Historical Racing	\$ 408.0	\$ 275.9	\$ 132.1	\$ 623.8	\$ 363.1	\$ 260.7
TwinSpires	139.1	138.5	0.6	235.5	239.9	(4.4)
Gaming	247.9	184.5	63.4	499.5	363.7	135.8
All Other	0.2	0.5	(0.3)	0.5	1.0	(0.5)
Eliminations	(26.7)	(16.9)	(9.8)	(31.3)	(21.1)	(10.2)
Net Revenue	\$ 768.5	\$ 582.5	\$ 186.0	\$ 1,328.0	\$ 946.6	\$ 381.4

Three Months Ended June 30, 2023, Compared to Three Months Ended June 30, 2022

- Live and Historical Racing revenue increased \$132.1 million due to a \$94.6 million increase attributable to the Virginia properties acquired in the P2E Transaction, a \$20.5 million increase due to a record-breaking Derby Week at Churchill Downs Racetrack, a \$12.0 million increase attributable to the properties acquired in the Ellis Park and Chasers Transactions, a \$10.3 million increase primarily due to the opening of Turfway Park in Northern Kentucky in September 2022, a \$3.5 million increase from our Oak Grove property in Southwestern Kentucky, and a \$1.1 million increase from our Derby City Gaming property in Louisville. These increases were partially offset by a \$9.9 million decrease for non-Derby Week racing operations primarily due to the decision to move a portion of the Churchill Downs Racetrack Spring Meet to Ellis Park in June 2023.
- TwinSpires revenue increased \$0.6 million primarily due to a \$3.4 million increase in revenue related to Horse Racing primarily from United Tote which reflects the portion of the B2B Horse Racing expansion strategy associated with totalisator fees. This increase was partially offset by a \$2.8 million reduction in Sports and Casino revenue due to the decision to exit the direct online Sports and Casino business in the first quarter of 2022.
- Gaming revenue increased \$63.4 million primarily due to a \$68.6 million increase attributable to the New York and Iowa properties acquired in the P2E Transaction, partially offset by a \$5.2 million net decrease from our other gaming properties.

Six Months Ended June 30, 2023, Compared to Six Months Ended June 30, 2022

- Live and Historical Racing revenue increased \$260.7 million due to a \$192.3 million increase attributable to the Virginia properties acquired in the P2E Transaction, a \$26.0 million increase primarily due to the opening of Turfway Park in Northern Kentucky in September 2022, a \$20.7 million increase due to a record-breaking Derby Week at Churchill Downs Racetrack, a \$19.5 million increase attributable to properties acquired in the Ellis Park and Chasers Transactions, a \$9.7 million increase from our Oak Grove property in Southwestern Kentucky, and a \$2.2 million

increase from our Derby City Gaming property in Louisville. These increases were partially offset by a \$9.7 million decrease for non-Derby Week racing operations primarily due to the decision to move a portion of the Churchill Downs Racetrack Spring Meet to Ellis Park in June 2023.

- TwinSpires revenue decreased \$4.4 million primarily due to a \$8.6 million decrease in Sports and Casino revenue due to the decision to exit the direct online Sports and Casino business in the first quarter of 2022. This decrease was partially offset by a \$4.2 million increase in Horse Racing related revenue primarily from United Tote which reflects the portion of the B2B Horse Racing expansion strategy associated with totalisator fees.
- Gaming revenue increased \$135.8 million primarily due to a \$137.6 million increase attributable to the New York and Iowa properties acquired in the P2E Transaction, partially offset by a \$1.8 million net decrease from our other gaming properties.

Consolidated Operating Expense

The following table is a summary of our consolidated operating expense:

<i>(in millions)</i>	Three Months Ended June 30,			Six Months Ended June 30,		
	2023	2022	Change	2023	2022	Change
Taxes and purses	\$ 174.1	\$ 135.0	\$ 39.1	\$ 319.6	\$ 236.6	\$ 83.0
Salaries and benefits	77.8	49.9	27.9	140.7	92.2	48.5
Content expense	46.9	55.0	(8.1)	89.3	96.3	(7.0)
Selling, general and administrative expense	48.1	38.4	9.7	100.4	74.3	26.1
Depreciation and amortization	41.8	26.1	15.7	79.7	51.2	28.5
Marketing and advertising	26.4	15.3	11.1	44.4	26.8	17.6
Transaction expense, net	0.5	1.2	(0.7)	0.3	6.2	(5.9)
Asset impairments	24.5	—	24.5	24.5	4.9	19.6
Other operating expense	102.8	61.9	40.9	183.6	111.0	72.6
Total expense	\$ 542.9	\$ 382.8	\$ 160.1	\$ 982.5	\$ 699.5	\$ 283.0

Three Months Ended June 30, 2023, Compared to Three Months Ended June 30, 2022

Significant items affecting comparability of consolidated operating expense include:

- Taxes and purses, salaries and benefits, selling, general and administrative, marketing and advertising, depreciation and amortization, and other operating expenses increased due to the P2E, Ellis Park and Chasers Transactions, as well as the opening of Turfway Park in September of 2022.
- Asset impairments increased \$24.5 million due to the non-cash impairment of Presque Isle intangible assets in the second quarter of 2023.

Six Months Ended June 30, 2023, Compared to Six Months Ended June 30, 2022

Significant items affecting comparability of consolidated operating expense include:

- Taxes and purses, salaries and benefits, selling, general and administrative, marketing and advertising, depreciation and amortization, and other operating expenses increased due to the P2E, Ellis Park and Chasers Transactions, as well as the opening of Turfway Park in September of 2022.
- Asset impairments increased \$19.6 million due to the non-cash impairment of Presque Isle intangible assets in the second quarter of 2023.
- Transaction expenses decreased \$5.9 million due to the 2022 P2E Transaction.

Adjusted EBITDA

We believe that the use of Adjusted EBITDA as a key performance measure of the results of operations enables management and investors to evaluate and compare from period to period our operating performance in a meaningful and consistent manner. Adjusted EBITDA is a supplemental measure of our performance that is not required by or presented in accordance with GAAP. Adjusted EBITDA should not be considered as an alternative to operating income as an indicator of performance, as an alternative to cash flows from operating activities as a measure of liquidity, or as an alternative to any other measure provided in accordance with GAAP.

<i>(in millions)</i>	Three Months Ended June 30,			Six Months Ended June 30,		
	2023	2022	Change	2023	2022	Change
Live and Historical Racing	\$ 223.5	\$ 163.9	\$ 59.6	\$ 305.6	\$ 191.8	\$ 113.8
TwinSpires	33.9	33.9	—	63.3	58.0	5.3
Gaming	123.4	106.8	16.6	252.9	197.9	55.0
Total Segment Adjusted EBITDA	380.8	304.6	76.2	621.8	447.7	174.1
All Other	(17.1)	(13.4)	(3.7)	(35.2)	(28.0)	(7.2)
Total Adjusted EBITDA	\$ 363.7	\$ 291.2	\$ 72.5	\$ 586.6	\$ 419.7	\$ 166.9

Three Months Ended June 30, 2023, Compared to Three Months Ended June 30, 2022

- Live and Historical Racing Adjusted EBITDA increased \$59.6 million due to a \$43.7 million increase attributable to the Virginia properties acquired in the P2E Transaction, a \$16.8 million increase due to a record-breaking Derby Week at Churchill Downs Racetrack, and a \$2.8 million increase due to continued growth at our Oak Grove property in Southwestern Kentucky. The remaining properties contributed a \$1.9 million increase in Adjusted EBITDA. These increases were partially offset by a \$5.6 million decrease for non-Derby Week racing operations primarily due to the decision to move a portion of the Churchill Downs Racetrack Spring Meet to Ellis Park in June 2023.
- TwinSpires Adjusted EBITDA was flat for the comparative periods. Sports and Casino Adjusted EBITDA was up \$1.9 million as a result of an increase from retail sports betting and from significant cost reductions associated with the exit of the direct online Sports and Casino business in the first quarter of 2022. United Tote Adjusted EBITDA was up \$2.0 million primarily as a result of the incremental revenue from the B2B Horse Racing expansion strategy associated with totalisator fees. These increases were offset by a \$3.9 million reduction in TwinSpires Adjusted EBITDA as a result of lower retail Horse Racing handle due to industry race day cancellations and the decision to move a portion of the Churchill Downs Racetrack Spring Meet to Ellis Park in June 2023 as well as higher content related expenses and higher advance deposit wagering taxes in certain jurisdictions.
- Gaming Adjusted EBITDA increased \$16.6 million driven by a \$21.4 million increase attributable to the New York and Iowa properties acquired in the P2E Transaction, partially offset by a \$4.8 million decrease from our other gaming properties.
- All Other Adjusted EBITDA decreased \$3.7 million primarily driven by increased corporate compensation and benefits related expenses.

Six Months Ended June 30, 2023, Compared to Six Months Ended June 30, 2022

- Live and Historical Racing Adjusted EBITDA increased \$113.8 million due to a \$90.5 million increase attributable to the Virginia properties acquired in the P2E Transaction, a \$16.8 million increase due to a record-breaking Derby Week at Churchill Downs Racetrack, a \$7.4 million increase due to continued growth at our Oak Grove property in Southwestern Kentucky, and a \$3.3 million increase primarily due to the opening of Turfway Park in Northern Kentucky in September 2022. The remaining properties contributed a \$1.9 million increase in Adjusted EBITDA. These increases were partially offset by a \$6.1 million decrease for non-Derby Week racing operations primarily due to the decision to move a portion of the Churchill Downs Racetrack Spring Meet to Ellis Park in June 2023.

- TwinSpires Adjusted EBITDA increased \$5.3 million primarily due to a \$8.4 million increase in Sports and Casino Adjusted EBITDA as a result of an increase from retail sports betting and from significant cost reductions associated with the exit of the direct online Sports and Casino business in the first quarter of 2022. United Tote Adjusted EBITDA was up \$2.4 million primarily as a result of the incremental revenue from the B2B Horse Racing expansion strategy associated with totalisator fees. These increases were offset by a \$5.5 million reduction in TwinSpires Adjusted EBITDA as a result of lower retail Horse Racing handle due to industry race day cancellations and the decision to move a portion of the Churchill Downs Racetrack Spring Meet to Ellis Park in June 2023 as well as higher content related expenses and higher advance deposit wagering taxes in certain jurisdictions.
- Gaming Adjusted EBITDA increased \$55.0 million driven by a \$47.9 million increase attributable to the New York and Iowa properties acquired in the P2E Transaction and a \$13.4 million increase from our equity investments, partially offset by a \$6.3 million decrease from our other gaming properties.
- All Other Adjusted EBITDA decreased \$7.2 million primarily driven by increased corporate compensation and benefits related expenses.

Reconciliation of Comprehensive Income to Adjusted EBITDA

<i>(in millions)</i>	Three Months Ended June 30,			Six Months Ended June 30,		
	2023	2022	Change	2023	2022	Change
Net income and comprehensive income	\$ 143.0	\$ 339.3	\$ (196.3)	\$ 298.7	\$ 381.4	\$ (82.7)
Additions:						
Depreciation and amortization	41.8	26.1	15.7	79.7	51.2	28.5
Interest expense, net	65.2	35.1	30.1	129.9	56.4	73.5
Income tax provision	56.2	140.6	(84.4)	109.4	157.1	(47.7)
EBITDA	<u>\$ 306.2</u>	<u>\$ 541.1</u>	<u>\$ (234.9)</u>	<u>\$ 617.7</u>	<u>\$ 646.1</u>	<u>\$ (28.4)</u>
Adjustments to EBITDA:						
Stock-based compensation expense	\$ 8.1	\$ 7.4	\$ 0.7	\$ 16.7	\$ 14.4	\$ 2.3
Legal reserves	—	3.2	(3.2)	—	3.2	(3.2)
Pre-opening expense	3.2	2.6	0.6	6.4	4.7	1.7
Arlington exit costs	5.9	1.8	4.1	9.3	4.3	5.0
Other expense, net	6.6	—	6.6	6.9	—	6.9
Transaction expense, net	0.5	1.2	(0.7)	0.3	6.2	(5.9)
Asset impairments	24.5	—	24.5	24.5	4.9	19.6
Other income, expense:						
Interest, depreciation and amortization expense related to equity investments	9.9	10.5	(0.6)	19.7	21.6	(1.9)
Changes in fair value of Rivers Des Plaines' interest rate swaps	—	(2.2)	2.2	—	(12.6)	12.6
Rivers Des Plaines' legal reserves and transactions costs	—	0.2	(0.2)	—	0.5	(0.5)
Other charges and recoveries, net	(1.2)	—	(1.2)	(0.9)	1.0	(1.9)
Gain on sale of assets	—	(274.6)	274.6	(114.0)	(274.6)	160.6
Total adjustments to EBITDA	<u>57.5</u>	<u>(249.9)</u>	<u>307.4</u>	<u>(31.1)</u>	<u>(226.4)</u>	<u>195.3</u>
Adjusted EBITDA	<u>\$ 363.7</u>	<u>\$ 291.2</u>	<u>\$ 72.5</u>	<u>\$ 586.6</u>	<u>\$ 419.7</u>	<u>\$ 166.9</u>

Consolidated Balance Sheet

The following is a summary of our overall financial position:

(in millions)

	June 30, 2023		December 31, 2022		Change
Total assets	\$ 6,578.6	\$	6,206.8	\$	371.8
Total liabilities	5,724.8		5,655.3		69.5
Total shareholders' equity	853.8		551.5		302.3

Significant items affecting the comparability of our Condensed Consolidated Balance Sheets include:

- Total assets increased \$371.8 million primarily driven by increased cash and cash equivalents, capital expenditures and other current assets, partially offset by the sale of our Arlington property and the Presque Isle impairment in 2023.
- Total liabilities increased \$69.5 million primarily driven by increased income tax liabilities and increased accounts payable primarily due to timing of racing related payments, partially offset by decreased dividends payable due to the payment of our annual dividends.
- Total shareholders' equity increased \$302.3 million driven by increased net income and stock-based compensation.

Liquidity and Capital Resources

The following table is a summary of our liquidity and cash flows:

(in millions)

Cash flows from:	Six Months Ended June 30,		
	2023	2022	Change
Operating activities	\$ 402.6	\$ 380.8	\$ 21.8
Investing activities	(119.0)	104.6	(223.6)
Financing activities	(47.7)	1,058.5	(1,106.2)

Six Months Ended June 30, 2023, Compared to the Six Months Ended June 30, 2022

- Cash flows from operating activities increased \$21.8 million driven by increased operating income and increased distributions from unconsolidated affiliates. These increases were partially offset by an increase in net interest paid and net income taxes paid. We anticipate that cash flows from operations over the next twelve months will be adequate to fund our business operations and capital expenditures.
- Cash flows from investing activities decreased \$223.6 million driven by increased capital project expenditures in 2023 primarily at Churchill Downs Racetrack and for the Dumfries project in Virginia and decreased proceeds from the sale of assets.
- Cash flows from financing activities decreased \$1.1 billion primarily driven by repayments of long-term debt in 2023.

We have spent \$282.2 million year to date on project capital investments. We expect to spend approximately \$575 to \$675 million for the year on project capital investments. The significant project capital investments planned for the second half of 2023 include: Churchill Downs Racetrack Paddock Project, Derby City Gaming Downtown, the Ellis Park HRM facility in Eastern Daviess County, Kentucky, the Terre Haute Casino Resort in Vigo County, Indiana, a New Hampshire HRM Facility, and the Virginia HRM entertainment venues in Dumfries and Emporia. The planned amount may vary significantly based on the timing of work completed, unanticipated delays, and timing of payments to third parties.

Common Stock Repurchase Program

On September 29, 2021, the Board of Directors of the Company approved a common stock repurchase program of up to \$500.0 million ("2021 Stock Repurchase Program"). Repurchases may be made at management's discretion from time to time on the open market (either with or without a 10b5-1 plan) or through privately negotiated transactions. The repurchase program has no time limit and may be suspended or discontinued at any time. We had \$270.2 million of repurchase authority remaining under this program on June 30, 2023.

Credit Facilities and Indebtedness

The following table presents our debt outstanding:

(in millions)

	June 30, 2023	December 31, 2022	Change
Revolver	\$ —	\$ 664.1	\$ (664.1)
Term Loan B due 2024	—	380.0	(380.0)
Term Loan B-1 due 2028	293.3	294.7	(1.4)
Term Loan A due 2027	1,267.5	800.0	467.5
2027 Senior Notes	600.0	600.0	—
2028 Senior Notes	700.0	700.0	—
2030 Senior Notes	1,200.0	1,200.0	—
2031 Senior Notes	600.0	—	600.0
Total debt	4,660.8	4,638.8	22.0
Current maturities of long-term debt	(68.0)	(47.0)	(21.0)
Total debt, net of current maturities	4,592.8	4,591.8	1.0
Issuance costs, net of premiums and discounts	(41.4)	(33.1)	(8.3)
Net debt	\$ 4,551.4	\$ 4,558.7	\$ (7.3)

Credit Agreement

At June 30, 2023, the Company's senior secured credit facility (as amended from time to time, the "Credit Agreement") consisted of a \$1.2 billion revolving credit facility (the "Revolver"), \$300.0 million senior secured term loan B-1 due 2028 (the "Term Loan B-1"), \$1.3 billion senior secured term loan A due 2027 (the "Term Loan A"), and \$100.0 million swing line commitment. Certain amendments to the Credit Agreement entered into during 2022 and 2023, respectively, are described below.

On April 13, 2022, we amended the Credit Agreement to extend the maturity date of its Revolver to April 13, 2027, to increase the commitments under the existing revolving credit facility from \$700.0 million to \$1.2 billion, and to increase the swing line commitment from \$50.0 million to \$100.0 million. This amendment also provided for the senior secured Term Loan A due April 13, 2027 in the amount of \$800.0 million, which was drawn on November 1, 2022 as part of the financing for the P2E Transaction. Refer to Note 3, Acquisitions in the notes to our Condensed Consolidated Financial Statements for further information regarding the P2E Transaction. The Company capitalized \$3.2 million of debt issuance costs associated with the Revolver commitment increase and \$6.4 million of debt issuance costs associated with the Term Loan A which are being amortized as interest expense over the 5-year term.

On February 24, 2023, we amended our Credit Agreement to increase the loans under the existing Term Loan A due 2027 from \$800.0 million to \$1.3 billion and made certain other changes to the existing credit agreement. The Company used the net proceeds from the borrowings under the increased Term Loan A to repay outstanding loans under its Revolver, pay related transaction fees and expenses and for general corporate purposes. The Company capitalized \$2.6 million of debt issuance costs associated with the increased Term Loan A which are being amortized as interest expense over the remainder of the 5-year term.

The Company is required to pay a commitment fee on the unused portion of the Revolver as determined by a pricing grid based on the consolidated total net secured leverage ratio of the Company. For the period ended June 30, 2023, the Company's commitment fee rate was 0.25%.

The Revolver and Term Loan A bear interest at SOFR plus 10 basis points, plus a variable applicable margin which is determined by the Company's net leverage ratio. As of June 30, 2023, that applicable margin was 150 basis points. The Term Loan B-1 bears interest at SOFR plus 210 basis points.

The Company completed the transition of its financing from LIBOR to SOFR during the second quarter of 2023. These transition activities did not have a material impact on the Company's financial statements.

2027 Senior Notes

As of June 30, 2023, we had \$600.0 million in aggregate principal amount of 5.500% senior unsecured notes that mature on April 1, 2027 (the "2027 Senior Notes"). The 2027 Senior Notes were issued at par in a private offering to qualified institutional

buyers, with interest payable in arrears on April 1st and October 1st of each year, commencing on October 1, 2019. The Company may redeem some or all of the 2027 Senior Notes at redemption prices set forth in the 2027 Indenture.

2028 Senior Notes

As of June 30, 2023, we had a total of \$700.0 million in aggregate principal amount of 4.750% senior unsecured notes (collectively, the "2028 Senior Notes") maturing on January 15, 2028. The 2028 Senior Notes consist of \$500.0 million notes issued at par and \$200.0 million notes issued at 103.25%. The 2028 Senior Notes were issued in a private offering to qualified institutional buyers, with interest payable in arrears on January 15th and July 15th of each year, commencing on July 15, 2018. The 3.25% premium is being amortized through interest expense, net over the term of the notes. The Company may redeem some or all the 2028 Senior Notes at redemption prices set forth in the 2028 Indenture.

2030 Senior Notes

As of June 30, 2023, we had \$1.2 billion in aggregate principal amount of 5.750% senior unsecured notes that mature on April 13, 2030 (the "2030 Senior Notes"). The 2030 Senior Notes were issued at par in a private offering to qualified institutional buyers, with interest payable in arrears on April 1st and October 1st of each year, commencing on October 1, 2022. In connection with the offering, we capitalized \$18.3 million of debt issuance costs which are being amortized as interest expense over the term of the 2030 Senior Notes. The Company held the net proceeds of this transaction of \$1.2 billion in escrow until the proceeds were utilized to complete the P2E Transaction on November 1, 2022. The Company may redeem some or all the 2030 Senior Notes at redemption prices set forth in the 2030 Indenture.

2031 Senior Notes

On April 25, 2023, the Company completed an offering of \$600.0 million in aggregate principal amount of 6.750% senior unsecured notes that mature on April 25, 2031 (the "2031 Notes") in a private offering to qualified institutional buyers pursuant to Rule 144A that is exempt from registration under the Securities Act, and to certain non-U.S. persons in accordance with Regulation S under the Securities Act. The Company used a portion of the net proceeds from the offering to repay indebtedness outstanding under its Term Loan B Facility due 2024 and to fund related transaction fees and expenses, working capital and other general corporate purposes. The Company recognized a loss on extinguishment on Term Loan B of \$1.3 million, which is included in miscellaneous, net in the accompanying Condensed Consolidated Statements of Comprehensive Income. The Company capitalized \$10.6 million of debt issuance costs associated with the 2031 Senior Notes which are being amortized as interest expense over the remainder of the 8-year term.

The 2031 Notes were issued at 100% of the principal amount, plus interest deemed to have accrued from April 25, 2023, with interest payable in arrears on May 1st and November 1st of each year, commencing on November 1, 2023. The 2031 Notes will vote as one class under the indenture governing the 2031 Senior Notes.

The Company may redeem some or all of the 2031 Notes at any time prior to April 25, 2025, at redemption prices set forth in the 2031 offering memorandum.

Contractual Obligations

Our commitments to make future payments as of June 30, 2023, are estimated as follows:

(in millions)	2023	2024-2025	2026-2027	Thereafter	Total
Term Loan A	32.5	130.0	1,105.0	—	\$ 1,267.5
Interest on Term Loan A ⁽¹⁾	43.1	160.3	93.3	—	296.7
Term Loan B-1	1.5	6.0	6.0	279.8	293.3
Interest on Term Loan B-1 ⁽¹⁾	10.8	42.3	41.3	4.3	98.7
Revolver	—	—	—	—	—
Interest on Revolver	—	—	—	—	—
2027 Senior Notes	—	—	600.0	—	600.0
2028 Senior Notes	—	—	—	700.0	700.0
2030 Senior Notes	—	—	—	1,200.0	1,200.0
2031 Senior Notes	—	—	—	600.0	600.0
Interest on 2027 Senior Notes	16.5	66.0	49.5	—	132.0
Interest on 2028 Senior Notes	16.6	66.5	66.5	16.6	166.2
Interest on 2030 Senior Notes	34.5	138.0	138.0	175.0	485.5
Interest on 2031 Senior Notes	20.8	81.0	81.0	141.8	324.6
Operating and Finance Leases	5.3	20.0	17.1	43.8	86.2
All other	0.9	5.2	5.0	11.6	22.7
Total	<u>\$ 182.5</u>	<u>\$ 715.3</u>	<u>\$ 2,202.7</u>	<u>\$ 3,172.9</u>	<u>\$ 6,273.4</u>

(1) Interest includes the estimated contractual payments under our Credit Agreement assuming no change in the weighted average borrowing rate of 6.79% which was the rate in place as of June 30, 2023.

As of June 30, 2023, we had approximately \$5.3 million of tax liabilities related to unrecognized tax benefits.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risks arising from adverse changes in:

- general economic trends; and
- interest rate and credit risk.

General economic trends

Our business is sensitive to consumer confidence and reductions in consumers' discretionary spending, which may result from challenging economic conditions, inflation, unemployment levels and other changes in the economy. Demand for entertainment and leisure activities is sensitive to consumers' disposable incomes, which can be adversely affected by economic conditions and unemployment levels. This could result in fewer patrons visiting our racetracks, gaming and wagering facilities, and online wagering sites and/or may impact our customers' ability to wager with the same frequency and to maintain wagering levels.

Interest rate and credit risk

Our primary exposure to market risk relates to changes in interest rates. On June 30, 2023, we had \$1.6 billion outstanding under our Credit Agreement, which bears interest at SOFR based variable rates. We are exposed to market risk on variable rate debt due to potential adverse changes in these rates. Assuming the outstanding balance of the debt facility remains constant, a one-percentage point increase in the SOFR rate would reduce net income and cash flows from operating activities by \$11.3 million. The Company completed the transition of its financing from LIBOR to SOFR during the second quarter of 2023. These transition activities did not have a material impact on the Company's financial statements.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures designed to ensure that information required to be disclosed in our reports that we file under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized, and reported within the

time periods specified in the Securities and Exchange Commission rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures.

As required by the Securities and Exchange Commission Rule 13a-15(e), we carried out an evaluation, under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of June 30, 2023. Based upon the foregoing, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective.

Changes in Internal Control over Financial Reporting

There has been no change in our internal controls over financial reporting during our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting. Our process for evaluating controls and procedures is continuous and encompasses constant improvement of the design and effectiveness of established controls and procedures.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The following descriptions include updates since the filing of our Annual Report on Form 10-K for the year ended December 31, 2022, relating to the proceedings involving the Company. In addition to the matters described below, we are also involved in ordinary routine litigation matters which are incidental to our business. Refer to Note 15, Contingencies, in the notes to our Condensed Consolidated Financial Statements, for further information.

Bob Baffert and Bob Baffert Racing Stables, Inc. v. Churchill Downs Incorporated, Bill Carstanjen and Alex Rankin

On February 28, 2022, plaintiffs Bob Baffert and Bob Baffert Racing Stables, Inc. filed a complaint and motion for preliminary injunction against Churchill Downs Incorporated, its Chief Executive Officer Bill Carstanjen, and its Chairman of the Board of Directors Alex Rankin in the U.S. District Court for the Western District of Kentucky, arising out of the Company's decision to suspend Mr. Baffert from entering horses trained by him at any Company-owned racetrack for a period of two years. The Company's two-year suspension of Mr. Baffert came after Baffert-trained horse, Medina Spirit, finished first in the 147th running of the Kentucky Derby but subsequently tested positive for betamethasone, a banned race-day substance. Plaintiffs allege that the Company's decisions to suspend Mr. Baffert from racing at any Company-owned racetrack and to prohibit horses trained by him (or any other suspended trainer) from accumulating Derby-qualifying points were unlawful. Plaintiffs assert claims for (i) violation of the due process clause, (ii) unlawful exclusion, (iii) violations of the federal antitrust laws, (iv) tortious interference with contract, and (v) tortious interference with prospective business advantage.

In addition to and separate from the Company's suspension of Mr. Baffert, on February 21, 2022, the Kentucky Horse Racing Commission ("KHRC") Board of Stewards suspended Mr. Baffert from racing in Kentucky for 90 days and issued a fine to him. The KHRC rejected Mr. Baffert's requests to stay the suspension. Mr. Baffert unsuccessfully sought judicial intervention relieving him from the KHRC suspension. On March 21, 2022, the Franklin County Circuit Court concluded Mr. Baffert was not entitled to a stay of the KHRC suspension and that he had not satisfied a single element required for a temporary injunction of the KHRC suspension. This decision was affirmed by the Kentucky Court of Appeals on April 1, 2022 in an order denying Mr. Baffert's motion for emergency relief. After the Kentucky Court of Appeals allowed the KHRC's 90-day suspension of Mr. Baffert to stand, plaintiffs voluntarily withdrew their motion for preliminary injunction against the Company without prejudice.

On May 2, 2022, the Defendants filed a motion to dismiss plaintiffs' complaint. Plaintiffs filed a renewed motion for preliminary injunction on December 15, 2022. On February 17, 2023, the Court issued a memorandum opinion and order granting the Company's motion to dismiss in part, allowing a portion of the due process claim to remain. In the same order, the Court denied Plaintiffs' motion for preliminary injunction, concluding that Plaintiff had not established irreparable injury and was not likely to succeed on the merits of the remaining claim. On March 14, 2023, the Defendants filed a motion for summary judgment on the remaining claim. The Court granted that motion on May 24, 2023, and entered final judgment in favor of Defendants. Plaintiffs did not appeal this ruling.

ITEM 1A. RISK FACTORS

There have been no material changes to our risk factors previously disclosed in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2022.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**Issuer Purchases of Common Stock**

The following table provides information with respect to shares of common stock that we repurchased during the quarter ended June 30, 2023:

<u>Period</u>	<u>Total Number of Shares Purchased</u>	<u>Average Price Paid Per Share</u>	<u>Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs ⁽¹⁾</u>	<u>Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs (in millions) ⁽¹⁾</u>
April 2023	116	\$ 127.53	—	\$ 270.2
May 2023	223	140.58	—	270.2
June 2023	180	135.83	—	270.2
Total	519	\$ 136.02	—	—

(1) On September 29, 2021, the Board of Directors of the Company approved a common stock repurchase program of up to \$500.0 million. The repurchase program has no time limit and may be suspended or discontinued at any time.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION**Securities Trading Plans of Directors and Executive Officers**

During the fiscal quarter ended June 30, 2023, none of the Company's directors or executive officers adopted or terminated any contract, instruction or written plan for the purchase or sale of Company securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any non-Rule 10b5-1 trading arrangement.

ITEM 6. EXHIBITS

<u>Number</u>	<u>Description</u>	<u>By reference to:</u>
3.1	Articles of Amendment to the Amended and Restated Articles of Incorporation of Churchill Downs Incorporated effective as of the close of business on May 19, 2023	Exhibit 3.1 to Current Report on Form 8-K filed on April 25, 2023
3.2	Amended and Restated Articles of Incorporation of Churchill Downs Incorporated effective as of the close of business on May 19, 2023	Exhibit 3.2 to Current Report on Form 8-K filed on April 25, 2023
4.1	Indenture dated as of April 25, 2023 among, Churchill Downs Incorporated, the Guarantors (stated therein) and U.S. Bank Trust Company, National Association, as trustee	Exhibit 4.1 to Current Report on Form 8-K filed on April 25, 2023
4.2	Registration Rights Agreement dated April 25, 2023 by and among Churchill Downs Incorporated, the Guarantors (stated therein) and J.P. Morgan Securities, LLC, as representative of initial purchasers.	Exhibit 4.2 to Current Report on Form 8-K filed on April 25, 2023
4.3	First Supplemental Indenture relating to Churchill Downs Incorporated's 5.50% Senior Unsecured Notes due 2027, dated as of March 19, 2021, by and among Churchill Downs Incorporated, the Guarantors (stated therein) and U.S. Bank National Association*	

- 4.4 Second Supplemental Indenture relating to Churchill Downs Incorporated's 5.50% Senior Unsecured Notes due 2027, dated as of October 5, 2022, by and among Churchill Downs Incorporated, the Guarantors (stated therein) and U.S. Bank National Association*
- 4.5 Third Supplemental Indenture relating to Churchill Downs Incorporated's 5.50% Senior Unsecured Notes due 2027, dated as of October 26, 2022, by and among Churchill Downs Incorporated, the Guarantors (stated therein) and U.S. Bank National Association*
- 4.6 Fourth Supplemental Indenture relating to Churchill Downs Incorporated's 5.50% Senior Unsecured Notes due 2027, dated as of November 1, 2022, by and among Churchill Downs Incorporated, the Guarantors (stated therein) and U.S. Bank National Association*
- 4.7 Fifth Supplemental Indenture relating to Churchill Downs Incorporated's 5.50% Senior Unsecured Notes due 2027, dated as of May 1, 2023, by and among Churchill Downs Incorporated, the Guarantors (stated therein) and U.S. Bank National Association*
- 4.8 First Supplemental Indenture relating to Churchill Downs Incorporated's 4.75% Senior Unsecured Notes due 2028, dated as of December 12, 2018, by and among Churchill Downs Incorporated, the Guarantors (stated therein) and U.S. Bank National Association*
- 4.9 Second Supplemental Indenture relating to Churchill Downs Incorporated's 4.75% Senior Unsecured Notes due 2028, dated as of March 17, 2021, by and among Churchill Downs Incorporated, the Guarantors (stated therein) and U.S. Bank National Association*
- 4.10 Third Supplemental Indenture relating to Churchill Downs Incorporated's 4.75% Senior Unsecured Notes due 2028, dated May 19, 2021, by and among Churchill Downs Incorporated, the Guarantors (stated therein) and U.S. Bank National Association*
- 4.11 Fourth Supplemental Indenture relating to Churchill Downs Incorporated's 4.75% Senior Unsecured Notes due 2028, dated as of October 5, 2022, by and among Churchill Downs Incorporated, the Guarantors (stated therein) and U.S. Bank National Association*
- 4.12 Fifth Supplemental Indenture relating to Churchill Downs Incorporated's 4.75% Senior Unsecured Notes due 2028, dated as of October 26, 2022, by and among Churchill Downs Incorporated, the Guarantors (stated therein) and U.S. Bank National Association*
- 4.13 Sixth Supplemental Indenture relating to Churchill Downs Incorporated's 4.75% Senior Unsecured Notes due 2028, dated as of November 1, 2022, by and among Churchill Downs Incorporated, the Guarantors (stated therein) and U.S. Bank National Association*
- 4.14 Seventh Supplemental Indenture relating to Churchill Downs Incorporated's 4.75% Senior Unsecured Notes due 2028, dated as of May 1, 2023, by and among Churchill Downs Incorporated, the Guarantors (stated therein) and U.S. Bank National Association*

4.15	First Supplemental Indenture relating to Churchill Downs Incorporated's 5.750% Senior Unsecured Notes due 2030, dated as of November 1, 2022, by and among Churchill Downs Incorporated, the Guarantors (stated therein) and U.S. Bank National Association*
4.16	Second Supplemental Indenture relating to Churchill Downs Incorporated's 5.750% Senior Unsecured Notes due 2030, dated as of November 1, 2022, by and among Churchill Downs Incorporated, the Guarantors (stated therein) and U.S. Bank National Association*
4.17	Third Supplemental Indenture relating to Churchill Downs Incorporated's 5.750% Senior Unsecured Notes due 2030, dated as of May 1, 2023, by and among Churchill Downs Incorporated, the Guarantors (stated therein) and U.S. Bank National Association*
4.18	First Supplemental Indenture relating to Churchill Downs Incorporated's 6.750% Senior Unsecured Notes due 2031, dated as of May 1, 2023, by and among Churchill Downs Incorporated, the Guarantors (stated therein) and U.S. Bank National Association*
31(a)	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
31(b)	Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
32	Certification of Chief Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished pursuant to Rule 13a – 14(b))**
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	Inline XBRL Taxonomy Extension Schema Document*
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document*
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document*
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document*
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document*
104	Cover Page Interactive Data File (embedded as Inline XBRL and contained in Exhibit 101)

*filed herewith
**furnished herewith

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 thereunto duly authorized.

CHURCHILL DOWNS INCORPORATED

July 26, 2023

/s/ William C. Carstanjen

William C. Carstanjen
Chief Executive Officer
(Principal Executive Officer)

July 26, 2023

/s/ Marcia A. Dall

Marcia A. Dall
Executive Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

FORM 10-Q FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2023

Supplemental Indenture to Add Guarantors

SUPPLEMENTAL INDENTURE, (this “Supplemental Indenture”) dated as of May 19, 2021, by and among the party that is signatory hereto as Guarantor (the “Guaranteeing Subsidiary”), Churchill Downs Incorporated, a Kentucky corporation (the “Company”), the other Guarantors (as defined in the Indenture referred to herein), U.S. Bank National Association, as Trustee under the Indenture referred to below, Paying Agent, Registrar, Transfer Agent and Authenticating Agent (the “Agent”).

W I T N E S S E T H:

WHEREAS, the Company, each of the Guarantors, the Trustee and the Agent have heretofore executed and delivered an indenture dated as of March 25, 2019 (as amended, supplemented, waived or otherwise modified, the “Indenture”), providing for the issuance of an aggregate principal amount of \$600,000,000 million of 5.50% Senior Notes due 2027 of the Company (the “Notes”);

WHEREAS, the Indenture provides that under certain circumstances the Guaranteeing Subsidiary shall execute and deliver to the Trustee and the Agent a supplemental indenture to which the Guaranteeing Subsidiary shall unconditionally guarantee, on a joint and several basis with the other Guarantors, all of the Company’s Obligations under the Notes and the Indenture on the terms and conditions set forth herein and under the Indentures’ (the “Guarantee”); and

WHEREAS, pursuant to Section 9.1 of the Indenture, the Company, any Guarantor, the Trustee and the Agent are authorized to execute and deliver a supplemental indenture to add additional Guarantors, without the consent of any Holder;

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Guaranteeing Subsidiary, the Company, the other Guarantors, the Trustee and the Agent mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

ARTICLE I

DEFINITIONS

SECTION 1.1. Defined Terms. As used in this Supplemental Indenture, terms defined in the Indenture or in the preamble or recitals hereto are used herein as therein defined. The words “herein,” “hereof” and “hereby” and other words of similar import used in this Supplemental Indenture refer to this Supplemental Indenture as a whole and not to any particular section hereof.

ARTICLE II

AGREEMENT TO BE BOUND; GUARANTEE

SECTION 2.1. Agreement to be Bound. The Guaranteeing Subsidiary hereby becomes a party to the Indenture as a Guarantor and as such will have all of the rights and be subject to all of the obligations and agreements of a Guarantor under the Indenture.

SECTION 2.2. Guarantee. The Guaranteeing Subsidiary agrees, on a joint and several basis with all the existing Guarantors, to fully, unconditionally and irrevocably Guarantee to each Holder of the Notes and the Trustee and the Agent the Guaranteed Obligations pursuant to Article X of the Indenture on a senior basis.

ARTICLE III

MISCELLANEOUS

SECTION 3.1. Notices. All notices and other communications to the Guarantor shall be given as provided in the Indenture to the Guarantor, at its address set forth below, with a copy to the Company as provided in the Indenture for notices to the Company.

Churchill Downs Incorporated
600 North Hurstbourne Parkway, Suite 400
Louisville, Kentucky 40222
Attention: Investor Relations
Facsimile: 502-394-1160

with a copy to:

Latham & Watkins LLP
10250 Constellation Blvd. Suite 1100
Los Angeles, California 90067
Attention: Steven B. Stokdyk
Facsimile: 310-993-9093

SECTION 3.2. Merger and Consolidation. The Guaranteeing Subsidiary shall not sell or otherwise dispose of all or substantially all of its assets to, or consolidate with or merge with or into another Person (other than the Company or any Restricted Subsidiary that is a Guarantor or becomes a Guarantor concurrently with the transaction) except in accordance with Section 4.1(f) of the Indenture.

SECTION 3.3. Release of Guarantee. This Guarantee shall only be released in accordance with Section 10.2 of the Indenture.

SECTION 3.4. Parties. Nothing expressed or mentioned herein is intended or shall be construed to give any Person, firm or corporation, other than the Holders, the Trustee and the Agent, any legal or equitable right, remedy or claim under or in respect of this Supplemental Indenture or the Indenture or any provision herein or therein contained.

SECTION 3.5. Governing Law. This Supplemental Indenture shall be governed by, and construed in accordance with, the laws of the State of New York.

SECTION 3.6. Severability. In case any provision in this Supplemental Indenture shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby and such provision shall be ineffective only to the extent of such invalidity, illegality or unenforceability.

SECTION 3.7. Benefits Acknowledged. The Guaranteeing Subsidiary's Guarantee is subject to the terms and conditions set forth in the Indenture. The Guaranteeing Subsidiary acknowledges that it will receive direct and indirect benefits from the financing arrangements contemplated by the Indenture and this Supplemental Indenture and that the guarantee and waivers made by it pursuant to this Guarantee are knowingly made in contemplation of such benefits.

SECTION 3.8. Ratification of Indenture; Supplemental Indentures Part of Indenture. Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the

Indenture for all purposes, and every Holder of Notes heretofore or hereafter authenticated and delivered shall be bound hereby.

SECTION 3.9. The Trustee and the Agent. Each of the Trustee and the Agent makes no representation or warranty as to the validity or sufficiency of this Supplemental Indenture or with respect to the recitals contained herein, all of which recitals are made solely by the other parties hereto.

SECTION 3.10. Counterparts. The parties hereto may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. The exchange of copies of this Supplemental Indenture and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Supplemental Indenture as to the parties hereto and may be used in lieu of the original Supplemental Indenture for all purposes. Signatures of the parties hereto transmitted by facsimile or PDF shall be deemed to be their original signatures for all purposes.

SECTION 3.11. Execution and Delivery. The Guaranteeing Subsidiary agrees that the Guarantee shall

SECTION 3.11. Execution and Delivery. The Guarantoring Subsidiary agrees that the Guarantees shall remain in full force and effect notwithstanding any failure to endorse on each Note a notation of any such Guarantee.

SECTION 3.12. Headings. The headings of the Articles and the Sections in this Supplemental Indenture are for convenience of reference only and shall not be deemed to alter or affect the meaning or interpretation of any provisions hereof.

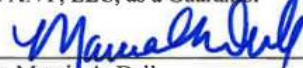
IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

CHURCHILL DOWNS INCORPORATED

By: 
Name: Marcia A. Dall
Title: Executive Vice President and Chief
Financial Officer

EXISTING GUARANTORS:

CHURCHILL DOWNS MANAGEMENT
COMPANY, LLC, as a Guarantor

By: 
Name: Marcia A. Dall
Title: Treasurer

CALDER RACE COURSE, INC., as a Guarantor

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

TROPICAL PARK, LLC, as a Guarantor

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

ARLINGTON PARK RACECOURSE, LLC, as a Guarantor

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

ARLINGTON OTB CORP., as a Guarantor

By: _____
Name: Bradley K. Blackwell
Title: Secretary

[Signature Page to Supplemental Indenture]

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

CHURCHILL DOWNS INCORPORATED

By: _____
Name: Marcia A. Dall
Title: Executive Vice President and Chief
Financial Officer

EXISTING GUARANTORS:

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Name: Marcia A. Dall
Title: Treasurer

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Guarantor

By: _____
Name: Marcia A. Dall
Title: Treasurer

ARLINGTON OTB CORP., as a Guarantor

By: _____
Name: Bradley K. Blackwell
Title: Secretary

[Signature Page to Supplemental Indenture]

A. A. 11

QUAD CITY DOWNS, INC., as a Guarantor

By: _____

Name: Bradley K. Blackwell

Title: Secretary

CHURCHILL DOWNS LOUISIANA
HORSE RACING COMPANY, L.L.C., as a
Guarantor

By: _____

Name: Michael W. Anderson

Title: Secretary

CHURCHILL DOWNS LOUISIANA VIDEO POKER
COMPANY, L.L.C., as a Guarantor

By: _____

Name: Michael W. Anderson

Title: Secretary

VIDEO SERVICES, L.L.C., as a Guarantor

By: _____

Name: Michael W. Anderson

Title: Secretary

CHURCHILL DOWNS TECHNOLOGY
INITIATIVES COMPANY, as a Guarantor

By: _____

Name: Marcia A. Dall

Title: Treasurer

HCRH, LLC, as a Guarantor

By: _____

Name: Marcia A. Dall

Title: Treasurer

[Signature Page to Supplemental Indenture]

QUAD CITY DOWNS, INC., as a Guarantor

By: _____

Name: Bradley K. Blackwell

Title: Secretary

CHURCHILL DOWNS LOUISIANA
HORSE RACING COMPANY, L.L.C., as a
Guarantor

By: Maureen Adams
Name: Maureen Adams
Title: Treasurer

CHURCHILL DOWNS LOUISIANA VIDEO POKER
COMPANY, L.L.C., as a Guarantor

By: Maureen Adams
Name: Maureen Adams
Title: Treasurer

VIDEO SERVICES, L.L.C., as a Guarantor

By: Maureen Adams
Name: Maureen Adams
Title: Treasurer

CHURCHILL DOWNS TECHNOLOGY
INITIATIVES COMPANY, as a Guarantor

By: _____
Name: Marcia A. Dall
Title: Treasurer

HCRH, LLC, as a Guarantor

By: _____
Name: Marcia A. Dall
Title: Treasurer

[Signature Page to Supplemental Indenture]

QUAD CITY DOWNS, INC., as a Guarantor

By: _____
Name: Bradley K. Blackwell
Title: Secretary

CHURCHILL DOWNS LOUISIANA
HORSERACING COMPANY, L.L.C., as a
Guarantor

By: _____
Name: Maureen Adams
Title: Treasurer

CHURCHILL DOWNS LOUISIANA VIDEO POKER
COMPANY, L.L.C., as a Guarantor

By: _____
Name: Maureen Adams
Title: Treasurer

TREASURER

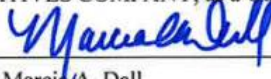
VIDEO SERVICES, L.L.C., as a Guarantor

By: _____

Name: Maureen Adams

Title: Treasurer

CHURCHILL DOWNS TECHNOLOGY
INITIATIVES COMPANY, as a Guarantor

By:  _____

Name: Marcia A. Dall

Title: Treasurer

HCRH, LLC, as a Guarantor

By:  _____

Name: Marcia A. Dall

Title: Treasurer

[Signature Page to Supplemental Indenture]

SW GAMING LLC, as a Guarantor

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

UNITED TOTE COMPANY, as a Guarantor

By: _____
Name: Benjamin C. Murr
Title: Treasurer

YOUBET.COM, LLC, as a Guarantor

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

MAGNOLIA HILL, LLC, as a Guarantor

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

CHURCHILL DOWNS RACETRACK, LLC, as a Guarantor

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

MVGR, LLC, as a Guarantor

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

BB DEVELOPMENT LLC, as a Guarantor

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

CHURCHILL DOWNS INTERACTIVE GAMING, LLC, as a Guarantor

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

[Signature Page to Supplemental Indenture]

SW GAMING LLC, as a Guarantor

By: _____

Name: Marcia A. Dall
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BB DEVELOPMENT LLC, as a Guarantor

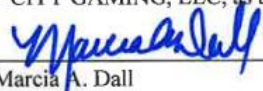
By: _____
Name: Marcia A. Dall
Title: Treasurer

CHURCHILL DOWNS INTERACTIVE GAMING, LLC, as
a Guarantor

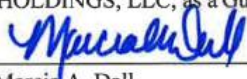
By: _____
Name: Marcia A. Dall
Title: Treasurer

[Signature Page to Supplemental Indenture]

DERBY CITY GAMING, LLC, as a Guarantor

By: 
Name: Marcia A. Dall
Title: Treasurer

KYCR HOLDINGS, LLC, as a Guarantor

By: 
Name: Marcia A. Dall
Title: Treasurer

LLN PA, LLC, as a Guarantor

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

NKYRG, LLC, as a Guarantor

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

OCEAN DOWNS LLC, as a Guarantor

By: _____
Name: Bobbi Sample
Title: General Manager

OCEAN ENTERPRISES 589, LLC, as a Guarantor

By: _____
Name: Bobbi Sample
Title: General Manager

OLD BAY GAMING AND RACING, LLC, as a Guarantor

By: _____
Name: Bobbi Sample
Title: General Manager

PID, LLC, as a Guarantor

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

[Signature Page to Supplemental Indenture]

DERBY CITY GAMING, LLC, as a Guarantor

By: _____
Name: Marcia A. Dall
Title: Treasurer

KYCR HOLDINGS, LLC, as a Guarantor

By: _____
Name: Marcia A. Dall
Title: Treasurer

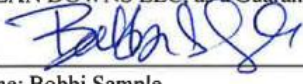
LLN PA, LLC, as a Guarantor

By: _____
Name: Marcia A. Dall
Title: Treasurer

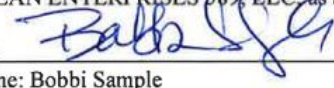
NKYRG, LLC, as a Guarantor

By: _____
Name: Marcia A. Dall
Title: Treasurer

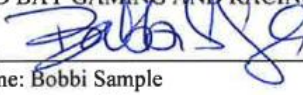
OCEAN DOWNS LLC, as a Guarantor

By: 
Name: Bobbi Sample
Title: General Manager

OCEAN ENTERPRISES 589, LLC, as a Guarantor

By: 
Name: Bobbi Sample
Title: General Manager

OLD BAY GAMING AND RACING, LLC, as a Guarantor

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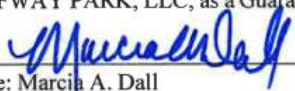
By: _____
Name: Marcia A. Dall
Title: Treasurer

[Signature Page to Supplemental Indenture]

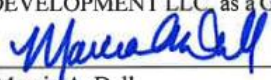
RACING SERVICES LLC, as a Guarantor

By: _____
Name: Bobbi Sample
Title: General Manager

TURFWAY PARK, LLC, as a Guarantor

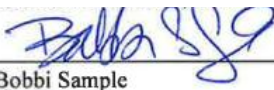
By:  _____
Name: Marcia A. Dall
Title: Treasurer

WKY DEVELOPMENT LLC, as a Guarantor

By:  _____
Name: Marcia A. Dall
Title: Treasurer

[Signature Page to Supplemental Indenture]

RACING SERVICES LLC, as a Guarantor

By: 
Name: Bobbi Sample
Title: General Manager

TURFWAY PARK, LLC, as a Guarantor

By: _____
Name: Marcia A. Dall
Title: Treasurer

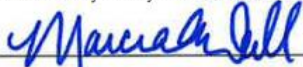
WKY DEVELOPMENT LLC, as a Guarantor

By: _____
Name: Marcia A. Dall
Title: Treasurer

[Signature Page to Supplemental Indenture]


GUARANTYING SUBSIDIARY:

BETAMERICA, LLC, as a Guarantor

By: 
Name: Marcia A. Dall
Title: Treasurer

[Signature Page to Supplemental Indenture]

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: 
Name: Amy Anders
Title: Vice President

U.S. BANK NATIONAL ASSOCIATION,
as Agent

By: 
Name: Amy Anders
Title: Vice President

[Signature Page to Supplemental Indenture]

Supplemental Indenture No. 2

SUPPLEMENTAL INDENTURE NO. 2, (this "Supplemental Indenture") dated as of October 5, 2022, by and among the parties that are signatory hereto as new Guarantors (the "Guaranteeing Subsidiaries"), Churchill Downs Incorporated, a Kentucky corporation (the "Company"), the other Guarantors (as defined in the Indenture referred to herein), U.S. Bank Trust Company, National Association (successor to U.S. Bank National Association), as Trustee under the Indenture referred to below, Paying Agent, Registrar, Transfer Agent and Authenticating Agent (the "Agent").

W I T N E S S E T H:

WHEREAS, the Company, each of the Guarantors, the Trustee and the Agent have heretofore executed and delivered an indenture dated as of March 25, 2019 (as amended, supplemented, waived or otherwise modified, the "Indenture"), including that Supplemental Indenture No. 1 dated May 19, 2021), providing for the issuance of an aggregate principal amount of \$600,000,000 million of 5.50% Senior Notes due 2027 of the Company (the "Notes");

WHEREAS, the Indenture provides that under certain circumstances the Guaranteeing Subsidiaries shall execute and deliver to the Trustee and the Agent a supplemental indenture to which each Guaranteeing Subsidiary shall unconditionally guarantee, on a joint and several basis with the other Guarantors, all of the Company's Obligations under the Notes and the Indenture on the terms and conditions set forth herein and under the Indentures' (the "Guarantee"); and

WHEREAS, pursuant to Section 9.1 of the Indenture, the Company, any Guarantor, the Trustee and the Agent are authorized to execute and deliver a supplemental indenture to add additional Guarantors, without the consent of any Holder;

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Guaranteeing Subsidiaries, the Company, the other Guarantors, the Trustee and the Agent mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

ARTICLE I

DEFINITIONS

SECTION 1.1. Defined Terms. As used in this Supplemental Indenture, terms defined in the Indenture or in the preamble or recitals hereto are used herein as therein defined. The words "herein," "hereof" and "hereby" and other words of similar import used in this Supplemental Indenture refer to this Supplemental Indenture as a whole and not to any particular section hereof.

ARTICLE II

AGREEMENT TO BE BOUND; GUARANTEE

SECTION 2.1. Agreement to be Bound. Each Guaranteeing Subsidiary hereby becomes a party to the Indenture as a Guarantor and as such will have all of the rights and be subject to all of the obligations and agreements of a Guarantor under the Indenture.

SECTION 2.2. Guarantee. Each Guaranteeing Subsidiary agrees, on a joint and several basis with all the existing Guarantors, to fully, unconditionally and irrevocably Guarantee to each Holder of the Notes and the Trustee and the Agent the Guaranteed Obligations pursuant to Article X of the Indenture on a senior basis.

ARTICLE III

MISCELLANEOUS

SECTION 3.1. Notices. All notices and other communications to the Guarantor shall be given as provided in the Indenture to the Guarantor, at its address set forth below, with a copy to the Company as provided in the Indenture for notices to the Company.

Churchill Downs Incorporated
600 North Hurstbourne Parkway, Suite 400
Louisville, Kentucky 40222
Attention: Investor Relations
Facsimile: 502-394-1160

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

Latham & Watkins LLP
10250 Constellation Blvd. Suite 1100
Los Angeles, California 90067
Attention: Steven B. Stokdyk
Facsimile: 310-993-9093

SECTION 3.2. Merger and Consolidation. Each Guaranting Subsidiary shall not sell or otherwise dispose of all or substantially all of its assets to, or consolidate with or merge with or into another Person (other than the Company or any Restricted Subsidiary that is a Guarantor or becomes a Guarantor concurrently with the transaction) except in accordance with Section 4.1(f) of the Indenture.

SECTION 3.3. Release of Guarantee. This Guarantee shall only be released in accordance with Section 10.2 of the Indenture.

SECTION 3.4. Parties. Nothing expressed or mentioned herein is intended or shall be construed to give any Person, firm or corporation, other than the Holders, the Trustee and the Agent, any legal or equitable right, remedy or claim under or in respect of this Supplemental Indenture or the Indenture or any provision herein or therein contained.

SECTION 3.5. Governing Law. This Supplemental Indenture shall be governed by, and construed in accordance with, the laws of the State of New York.

SECTION 3.6. Severability. In case any provision in this Supplemental Indenture shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby and such provision shall be ineffective only to the extent of such invalidity, illegality or unenforceability.

SECTION 3.7. Benefits Acknowledged. Each Guaranting Subsidiary's Guarantee is subject to the terms and conditions set forth in the Indenture. Each Guaranting Subsidiary acknowledges that it will receive direct and indirect benefits from the financing arrangements contemplated by the Indenture and this Supplemental Indenture and that the guarantee and waivers made by it pursuant to this Guarantee are knowingly made in contemplation of such benefits.

SECTION 3.8. Ratification of Indenture; Supplemental Indentures Part of Indenture. Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Indenture for all purposes, and every Holder of Notes heretofore or hereafter authenticated and delivered shall be bound hereby.

SECTION 3.9. The Trustee and the Agent. Each of the Trustee and the Agent makes no representation or warranty as to the validity or sufficiency of this Supplemental Indenture or with respect to the recitals or statements contained herein, all of which recitals or statements are made solely by the other parties hereto.


SECTION 3.10. Counterparts. The parties hereto may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. The exchange of copies of this Supplemental Indenture and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Supplemental Indenture as to the parties hereto and may be used in lieu of the original Supplemental Indenture for all purposes. Signatures of the parties hereto transmitted by facsimile or PDF shall be deemed to be their original signatures for all purposes. Counterparts may be delivered via facsimile, electronic mail (including via www.docuSign.com and any other electronic signature covered by the U.S. federal ESIGN Act of 2000, Uniform Electronic Transactions Act, the Electronic Signatures and Records Act or other applicable law) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

SECTION 3.11. Execution and Delivery. Each Guaranteeing Subsidiary agrees that the Guarantee shall remain in full force and effect notwithstanding any failure to endorse on each Note a notation of any such Guarantee.

SECTION 3.12. Headings. The headings of the Articles and the Sections in this Supplemental Indenture are for convenience of reference only and shall not be deemed to alter or affect the meaning or interpretation of any provisions hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

CHURCHILL DOWNS INCORPORATED

By: 
Name: Marcia A. Dall
Title: Executive Vice President and Chief Financial Officer

EXISTING GUARANTORS:

CHURCHILL DOWNS MANAGEMENT
COMPANY, LLC, as a Guarantor

By: 
Name: Marcia A. Dall
Title: Treasurer

CALDER RACE COURSE, INC., as a Guarantor

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

TROPICAL PARK, LLC, as a Guarantor

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

ARLINGTON PARK RACECOURSE, LLC, as a Guarantor

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

ARLINGTON OTB CORP., as a Guarantor

By: _____
Name: Bradley K. Blackwell
Title: Secretary

[Signature Page to Supplemental Indenture]

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

CHURCHILL DOWNS INCORPORATED

By: _____
Name: Marcia A. Dall
Title: Executive Vice President and Chief Financial Officer

EXISTING GUARANTORS:

CHURCHILL DOWNS MANAGEMENT
COMPANY, LLC, as a Guarantor

By: _____
Name: Marcia A. Dall
Title: Treasurer

CALDER RACE COURSE, INC., as a Guarantor

By: _____
Name: Marcia A. Dall
Title: Treasurer

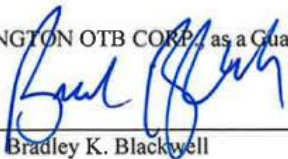
TROPICAL PARK, LLC, as a Guarantor

By: _____
Name: Marcia A. Dall
Title: Treasurer

ARLINGTON PARK RACECOURSE, LLC, as a Guarantor

By: _____
Name: Marcia A. Dall
Title: Treasurer

ARLINGTON OTB CORP. as a Guarantor

By:  _____
Name: Bradley K. Blackwell
Title: Secretary

[Signature Page to Supplemental Indenture]

QUAD CITY DOWNS, INC. as a Guarantor

By: 

By: _____
Name: Bradley K. Blackwell
Title: Secretary

CHURCHILL DOWNS LOUISIANA
HORSERACING COMPANY, L.L.C., as a Guarantor

By: _____
Name: Maureen Adams
Title: Secretary

CHURCHILL DOWNS LOUISIANA VIDEO POKER
COMPANY, L.L.C., as a Guarantor

By: _____
Name: Maureen Adams
Title: Secretary

VIDEO SERVICES, L.L.C., as a Guarantor

By: _____
Name: Maureen Adams
Title: Secretary

CHURCHILL DOWNS TECHNOLOGY
INITIATIVES COMPANY, as a Guarantor

By: _____
Name: Marcia A. Dall
Title: Treasurer

HCRH, LLC, as a Guarantor

By: _____
Name: Marcia A. Dall
Title: Treasurer

[Signature Page to Supplemental Indenture]

QUAD CITY DOWNS, INC., as a Guarantor

By: _____
Name: Bradley K. Blackwell
Title: Secretary

CHURCHILL DOWNS LOUISIANA
HORSERACING COMPANY, L.L.C., as a Guarantor

By: Maureen Adams
Name: Maureen Adams
Title: Secretary

Title: Secretary

CHURCHILL DOWNS LOUISIANA VIDEO POKER
COMPANY, L.L.C., as a Guarantor

By: Maureen Adams
Name: Maureen Adams
Title: Secretary

VIDEO SERVICES, L.L.C., as a Guarantor

By: Maureen Adams
Name: Maureen Adams
Title: Secretary

CHURCHILL DOWNS TECHNOLOGY
INITIATIVES COMPANY, as a Guarantor

By: _____
Name: Marcia A. Dall
Title: Treasurer

HCRH, LLC, as a Guarantor

By: _____
Name: Marcia A. Dall
Title: Treasurer

[Signature Page to Supplemental Indenture]

QUAD CITY DOWNS, INC., as a Guarantor

By: _____
Name: Bradley K. Blackwell
Title: Secretary

CHURCHILL DOWNS LOUISIANA
HORSE RACING COMPANY, L.L.C., as a Guarantor

By: _____
Name: Maureen Adams
Title: Secretary

CHURCHILL DOWNS LOUISIANA VIDEO POKER
COMPANY, L.L.C., as a Guarantor

By: _____
Name: Maureen Adams
Title: Secretary

VIDEO SERVICES, L.L.C., as a Guarantor

By: _____
Name: Maureen Adams
Title: Secretary

CHURCHILL DOWNS TECHNOLOGY
INITIATIVES COMPANY, as a Guarantor

By:  _____
Name: Marcia A. Dall
Title: Treasurer

HCRH, LLC, as a Guarantor

By:  _____
Name: Marcia A. Dall
Title: Treasurer

[Signature Page to Supplemental Indenture]

SW GAMING LLC, as a Guarantor

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

YOUBET.COM, LLC, as a Guarantor

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

MAGNOLIA HILL, LLC, as a Guarantor

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

CHURCHILL DOWNS RACETRACK, LLC, as a Guarantor

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

MVGR, LLC, as a Guarantor

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

BB DEVELOPMENT LLC, as a Guarantor

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

CHURCHILL DOWNS INTERACTIVE GAMING, LLC, as a Guarantor

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

[Signature Page to Supplemental Indenture]

DERBY CITY GAMING, LLC, as a Guarantor

By: Marcia A. Dall

By: _____
Name: Marcia A. Dall
Title: Treasurer

KYCR HOLDINGS, LLC, as a Guarantor

By: _____
Name: Marcia A. Dall
Title: Treasurer

LLN PA, LLC, as a Guarantor

By: _____
Name: Marcia A. Dall
Title: Treasurer

NKYRG, LLC, as a Guarantor

By: _____
Name: Maureen Adams
Title: Secretary

OCEAN DOWNS LLC, as a Guarantor

By: _____
Name: Bobbi Sample
Title: General Manager

OCEAN ENTERPRISES 589, LLC, as a Guarantor

By: _____
Name: Bobbi Sample
Title: General Manager

OLD BAY GAMING AND RACING, LLC, as a Guarantor

By: _____
Name: Bobbi Sample
Title: General Manager

[Signature Page to Supplemental Indenture]

DERBY CITY GAMING, LLC, as a Guarantor

By: _____
Name: Marcia A. Dall
Title: Treasurer

KYCR HOLDINGS, LLC, as a Guarantor

By: _____
Name: Marcia A. Dall
Title: Treasurer

LLN PA, LLC, as a Guarantor

By: _____
Name: Marcia A. Dall
Title: Treasurer

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Name: Maureen Adams
Title: Secretary

OCEAN DOWNS LLC, as a Guarantor

By: _____
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Title: General Manager

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Name: Bobbi Sample
Title: General Manager

OLD BAY GAMING AND RACING, LLC, as a Guarantor

By: _____
Name: Bobbi Sample
Title: General Manager

[Signature Page to Supplemental Indenture]

DERBY CITY GAMING, LLC, as a Guarantor

By: _____
Name: Marcia A. Dall
Title: Treasurer

KYCR HOLDINGS, LLC, as a Guarantor

By: _____
Name: Marcia A. Dall
Title: Treasurer

LLN PA, LLC, as a Guarantor

By: _____
Name: Marcia A. Dall
Title: Treasurer

NKYRG, LLC, as a Guarantor

By: _____
Name: Maureen Adams
Title: Secretary

OCEAN DOWNS LLC, as a Guarantor

By:  _____
Name: Bobbi Sample
Title: General Manager

OCEAN ENTERPRISES 589, LLC, as a Guarantor

By:  _____
Name: Bobbi Sample
Title: General Manager

OLD BAY GAMING AND RACING, LLC, as a Guarantor

By:  _____
Name: Bobbi Sample
Title: General Manager

[Signature Page to Supplemental Indenture]


UNITED TOTE COMPANY, as a Guarantor

By: 
Name: Ben Murr
Title: Treasurer

[Signature Page to Supplemental Indenture]

PID, LLC, as a Guarantor

By: 

By: 
Name: Marcia A. Dall
Title: Treasurer

RACING SERVICES LLC, as a Guarantor

By: _____
Name: Bobbi Sample
Title: General Manager

TURFWAY PARK, LLC, as a Guarantor

By: _____
Name: Maureen Adams
Title: Secretary

WKY DEVELOPMENT LLC, as a Guarantor

By: _____
Name: Maureen Adams
Title: Secretary

BETAMERICA, LLC, as a Guarantor

By: 
Name: Marcia A. Dall
Title: Treasurer

GUARANTYING SUBSIDIARIES:

CDITH, LLC, as a Guarantor

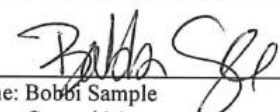
By: 
Name: Marcia A. Dall
Title: Treasurer

[Signature Page to Supplemental Indenture]

PID, LLC, as a Guarantor

By: _____
Name: Marcia A. Dall
Title: Treasurer

RACING SERVICES LLC, as a Guarantor

By: 
Name: Bobbi Sample
Title: General Manager

TURFWAY PARK, LLC, as a Guarantor

By: _____
Name: Maureen Adams
Title: Secretary

WKY DEVELOPMENT LLC, as a Guarantor

By: _____
Name: Maureen Adams
Title: Secretary

BETAMERICA, LLC, as a Guarantor

By: _____
Name: Marcia A. Dall
Title: Treasurer

GUARANTYING SUBSIDIARIES:

CDITH, LLC, as a Guarantor

By: _____
Name: Marcia A. Dall
Title: Treasurer

[Signature Page to Supplemental Indenture]

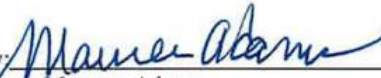
PID, LLC, as a Guarantor

By: _____
Name: Marcia A. Dall
Title: Treasurer

RACING SERVICES LLC, as a Guarantor

By: _____
Name: Bobbi Sample
Title: General Manager

TURFWAY PARK, LLC, as a Guarantor

By: 
Name: Maureen Adams
Title: Secretary

WKY DEVELOPMENT LLC, as a Guarantor

By: Maureen Adams
Name: Maureen Adams
Title: Secretary

BETAMERICA, LLC, as a Guarantor

By: _____
Name: Marcia A. Dall
Title: Treasurer

GUARANTYING SUBSIDIARIES:

CDITH, LLC, as a Guarantor

By: _____
Name: Marcia A. Dall
Title: Treasurer

[Signature Page to Supplemental Indenture]

DERBY CITY GAMING DOWNTOWN, LLC, as a
Guarantor

By: 
Name: Marcia A. Dall
Title: Treasurer

DCGD, LLC, as a Guarantor

By: 
Name: Marcia A. Dall
Title: Treasurer

OLD BAY BEVERAGE COMPANY, LLC, as a Guarantor

By: _____
Name: Maureen Adams
Title: Secretary

[Signature Page to Supplemental Indenture]

DERBY CITY GAMING DOWNTOWN, LLC, as a
Guarantor

By: _____
Name: Marcia A. Dall
Title: Treasurer

DCGD, LLC, as a Guarantor

By: _____
Name: Marcia A. Dall
Title: Treasurer

OLD BAY BEVERAGE COMPANY, LLC, as a Guarantor

By: Maureen Adams
Name: Maureen Adams
Title: Secretary

[Signature Page to Supplemental Indenture]

**U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION,**
as Trustee

By: Amy Anders
Name: Amy Anders
Title: Vice President

**U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION,**
as Agent

By: Amy Anders
Name: Amy Anders
Title: Vice President

[Signature Page to Supplemental Indenture]

Supplemental Indenture No. 3

SUPPLEMENTAL INDENTURE NO. 3, (this “Supplemental Indenture”) dated as of October 26, 2022, by and among the parties that are signatory hereto as new Guarantors (the “Guaranteeing Subsidiaries”), Churchill Downs Incorporated, a Kentucky corporation (the “Company”), the other Guarantors (as defined in the Indenture referred to herein), U.S. Bank Trust Company, National Association (successor to U.S. Bank National Association), as Trustee under the Indenture referred to herein, Paying Agent, Registrar, Transfer Agent and Authenticating Agent (the “Agent”).

WITNESSETH:

WHEREAS, the Company, each of the Guarantors, the Trustee and the Agent have heretofore executed and delivered an indenture dated as of March 25, 2019 (as amended, supplemented, waived or otherwise modified, the “Indenture”, including that Supplemental Indenture No. 1 dated May 19, 2021 and that Supplemental Indenture No. 2 dated October 5, 2022), providing for the issuance of an aggregate principal amount of \$600,000,000 million of 5.50% Senior Notes due 2027 of the Company (the “Notes”);

WHEREAS, the Indenture provides that under certain circumstances the Guaranteeing Subsidiaries shall execute and deliver to the Trustee and the Agent a supplemental indenture to which each Guaranteeing Subsidiary shall unconditionally guarantee, on a joint and several basis with the other Guarantors, all of the Company’s Obligations under the Notes and the Indenture on the terms and conditions set forth herein and under the Indentures’ (the “Guarantee”); and

WHEREAS, pursuant to Section 9.1 of the Indenture, the Company, any Guarantor, the Trustee and the Agent are authorized to execute and deliver a supplemental indenture to add additional Guarantors, without the consent of any Holder;

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Guaranteeing Subsidiaries, the Company, the other Guarantors, the Trustee and the Agent mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

ARTICLE I

DEFINITIONS

SECTION 1.1. Defined Terms. As used in this Supplemental Indenture, terms defined in the Indenture or in the preamble or recitals hereto are used herein as therein defined. The words “herein,” “hereof” and “hereby” and other words of similar import used in this Supplemental Indenture refer to this Supplemental Indenture as a whole and not to any particular section hereof.

ARTICLE II

AGREEMENT TO BE BOUND; GUARANTEE

SECTION 2.1. Agreement to be Bound. Each Guaranteeing Subsidiary hereby becomes a party to the Indenture as a Guarantor and as such will have all of the rights and be subject to all of the obligations and agreements of a Guarantor under the Indenture.

SECTION 2.2. Guarantee. Each Guaranteeing Subsidiary agrees, on a joint and several basis with all the existing Guarantors, to fully, unconditionally and irrevocably Guarantee to each Holder of the Notes and the Trustee and the Agent the Guaranteed Obligations pursuant to Article X of the Indenture on a senior basis.

ARTICLE III

MISCELLANEOUS

SECTION 3.1. Notices. All notices and other communications to the Guarantor shall be given as provided in the Indenture to the Guarantor, at its address set forth below, with a copy to the Company as provided in the Indenture for notices to the Company.

Churchill Downs Incorporated
600 North Hurstbourne Parkway, Suite 400
Louisville, Kentucky 40222
Attention: Investor Relations
Facsimile: 502-394-1160

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

Latham & Watkins LLP
10250 Constellation Blvd. Suite 1100
Los Angeles, California 90067
Attention: Steven B. Stokdyk
Facsimile: 310-993-9093

SECTION 3.2. Merger and Consolidation. Each Guaranting Subsidiary shall not sell or otherwise dispose of all or substantially all of its assets to, or consolidate with or merge with or into another Person (other than the Company or any Restricted Subsidiary that is a Guarantor or becomes a Guarantor concurrently with the transaction) except in accordance with Section 4.1(f) of the Indenture.

SECTION 3.3. Release of Guarantee. This Guarantee shall only be released in accordance with Section 10.2 of the Indenture.

SECTION 3.4. Parties. Nothing expressed or mentioned herein is intended or shall be construed to give any Person, firm or corporation, other than the Holders, the Trustee and the Agent, any legal or equitable right, remedy or claim under or in respect of this Supplemental Indenture or the Indenture or any provision herein or therein contained.

SECTION 3.5. Governing Law. This Supplemental Indenture shall be governed by, and construed in accordance with, the laws of the State of New York.

SECTION 3.6. Severability. In case any provision in this Supplemental Indenture shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby and such provision shall be ineffective only to the extent of such invalidity, illegality or unenforceability.

SECTION 3.7. Benefits Acknowledged. Each Guaranting Subsidiary's Guarantee is subject to the terms and conditions set forth in the Indenture. Each Guaranting Subsidiary acknowledges that it will receive direct and indirect benefits from the financing arrangements contemplated by the Indenture and this Supplemental Indenture and that the guarantee and waivers made by it pursuant to this Guarantee are knowingly made in contemplation of such benefits.

SECTION 3.8. Ratification of Indenture; Supplemental Indentures Part of Indenture. Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Indenture for all purposes, and every Holder of Notes heretofore or hereafter authenticated and delivered shall be bound hereby.

SECTION 3.9. The Trustee and the Agent. Each of the Trustee and the Agent makes no representation or warranty as to the validity or sufficiency of this Supplemental Indenture or with respect to the recitals or statements contained herein, all of which recitals or statements are made solely by the other parties hereto.


SECTION 3.10. Counterparts. The parties hereto may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. The exchange of copies of this Supplemental Indenture and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Supplemental Indenture as to the parties hereto and may be used in lieu of the original Supplemental Indenture for all purposes. Signatures of the parties hereto transmitted by facsimile or PDF shall be deemed to be their original signatures for all purposes. Counterparts may be delivered via facsimile, electronic mail (including via www.docuSign.com and any other electronic signature covered by the U.S. federal ESIGN Act of 2000, Uniform Electronic Transactions Act, the Electronic Signatures and Records Act or other applicable law) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

SECTION 3.11. Execution and Delivery. Each Guaranteeing Subsidiary agrees that the Guarantee shall remain in full force and effect notwithstanding any failure to endorse on each Note a notation of any such Guarantee.

SECTION 3.12. Headings. The headings of the Articles and the Sections in this Supplemental Indenture are for convenience of reference only and shall not be deemed to alter or affect the meaning or interpretation of any provisions hereof.

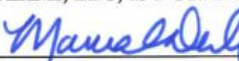
IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

CHURCHILL DOWNS INCORPORATED

By: 
Name: Marcia A. Dall
Title: Executive Vice President and Chief Financial Officer

GUARANTYING SUBSIDIARIES:

KYMALIMI, LLC, as a Guarantor

By: 
Name: Marcia A. Dall
Title: Treasurer

ELLIS ENTERTAINMENT, LLC, as a Guarantor

By: _____
Name: Maureen Adams

[Signature Page to Supplemental Indenture]

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

CHURCHILL DOWNS INCORPORATED

By: _____
Name: Marcia A. Dall
Title: Executive Vice President and Chief Financial Officer

GUARANTYING SUBSIDIARIES:

KYMALIMI, LLC, as a Guarantor

By: _____
Name: Marcia A. Dall
Title: Treasurer

ELLIS ENTERTAINMENT, LLC, as a Guarantor

By: Maureen Adams
Name: Maureen Adams
Title: Secretary

[Signature Page to Supplemental Indenture]

EXISTING GUARANTORS

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

By:

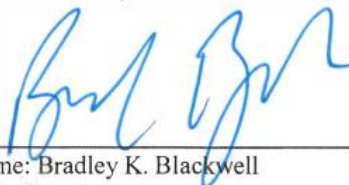


Name: Marcia A. Dall
Title: Treasurer

[Signature Page to Supplemental Indenture]

ARLINGTON OTB CORP.
QUAD CITY DOWNS, INC.

By:



Name: Bradley K. Blackwell
Title: Secretary


[Signature Page to Supplemental Indenture]

CHURCHILL DOWNS LOUISIANA HORSERACING
COMPANY, L.L.C
CHURCHILL DOWNS LOUISIANA VIDEO POKER
COMPANY, L.L.C.
NKYRG, LLC
VIDEO SERVICES, LLC

By: 
Name: Maureen Adams
Title: Treasurer

[Signature Page to Supplemental Indenture]

TURFWAY PARK, LLC

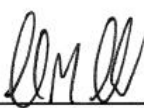
By: 
Name: Maureen Adams
Title: Secretary

[Signature Page to Supplemental Indenture]

By: 
Name: Maureen Adams
Title: Vice President

[Signature Page to Supplemental Indenture]

UNITED TOTE COMPANY

By: 
Name: Andrew Archibald
Title: President


[Signature Page to Supplemental Indenture]

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

By:  _____
Name: Bobbi Sample
Title: General Manager

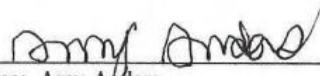
[Signature Page to Supplemental Indenture]

BETAMERICA, LLC

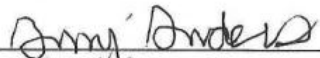
By: 
Name: Marcia A. Dall
Title: Treasurer

[Signature Page to Supplemental Indenture]

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION,
as Trustee

By: 
Name: Amy Anders
Title: Vice President

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION,
as Agent

By: 
Name: Amy Anders
Title: Vice President

[Signature Page to Supplemental Indenture]

Supplemental Indenture No. 4

SUPPLEMENTAL INDENTURE NO. 4, (this "Supplemental Indenture") dated as of November 1, 2022, by and among the parties that are signatory hereto as new Guarantors (the "Guaranteeing Subsidiaries"), Churchill Downs Incorporated, a Kentucky corporation (the "Company"), the other Guarantors (as defined in the Indenture referred to herein), U.S. Bank Trust Company, National Association (successor to U.S. Bank National Association), as Trustee under the Indenture referred to below, Paying Agent, Registrar, Transfer Agent and Authenticating Agent (the "Agent").

WITNESSETH:

WHEREAS, the Company, each of the Guarantors, the Trustee and the Agent have heretofore executed and delivered an indenture dated as of March 25, 2019 (as amended, supplemented, waived or otherwise modified, the "Indenture", including that Supplemental Indenture No. 1 dated May 19, 2021, that Supplemental Indenture No. 2 dated October 5, 2022, and that Supplemental Indenture No. 3 dated October 26, 2022), providing for the issuance of an aggregate principal amount of \$600,000,000 million of 5.50% Senior Notes due 2027 of the Company (the "Notes");

WHEREAS, the Indenture provides that under certain circumstances the Guaranteeing Subsidiaries shall execute and deliver to the Trustee and the Agent a supplemental indenture to which each Guaranteeing Subsidiary shall unconditionally guarantee, on a joint and several basis with the other Guarantors, all of the Company's Obligations under the Notes and the Indenture on the terms and conditions set forth herein and under the Indentures' (the "Guarantee"); and

WHEREAS, pursuant to Section 9.1 of the Indenture, the Company, any Guarantor, the Trustee and the Agent are authorized to execute and deliver a supplemental indenture to add additional Guarantors, without the consent of any Holder;

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Guaranteeing Subsidiaries, the Company, the other Guarantors, the Trustee and the Agent mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

ARTICLE I

DEFINITIONS

SECTION 1.1. Defined Terms. As used in this Supplemental Indenture, terms defined in the Indenture or in the preamble or recitals hereto are used herein as therein defined. The words "herein," "hereof" and "hereby" and other words of similar import used in this Supplemental Indenture refer to this Supplemental Indenture as a whole and not to any particular section hereof.

ARTICLE II

AGREEMENT TO BE BOUND; GUARANTEE

SECTION 2.1. Agreement to be Bound. Each Guaranteeing Subsidiary hereby becomes a party to the Indenture as a Guarantor and as such will have all of the rights and be subject to all of the obligations and agreements of a Guarantor under the Indenture.

SECTION 2.2. Guarantee. Each Guaranteeing Subsidiary agrees, on a joint and several basis with all the existing Guarantors, to fully, unconditionally and irrevocably Guarantee to each Holder of the Notes and the Trustee and the Agent the Guaranteed Obligations pursuant to Article X of the Indenture on a senior basis.

ARTICLE III

MISCELLANEOUS

SECTION 3.1. Notices. All notices and other communications to the Guarantor shall be given as provided in the Indenture to the Guarantor, at its address set forth below, with a copy to the Company as provided in the Indenture for notices to the Company.

Churchill Downs Incorporated
600 North Hurstbourne Parkway, Suite 400
Louisville, Kentucky 40222
Attention: Investor Relations
Facsimile: 502-394-1160

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

Latham & Watkins LLP
10250 Constellation Blvd. Suite 1100
Los Angeles, California 90067
Attention: Steven B. Stokdyk
Facsimile: 310-993-9093

SECTION 3.2. Merger and Consolidation. Each Guaranteeing Subsidiary shall not sell or otherwise dispose of all or substantially all of its assets to, or consolidate with or merge with or into another Person (other than the Company or any Restricted Subsidiary that is a Guarantor or becomes a Guarantor concurrently with the transaction) except in accordance with Section 4.1(f) of the Indenture.

SECTION 3.3. Release of Guarantee. This Guarantee shall only be released in accordance with Section 10.2 of the Indenture.

SECTION 3.4. Parties. Nothing expressed or mentioned herein is intended or shall be construed to give any Person, firm or corporation, other than the Holders, the Trustee and the Agent, any legal or equitable right, remedy or claim under or in respect of this Supplemental Indenture or the Indenture or any provision herein or therein contained.

SECTION 3.5. Governing Law. This Supplemental Indenture shall be governed by, and construed in accordance with, the laws of the State of New York.

SECTION 3.6. Severability. In case any provision in this Supplemental Indenture shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby and such provision shall be ineffective only to the extent of such invalidity, illegality or unenforceability.

SECTION 3.7. Benefits Acknowledged. Each Guaranteeing Subsidiary's Guarantee is subject to the terms and conditions set forth in the Indenture. Each Guaranteeing Subsidiary acknowledges that it will receive direct and indirect benefits from the financing arrangements contemplated by the Indenture and this Supplemental Indenture and that the guarantee and waivers made by it pursuant to this Guarantee are knowingly made in contemplation of such benefits.

SECTION 3.8. Ratification of Indenture; Supplemental Indentures Part of Indenture. Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Indenture for all purposes, and every Holder of Notes heretofore or hereafter authenticated and delivered shall be bound hereby.

SECTION 3.9. The Trustee and the Agent. Each of the Trustee and the Agent makes no representation or warranty as to the validity or sufficiency of this Supplemental Indenture or with respect to the recitals or statements contained herein, all of which recitals or statements are made solely by the other parties hereto.


SECTION 3.10. Counterparts. The parties hereto may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. The exchange of copies of this Supplemental Indenture and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Supplemental Indenture as to the parties hereto and may be used in lieu of the original Supplemental Indenture for all purposes. Signatures of the parties hereto transmitted by facsimile or PDF shall be deemed to be their original signatures for all purposes. Counterparts may be delivered via facsimile, electronic mail (including via www.docuSign.com and any other electronic signature covered by the U.S. federal ESIGN Act of 2000, Uniform Electronic Transactions Act, the Electronic Signatures and Records Act or other applicable law) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

SECTION 3.11. Execution and Delivery. Each Guaranteeing Subsidiary agrees that the Guarantee shall remain in full force and effect notwithstanding any failure to endorse on each Note a notation of any such Guarantee.

SECTION 3.12. Headings. The headings of the Articles and the Sections in this Supplemental Indenture are for convenience of reference only and shall not be deemed to alter or affect the meaning or interpretation of any provisions hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

CHURCHILL DOWNS INCORPORATED,
as Issuer

By: 
Name: Marcia A. Dall
Title: Executive Vice President and Chief Financial Officer

[Signature Page to Supplemental Indenture (2027 Notes)]

EXISTING GUARANTORS

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

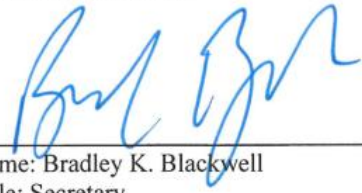
By:



Name: Marcia A. Dall
Title: Treasurer

ARLINGTON OTB CORP.
QUAD CITY DOWNS, INC.

By:



Name: Bradley K. Blackwell
Title: Secretary

[Signature Page to Supplemental Indenture (2027 Notes)]

CHURCHILL DOWNS LOUISIANA HORSERACING
COMPANY, L.L.C
CHURCHILL DOWNS LOUISIANA VIDEO POKER
COMPANY, L.L.C.
NKYRG, LLC
VIDEO SERVICES, LLC


By: 
Name: Maureen Adams
Title: Treasurer

TURFWAY PARK, LLC

By: Maureen Adams
Name: Maureen Adams
Title: Secretary

[Signature Page to Supplemental Indenture (2027 Notes)]

OLD BAY BEVERAGE COMPANY, LLC
WKY DEVELOPMENT, LLC

By: 
Name: Maureen Adams
Title: Vice President

UNITED TOTE COMPANY

By:



Name: Andrew Archibald
Title: President

[Signature Page to Supplemental Indenture (2027 Notes)]

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

By: 
Name: Bobbi Sample
Title: General Manager


[Signature Page to Supplemental Indenture (2027 Notes)]

BETAMERICA, LLC

By: 
Name: Marcia A. Dall
Title: Treasurer

[Signature Page to Supplemental Indenture (2027 Notes)]

ELLIS ENTERTAINMENT, LLC

By: 
Name: Marcia A. Dall
Title: Treasurer

[Signature Page to Supplemental Indenture (2027 Notes)]

KYMALIMI, LLC

By: 
Name: Marcia A. Dall
Title: Treasurer

[Signature Page to Supplemental Indenture (2027 Notes)]

NEW GUARANTORS

CDIHC, LLC
LAGO RESORT & CASINO, LLC
SCE PARTNERS, LLC
COLONIAL DOWNS GROUP, LLC
RVA GROUP II, LLC
RVA HOLDINGS GROUP, LLC
RICHMOND VA DEVELOPMENT, LLC
RICHMOND VA MANAGEMENT, LLC

By:



Name: Marcia A. Dall
Title: Treasurer

Supplemental Indenture No. 5

SUPPLEMENTAL INDENTURE NO. 5, (this “Supplemental Indenture”) dated as of May 1, 2023, by and among the parties that are signatory hereto as new Guarantors (the “Guaranteeing Subsidiaries”), Churchill Downs Incorporated, a Kentucky corporation (the “Company”), the other Guarantors (as defined in the Indenture referred to herein), U.S. Bank Trust Company, National Association (successor to U.S. Bank National Association), as Trustee under the Indenture referred to below, Paying Agent, Registrar, Transfer Agent and Authenticating Agent (the “Agent”).

W I T N E S S E T H:

WHEREAS, the Company, each of the Guarantors, the Trustee and the Agent have heretofore executed and delivered an indenture dated as of March 25, 2019 (as amended, supplemented, waived or otherwise modified, including by that Supplemental Indenture No. 1 dated as of May 19, 2021, that Supplemental Indenture No. 2 dated as of October 5, 2022, that Supplemental Indenture No. 3 dated as of October 26, 2022, and that Supplemental Indenture No. 4 dated as of November 1, 2022, the “Indenture”), providing for the issuance of an aggregate principal amount of \$600,000,000 million of 5.50% Senior Notes due 2027 of the Company (the “Notes”);

WHEREAS, the Indenture provides that under certain circumstances the Guaranteeing Subsidiaries shall execute and deliver to the Trustee and the Agent a supplemental indenture to which each Guaranteeing Subsidiary shall unconditionally guarantee, on a joint and several basis with the other Guarantors, all of the Company’s Obligations under the Notes and the Indenture on the terms and conditions set forth herein and under the Indentures’ (the “Guarantee”); and

WHEREAS, pursuant to Section 9.1 of the Indenture, the Company, any Guarantor, the Trustee and the Agent are authorized to execute and deliver a supplemental indenture to add additional Guarantors, without the consent of any Holder;

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Guaranteeing Subsidiaries, the Company, the other Guarantors, the Trustee and the Agent mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

ARTICLE I

DEFINITIONS

SECTION 1.1. Defined Terms. As used in this Supplemental Indenture, terms defined in the Indenture or in the preamble or recitals hereto are used herein as therein defined. The words “herein,” “hereof” and “hereby” and other words of similar import used in this Supplemental Indenture refer to this Supplemental Indenture as a whole and not to any particular section hereof.

ARTICLE II

AGREEMENT TO BE BOUND; GUARANTEE

SECTION 2.1. Agreement to be Bound. Each Guaranteeing Subsidiary hereby becomes a party to the Indenture as a Guarantor and as such will have all of the rights and be subject to all of the obligations and agreements of a Guarantor under the Indenture.

SECTION 2.2. Guarantee. Each Guaranteeing Subsidiary agrees, on a joint and several basis with all the existing Guarantors, to fully, unconditionally and irrevocably Guarantee to each Holder of the Notes and the Trustee and the Agent the Guaranteed Obligations pursuant to Article X of the Indenture on a senior basis.

ARTICLE III
MISCELLANEOUS

SECTION 3.1. Notices. All notices and other communications to the Guarantor shall be given as provided in the Indenture to the Guarantor, at its address set forth below, with a copy to the Company as provided in the Indenture for notices to the Company.

Churchill Downs Incorporated
600 North Hurstbourne Parkway, Suite 400
Louisville, Kentucky 40222
Attention: Investor Relations
Facsimile: 502-394-1160

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

Latham & Watkins LLP
10250 Constellation Blvd. Suite 1100
Los Angeles, California 90067
Attention: Steven B. Stokdyk
Facsimile: 310-993-9093

SECTION 3.2. Merger and Consolidation. Each Guaranteeing Subsidiary shall not sell or otherwise dispose of all or substantially all of its assets to, or consolidate with or merge with or into another Person (other than the Company or any Restricted Subsidiary that is a Guarantor or becomes a Guarantor concurrently with the transaction) except in accordance with Section 4.1(f) of the Indenture.

SECTION 3.3. Release of Guarantee. This Guarantee shall only be released in accordance with Section 10.2 of the Indenture.

SECTION 3.4. Parties. Nothing expressed or mentioned herein is intended or shall be construed to give any Person, firm or corporation, other than the Holders, the Trustee and the Agent, any legal or equitable right, remedy or claim under or in respect of this Supplemental Indenture or the Indenture or any provision herein or therein contained.

SECTION 3.5. Governing Law. This Supplemental Indenture shall be governed by, and construed in accordance with, the laws of the State of New York.

SECTION 3.6. Severability. In case any provision in this Supplemental Indenture shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby and such provision shall be ineffective only to the extent of such invalidity, illegality or unenforceability.

SECTION 3.7. Benefits Acknowledged. Each Guaranteeing Subsidiary's Guarantee is subject to the terms and conditions set forth in the Indenture. Each Guaranteeing Subsidiary acknowledges that it will receive direct and indirect benefits from the financing arrangements contemplated by the Indenture and this Supplemental Indenture and that the guarantee and waivers made by it pursuant to this Guarantee are knowingly made in contemplation of such benefits.

SECTION 3.8. Ratification of Indenture; Supplemental Indentures Part of Indenture. Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Indenture for all purposes, and every Holder of Notes heretofore or hereafter authenticated and delivered shall be bound hereby.

SECTION 3.9. The Trustee and the Agent. Each of the Trustee and the Agent makes no representation or warranty as to the validity or sufficiency of this Supplemental Indenture or with respect to the recitals or statements contained herein, all of which recitals or statements are made solely by the other parties hereto.

SECTION 3.10. Counterparts. The parties hereto may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. The exchange of copies of this Supplemental Indenture and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Supplemental Indenture as to the parties hereto and may be used in lieu of the original Supplemental Indenture for all purposes. Signatures of the parties hereto transmitted by facsimile or PDF shall be deemed to be their original signatures for all purposes. Counterparts may be delivered via facsimile, electronic

shall be deemed to be their original signature for all purposes. Counterparts may be delivered by facsimile, electronic mail (including via www.docusign.com and any other electronic signature covered by the U.S. federal E-SIGN Act of 2000, Uniform Electronic Transactions Act, the Electronic Signatures and Records Act or other applicable law) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

SECTION 3.11. Execution and Delivery. Each Guaranteeing Subsidiary agrees that the Guarantee shall remain in full force and effect notwithstanding any failure to endorse on each Note a notation of any such Guarantee.

SECTION 3.12. Headings. The headings of the Articles and the Sections in this Supplemental Indenture are for convenience of reference only and shall not be deemed to alter or affect the meaning or interpretation of any provisions hereof.

IN WITNESS WHEREOF, the parties have caused this Supplemental Indenture to be duly executed all as of the date and year first written above.

CHURCHILL DOWNS INCORPORATED

By: 
Name: Marcia A. Dall
Title: Executive Vice President and Chief
Financial Officer

[Signature Page to Supplemental Indenture (2027 Notes)]

EXISTING GUARANTORS:


ARLINGTON PARK RACECOURSE, LLC
BB DEVELOPMENT LLC
BETAMERICA, LLC
CALDER RACE COURSE, INC.
CDIHC, LLC
CDITH, LLC
CHURCHILL DOWNS INTERACTIVE GAMING, LLC
CHURCHILL DOWNS MANAGEMENT COMPANY, LLC
CHURCHILL DOWNS RACETRACK, LLC
CHURCHILL DOWNS TECHNOLOGY INITIATIVES
COMPANY
COLONIAL DOWNS GROUP, LLC
DCGD, LLC
DERBY CITY GAMING, LLC
DERBY CITY GAMING DOWNTOWN, LLC
ELLIS ENTERTAINMENT, LLC
HCRH, LLC
KYCR HOLDINGS, LLC
KYMALIMI, LLC
LAGO RESORT & CASINO, LLC
LLN PA, LLC
MAGNOLIA HILL, LLC
MVGR, LLC
NKYRG, LLC
RICHMOND VA DEVELOPMENT, LLC
RICHMOND VA MANAGEMENT, LLC
RVA GROUP II, LLC
RVA HOLDINGS GROUP, LLC
SCE PARTNERS, LLC
SW GAMING LLC
TROPICAL PARK, LLC
TURFWAY PARK, LLC
WKY DEVELOPMENT, LLC
YOUBET.COM, LLC

By: 
Name: Marcia A. Dall
Title: Treasurer

[Signature Page to Supplemental Indenture (2027 Notes)]


ARLINGTON OTB CORP.
QUAD CITY DOWNS, INC.



By: 
Name: Bradley K. Blackwell
Title: Secretary


[Signature Page to Supplemental Indenture (2027 Notes)]

CHURCHILL DOWNS LOUISIANA HORSERACING
COMPANY, L.L.C
CHURCHILL DOWNS LOUISIANA VIDEO POKER
COMPANY, L.L.C.
PID, LLC
OLD BAY GAMING AND RACING, LLC
VIDEO SERVICES, LLC

By: 
Name: Maureen Adams
Title: Treasurer

[Signature Page to Supplemental Indenture (2027 Notes)]

OLD BAY BEVERAGE COMPANY, LLC

By: 

Name: Maureen Adams

Title: Secretary

[Signature Page to Supplemental Indenture (2027 Notes)]

UNITED TOTE COMPANY

By:  _____

Name: Andrew M. Archibald

Title: President and Secretary

[Signature Page to Supplemental Indenture (2027 Notes)]

By: Maureen Adams
Name: Maureen Adams
Title: President


[Signature Page to Supplemental Indenture (2027 Notes)]

NEW GUARANTYING SUBSIDIARIES:

LINCOMPINCH LLC, as a Guarantor

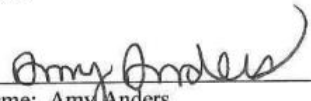
By: Marcia A. Dall
Name: Marcia A. Dall
Title: Treasurer

CDI TERRE HAUTE LAND, LLC, as a Guarantor

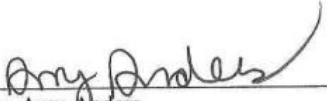
By: 
Name: Marcia A. Dall
Title: Treasurer

[Signature Page to Supplemental Indenture (2027 Notes)]

**U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION,**
as Trustee

By: 
Name: Amy Anders
Title: Vice President

**U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION,**
as Agent

By: 
Name: Amy Anders
Title: Vice President

[Signature Page to Supplemental Indenture (2027 Notes)]

Supplemental Indenture to Add Guarantors

SUPPLEMENTAL INDENTURE, (this "Supplemental Indenture") dated as of December 12, 2018, by and among the parties that are signatories hereto as Guarantors (the "Guaranteeing Subsidiary"), Churchill Downs Incorporated, a Kentucky corporation (the "Company"), the other Guarantors (as defined in the Indenture referred to herein), U.S. Bank National Association, as Trustee under the Indenture referred to below, Paying Agent, Registrar, Transfer Agent and Authenticating Agent (the "Agent").

W I T N E S S E T H:

WHEREAS, the Company, each of the Guarantors, the Trustee and the Agent have heretofore executed and delivered an indenture dated as of December 27, 2017 (as amended, supplemented, waived or otherwise modified, the "Indenture"), providing for the issuance of an aggregate principal amount of \$500,000,000 million of 4.75% Senior Notes due 2028 of the Company (the "Notes");

WHEREAS, the Indenture provides that under certain circumstances the Guaranteeing Subsidiary shall execute and deliver to the Trustee and the Agent a supplemental indenture to which the Guaranteeing Subsidiary shall unconditionally guarantee, on a joint and several basis with the other Guarantors, all of the Company's Obligations under the Notes and the Indenture on the terms and conditions set forth herein and under the Indentures' (the "Guarantee"); and

WHEREAS, pursuant to Section 9.1 of the Indenture, the Company, any Guarantor, the Trustee and the Agent are authorized to execute and deliver a supplemental indenture to add additional Guarantors, without the consent of any Holder;

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Guaranteeing Subsidiary, the Company, the other Guarantors, the Trustee and the Agent mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

ARTICLE I

DEFINITIONS

SECTION 1.1. Defined Terms. As used in this Supplemental Indenture, terms defined in the Indenture or in the preamble or recitals hereto are used herein as therein defined. The words "herein," "hereof" and "hereby" and other words of similar import used in this Supplemental Indenture refer to this Supplemental Indenture as a whole and not to any particular section hereof.

ARTICLE II

AGREEMENT TO BE BOUND; GUARANTEE

SECTION 2.1. Agreement to be Bound. The Guaranteeing Subsidiary hereby becomes a party to the Indenture as a Guarantor and as such will have all of the rights and be subject to all of the obligations and agreements of a Guarantor under the Indenture.

SECTION 2.2. Guarantee. The Guaranteeing Subsidiary agrees, on a joint and several basis with all the existing Guarantors, to fully, unconditionally and irrevocably Guarantee to each Holder of the Notes and the Trustee and the Agent the Guaranteed Obligations pursuant to Article X of the Indenture on a senior basis.

ARTICLE III

MISCELLANEOUS

SECTION 3.1. Notices. All notices and other communications to the Guarantor shall be given as provided in the Indenture to the Guarantor, at its address set forth below, with a copy to the Company as provided in the Indenture for notices to the Company.

Churchill Downs Incorporated
600 North Hurstbourne Parkway, Suite 400
Louisville, Kentucky 40222
Attention: Investor Relations
Facsimile: 502-394-1160

with a copy to:

Latham & Watkins LLP
10250 Constellation Blvd. Suite 1100
Los Angeles, California 90067
Attention: Steven B. Stokdyk
Facsimile: 310-993-9093

SECTION 3.2. Merger and Consolidation. The Guaranteeing Subsidiary shall not sell or otherwise dispose of all or substantially all of its assets to, or consolidate with or merge with or into another Person (other than the Company or any Restricted Subsidiary that is a Guarantor or becomes a Guarantor concurrently with the transaction) except in accordance with Section 4.1(f) of the Indenture.

SECTION 3.3. Release of Guarantee. This Guarantee shall only be released in accordance with Section 10.2 of the Indenture.

SECTION 3.4. Parties. Nothing expressed or mentioned herein is intended or shall be construed to give any Person, firm or corporation, other than the Holders, the Trustee and the Agent, any legal or equitable right, remedy or claim under or in respect of this Supplemental Indenture or the Indenture or any provision herein or therein contained.

SECTION 3.5. Governing Law. This Supplemental Indenture shall be governed by, and construed in accordance with, the laws of the State of New York.

SECTION 3.6. Severability. In case any provision in this Supplemental Indenture shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby and such provision shall be ineffective only to the extent of such invalidity, illegality or unenforceability.

SECTION 3.7. Benefits Acknowledged. The Guaranteeing Subsidiary's Guarantee is subject to the terms and conditions set forth in the Indenture. The Guaranteeing Subsidiary acknowledges that it will receive direct and indirect benefits from the financing arrangements contemplated by the Indenture and this Supplemental Indenture and that the guarantee and waivers made by it pursuant to this Guarantee are knowingly made in contemplation of such benefits.

SECTION 3.8. Ratification of Indenture; Supplemental Indentures Part of Indenture. Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the

Indenture for all purposes, and every Holder of Notes heretofore or hereafter authenticated and delivered shall be bound hereby.

SECTION 3.9. The Trustee and the Agent. Each of the Trustee and the Agent makes no representation or warranty as to the validity or sufficiency of this Supplemental Indenture or with respect to the recitals contained herein, all of which recitals are made solely by the other parties hereto.

SECTION 3.10. Counterparts. The parties hereto may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. The exchange of copies of this Supplemental Indenture and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Supplemental Indenture as to the parties hereto and may be used in lieu of the original Supplemental Indenture for all purposes. Signatures of the parties hereto transmitted by facsimile or PDF shall be deemed to be their original signatures for all purposes.


SECTION 3.11. Execution and Delivery. The Guaranteeing Subsidiary agrees that the Guarantee shall

SECTION 3.11. Execution and Delivery. The Guarantoring Company agrees that the Guarantees shall remain in full force and effect notwithstanding any failure to endorse on each Note a notation of any such Guarantee.

SECTION 3.12. Headings. The headings of the Articles and the Sections in this Supplemental Indenture are for convenience of reference only and shall not be deemed to alter or affect the meaning or interpretation of any provisions hereof.

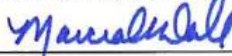
IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

CHURCHILL DOWNS INCORPORATED

By: 
Name: Marcia A. Dall
Title: Executive Vice President and Chief
Financial Officer

EXISTING GUARANTORS:

CHURCHILL DOWNS MANAGEMENT
COMPANY, LLC, as a Guarantor

By: 
Name: Marcia A. Dall
Title: Treasurer

CALDER RACE COURSE, INC., as a Guarantor

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

TROPICAL PARK, LLC, as a Guarantor

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

ARLINGTON PARK RACECOURSE, LLC, as a Guarantor

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

ARLINGTON OTB CORP., as a Guarantor

By: _____
Name: Michael W. Anderson
Title: Secretary

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

CHURCHILL DOWNS INCORPORATED

By: _____
Name: Marcia A. Dall
Title: Executive Vice President and Chief
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TROPICAL PARK, LLC, as a Guarantor

By: _____
Name: Marcia A. Dall
Title: Treasurer

ARLINGTON PARK RACECOURSE, LLC, as a
Guarantor

By: _____
Name: Marcia A. Dall
Title: Treasurer

ARLINGTON OTB CORP., as a Guarantor

By: Mike Anderson
Name: Michael W. Anderson
Title: Secretary

QUAD CITY DOWNS, INC., as a Guarantor

By: _____

Name: Bradley K. Blackwell

Title: Secretary

CHURCHILL DOWNS LOUISIANA
HORSERACING COMPANY, L.L.C., as a
Guarantor

By: _____

Name: Michael W. Anderson

Title: Secretary

CHURCHILL DOWNS LOUISIANA VIDEO POKER
COMPANY, L.L.C., as a Guarantor

By: _____

Name: Michael W. Anderson

Title: Secretary

VIDEO SERVICES, L.L.C., as a Guarantor

By: _____

Name: Michael W. Anderson

Title: Secretary

CHURCHILL DOWNS TECHNOLOGY
INITIATIVES COMPANY, as a Guarantor

By: _____

Name: Marcia A. Dall

Title: Treasurer

HCRH, LLC, as a Guarantor

By: _____

Name: Marcia A. Dall

Title: Treasurer

QUAD CITY DOWNS, INC., as a Guarantor

By: _____

Name: Bradley K. Blackwell

Title: Secretary

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Title: Secretary

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Title: Treasurer

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By: _____

Name: Marcia A. Dall

Title: Treasurer

SW GAMING LLC, as a Guarantor

By: Marcia A. Dall

Name: Marcia A. Dall

Title: Treasurer

UNITED TOTE COMPANY, as a Guarantor

By: _____

Name: Benjamin C. Murr

Title: Treasurer

YOUBET.COM, LLC, as a Guarantor

By: Marcia A. Dall

Name: Marcia A. Dall

Title: Treasurer

MAGNOLIA HILL, LLC, as a Guarantor

By: Marcia A. Dall

Name: Marcia A. Dall

Title: Treasurer

CHURCHILL DOWNS RACETRACK, LLC, as a Guarantor

By: Marcia A. Dall

Name: Marcia A. Dall

Title: Treasurer

MVGR, LLC, as a Guarantor

By: Marcia A. Dall

Name: Marcia A. Dall

Title: Treasurer

BB DEVELOPMENT LLC, as a Guarantor

By: Marcia A. Dall

Name: Marcia A. Dall

Title: Treasurer

SW GAMING LLC, as a Guarantor

By: _____

Name: Marcia A. Dall
Title: Treasurer

UNITED TOTE COMPANY, as a Guarantor

By: 
Name: Benjamin C. Murr
Title: Treasurer

YOUBET.COM, LLC, as a Guarantor

By: _____
Name: Marcia A. Dall
Title: Treasurer

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By: _____
Name: Marcia A. Dall
Title: Treasurer

MVGR, LLC, as a Guarantor


By: _____
Name: Marcia A. Dall
Title: Treasurer

BB DEVELOPMENT LLC, as a Guarantor

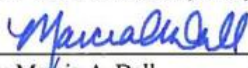
By: _____
Name: Marcia A. Dall
Title: Treasurer

GUARANTYING SUBSIDIARIES:

CHURCHILL DOWNS INTERACTIVE GAMING, LLC, as
a Guarantor

By: 
Name: Marcia A. Dall
Title: Treasurer

DERBY CITY GAMING, LLC, as a Guarantor

By: 
Name: Marcia A. Dall
Title: Treasurer

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: 
Name: Karolina K. Donlin
Title: Vice President

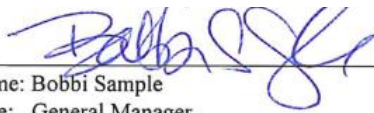
U.S. BANK NATIONAL ASSOCIATION,
as Agent

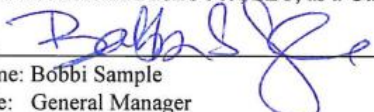
By: 
Name: Karolina K. Donlin
Title: Vice President

OLD BAY GAMING AND RACING, LLC, as a
Guarantor

By: 
Name: Bobbi Sample
Title: General Manager

OCEAN DOWNS LLC, as a Guarantor

By: 
Name: Bobbi Sample
Title: General Manager

OCEAN ENTERPRISES 589, LLC, as a Guarantor
By: 
Name: Bobbi Sample
Title: General Manager

RACING SERVICES LLC, as a Guarantor
By: 
Name: Bobbi Sample
Title: General Manager

PID, LLC, as a Guarantor
By: _____
Name: Marcia A. Dall
Title: Treasurer

LLN PA, LLC, as a Guarantor
By: _____
Name: Marcia A. Dall
Title: Treasurer

SUPPLEMENTAL INDENTURE

SECOND SUPPLEMENTAL INDENTURE (this “Second Supplemental Indenture”) dated as of March 17, 2021, by and among Churchill Downs Incorporated, a Kentucky corporation (the “Issuer”), each of the parties identified on Annex A hereto (the “Guarantors”) and U.S. Bank National Association, a national banking association, as Trustee (the “Trustee”).

WITNESSETH:

WHEREAS, the Issuer, the Guarantors, and the Trustee are party to an indenture, dated as of December 27, 2017 (the “Base Indenture”) as amended and supplemented by the supplemental indenture dated December 12, 2018 (the “Supplemental Indenture” and together with the Base Indenture and this Second Supplemental Indenture, the “Indenture”), providing for the issuance by the Issuer of its 4.75% Senior Notes due 2028;

WHEREAS, pursuant to and on the date of the Base Indenture, the Issuer initially issued \$500,000,000 aggregate principal amount of its 4.75% Senior Notes due 2028 (the “Existing Notes”);

WHEREAS, Section 2.1 of the Base Indenture provides that the Issuer may, from time to time and in accordance therewith, create and issue Additional Notes (as defined in the Base Indenture) under the Base Indenture;

WHEREAS, the Issuer wishes to issue an additional \$200,000,000 aggregate principal amount of its 4.75% Senior Notes due 2028 as Additional Notes (the “New Notes”);

WHEREAS, Section 9.1 of the Base Indenture provides that, without the consent of the Holders of any Notes, the Issuer, any Guarantor and the Trustee may amend or supplement the Base Indenture to provide for or confirm the issues of Additional Notes;

WHEREAS, Section 9.1 of the Base Indenture provides that, without the consent of the Holders of any Notes, the Issuer, any Guarantor and the Trustee may amend or supplement the Base Indenture to cure any ambiguity, omission, mistake, defect, error or inconsistency, conform any provision to any provision under the heading “Description of the Notes” in the Offering Memorandum (as defined in the Base Indenture) in accordance with the terms of the Base Indenture;

WHEREAS, the Issuer and the Guarantors are authorized to execute and deliver this Second Supplemental Indenture;

WHEREAS, the Issuer has requested that the Trustee execute and deliver this Second Supplemental Indenture; and

WHEREAS, all conditions and requirements necessary to the execution and delivery of this Second Supplemental Indenture have been done and performed, and the execution and delivery hereof has been in all respects authorized.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged the Issuer, the Guarantors and the Trustee mutually covenant and agree as follows:

2. Amount of New Notes. The aggregate principal amount of New Notes to be authenticated and delivered under this Second Supplemental Indenture on March 17, 2021 is \$200,000,000.

3. Terms of New Notes. The New Notes are to be issued as Additional Notes under the Indenture and shall:

- a. be issued as part of the existing series of Existing Notes under the Indenture, and the New Notes and the Existing Notes shall be a single class for all purposes under the Indenture, including, without limitation, with respect to waivers, amendments, redemptions and offers to purchase;
- b. be issued on March 17, 2021 at a purchase price of 103.250% of the principal amount and will accrue interest from January 15, 2021;
- c. be issuable in whole in the form of one or more Global Notes to be held by DTC and in the form, including appropriate transfer restriction legends, provided in Exhibit A to the Base Indenture;
- d. initially bear, in the case of New Notes sold under Regulation S of the Securities Act, the CUSIP number of U1714Q AE4 and ISIN of USU1714QAE45; and
- e. bear, in the case of New Notes sold under Rule 144A of the Securities Act, the same CUSIP number and ISIN as the Existing Notes that are Rule 144A Notes.

4. Amendments to the Indenture

a. The definition of “Initial Purchasers” under Section 1.1 of the Indenture is hereby deleted in its entirety and replaced with the following:

“ “Initial Purchasers” means, with respect to the Initial Notes, J.P. Morgan Securities LLC, Fifth Third Securities, Inc., PNC Capital Markets LLC, U.S. Bancorp Investments, Inc., Wells Fargo Securities, LLC and KeyBanc Capital Markets Inc. and, with respect to the Additional Notes, J.P. Morgan Securities LLC, Fifth Third Securities, Inc., PNC Capital Markets LLC, U.S. Bancorp Investments, Inc., Wells Fargo Securities, LLC and KeyBanc Capital Markets Inc. (each an “Initial Purchaser”).”

b. The definition of “Registration Rights Agreement” under Section 1.1 of the Indenture is hereby deleted in its entirety and replaced with the following:

“ “Registration Rights Agreement” means, with respect to the Initial Notes, the Registration Rights Agreement, dated as of the Issue Date, among the Company, the Guarantors and the Initial Purchasers, as the same may be amended from time to time in accordance with the terms thereof and, with respect to the Additional Notes, the Registration Rights Agreement, dated as of March 17, 2021, among the Issuer, the guarantors party thereto and the Initial Purchasers, as the same may be amended from time to time in accordance with the terms thereof.”

2

c. Section 3.2(b)(1) of the Indenture is hereby amended to replace the reference to “\$1.6 billion” with a reference to “\$1.4 billion”.

d. All notice and other communications to the Trustee shall be given as provided in the Indenture, at the address set forth below:

U.S. Bank National Association
One Financial Square
Louisville, Kentucky 40202
Attention: Amy Anders, Churchill Downs Corporate Trust Administrator
Phone: 502-562-6259

5. Ratification of Base Indenture; Supplemental Indenture; Second Supplemental Indenture
Part of Indenture. The Base Indenture and Supplemental Indenture are in all respects ratified and

Part of Indenture. The Base Indenture and Supplemental Indenture are in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Second Supplemental Indenture shall form a part of the Base Indenture and Supplemental Indenture for all purposes, and every Holder of a Note or New Note heretofore or hereafter authenticated and delivered shall be bound hereby.

6. GOVERNING LAW. THIS SECOND SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK BUT WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

7. Trustee's Assumption; Trustee Makes No Representation. The Trustee assumes no duties, responsibilities or liabilities under this Second Supplemental Indenture other than as set forth in the Base Indenture. The Trustee makes no representation as to the validity or sufficiency of this Second Supplemental Indenture. The Trustee shall not be responsible for any statement or recital herein or any statement or recital contained in any document in connection with the sale of the New Notes.


8. Counterparts. The parties may sign any number of copies of this Second Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

9. Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction thereof.

If the foregoing is in accordance with your understanding, please indicate your acceptance of this Agreement by signing in the space provided below.

Very truly yours,

CHURCHILL DOWNS INCORPORATED

By: 
Name: Marcia A. Dall
Title: Executive Vice President and Chief
Financial Officer

[Signature Page to Supplemental Indenture]

GUARANTORS

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
KYCR HOLDINGS, LLC
LLN PA, LLC
MAGNOLIA HILL, LLC
MVGR, LLC
PID, LLC
SW GAMING LLC
TROPICAL PARK, LLC
YUBET.COM, LLC

By: 
Name: Marcia A. Dall
Title: Treasurer

[Signature Page to Supplemental Indenture]

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

**CHURCHILL DOWNS LOUISIANA
HORSERACING COMPANY, L.L.C.
TURFWAY PARK, LLC
VIDEO SERVICES, L.L.C.
WKY DEVELOPMENT, LLC**

By: _____
Name: Michael W. Anderson
Title: Secretary

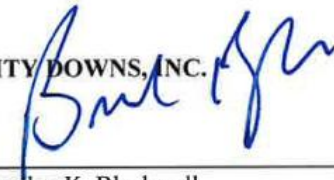
NKYRG, LLC

By: _____
Name: Michael W. Anderson
Title: Secretary

UNITED TOTE COMPANY

By: _____
Name: Benjamin C. Murr
Title: Chairman & Treasurer

QUAD CITY DOWNS, INC.

By:  _____
Name: Bradley K. Blackwell
Title: Secretary

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

By: _____
Name: Bobbi Sample
Title: General Manager

[Signature Page to Supplemental Indenture]

**ARLINGTON OTB CORP.
CHURCHILL DOWNS LOUISIANA VIDEO
POKER COMPANY, L.L.C.
CHURCHILL DOWNS LOUISIANA
HORSERACING COMPANY, L.L.C.
TURFWAY PARK, LLC
VIDEO SERVICES, L.L.C.
WKY DEVELOPMENT, LLC**

By:  _____
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Title: Secretary

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By: Mike Anderson
Name: Michael W. Anderson
Title: Secretary

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By: _____
Name: Benjamin C. Murr
Title: Chairman & Treasurer

QUAD CITY DOWNS, INC.

By: _____
Name: Bradley K. Blackwell
Title: Secretary

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

By: _____
Name: Bobbi Sample
Title: General Manager

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CHURCHILL DOWNS LOUISIANA
HORSERACING COMPANY, L.L.C.
TURFWAY PARK, LLC
VIDEO SERVICES, L.L.C.
WKY DEVELOPMENT, LLC**

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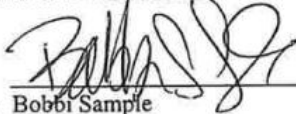
UNITED TOTE COMPANY

By: _____
Name: Benjamin C. Murr
Title: Chairman & Treasurer

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By: _____
Name: Bradley K. Blackwell
Title: Secretary

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

By:  _____
Name: Bobbi Sample
Title: General Manager

[Signature Page to Supplemental Indenture]

By: Amy Anders
Name: Amy Anders
Title: Vice President

[Churchill Downs – Signature Page to Second Supplemental Indenture]

Annex A

Arlington OTB Corp.

Arlington Park Racecourse, LLC

BB Development LLC d/b/a Oxford Casino

Calder Race Course, Inc., d/b/a Calder Casino and Race Course

Churchill Downs Interactive Gaming, LLC

Churchill Downs Louisiana Horse racing Company, L.L.C. d/b/a Fair Grounds Race Course & Slots

Churchill Downs Louisiana Horseracing Company, L.L.C. d/b/a Fair Grounds Race Course & Slots

Churchill Downs Louisiana Video Poker Company, L.L.C.

Churchill Downs Management Company, LLC

Churchill Downs Racetrack, LLC

Churchill Downs Technology Initiatives Company d/b/a Bloodstock Research Information Services, BetAmerica.com and TwinSpires.com

Derby City Gaming, LLC

HCRH, LLC

KYCR Holdings, LLC

LLN PA, LLC

Magnolia Hill, LLC d/b/a Riverwalk Casino Hotel, LLC

MVGR, LLC

NKYRG, LLC

Ocean Downs LLC

Ocean Enterprise 589 LLC

Old Bay Gaming and Racing, LLC

PID, LLC

Quad City Downs, Inc.

Racing Services LLC

SW Gaming LLC d/b/a Harlow's Casino Resort & Spa

Tropical Park, LLC

Turfway Park, LLC

United Tote Company

Video Services, LLC

WKY Development, LLC

Youbet.com, LLC

Supplemental Indenture to Add Guarantors

SUPPLEMENTAL INDENTURE, (this “Supplemental Indenture”) dated as of May 19, 2021, by and among the party that is signatory hereto as Guarantor (the “Guaranteeing Subsidiary”), Churchill Downs Incorporated, a Kentucky corporation (the “Company”), the other Guarantors (as defined in the Indenture referred to herein), U.S. Bank National Association, as Trustee under the Indenture referred to below, Paying Agent, Registrar, Transfer Agent and Authenticating Agent (the “Agent”).

W I T N E S S E T H:

WHEREAS, the Company, each of the Guarantors, the Trustee and the Agent have heretofore executed and delivered an indenture dated as of December 27, 2017 (as amended, supplemented, waived or otherwise modified, the “Indenture”), providing for the issuance of an aggregate principal amount of \$500,000,000 million of 4.75% Senior Notes due 2028 of the Company (the “Notes”);

WHEREAS, the Indenture provides that under certain circumstances the Guaranteeing Subsidiary shall execute and deliver to the Trustee and the Agent a supplemental indenture to which the Guaranteeing Subsidiary shall unconditionally guarantee, on a joint and several basis with the other Guarantors, all of the Company’s Obligations under the Notes and the Indenture on the terms and conditions set forth herein and under the Indentures’ (the “Guarantee”); and

WHEREAS, pursuant to Section 9.1 of the Indenture, the Company, any Guarantor, the Trustee and the Agent are authorized to execute and deliver a supplemental indenture to add additional Guarantors, without the consent of any Holder;

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Guaranteeing Subsidiary, the Company, the other Guarantors, the Trustee and the Agent mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

ARTICLE I

DEFINITIONS

SECTION 1.1. Defined Terms. As used in this Supplemental Indenture, terms defined in the Indenture or in the preamble or recitals hereto are used herein as therein defined. The words “herein,” “hereof” and “hereby” and other words of similar import used in this Supplemental Indenture refer to this Supplemental Indenture as a whole and not to any particular section hereof.

ARTICLE II

AGREEMENT TO BE BOUND; GUARANTEE

SECTION 2.1. Agreement to be Bound. The Guaranteeing Subsidiary hereby becomes a party to the Indenture as a Guarantor and as such will have all of the rights and be subject to all of the obligations and agreements of a Guarantor under the Indenture.

SECTION 2.2. Guarantee. The Guaranteeing Subsidiary agrees, on a joint and several basis with all the existing Guarantors, to fully, unconditionally and irrevocably Guarantee to each Holder of the Notes and the Trustee and the Agent the Guaranteed Obligations pursuant to Article X of the Indenture on a senior basis.

ARTICLE III

MISCELLANEOUS

SECTION 3.1. Notices. All notices and other communications to the Guarantor shall be given as provided in the Indenture to the Guarantor, at its address set forth below, with a copy to the Company as provided in the Indenture for notices to the Company.

Churchill Downs Incorporated
600 North Hurstbourne Parkway, Suite 400
Louisville, Kentucky 40222
Attention: Investor Relations
Facsimile: 502-394-1160

with a copy to:

Latham & Watkins LLP
10250 Constellation Blvd. Suite 1100
Los Angeles, California 90067
Attention: Steven B. Stokdyk
Facsimile: 310-993-9093

SECTION 3.2. Merger and Consolidation. The Guaranteeing Subsidiary shall not sell or otherwise dispose of all or substantially all of its assets to, or consolidate with or merge with or into another Person (other than the Company or any Restricted Subsidiary that is a Guarantor or becomes a Guarantor concurrently with the transaction) except in accordance with Section 4.1(f) of the Indenture.

SECTION 3.3. Release of Guarantee. This Guarantee shall only be released in accordance with Section 10.2 of the Indenture.

SECTION 3.4. Parties. Nothing expressed or mentioned herein is intended or shall be construed to give any Person, firm or corporation, other than the Holders, the Trustee and the Agent, any legal or equitable right, remedy or claim under or in respect of this Supplemental Indenture or the Indenture or any provision herein or therein contained.

SECTION 3.5. Governing Law. This Supplemental Indenture shall be governed by, and construed in accordance with, the laws of the State of New York.

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SECTION 3.7. Benefits Acknowledged. The Guaranteeing Subsidiary's Guarantee is subject to the terms and conditions set forth in the Indenture. The Guaranteeing Subsidiary acknowledges that it will receive direct and indirect benefits from the financing arrangements contemplated by the Indenture and this Supplemental Indenture and that the guarantee and waivers made by it pursuant to this Guarantee are knowingly made in contemplation of such benefits.

SECTION 3.8. Ratification of Indenture; Supplemental Indentures Part of Indenture. Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the

Indenture for all purposes, and every Holder of Notes heretofore or hereafter authenticated and delivered shall be bound hereby.

SECTION 3.9. The Trustee and the Agent. Each of the Trustee and the Agent makes no representation or warranty as to the validity or sufficiency of this Supplemental Indenture or with respect to the recitals contained herein, all of which recitals are made solely by the other parties hereto.

SECTION 3.10. Counterparts. The parties hereto may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. The exchange of copies of this Supplemental Indenture and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Supplemental Indenture as to the parties hereto and may be used in lieu of the original Supplemental Indenture for all purposes. Signatures of the parties hereto transmitted by facsimile or PDF shall be deemed to be their original signatures for all purposes.

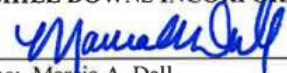
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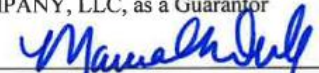
IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

CHURCHILL DOWNS INCORPORATED

By: 
Name: Marcia A. Dall
Title: Executive Vice President and Chief
Financial Officer

EXISTING GUARANTORS:

CHURCHILL DOWNS MANAGEMENT
COMPANY, LLC, as a Guarantor

By: 
Name: Marcia A. Dall
Title: Treasurer

CALDER RACE COURSE, INC., as a Guarantor

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

TROPICAL PARK, LLC, as a Guarantor

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

ARLINGTON PARK RACECOURSE, LLC, as a Guarantor

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

ARLINGTON OTB CORP., as a Guarantor

By: _____
Name: Bradley K. Blackwell
Title: Secretary

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By: _____
Name: Bradley K. Blackwell
Title: Secretary

[Signature Page to Supplemental Indenture]

A. A. 11

QUAD CITY DOWNS, INC., as a Guarantor

By: _____

Name: Bradley K. Blackwell

Title: Secretary

CHURCHILL DOWNS LOUISIANA
HORSE RACING COMPANY, L.L.C., as a
Guarantor

By: _____

Name: Michael W. Anderson

Title: Secretary

CHURCHILL DOWNS LOUISIANA VIDEO POKER
COMPANY, L.L.C., as a Guarantor

By: _____

Name: Michael W. Anderson

Title: Secretary

VIDEO SERVICES, L.L.C., as a Guarantor

By: _____

Name: Michael W. Anderson

Title: Secretary

CHURCHILL DOWNS TECHNOLOGY
INITIATIVES COMPANY, as a Guarantor

By: _____

Name: Marcia A. Dall

Title: Treasurer

HCRH, LLC, as a Guarantor

By: _____

Name: Marcia A. Dall

Title: Treasurer

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CHURCHILL DOWNS LOUISIANA
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Guarantor

By: Maureen Adams
Name: Maureen Adams
Title: Treasurer

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TREASURER

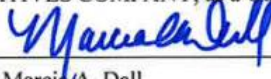
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Title: Treasurer

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SW GAMING LLC, as a Guarantor

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

UNITED TOTE COMPANY, as a Guarantor

By: _____
Name: Benjamin C. Murr
Title: Treasurer

YOUBET.COM, LLC, as a Guarantor

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

MAGNOLIA HILL, LLC, as a Guarantor

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MVGR, LLC, as a Guarantor

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Name: Marcia A. Dall
Title: Treasurer

BB DEVELOPMENT LLC, as a Guarantor

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

CHURCHILL DOWNS INTERACTIVE GAMING, LLC, as a Guarantor

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

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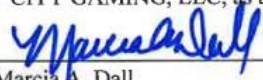
By: _____
Name: Marcia A. Dall
Title: Treasurer

CHURCHILL DOWNS INTERACTIVE GAMING, LLC, as
a Guarantor

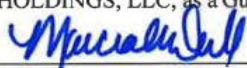
By: _____
Name: Marcia A. Dall
Title: Treasurer

[Signature Page to Supplemental Indenture]

DERBY CITY GAMING, LLC, as a Guarantor

By: 
Name: Marcia A. Dall
Title: Treasurer

KYCR HOLDINGS, LLC, as a Guarantor

By: 
Name: Marcia A. Dall
Title: Treasurer

LLN PA, LLC, as a Guarantor

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

NKYRG, LLC, as a Guarantor

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

OCEAN DOWNS LLC, as a Guarantor

By: _____
Name: Bobbi Sample
Title: General Manager

OCEAN ENTERPRISES 589, LLC, as a Guarantor

By: _____
Name: Bobbi Sample
Title: General Manager

OLD BAY GAMING AND RACING, LLC, as a Guarantor

By: _____
Name: Bobbi Sample
Title: General Manager

PID, LLC, as a Guarantor

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

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By: _____
Name: Marcia A. Dall
Title: Treasurer

KYCR HOLDINGS, LLC, as a Guarantor

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Name: Marcia A. Dall
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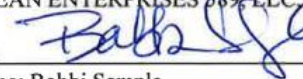
NKYRG, LLC, as a Guarantor

By: _____
Name: Marcia A. Dall
Title: Treasurer

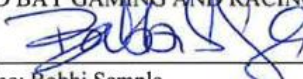
OCEAN DOWNS LLC, as a Guarantor

By: 
Name: Bobbi Sample
Title: General Manager

OCEAN ENTERPRISES 589, LLC, as a Guarantor

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By: 
Name: Bobbi Sample
Title: General Manager

PID, LLC, as a Guarantor

By: _____
Name: Marcia A. Dall
Title: Treasurer

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RACING SERVICES LLC, as a Guarantor

By: _____
Name: Bobbi Sample
Title: General Manager

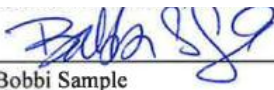
TURFWAY PARK, LLC, as a Guarantor

By:  _____
Name: Marcia A. Dall
Title: Treasurer

WKY DEVELOPMENT LLC, as a Guarantor

By:  _____
Name: Marcia A. Dall
Title: Treasurer

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By: 
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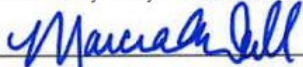
WKY DEVELOPMENT LLC, as a Guarantor

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GUARANTYING SUBSIDIARY:

BETAMERICA, LLC, as a Guarantor

By: 
Name: Marcia A. Dall
Title: Treasurer

[Signature Page to Supplemental Indenture]

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: 
Name: Amy Anders
Title: Vice President

U.S. BANK NATIONAL ASSOCIATION,
as Agent

By: 
Name: Amy Anders
Title: Vice President

[Signature Page to Supplemental Indenture]

Supplemental Indenture No. 4

SUPPLEMENTAL INDENTURE NO. 4, (this "Supplemental Indenture") dated as of October 5, 2022, by and among the parties that are signatories hereto as new Guarantors (the "Guaranteeing Subsidiaries"), Churchill Downs Incorporated, a Kentucky corporation (the "Company"), the other Guarantors (as defined in the Indenture referred to herein), U.S. Bank Trust Company, National Association (successor to U.S. Bank National Association), as Trustee under the Indenture referred to below, Paying Agent, Registrar, Transfer Agent and Authenticating Agent (the "Agent").

W I T N E S S E T H:

WHEREAS, the Company, each of the Guarantors, the Trustee and the Agent have heretofore executed and delivered an indenture dated as of December 27, 2017 (as amended, supplemented, waived or otherwise modified, the "Indenture"), including that Supplemental Indenture No. 1 dated December 12, 2018, that Supplemental Indenture No. 2 dated March 17, 2021, and that Supplemental Indenture No. 3 dated May 19, 2021), providing for the issuance of an aggregate principal amount of \$500,000,000 million of 4.75% Senior Notes due 2028 of the Company (the "Notes");

WHEREAS, the Indenture provides that under certain circumstances the Guaranteeing Subsidiaries shall execute and deliver to the Trustee and the Agent a supplemental indenture to which each Guaranteeing Subsidiary shall unconditionally guarantee, on a joint and several basis with the other Guarantors, all of the Company's Obligations under the Notes and the Indenture on the terms and conditions set forth herein and under the Indentures' (the "Guarantee"); and

WHEREAS, pursuant to Section 9.1 of the Indenture, the Company, any Guarantor, the Trustee and the Agent are authorized to execute and deliver a supplemental indenture to add additional Guarantors, without the consent of any Holder;

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Guaranteeing Subsidiaries, the Company, the other Guarantors, the Trustee and the Agent mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

ARTICLE I

DEFINITIONS

SECTION 1.1. Defined Terms. As used in this Supplemental Indenture, terms defined in the Indenture or in the preamble or recitals hereto are used herein as therein defined. The words "herein," "hereof" and "hereby" and other words of similar import used in this Supplemental Indenture refer to this Supplemental Indenture as a whole and not to any particular section hereof.

ARTICLE II

AGREEMENT TO BE BOUND; GUARANTEE

SECTION 2.1. Agreement to be Bound. Each Guaranteeing Subsidiary hereby becomes a party to the Indenture as a Guarantor and as such will have all of the rights and be subject to all of the obligations and agreements of a Guarantor under the Indenture.

SECTION 2.2. Guarantee. Each Guaranteeing Subsidiary agrees, on a joint and several basis with all the existing Guarantors, to fully, unconditionally and irrevocably Guarantee to each Holder of the Notes and the Trustee and the Agent the Guaranteed Obligations pursuant to Article X of the Indenture on a senior basis.

ARTICLE III
MISCELLANEOUS

SECTION 3.1. Notices. All notices and other communications to the Guarantor shall be given as provided in the Indenture to the Guarantor, at its address set forth below, with a copy to the Company as provided in the Indenture for notices to the Company.

Churchill Downs Incorporated
600 North Hurstbourne Parkway, Suite 400
Louisville, Kentucky 40222
Attention: Investor Relations
Facsimile: 502-394-1160

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

Latham & Watkins LLP
10250 Constellation Blvd. Suite 1100
Los Angeles, California 90067
Attention: Steven B. Stokdyk
Facsimile: 310-993-9093

SECTION 3.2. Merger and Consolidation. Each Guaranteeing Subsidiary shall not sell or otherwise dispose of all or substantially all of its assets to, or consolidate with or merge with or into another Person (other than the Company or any Restricted Subsidiary that is a Guarantor or becomes a Guarantor concurrently with the transaction) except in accordance with Section 4.1(f) of the Indenture.

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SECTION 3.11. Execution and Delivery. Each Guaranteeing Subsidiary agrees that its Guarantee shall remain in full force and effect notwithstanding any failure to endorse on each Note a notation of any such Guarantee.

SECTION 3.12. Headings. The headings of the Articles and the Sections in this Supplemental Indenture are for convenience of reference only and shall not be deemed to alter or affect the meaning or interpretation of any provisions hereof.

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By: 
Name: Marcia A. Dall
Title: Executive Vice President and Chief Financial Officer

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By: _____
Name: Bradley K. Blackwell
Title: Secretary

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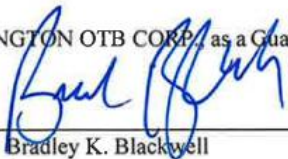
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Name: Marcia A. Dall
Title: Treasurer

BB DEVELOPMENT LLC, as a Guarantor

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

CHURCHILL DOWNS INTERACTIVE GAMING, LLC, as a Guarantor

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

[Signature Page to Supplemental Indenture]

DERBY CITY GAMING, LLC, as a Guarantor

By: Marcia A. Dall

By: _____
Name: Marcia A. Dall
Title: Treasurer

KYCR HOLDINGS, LLC, as a Guarantor

By: _____
Name: Marcia A. Dall
Title: Treasurer

LLN PA, LLC, as a Guarantor

By: _____
Name: Marcia A. Dall
Title: Treasurer

NKYRG, LLC, as a Guarantor

By: _____
Name: Maureen Adams
Title: Secretary

OCEAN DOWNS LLC, as a Guarantor

By: _____
Name: Bobbi Sample
Title: General Manager

OCEAN ENTERPRISES 589, LLC, as a Guarantor

By: _____
Name: Bobbi Sample
Title: General Manager

OLD BAY GAMING AND RACING, LLC, as a Guarantor

By: _____
Name: Bobbi Sample
Title: General Manager

[Signature Page to Supplemental Indenture]

DERBY CITY GAMING, LLC, as a Guarantor

By: _____
Name: Marcia A. Dall
Title: Treasurer

KYCR HOLDINGS, LLC, as a Guarantor

By: _____
Name: Marcia A. Dall
Title: Treasurer

LLN PA, LLC, as a Guarantor

By: _____
Name: Marcia A. Dall
Title: Treasurer

NKYRG, LLC, as a Guarantor

By:  _____
Name: Maureen Adams
Title: Secretary

OCEAN DOWNS LLC, as a Guarantor

By: _____
Name: Bobbi Sample
Title: General Manager

OCEAN ENTERPRISES 589, LLC, as a Guarantor

By: _____
Name: Bobbi Sample
Title: General Manager

OLD BAY GAMING AND RACING, LLC, as a Guarantor

By: _____
Name: Bobbi Sample
Title: General Manager

[Signature Page to Supplemental Indenture]

DERBY CITY GAMING, LLC, as a Guarantor

By: _____
Name: Marcia A. Dall
Title: Treasurer

KYCR HOLDINGS, LLC, as a Guarantor

By: _____
Name: Marcia A. Dall
Title: Treasurer

LLN PA, LLC, as a Guarantor

By: _____
Name: Marcia A. Dall
Title: Treasurer

NKYRG, LLC, as a Guarantor

By: _____
Name: Maureen Adams
Title: Secretary

OCEAN DOWNS LLC, as a Guarantor

By:  _____
Name: Bobbi Sample
Title: General Manager

OCEAN ENTERPRISES 589, LLC, as a Guarantor

By:  _____
Name: Bobbi Sample
Title: General Manager

OLD BAY GAMING AND RACING, LLC, as a Guarantor

By:  _____
Name: Bobbi Sample
Title: General Manager

[Signature Page to Supplemental Indenture]

UNITED TOTE COMPANY, as a Guarantor

By: 
Name: Ben Murr
Title: Treasurer

[Signature Page to Supplemental Indenture]

PID, LLC, as a Guarantor

By: 

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

RACING SERVICES LLC, as a Guarantor

By: _____
Name: Bobbi Sample
Title: General Manager

TURFWAY PARK, LLC, as a Guarantor

By: _____
Name: Maureen Adams
Title: Secretary

WKY DEVELOPMENT LLC, as a Guarantor

By: _____
Name: Maureen Adams
Title: Secretary

BETAMERICA, LLC, as a Guarantor

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

GUARANTYING SUBSIDIARIES:

CDITH, LLC, as a Guarantor

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

[Signature Page to Supplemental Indenture]

PID, LLC, as a Guarantor

By: _____
Name: Marcia A. Dall
Title: Treasurer

RACING SERVICES LLC, as a Guarantor

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

TURFWAY PARK, LLC, as a Guarantor

By: _____
Name: Maureen Adams
Title: Secretary

WKY DEVELOPMENT LLC, as a Guarantor

By: _____
Name: Maureen Adams
Title: Secretary

BETAMERICA, LLC, as a Guarantor

By: _____
Name: Marcia A. Dall
Title: Treasurer

GUARANTYING SUBSIDIARIES:

CDITH, LLC, as a Guarantor

By: _____
Name: Marcia A. Dall
Title: Treasurer

[Signature Page to Supplemental Indenture]

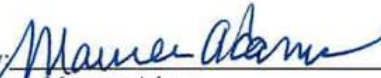
PID, LLC, as a Guarantor

By: _____
Name: Marcia A. Dall
Title: Treasurer

RACING SERVICES LLC, as a Guarantor

By: _____
Name: Bobbi Sample
Title: General Manager

TURFWAY PARK, LLC, as a Guarantor

By: 
Name: Maureen Adams
Title: Secretary

WKY DEVELOPMENT LLC, as a Guarantor

By: Maureen Adams
Name: Maureen Adams
Title: Secretary

BETAMERICA, LLC, as a Guarantor

By: _____
Name: Marcia A. Dall
Title: Treasurer

GUARANTYING SUBSIDIARIES:

CDITH, LLC, as a Guarantor

By: _____
Name: Marcia A. Dall
Title: Treasurer

[Signature Page to Supplemental Indenture]

DERBY CITY GAMING DOWNTOWN, LLC, as a
Guarantor

By: 
Name: Marcia A. Dall
Title: Treasurer

DCGD, LLC, as a Guarantor

By: 
Name: Marcia A. Dall
Title: Treasurer

OLD BAY BEVERAGE COMPANY, LLC, as a Guarantor

By: _____
Name: Maureen Adams
Title: Secretary

[Signature Page to Supplemental Indenture]

DERBY CITY GAMING DOWNTOWN, LLC, as a
Guarantor

By: _____
Name: Marcia A. Dall
Title: Treasurer

DCGD, LLC, as a Guarantor

By: _____
Name: Marcia A. Dall
Title: Treasurer

OLD BAY BEVERAGE COMPANY, LLC, as a Guarantor

By: Maureen Adams
Name: Maureen Adams
Title: Secretary

[Signature Page to Supplemental Indenture]

**U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION,**
as Trustee

By: Amy Anders
Name: Amy Anders
Title: Vice President

**U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION,**
as Agent

By: Amy Anders
Name: Amy Anders
Title: Vice President

[Signature Page to Supplemental Indenture]

Supplemental Indenture No. 5

SUPPLEMENTAL INDENTURE NO. 5, (this “Supplemental Indenture”) dated as of October 26, 2022, by and among the parties that are signatories hereto as new Guarantors (the “Guaranteeing Subsidiaries”), Churchill Downs Incorporated, a Kentucky corporation (the “Company”), the other Guarantors (as defined in the Indenture referred to herein), U.S. Bank Trust Company, National Association (successor to U.S. Bank National Association), as Trustee under the Indenture referred to herein, Paying Agent, Registrar, Transfer Agent and Authenticating Agent (the “Agent”).

W I T N E S S E T H:

WHEREAS, the Company, each of the Guarantors, the Trustee and the Agent have heretofore executed and delivered an indenture dated as of December 27, 2017 (as amended, supplemented, waived or otherwise modified, the “Indenture”, including that Supplemental Indenture No. 1 dated December 12, 2018, that Supplemental Indenture No. 2 dated March 17, 2021, that Supplemental Indenture No. 3 dated May 19, 2021, and that Supplemental Indenture No. 4 dated October 5, 2022), providing for the issuance of an aggregate principal amount of \$500,000,000 million of 4.75% Senior Notes due 2028 of the Company (the “Notes”);

WHEREAS, the Indenture provides that under certain circumstances the Guaranteeing Subsidiaries shall execute and deliver to the Trustee and the Agent a supplemental indenture to which each Guaranteeing Subsidiary shall unconditionally guarantee, on a joint and several basis with the other Guarantors, all of the Company’s Obligations under the Notes and the Indenture on the terms and conditions set forth herein and under the Indentures’ (the “Guarantee”); and

WHEREAS, pursuant to Section 9.1 of the Indenture, the Company, any Guarantor, the Trustee and the Agent are authorized to execute and deliver a supplemental indenture to add additional Guarantors, without the consent of any Holder;

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Guaranteeing Subsidiaries, the Company, the other Guarantors, the Trustee and the Agent mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

ARTICLE I

DEFINITIONS

SECTION 1.1. Defined Terms. As used in this Supplemental Indenture, terms defined in the Indenture or in the preamble or recitals hereto are used herein as therein defined. The words “herein,” “hereof” and “hereby” and other words of similar import used in this Supplemental Indenture refer to this Supplemental Indenture as a whole and not to any particular section hereof.

ARTICLE II

AGREEMENT TO BE BOUND; GUARANTEE

SECTION 2.1. Agreement to be Bound. Each Guaranteeing Subsidiary hereby becomes a party to the Indenture as a Guarantor and as such will have all of the rights and be subject to all of the obligations and agreements of a Guarantor under the Indenture.

SECTION 2.2. Guarantee. Each Guaranteeing Subsidiary agrees, on a joint and several basis with all the existing Guarantors, to fully, unconditionally and irrevocably Guarantee to each Holder of the Notes and the Trustee and the Agent the Guaranteed Obligations pursuant to Article X of the Indenture on a senior basis.

MISCELLANEOUS

SECTION 3.1. Notices. All notices and other communications to the Guarantor shall be given as provided in the Indenture to the Guarantor, at its address set forth below, with a copy to the Company as provided in the Indenture for notices to the Company.

Churchill Downs Incorporated
600 North Hurstbourne Parkway, Suite 400
Louisville, Kentucky 40222
Attention: Investor Relations
Facsimile: 502-394-1160

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

Latham & Watkins LLP
10250 Constellation Blvd. Suite 1100
Los Angeles, California 90067
Attention: Steven B. Stokdyk
Facsimile: 310-993-9093

SECTION 3.2. Merger and Consolidation. Each Guaranteeing Subsidiary shall not sell or otherwise dispose of all or substantially all of its assets to, or consolidate with or merge with or into another Person (other than the Company or any Restricted Subsidiary that is a Guarantor or becomes a Guarantor concurrently with the transaction) except in accordance with Section 4.1(f) of the Indenture.

SECTION 3.3. Release of Guarantee. This Guarantee shall only be released in accordance with Section 10.2 of the Indenture.

SECTION 3.4. Parties. Nothing expressed or mentioned herein is intended or shall be construed to give any Person, firm or corporation, other than the Holders, the Trustee and the Agent, any legal or equitable right, remedy or claim under or in respect of this Supplemental Indenture or the Indenture or any provision herein or therein contained.

SECTION 3.5. Governing Law. This Supplemental Indenture shall be governed by, and construed in accordance with, the laws of the State of New York.

SECTION 3.6. Severability. In case any provision in this Supplemental Indenture shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby and such provision shall be ineffective only to the extent of such invalidity, illegality or unenforceability.

SECTION 3.7. Benefits Acknowledged. Each Guaranteeing Subsidiary's Guarantee is subject to the terms and conditions set forth in the Indenture. Each Guaranteeing Subsidiary acknowledges that it will receive direct and indirect benefits from the financing arrangements contemplated by the Indenture and this Supplemental Indenture and that the guarantee and waivers made by it pursuant to this Guarantee are knowingly made in contemplation of such benefits.

SECTION 3.8. Ratification of Indenture; Supplemental Indentures Part of Indenture. Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Indenture for all purposes, and every Holder of Notes heretofore or hereafter authenticated and delivered shall be bound hereby.

SECTION 3.9. The Trustee and the Agent. Each of the Trustee and the Agent makes no representation or warranty as to the validity or sufficiency of this Supplemental Indenture or with respect to the recitals or statements contained herein, all of which recitals and statements are made solely by the other parties hereto.

SECTION 3.10. Counterparts. The parties hereto may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. The exchange of copies of this Supplemental Indenture and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Supplemental Indenture as to the parties hereto and may be used in lieu of the original Supplemental Indenture for all purposes. Signatures of the parties hereto transmitted by facsimile or PDF shall be deemed to be their original signatures for all purposes. Counterparts may be delivered via facsimile, electronic

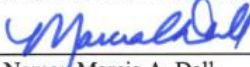
shall be deemed to be their original signatures for all purposes. Counterparts may be delivered via facsimile, electronic mail (including via www.docusign.com and any other electronic signature covered by the U.S. federal E-SIGN Act of 2000, Uniform Electronic Transactions Act, the Electronic Signatures and Records Act or other applicable law) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

SECTION 3.11. Execution and Delivery. Each Guaranteeing Subsidiary agrees that its Guarantee shall remain in full force and effect notwithstanding any failure to endorse on each Note a notation of any such Guarantee.

SECTION 3.12. Headings. The headings of the Articles and the Sections in this Supplemental Indenture are for convenience of reference only and shall not be deemed to alter or affect the meaning or interpretation of any provisions hereof.


IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

CHURCHILL DOWNS INCORPORATED

By: 
Name: Marcia A. Dall
Title: Executive Vice President and Chief Financial Officer

GUARANTYING SUBSIDIARIES:

KYMALIMI, LLC, as a Guarantor

By: 
Name: Marcia A. Dall
Title: Treasurer

ELLIS ENTERTAINMENT, LLC, as a Guarantor

By: _____

Name: Maureen Adams
Title: Secretary

[Signature Page to Supplemental Indenture]

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

CHURCHILL DOWNS INCORPORATED

By: _____
Name: Marcia A. Dall
Title: Executive Vice President and Chief Financial Officer

GUARANTYING SUBSIDIARIES:

KYMALIMI, LLC, as a Guarantor

By: _____
Name: Marcia A. Dall
Title: Treasurer

ELLIS ENTERTAINMENT, LLC, as a Guarantor

By: Maureen Adams
Name: Maureen Adams
Title: Secretary

[Signature Page to Supplemental Indenture]

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

By:

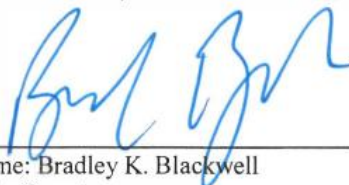


Name: Marcia A. Dall
Title: Treasurer

[Signature Page to Supplemental Indenture]

ARLINGTON OTB CORP.
QUAD CITY DOWNS, INC.

By:



Name: Bradley K. Blackwell
Title: Secretary


[Signature Page to Supplemental Indenture]

CHURCHILL DOWNS LOUISIANA HORSERACING
COMPANY, L.L.C
CHURCHILL DOWNS LOUISIANA VIDEO POKER
COMPANY, L.L.C.
NKYRG, LLC
VIDEO SERVICES, LLC

By: 
Name: Maureen Adams
Title: Treasurer

[Signature Page to Supplemental Indenture]

TURFWAY PARK, LLC

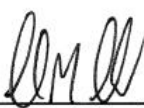
By: 
Name: Maureen Adams
Title: Secretary

[Signature Page to Supplemental Indenture]

By: 
Name: Maureen Adams
Title: Vice President

[Signature Page to Supplemental Indenture]

UNITED TOTE COMPANY

By: 
Name: Andrew Archibald
Title: President


[Signature Page to Supplemental Indenture]

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

By:  _____
Name: Bobbi Sample
Title: General Manager


[Signature Page to Supplemental Indenture]

BETAMERICA, LLC

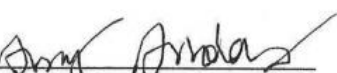
By: 
Name: Marcia A. Dall
Title: Treasurer

[Signature Page to Supplemental Indenture]

ASSOCIATION,
as Trustee

By: 
Name: Amy Anders
Title: Vice President

**U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION,**
as Agent

By: 
Name: Amy Anders
Title: Vice President

[Signature Page to Supplemental Indenture]

Supplemental Indenture No. 6

SUPPLEMENTAL INDENTURE NO. 6, (this “Supplemental Indenture”) dated as of November 1, 2022, by and among the parties that are signatories hereto as new Guarantors (the “Guaranteeing Subsidiaries”), Churchill Downs Incorporated, a Kentucky corporation (the “Company”), the other Guarantors (as defined in the Indenture referred to herein), U.S. Bank Trust Company, National Association (successor to U.S. Bank National Association), as Trustee under the Indenture referred to below, Paying Agent, Registrar, Transfer Agent and Authenticating Agent (the “Agent”).

W I T N E S S E T H:

WHEREAS, the Company, each of the Guarantors, the Trustee and the Agent have heretofore executed and delivered an indenture dated as of December 27, 2017 (as amended, supplemented, waived or otherwise modified, the “Indenture”), including that Supplemental Indenture No. 1 dated December 12, 2018, that Supplemental Indenture No. 2 dated March 17, 2021, that Supplemental Indenture No. 3 dated May 19, 2021, that Supplemental Indenture No. 4 dated October 5, 2022, and that Supplemental Indenture No. 5 dated October 26, 2022) providing for the issuance of an aggregate principal amount of \$500,000,000 million of 4.75% Senior Notes due 2028 of the Company (the “Notes”);

WHEREAS, the Indenture provides that under certain circumstances the Guaranteeing Subsidiaries shall execute and deliver to the Trustee and the Agent a supplemental indenture to which each Guaranteeing Subsidiary shall unconditionally guarantee, on a joint and several basis with the other Guarantors, all of the Company’s Obligations under the Notes and the Indenture on the terms and conditions set forth herein and under the Indentures’ (the “Guarantee”); and

WHEREAS, pursuant to Section 9.1 of the Indenture, the Company, any Guarantor, the Trustee and the Agent are authorized to execute and deliver a supplemental indenture to add additional Guarantors, without the consent of any Holder;

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Guaranteeing Subsidiaries, the Company, the other Guarantors, the Trustee and the Agent mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

ARTICLE I

DEFINITIONS

SECTION 1.1. Defined Terms. As used in this Supplemental Indenture, terms defined in the Indenture or in the preamble or recitals hereto are used herein as therein defined. The words “herein,” “hereof” and “hereby” and other words of similar import used in this Supplemental Indenture refer to this Supplemental Indenture as a whole and not to any particular section hereof.

ARTICLE II

AGREEMENT TO BE BOUND; GUARANTEE

SECTION 2.1. Agreement to be Bound. Each Guaranteeing Subsidiary hereby becomes a party to the Indenture as a Guarantor and as such will have all of the rights and be subject to all of the obligations and agreements of a Guarantor under the Indenture.

SECTION 2.2. Guarantee. Each Guaranteeing Subsidiary agrees, on a joint and several basis with all the existing Guarantors, to fully, unconditionally and irrevocably Guarantee to each Holder of the Notes and the Trustee and the Agent the Guaranteed Obligations pursuant to Article X of the Indenture on a senior basis.

MISCELLANEOUS

SECTION 3.1. Notices. All notices and other communications to the Guarantor shall be given as provided in the Indenture to the Guarantor, at its address set forth below, with a copy to the Company as provided in the Indenture for notices to the Company.

Churchill Downs Incorporated
600 North Hurstbourne Parkway, Suite 400
Louisville, Kentucky 40222
Attention: Investor Relations
Facsimile: 502-394-1160

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

Latham & Watkins LLP
10250 Constellation Blvd. Suite 1100
Los Angeles, California 90067
Attention: Steven B. Stokdyk
Facsimile: 310-993-9093

SECTION 3.2. Merger and Consolidation. Each Guaranteeing Subsidiary shall not sell or otherwise dispose of all or substantially all of its assets to, or consolidate with or merge with or into another Person (other than the Company or any Restricted Subsidiary that is a Guarantor or becomes a Guarantor concurrently with the transaction) except in accordance with Section 4.1(f) of the Indenture.

SECTION 3.3. Release of Guarantee. This Guarantee shall only be released in accordance with Section 10.2 of the Indenture.

SECTION 3.4. Parties. Nothing expressed or mentioned herein is intended or shall be construed to give any Person, firm or corporation, other than the Holders, the Trustee and the Agent, any legal or equitable right, remedy or claim under or in respect of this Supplemental Indenture or the Indenture or any provision herein or therein contained.

SECTION 3.5. Governing Law. This Supplemental Indenture shall be governed by, and construed in accordance with, the laws of the State of New York.

SECTION 3.6. Severability. In case any provision in this Supplemental Indenture shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby and such provision shall be ineffective only to the extent of such invalidity, illegality or unenforceability.

SECTION 3.7. Benefits Acknowledged. Each Guaranteeing Subsidiary's Guarantee is subject to the terms and conditions set forth in the Indenture. Each Guaranteeing Subsidiary acknowledges that it will receive direct and indirect benefits from the financing arrangements contemplated by the Indenture and this Supplemental Indenture and that the guarantee and waivers made by it pursuant to this Guarantee are knowingly made in contemplation of such benefits.

SECTION 3.8. Ratification of Indenture; Supplemental Indentures Part of Indenture. Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Indenture for all purposes, and every Holder of Notes heretofore or hereafter authenticated and delivered shall be bound hereby.

SECTION 3.9. The Trustee and the Agent. Each of the Trustee and the Agent makes no representation or warranty as to the validity or sufficiency of this Supplemental Indenture or with respect to the recitals or statements contained herein, all of which recitals and statements are made solely by the other parties hereto.

SECTION 3.10. Counterparts. The parties hereto may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. The exchange of copies of this Supplemental Indenture and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Supplemental Indenture as to the parties hereto and may be used in lieu of the original Supplemental Indenture for all purposes. Signatures of the parties hereto transmitted by facsimile or PDF shall be deemed to be their original signatures for all purposes. Counterparts may be delivered via facsimile, electronic

shall be deemed to be their original signatures for all purposes. Counterparts may be delivered via facsimile, electronic mail (including via www.docusign.com and any other electronic signature covered by the U.S. federal ESIGN Act of 2000, Uniform Electronic Transactions Act, the Electronic Signatures and Records Act or other applicable law) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

SECTION 3.11. Execution and Delivery. Each Guaranteeing Subsidiary agrees that its Guarantee shall remain in full force and effect notwithstanding any failure to endorse on each Note a notation of any such Guarantee.

SECTION 3.12. Headings. The headings of the Articles and the Sections in this Supplemental Indenture are for convenience of reference only and shall not be deemed to alter or affect the meaning or interpretation of any provisions hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

CHURCHILL DOWNS INCORPORATED,
as Issuer

By: _____



Name: Marcia A. Dall
Title: Executive Vice President and Chief Financial
Officer

[Signature Page to Supplemental Indenture (2028 Notes)]

EXISTING GUARANTORS

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

By:



Name: Marcia A. Dall
Title: Treasurer

[Signature Page to Supplemental Indenture (2028 Notes)]

By:



Name: Bradley K. Blackwell
Title: Secretary

[Signature Page to Supplemental Indenture (2028 Notes)]

CHURCHILL DOWNS LOUISIANA HORSERACING
COMPANY, L.L.C
CHURCHILL DOWNS LOUISIANA VIDEO POKER
COMPANY, L.L.C.
NKYRG, LLC
VIDEO SERVICES, LLC

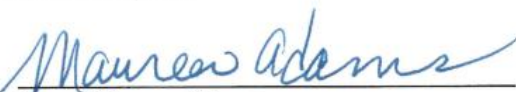
By:



Name: Maureen Adams
Title: Treasurer

[Signature Page to Supplemental Indenture (2028 Notes)]

TURFWAY PARK, LLC


By: 

Name: Maureen Adams

Title: Secretary

[Signature Page to Supplemental Indenture (2028 Notes)]

OLD BAY BEVERAGE COMPANY, LLC
WKY DEVELOPMENT, LLC

By: 
Name: Maureen Adams
Title: Vice President

[Signature Page to Supplemental Indenture (2028 Notes)]

UNITED TOTE COMPANY



By:

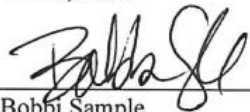


Name: Andrew Archibald
Title: President

[Signature Page to Supplemental Indenture (2028 Notes)]

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


By:



Name: Bobbi Sample
Title: General Manager

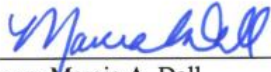
[Signature Page to Supplemental Indenture (2028 Notes)]

BETAMERICA, LLC

By: 
Name: Marcia A. Dall
Title: Treasurer

[Signature Page to Supplemental Indenture (2028 Notes)]


ELLIS ENTERTAINMENT, LLC

By: 
Name: Marcia A. Dall
Title: Treasurer

[Signature Page to Supplemental Indenture (2028 Notes)]

KYMALIMI, LLC

By:


Name: Marcia A. Dall
Title: Treasurer

[Signature Page to Supplemental Indenture (2028 Notes)]


NEW GUARANTORS

CDIHC, LLC
LAGO RESORT & CASINO, LLC
SCE PARTNERS, LLC
COLONIAL DOWNS GROUP, LLC
RVA GROUP II, LLC
RVA HOLDINGS GROUP, LLC
RICHMOND VA DEVELOPMENT, LLC
RICHMOND VA MANAGEMENT, LLC

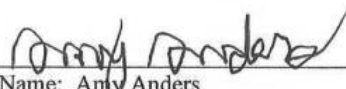
By: 
Name: Marcia A. Dall
Title: Treasurer

[Signature Page to Supplemental Indenture (2028 Notes)]

**U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION,**
as Trustee

By: 
Name: Amy Anders
Title: Vice President

**U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION,**
as Agent

By: 
Name: Amy Anders
Title: Vice President

[Signature Page to Supplemental Indenture (2028 Notes)]

Supplemental Indenture No. 7

SUPPLEMENTAL INDENTURE NO. 7, (this "Supplemental Indenture") dated as of May 1, 2023, by and among the parties that are signatories hereto as new Guarantors (the "Guaranteeing Subsidiaries"), Churchill Downs Incorporated, a Kentucky corporation (the "Company"), the other Guarantors (as defined in the Indenture referred to herein), U.S. Bank Trust Company, National Association (successor to U.S. Bank National Association), as Trustee under the Indenture referred to below, Paying Agent, Registrar, Transfer Agent and Authenticating Agent (the "Agent").

W I T N E S S E T H:

WHEREAS, the Company, each of the Guarantors, the Trustee and the Agent have heretofore executed and delivered an indenture dated as of December 27, 2017 (as amended, supplemented, waived or otherwise modified, including by that Supplemental Indenture No. 1 dated as of December 12, 2018, that Supplemental Indenture No. 2 dated as of March 17, 2021, that Supplemental Indenture No. 3 dated as of May 19, 2021, that Supplemental Indenture No. 4 dated as of October 5, 2022, that Supplemental Indenture No. 5 dated as of October 26, 2022, and that Supplemental Indenture No. 6 dated as of November 1, 2022, the "Indenture"), providing for the issuance of an aggregate principal amount of \$500,000,000 million of 4.75% Senior Notes due 2028 of the Company (the "Notes");

WHEREAS, the Indenture provides that under certain circumstances the Guaranteeing Subsidiaries shall execute and deliver to the Trustee and the Agent a supplemental indenture to which each Guaranteeing Subsidiary shall unconditionally guarantee, on a joint and several basis with the other Guarantors, all of the Company's Obligations under the Notes and the Indenture on the terms and conditions set forth herein and under the Indentures' (the "Guarantee"); and

WHEREAS, pursuant to Section 9.1 of the Indenture, the Company, any Guarantor, the Trustee and the Agent are authorized to execute and deliver a supplemental indenture to add additional Guarantors, without the consent of any Holder;

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Guaranteeing Subsidiaries, the Company, the other Guarantors, the Trustee and the Agent mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

ARTICLE I

DEFINITIONS

SECTION 1.1. Defined Terms. As used in this Supplemental Indenture, terms defined in the Indenture or in the preamble or recitals hereto are used herein as therein defined. The words "herein," "hereof" and "hereby" and other words of similar import used in this Supplemental Indenture refer to this Supplemental Indenture as a whole and not to any particular section hereof.

ARTICLE II

AGREEMENT TO BE BOUND; GUARANTEE

SECTION 2.1. Agreement to be Bound. Each Guaranteeing Subsidiary hereby becomes a party to the Indenture as a Guarantor and as such will have all of the rights and be subject to all of the obligations and agreements of a Guarantor under the Indenture.

SECTION 2.2. Guarantee. Each Guaranteeing Subsidiary agrees, on a joint and several basis with all the existing Guarantors, to fully, unconditionally and irrevocably Guarantee to each Holder of the Notes and the Trustee and the Agent the Guaranteed Obligations pursuant to Article X of the Indenture on a senior basis.

MISCELLANEOUS

SECTION 3.1. Notices. All notices and other communications to the Guarantor shall be given as provided in the Indenture to the Guarantor, at its address set forth below, with a copy to the Company as provided in the Indenture for notices to the Company.

Churchill Downs Incorporated
600 North Hurstbourne Parkway, Suite 400
Louisville, Kentucky 40222
Attention: Investor Relations
Facsimile: 502-394-1160

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

Latham & Watkins LLP
10250 Constellation Blvd. Suite 1100
Los Angeles, California 90067
Attention: Steven B. Stokdyk
Facsimile: 310-993-9093

SECTION 3.2. Merger and Consolidation. Each Guaranteeing Subsidiary shall not sell or otherwise dispose of all or substantially all of its assets to, or consolidate with or merge with or into another Person (other than the Company or any Restricted Subsidiary that is a Guarantor or becomes a Guarantor concurrently with the transaction) except in accordance with Section 4.1(f) of the Indenture.

SECTION 3.3. Release of Guarantee. This Guarantee shall only be released in accordance with Section 10.2 of the Indenture.

SECTION 3.4. Parties. Nothing expressed or mentioned herein is intended or shall be construed to give any Person, firm or corporation, other than the Holders, the Trustee and the Agent, any legal or equitable right, remedy or claim under or in respect of this Supplemental Indenture or the Indenture or any provision herein or therein contained.

SECTION 3.5. Governing Law. This Supplemental Indenture shall be governed by, and construed in accordance with, the laws of the State of New York.

SECTION 3.6. Severability. In case any provision in this Supplemental Indenture shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby and such provision shall be ineffective only to the extent of such invalidity, illegality or unenforceability.

SECTION 3.7. Benefits Acknowledged. Each Guaranteeing Subsidiary's Guarantee is subject to the terms and conditions set forth in the Indenture. Each Guaranteeing Subsidiary acknowledges that it will receive direct and indirect benefits from the financing arrangements contemplated by the Indenture and this Supplemental Indenture and that the guarantee and waivers made by it pursuant to this Guarantee are knowingly made in contemplation of such benefits.

SECTION 3.8. Ratification of Indenture; Supplemental Indentures Part of Indenture. Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Indenture for all purposes, and every Holder of Notes heretofore or hereafter authenticated and delivered shall be bound hereby.

SECTION 3.9. The Trustee and the Agent. Each of the Trustee and the Agent makes no representation or warranty as to the validity or sufficiency of this Supplemental Indenture or with respect to the recitals or statements contained herein, all of which recitals and statements are made solely by the other parties hereto.

SECTION 3.10. Counterparts. The parties hereto may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. The exchange of copies of this Supplemental Indenture and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Supplemental Indenture as to the parties hereto and may be used in lieu of the original Supplemental Indenture for all purposes. Signatures of the parties hereto transmitted by facsimile or PDF shall be deemed to be their original signatures for all purposes. Counterparts may be delivered via facsimile, electronic

shall be deemed to be their original signature for all purposes. Counterparts may be delivered via facsimile, electronic mail (including via www.docusign.com and any other electronic signature covered by the U.S. federal ESIGN Act of 2000, Uniform Electronic Transactions Act, the Electronic Signatures and Records Act or other applicable law) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

SECTION 3.11. Execution and Delivery. Each Guaranteeing Subsidiary agrees that its Guarantee shall remain in full force and effect notwithstanding any failure to endorse on each Note a notation of any such Guarantee.

SECTION 3.12. Headings. The headings of the Articles and the Sections in this Supplemental Indenture are for convenience of reference only and shall not be deemed to alter or affect the meaning or interpretation of any provisions hereof.

IN WITNESS WHEREOF, the parties have caused this Supplemental Indenture to be duly executed all as of the date and year first written above.

CHURCHILL DOWNS INCORPORATED

By: 
Name: Marcia A. Dall
Title: Executive Vice President and Chief
Financial Officer

[Signature Page to Supplemental Indenture (2028 Notes)]

EXISTING GUARANTORS:

ARLINGTON PARK RACECOURSE, LLC
BB DEVELOPMENT LLC
BETAMERICA, LLC
CALDER RACE COURSE, INC.
CDIHC, LLC
CDITH, LLC
CHURCHILL DOWNS INTERACTIVE GAMING, LLC
CHURCHILL DOWNS MANAGEMENT COMPANY, LLC
CHURCHILL DOWNS RACETRACK, LLC
CHURCHILL DOWNS TECHNOLOGY INITIATIVES
COMPANY
COLONIAL DOWNS GROUP, LLC
DCGD, LLC
DERBY CITY GAMING, LLC
DERBY CITY GAMING DOWNTOWN, LLC
ELLIS ENTERTAINMENT, LLC
HCRH, LLC
KYCR HOLDINGS, LLC
KYMALIMI, LLC
LAGO RESORT & CASINO, LLC
LLN PA, LLC
MAGNOLIA HILL, LLC
MVGR, LLC
NKYRG, LLC
RICHMOND VA DEVELOPMENT, LLC
RICHMOND VA MANAGEMENT, LLC
RVA GROUP II, LLC
RVA HOLDINGS GROUP, LLC
SCE PARTNERS, LLC
SW GAMING LLC
TROPICAL PARK, LLC
TURFWAY PARK, LLC
WKY DEVELOPMENT, LLC
YUBET.COM, LLC

By: 
Name: Marcia A. Dall
Title: Treasurer

[Signature Page to Supplemental Indenture (2028 Notes)]

ARLINGTON OTB CORP.
QUAD CITY DOWNS, INC.



By: _____

Name: Bradley K. Blackwell

Title: Secretary

[Signature Page to Supplemental Indenture (2028 Notes)]

CHURCHILL DOWNS LOUISIANA HORSERACING
COMPANY, L.L.C
CHURCHILL DOWNS LOUISIANA VIDEO POKER
COMPANY, L.L.C.
PID, LLC
OLD BAY GAMING AND RACING, LLC
VIDEO SERVICES, LLC

By: _____

Name: Maureen Adams

Title: Treasurer

[Signature Page to Supplemental Indenture (2028 Notes)]

OLD BAY BEVERAGE COMPANY, LLC

By: Maureen Adams
Name: Maureen Adams
Title: Secretary

[Signature Page to Supplemental Indenture (2028 Notes)]

UNITED TOTE COMPANY

By:  _____

Name: Andrew M. Archibald

Title: President and Secretary

[Signature Page to Supplemental Indenture (2028 Notes)]

By: Maureen Adams
Name: Maureen Adams
Title: President


[Signature Page to Supplemental Indenture (2028 Notes)]

NEW GUARANTYING SUBSIDIARIES:

LINCOMPINCH LLC, as a Guarantor

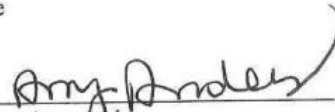
By: Marcia A. Dall
Name: Marcia A. Dall
Title: Treasurer

CDI TERRE HAUTE LAND, LLC, as a Guarantor

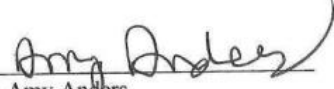
By: 
Name: Marcia A. Dall
Title: Treasurer

[Signature Page to Supplemental Indenture (2028 Notes)]

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Trustee

By: 
Name: Amy Anders
Title: Vice President

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Agent

By: 
Name: Amy Anders
Title: Vice President

[Signature Page to Supplemental Indenture (2028 Notes)]

SUPPLEMENTAL INDENTURE

SUPPLEMENTAL INDENTURE (this “Supplemental Indenture”) dated as of November 1, 2022, among CDI ESCROW ISSUER, INC., a Delaware corporation (the “Escrow Issuer”), CHURCHILL DOWNS INCORPORATED, a Kentucky corporation (the “New Issuer”), each of the parties that are signatories hereto as the Initial Guarantors, that are each subsidiaries of the New Issuer (collectively, the “New Guarantors”) and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as trustee (the “Trustee”).

WITNESETH:

WHEREAS, the Escrow Issuer has heretofore executed and delivered to the Trustee an indenture (as amended, supplemented or otherwise modified, the “Indenture”), dated as of April 13, 2022, providing for the issuance of 5.750% Senior Notes due 2030 (the “Notes”), initially in the aggregate principal amount of \$1,200,000,000;

WHEREAS, the Acquisition will occur substantially concurrent with the execution of this Supplemental Indenture;

WHEREAS, Section 3.14 of the Indenture provides that it is a condition to release of the Escrow Property from the Escrow Account that (a) the New Issuer shall assume all of the rights and obligations of the Escrow Issuer in respect of the Notes and the Indenture and be substituted for, and may exercise every right and power of, the Escrow Issuer under the Indenture and the Notes, and (b) each of the Initial Guarantors will become a Guarantor under the Indenture, in each case, by the execution and delivery of this Supplemental Indenture; and

WHEREAS, pursuant to Section 9.1 of the Indenture, the Trustee is authorized to execute and deliver this Supplemental Indenture without the consent of the Holders of the Notes.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

SECTION 1. Defined Terms. As used in this Supplemental Indenture, terms defined in the Indenture or in the preamble or recital hereto are used herein as therein defined, except that the term “Holders” in this Supplemental Indenture shall refer to the term “Holders” as defined in the Indenture and the Trustee acting on behalf of and for the benefit of such Holders. The words “herein,” “hereof” and “hereby” and other words of similar import used in this Supplemental Indenture refer to this Supplemental Indenture as a whole and not to any particular section hereof.

SECTION 2. Agreement to be Bound. (a) The New Issuer acknowledges that it has received and reviewed a copy of the Indenture and all other documents it deems necessary to review in order to enter into this Supplemental Indenture, and acknowledges and agrees to (i) unconditionally assume all of the Escrow Issuer’s obligations under the Notes and the Indenture on the terms and subject to the conditions set forth in the Indenture; (ii) be bound by all applicable provisions of the Indenture as if made by, and with respect to, the New Issuer; and (iii) perform all obligations and duties required of the Issuer pursuant to the Indenture. From and after the date hereof, all references in the Indenture to the “Issuer” shall refer to the New Issuer instead of the Escrow Issuer.

(b) Each New Guarantor hereby agrees, jointly and severally, with all existing guarantors (if any), to unconditionally guarantee the Issuer’s Obligations under the Notes and the Indenture on the terms and subject to the conditions set forth in Article X of the Indenture and to be bound by all other applicable provisions of the Indenture and the Notes and to perform all of the obligations and agreements of a guarantor under the Indenture. From and after the date hereof, all references in the Indenture to the “Initial Guarantors” and the “Guarantors” shall refer to each of the New Guarantors.

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SECTION 3. Notices. All notices or other communications to the New Issuer or any New Guarantor shall be given as provided in Section 12.2 of the Indenture.

SECTION 4. Execution and Delivery. The New Issuer agrees that the Notes shall remain in full force and

effect notwithstanding the absence of any endorsement of the New Issuer on the Notes, and each New Guarantor agrees that its Guarantee shall remain in full force and effect notwithstanding the absence of the endorsement of any notation of such Guarantee.

SECTION 5. Release of Obligations.

Upon execution of this Supplemental Indenture by the New Issuer, the New Guarantors and the Trustee, the Escrow Issuer shall be unconditionally and irrevocably released and discharged from all obligations and liabilities under the Indenture and the Notes (other than those obligations and liabilities applicable to the Escrow Issuer as a Guarantor as described in Section 2(b) above).

SECTION 6. Ratification of Indenture; Supplemental Indentures Part of Indenture. Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Indenture for all purposes, and every Holder of Notes heretofore or hereafter authenticated and delivered shall be bound hereby.

SECTION 7. No Recourse Against Others. No director, officer, employee, manager, incorporator or Holder of any Equity Interests in the New Issuer or of any New Guarantor or any direct or indirect parent corporation, as such, shall have any liability for any obligations of the New Issuer or any New Guarantor under the Notes or the Indenture or this Supplemental Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes.

SECTION 8. Governing Law. **THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.**

SECTION 9. Trustee Makes No Representation. The Trustee makes no representation as to the validity or sufficiency of this Supplemental Indenture.


SECTION 10. Counterparts. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. Counterparts may be delivered via facsimile, electronic mail (including via www.docusign.com and any other electronic signature covered by the U.S. federal ESIGN Act of 2000, Uniform Electronic Transactions Act, the Electronic Signatures and Records Act or other applicable law) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

SECTION 11. Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction thereof.

[Signature Pages Follow]


IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

CDI ESCROW ISSUER, INC.,
as Escrow Issuer

By: 
Name: Marcia A. Dall
Title: Treasurer

[Signature Page to Supplemental Indenture (2030 Notes)(Assumption)]

CHURCHILL DOWNS INCORPORATED,
as New Issuer

By: 
Name: Marcia A. Dall
Title: Executive Vice President and Chief Financial
Officer

[Signature Page to Supplemental Indenture (2030 Notes)(Assumption)]

GUARANTORS

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


By:



Name: Marcia A. Dall
Title: Treasurer

[Signature Page to Supplemental Indenture (2030 Notes)(Assumption)]

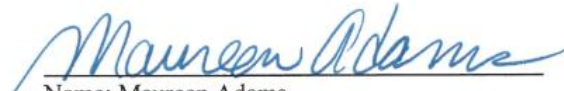
By:


Name: Bradley K. Blackwell
Title: Secretary

[Signature Page to Supplemental Indenture (2030 Notes)(Assumption)]

CHURCHILL DOWNS LOUISIANA HORSERACING
COMPANY, L.L.C
CHURCHILL DOWNS LOUISIANA VIDEO POKER
COMPANY, L.L.C.
NKYRG, LLC
VIDEO SERVICES, LLC

By:


Name: Maureen Adams

[Signature Page to Supplemental Indenture (2030 Notes) (Assumption)]

TURFWAY PARK, LLC

By: 
Name: Maureen Adams
Title: Secretary

[Signature Page to Supplemental Indenture (2030 Notes)(Assumption)]

OLD BAY BEVERAGE COMPANY, LLC
WKY DEVELOPMENT, LLC

By: Maureen Adams
Name: Maureen Adams
Title: Vice President

[Signature Page to Supplemental Indenture (2030 Notes)(Assumption)]

UNITED TOTE COMPANY



By:



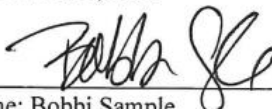
Name: Andrew Archibald

Title: President

[Signature Page to Supplemental Indenture (2030 Notes)(Assumption)]

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

By:




Name: Bobbi Sample

Title: General Manager


[Signature Page to Supplemental Indenture (2030 Notes)(Assumption)]

BETAMERICA, LLC

By: 
Name: Marcia A. Dall
Title: Treasurer

[Signature Page to Supplemental Indenture (2030 Notes)(Assumption)]

ELLIS ENTERTAINMENT, LLC

By: 
Name: Marcia A. Dall
Title: Treasurer

[Signature Page to Supplemental Indenture (2030 Notes)(Assumption)]

KYMALIMI, LLC

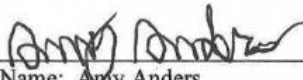
By:


Name: Marcia A. Dall
Title: Treasurer

[Signature Page to Supplemental Indenture (2030 Notes)(Assumption)]

**U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION,**
as Trustee

By:


Name: Amy Anders
Title: Vice President

**U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION,**
as Agent

By: Amy Anders
Name: Amy Anders
Title: Vice President

[Signature Page to Supplemental Indenture (2030 Notes)(Assumption)]

Supplemental Indenture No. 2

SUPPLEMENTAL INDENTURE NO. 2, (this “Supplemental Indenture”) dated as of November 1, 2022, by and among the parties that are signatories hereto as Guarantors (each, a “Guaranteeing Subsidiary” and, collectively, the “Guaranteeing Subsidiaries”), Churchill Downs Incorporated, a Kentucky corporation (as successor to CDI Escrow Issuer, Inc., the “Issuer”), the other Guarantors (as defined in the Indenture referred to herein), U.S. Bank Trust Company, National Association, as Trustee under the Indenture referred to below, Paying Agent, Registrar, Transfer Agent and Authenticating Agent (the “Agent”).

WITNESSETH:

WHEREAS, the Issuer, each of the Guarantors, the Trustee and the Agent have heretofore executed and delivered an indenture dated as of April 13, 2022 (as amended, supplemented, waived or otherwise modified, including by that certain Supplemental Indenture No. 1 dated November 1, 2022, the “Indenture”), providing for the issuance of an aggregate principal amount of \$1,200,000,000 of 5.750% Senior Notes due 2030 of the Issuer (the “Notes”);

WHEREAS, the Indenture provides that under certain circumstances the Guaranteeing Subsidiaries shall execute and deliver to the Trustee and the Agent a supplemental indenture to which each Guaranteeing Subsidiary shall unconditionally guarantee, on a joint and several basis with the other Guarantors, all of the Issuer’s Obligations under the Notes and the Indenture on the terms and conditions set forth herein and under the Indentures’ (the “Guarantee”); and

WHEREAS, pursuant to Section 9.1 of the Indenture, the Issuer, any Guarantor, the Trustee and the Agent are authorized to execute and deliver a supplemental indenture to add additional Guarantors, without the consent of any Holder;

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Guaranteeing Subsidiaries, the Issuer, the other Guarantors, the Trustee and the Agent mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

ARTICLE I

DEFINITIONS

SECTION 1.1. Defined Terms. As used in this Supplemental Indenture, terms defined in the Indenture or in the preamble or recitals hereto are used herein as therein defined. The words “herein,” “hereof” and “hereby” and other words of similar import used in this Supplemental Indenture refer to this Supplemental Indenture as a whole and not to any particular section hereof.

ARTICLE II

AGREEMENT TO BE BOUND; GUARANTEE

SECTION 2.1. Agreement to be Bound. Each Guaranteeing Subsidiary hereby becomes a party to the Indenture as a Guarantor and as such will have all of the rights and be subject to all of the obligations and agreements of a Guarantor under the Indenture.

SECTION 2.2. Guarantee. Each Guaranteeing Subsidiary agrees, on a joint and several basis with all the existing Guarantors, to fully, unconditionally and irrevocably Guarantee to each Holder of the Notes and the Trustee and the Agent the Guaranteed Obligations pursuant to Article X of the Indenture on a senior basis.

ARTICLE III
MISCELLANEOUS

SECTION 3.1. Notices. All notices and other communications to any Guaranting Subsidiary shall be given as provided in the Indenture to such Guaranting Subsidiary, at its address set forth below, with a copy to the Issuer as provided in the Indenture for notices to the Issuer.

Churchill Downs Incorporated
600 North Hurstbourne Parkway, Suite 400
Louisville, Kentucky 40222
Attention: Investor Relations
Facsimile: 502-394-1160

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

Latham & Watkins LLP
10250 Constellation Blvd. Suite 1100
Los Angeles, California 90067
Attention: Steven B. Stokdyk
Facsimile: 310-993-9093

SECTION 3.2. Merger and Consolidation. No Guaranting Subsidiary shall sell or otherwise dispose of all or substantially all of its assets to, or consolidate with or merge with or into another Person (other than the Issuer or any Restricted Subsidiary that is a Guarantor or becomes a Guarantor concurrently with the transaction) except in accordance with Section 4.1(f) of the Indenture.

SECTION 3.3. Release of Guarantee. This Guarantee shall only be released in accordance with Section 10.2 of the Indenture.

SECTION 3.4. Parties. Nothing expressed or mentioned herein is intended or shall be construed to give any Person, firm or corporation, other than the Holders, the Trustee and the Agent, any legal or equitable right, remedy or claim under or in respect of this Supplemental Indenture or the Indenture or any provision herein or therein contained.

SECTION 3.5. Governing Law. This Supplemental Indenture shall be governed by, and construed in accordance with, the laws of the State of New York.

SECTION 3.6. Severability. In case any provision in this Supplemental Indenture shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby and such provision shall be ineffective only to the extent of such invalidity, illegality or unenforceability.

SECTION 3.7. Benefits Acknowledged. Each Guaranting Subsidiary's Guarantee is subject to the terms and conditions set forth in the Indenture. Each Guaranting Subsidiary acknowledges that it will receive direct and indirect benefits from the financing arrangements contemplated by the Indenture and this Supplemental Indenture and that the guarantee and waivers made by it pursuant to this Guarantee are knowingly made in contemplation of such benefits.

SECTION 3.8. Ratification of Indenture; Supplemental Indentures Part of Indenture. Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Indenture for all purposes, and every Holder of Notes heretofore or hereafter authenticated and delivered shall be bound hereby.

SECTION 3.9. The Trustee and the Agent. Each of the Trustee and the Agent makes no representation or warranty as to the validity, adequacy or sufficiency of this Supplemental Indenture or with respect to the statements and recitals contained herein, all of which statements and recitals are made solely by the other parties hereto.

SECTION 3.10. Counterparts. The parties hereto may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. Signatures of the parties hereto transmitted by facsimile or PDF shall be deemed to be their original signatures for all purposes. Counterparts may be delivered via facsimile, electronic mail (including via www.docuSign.com and any other electronic signature covered by the U.S. federal ESIGN Act of 2000, Uniform Electronic Transactions Act, the Electronic Signatures and Records Act or other applicable law) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

SECTION 3.11. Execution and Delivery. Each Guarantying Subsidiary agrees that the Guarantee shall remain in full force and effect notwithstanding any failure to endorse on each Note a notation of any such Guarantee.

SECTION 3.12. Headings. The headings of the Articles and the Sections in this Supplemental Indenture are for convenience of reference only and shall not be deemed to alter or affect the meaning or interpretation of any provisions hereof.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

CHURCHILL DOWNS INCORPORATED,
as Issuer

By:



Name: Marcia A. Dall
Title: Executive Vice President and Chief Financial
Officer

[Signature Page to Supplemental Indenture (2030 Notes) (P2E)]

EXISTING GUARANTORS

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

By:



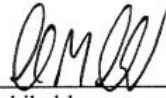
Name: Marcia A. Dall
Title: Treasurer

ARLINGTON OTB CORP.
QUAD CITY DOWNS, INC.

By: 
Name: Bradley K. Blackwell
Title: Secretary

UNITED TOTE COMPANY

By:



Name: Andrew Archibald
Title: President

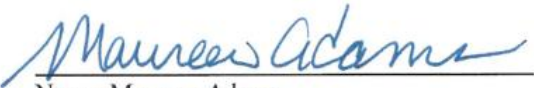
[Signature Page to Supplemental Indenture (2030 Notes) (P2E)]

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

By:  _____
Name: Bobbi Sample
Title: General Manager

[Signature Page to Supplemental Indenture (2030 Notes) (P2E)]


CHURCHILL DOWNS LOUISIANA HORSERACING
COMPANY, L.L.C
CHURCHILL DOWNS LOUISIANA VIDEO POKER
COMPANY, L.L.C.
NKYRG, LLC
VIDEO SERVICES, LLC

By: 
Name: Maureen Adams
Title: Treasurer


TURFWAY PARK, LLC

By: Maureen Adams
Name: Maureen Adams
Title: Secretary

OLD BAY BEVERAGE COMPANY, LLC
WKY DEVELOPMENT, LLC


By: 
Name: Maureen Adams
Title: Vice President

BETAMERICA, LLC

By: 
Name: Marcia A. Dall
Title: Treasurer

[Signature Page to Supplemental Indenture (2030 Notes) (P2E)]

ELLIS ENTERTAINMENT, LLC

By: 
Name: Marcia A. Dall
Title: Treasurer

KYMALIMI, LLC

By: 
Name: Marcia A. Dall
Title: Treasurer

[Signature Page to Supplemental Indenture (2030 Notes) (P2E)]

NEW GUARANTORS

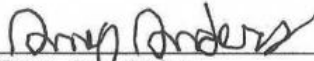
CDIHC, LLC
LAGO RESORT & CASINO, LLC
SCE PARTNERS, LLC
COLONIAL DOWNS GROUP, LLC
RVA GROUP II, LLC
RVA HOLDINGS GROUP, LLC
RICHMOND VA DEVELOPMENT, LLC
RICHMOND VA MANAGEMENT, LLC

By:

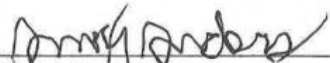


Name: Marcia A. Dall
Title: Treasurer

**U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION,**
as Trustee

By: 
Name: Amy Anders
Title: Vice President

**U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION,**
as Agent

By: 
Name: Amy Anders
Title: Vice President

Supplemental Indenture No. 3

SUPPLEMENTAL INDENTURE NO. 3, (this “Supplemental Indenture”) dated as of May 1, 2023, by and among the parties that are signatories hereto as Guarantors (each, a “Guaranteeing Subsidiary” and, collectively, the “Guaranteeing Subsidiaries”), Churchill Downs Incorporated, a Kentucky corporation (as successor to CDI Escrow Issuer, Inc., the “Issuer”), the other Guarantors (as defined in the Indenture referred to herein), U.S. Bank Trust Company, National Association, as Trustee under the Indenture referred to below, Paying Agent, Registrar, Transfer Agent and Authenticating Agent (the “Agent”).

WITNESSETH:

WHEREAS, the Issuer, each of the Guarantors, the Trustee and the Agent have heretofore executed and delivered an indenture dated as of April 13, 2022 (as amended, supplemented, waived or otherwise modified, including by that Supplemental Indenture No. 1 dated as of November 1, 2022 and that Supplemental Indenture No. 2 dated as of November 1, 2022, the “Indenture”), providing for the issuance of an aggregate principal amount of \$1,200,000,000 of 5.750% Senior Notes due 2030 of the Issuer (the “Notes”);

WHEREAS, the Indenture provides that under certain circumstances the Guaranteeing Subsidiaries shall execute and deliver to the Trustee and the Agent a supplemental indenture to which each Guaranteeing Subsidiary shall unconditionally guarantee, on a joint and several basis with the other Guarantors, all of the Issuer’s Obligations under the Notes and the Indenture on the terms and conditions set forth herein and under the Indentures’ (the “Guarantee”); and

WHEREAS, pursuant to Section 9.1 of the Indenture, the Issuer, any Guarantor, the Trustee and the Agent are authorized to execute and deliver a supplemental indenture to add additional Guarantors, without the consent of any Holder;

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Guaranteeing Subsidiaries, the Issuer, the other Guarantors, the Trustee and the Agent mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

ARTICLE I

DEFINITIONS

SECTION 1.1. Defined Terms. As used in this Supplemental Indenture, terms defined in the Indenture or in the preamble or recitals hereto are used herein as therein defined. The words “herein,” “hereof” and “hereby” and other words of similar import used in this Supplemental Indenture refer to this Supplemental Indenture as a whole and not to any particular section hereof.

ARTICLE II

AGREEMENT TO BE BOUND; GUARANTEE

SECTION 2.1. Agreement to be Bound. Each Guaranteeing Subsidiary hereby becomes a party to the Indenture as a Guarantor and as such will have all of the rights and be subject to all of the obligations and agreements of a Guarantor under the Indenture.

SECTION 2.2. Guarantee. Each Guaranteeing Subsidiary agrees, on a joint and several basis with all the existing Guarantors, to fully, unconditionally and irrevocably Guarantee to each Holder of the Notes and the Trustee and the Agent the Guaranteed Obligations pursuant to Article X of the Indenture on a senior basis.

ARTICLE III

MISCELLANEOUS

SECTION 3.1. Notices. All notices and other communications to any Guaranteeing Subsidiary shall be given as provided in the Indenture to such Guaranteeing Subsidiary, at its address set forth below, with a copy to the Issuer as provided in the Indenture for notices to the Issuer.

Churchill Downs Incorporated
600 North Hurstbourne Parkway, Suite 400
Louisville, Kentucky 40222
Attention: Investor Relations
Facsimile: 502-394-1160

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

Latham & Watkins LLP
10250 Constellation Blvd. Suite 1100
Los Angeles, California 90067
Attention: Steven B. Stokdyk
Facsimile: 310-993-9093

SECTION 3.2. Merger and Consolidation. No Guaranteeing Subsidiary shall sell or otherwise dispose of all or substantially all of its assets to, or consolidate with or merge with or into another Person (other than the Issuer or any Restricted Subsidiary that is a Guarantor or becomes a Guarantor concurrently with the transaction) except in accordance with Section 4.1(f) of the Indenture.

SECTION 3.3. Release of Guarantee. This Guarantee shall only be released in accordance with Section 10.2 of the Indenture.

SECTION 3.4. Parties. Nothing expressed or mentioned herein is intended or shall be construed to give any Person, firm or corporation, other than the Holders, the Trustee and the Agent, any legal or equitable right, remedy or claim under or in respect of this Supplemental Indenture or the Indenture or any provision herein or therein contained.

SECTION 3.5. Governing Law. This Supplemental Indenture shall be governed by, and construed in accordance with, the laws of the State of New York.

SECTION 3.6. Severability. In case any provision in this Supplemental Indenture shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby and such provision shall be ineffective only to the extent of such invalidity, illegality or unenforceability.

SECTION 3.7. Benefits Acknowledged. Each Guaranteeing Subsidiary's Guarantee is subject to the terms and conditions set forth in the Indenture. Each Guaranteeing Subsidiary acknowledges that it will receive direct and indirect benefits from the financing arrangements contemplated by the Indenture and this Supplemental Indenture and that the guarantee and waivers made by it pursuant to this Guarantee are knowingly made in contemplation of such benefits.

SECTION 3.8. Ratification of Indenture; Supplemental Indentures Part of Indenture. Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Indenture for all purposes, and every Holder of Notes heretofore or hereafter authenticated and delivered shall be bound hereby.

SECTION 3.9. The Trustee and the Agent. Each of the Trustee and the Agent makes no representation or warranty as to the validity, adequacy or sufficiency of this Supplemental Indenture or with respect to the statements and recitals contained herein, all of which statements and recitals are made solely by the other parties hereto.

SECTION 3.10. Counterparts. The parties hereto may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. Signatures of the parties hereto transmitted by facsimile or PDF shall be deemed to be their original signatures for all purposes. Counterparts may be delivered via facsimile, electronic mail (including via www.docusign.com and any other electronic signature covered by the U.S. federal ESIGN Act of 2000, Uniform Electronic Transactions Act, the Electronic Signatures and Records Act or other applicable law) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

SECTION 3.11. Execution and Delivery. Each Guaranteeing Subsidiary agrees that the Guarantee shall remain in full force and effect notwithstanding any failure to endorse on each Note a notation of any such Guarantee.

SECTION 3.12. Headings. The headings of the Articles and the Sections in this Supplemental Indenture are for convenience of reference only and shall not be deemed to alter or affect the meaning or interpretation of any provisions hereof.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties have caused this Supplemental Indenture to be duly executed all as of the date and year first written above.

CHURCHILL DOWNS INCORPORATED

By: 
Name: Marcia A. Dall
Title: Executive Vice President and Chief
Financial Officer

[Signature Page to Supplemental Indenture (2030 Notes)]

EXISTING GUARANTORS:

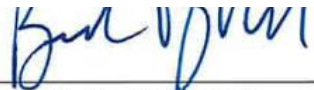
ARLINGTON PARK RACECOURSE, LLC
BB DEVELOPMENT LLC
BETAMERICA, LLC
CALDER RACE COURSE, INC.
CDIHC, LLC
CDITH, LLC
CHURCHILL DOWNS INTERACTIVE GAMING, LLC
CHURCHILL DOWNS MANAGEMENT COMPANY, LLC
CHURCHILL DOWNS RACETRACK, LLC
CHURCHILL DOWNS TECHNOLOGY INITIATIVES
COMPANY
COLONIAL DOWNS GROUP, LLC
DCGD, LLC
DERBY CITY GAMING, LLC
DERBY CITY GAMING DOWNTOWN, LLC
ELLIS ENTERTAINMENT, LLC
HCRH, LLC
KYCR HOLDINGS, LLC
KYMALIMI, LLC
LAGO RESORT & CASINO, LLC
LLN PA, LLC
MAGNOLIA HILL, LLC
MVGR, LLC
NKYRG, LLC
RICHMOND VA DEVELOPMENT, LLC
RICHMOND VA MANAGEMENT, LLC
RVA GROUP II, LLC
RVA HOLDINGS GROUP, LLC
SCE PARTNERS, LLC
SW GAMING LLC
TROPICAL PARK, LLC
TURFWAY PARK, LLC
WKY DEVELOPMENT, LLC
YUBET.COM, LLC

By: 
Name: Marcia A. Dall
Title: Treasurer

[Signature Page to Supplemental Indenture (2030 Notes)]

ARLINGTON OTB CORP
QUAD CITY DOWNS, INC



By: _____


Name: Bradley K. Blackwell
Title: Secretary

[Signature Page to Supplemental Indenture (2030 Notes)]

CHURCHILL DOWNS LOUISIANA HORSERACING
COMPANY, L.L.C
CHURCHILL DOWNS LOUISIANA VIDEO POKER
COMPANY, L.L.C.
PID, LLC
OLD BAY GAMING AND RACING, LLC
VIDEO SERVICES, LLC

By: _____


Name: Maureen Adams
Title: Treasurer

[Signature Page to Supplemental Indenture (2030 Notes)]

OLD BAY BEVERAGE COMPANY, LLC


By: 

Name: Maureen Adams

Title: Secretary

[Signature Page to Supplemental Indenture (2030 Notes)]

UNITED TOTE COMPANY

By:  _____
Name: Andrew M. Archibald
Title: President and Secretary

[Signature Page to Supplemental Indenture (2030 Notes)]

OCEAN DOWNS, LLC
OCEAN ENTERPRISE 589, LLC
RACING SERVICES, LLC

By: Maureen Adams
Name: Maureen Adams
Title: President

[Signature Page to Supplemental Indenture (2030 Notes)]

NEW GUARANTYING SUBSIDIARIES:

LINCOMPINCH LLC, as a Guarantor

By: Marjia A. Dall
Name: Marjia A. Dall
Title: Treasurer

CDI TERRE HAUTE LAND, LLC, as a Guarantor

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

[Signature Page to Supplemental Indenture (2030 Notes)]

**U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION,**
as Trustee

By: Amy Anders
Name: Amy Anders
Title: Vice President

**U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION,**
as Agent

By: Amy Anders
Name: Amy Anders
Title: Vice President

[Signature Page to Supplemental Indenture (2030 Notes)]

Supplemental Indenture No. 1

SUPPLEMENTAL INDENTURE NO. 1, (this “Supplemental Indenture”) dated as of May 1, 2023, by and among the parties that are signatories hereto as Guarantors (each, a “Guaranteeing Subsidiary” and, collectively, the “Guaranteeing Subsidiaries”), Churchill Downs Incorporated, a Kentucky corporation (the “Issuer”), the other Guarantors (as defined in the Indenture referred to herein), U.S. Bank Trust Company, National Association, as Trustee under the Indenture referred to below, Paying Agent, Registrar, Transfer Agent and Authenticating Agent (the “Agent”).

WITNESSETH:

WHEREAS, the Issuer, each of the Guarantors, the Trustee and the Agent have heretofore executed and delivered an indenture dated as of April 25, 2023 (the “Indenture”), providing for the issuance of an aggregate principal amount of \$600,000,000 of 6.750% Senior Notes due 2031 of the Issuer (the “Notes”);

WHEREAS, the Indenture provides that under certain circumstances the Guaranteeing Subsidiaries shall execute and deliver to the Trustee and the Agent a supplemental indenture to which each Guaranteeing Subsidiary shall unconditionally guarantee, on a joint and several basis with the other Guarantors, all of the Issuer’s Obligations under the Notes and the Indenture on the terms and conditions set forth herein and under the Indentures’ (the “Guarantee”); and

WHEREAS, pursuant to Section 9.1 of the Indenture, the Issuer, any Guarantor, the Trustee and the Agent are authorized to execute and deliver a supplemental indenture to add additional Guarantors, without the consent of any Holder;

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Guaranteeing Subsidiaries, the Issuer, the other Guarantors, the Trustee and the Agent mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

ARTICLE I

DEFINITIONS

SECTION 1.1. Defined Terms. As used in this Supplemental Indenture, terms defined in the Indenture or in the preamble or recitals hereto are used herein as therein defined. The words “herein,” “hereof” and “hereby” and other words of similar import used in this Supplemental Indenture refer to this Supplemental Indenture as a whole and not to any particular section hereof.

ARTICLE II

AGREEMENT TO BE BOUND; GUARANTEE

SECTION 2.1. Agreement to be Bound. Each Guaranteeing Subsidiary hereby becomes a party to the Indenture as a Guarantor and as such will have all of the rights and be subject to all of the obligations and agreements of a Guarantor under the Indenture.

SECTION 2.2. Guarantee. Each Guaranteeing Subsidiary agrees, on a joint and several basis with all the existing Guarantors, to fully, unconditionally and irrevocably Guarantee to each Holder of the Notes and the Trustee and the Agent the Guaranteed Obligations pursuant to Article X of the Indenture on a senior basis.

ARTICLE III

MISCELLANEOUS

SECTION 3.1. Notices. All notices and other communications to any Guaranteeing Subsidiary shall be given as provided in the Indenture to such Guaranteeing Subsidiary, at its address set forth below, with a copy to the Issuer as provided in the Indenture for notices to the Issuer.

Churchill Downs Incorporated
600 North Hurstbourne Parkway, Suite 400
Louisville, Kentucky 40222
Attention: Investor Relations
Facsimile: 502-394-1160

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

Latham & Watkins LLP
10250 Constellation Blvd. Suite 1100
Los Angeles, California 90067
Attention: Steven B. Stokdyk
Facsimile: 310-993-9093

SECTION 3.2. Merger and Consolidation. No Guaranteeing Subsidiary shall sell or otherwise dispose of all or substantially all of its assets to, or consolidate with or merge with or into another Person (other than the Issuer or any Restricted Subsidiary that is a Guarantor or becomes a Guarantor concurrently with the transaction) except in accordance with Section 4.1(f) of the Indenture.

SECTION 3.3. Release of Guarantee. This Guarantee shall only be released in accordance with Section 10.2 of the Indenture.

SECTION 3.4. Parties. Nothing expressed or mentioned herein is intended or shall be construed to give any Person, firm or corporation, other than the Holders, the Trustee and the Agent, any legal or equitable right, remedy or claim under or in respect of this Supplemental Indenture or the Indenture or any provision herein or therein contained.

SECTION 3.5. Governing Law. This Supplemental Indenture shall be governed by, and construed in accordance with, the laws of the State of New York.

SECTION 3.6. Severability. In case any provision in this Supplemental Indenture shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby and such provision shall be ineffective only to the extent of such invalidity, illegality or unenforceability.

SECTION 3.7. Benefits Acknowledged. Each Guaranteeing Subsidiary's Guarantee is subject to the terms and conditions set forth in the Indenture. Each Guaranteeing Subsidiary acknowledges that it will receive direct and indirect benefits from the financing arrangements contemplated by the Indenture and this Supplemental Indenture and that the guarantee and waivers made by it pursuant to this Guarantee are knowingly made in contemplation of such benefits.

SECTION 3.8. Ratification of Indenture; Supplemental Indentures Part of Indenture. Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Indenture for all purposes, and every Holder of Notes heretofore or hereafter authenticated and delivered shall be bound hereby.

SECTION 3.9. The Trustee and the Agent. Each of the Trustee and the Agent makes no representation

or warranty as to the validity, adequacy or sufficiency of this Supplemental Indenture or with respect to the statements and recitals contained herein, all of which statements and recitals are made solely by the other parties hereto.

SECTION 3.10. Counterparts. The parties hereto may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. Signatures of the parties hereto transmitted by facsimile or PDF shall be deemed to be their original signatures for all purposes. Counterparts may be delivered via facsimile, electronic mail (including via www.docuSign.com and any other electronic signature covered by the U.S. federal ESIGN Act of 2000, Uniform Electronic Transactions Act, the Electronic Signatures and Records Act or other applicable law) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

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SECTION 3.12. Headings. The headings of the Articles and the Sections in this Supplemental Indenture are for convenience of reference only and shall not be deemed to alter or affect the meaning or interpretation of any provisions hereof.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties have caused this Supplemental Indenture to be duly executed all as of the date and year first written above.

CHURCHILL DOWNS INCORPORATED

By: 
Name: Marcia A. Dall
Title: Executive Vice President and Chief
Financial Officer

[Signature Page to Supplemental Indenture (2031 Notes)]


EXISTING GUARANTORS:

ARLINGTON PARK RACECOURSE, LLC
BB DEVELOPMENT LLC
BETAMERICA, LLC
CALDER RACE COURSE, INC.
CDIHC, LLC
CDITH, LLC
CHURCHILL DOWNS INTERACTIVE GAMING, LLC
CHURCHILL DOWNS MANAGEMENT COMPANY, LLC
CHURCHILL DOWNS RACETRACK, LLC
CHURCHILL DOWNS TECHNOLOGY INITIATIVES
COMPANY
COLONIAL DOWNS GROUP, LLC
DCGD, LLC
DERBY CITY GAMING, LLC
DERBY CITY GAMING DOWNTOWN, LLC
ELLIS ENTERTAINMENT, LLC
HCRH, LLC
KYCR HOLDINGS, LLC
KYMALIMI, LLC
LAGO RESORT & CASINO, LLC
LLN PA, LLC
MAGNOLIA HILL, LLC
MVGR, LLC
NKYRG, LLC
RICHMOND VA DEVELOPMENT, LLC
RICHMOND VA MANAGEMENT, LLC
RVA GROUP II, LLC
RVA HOLDINGS GROUP, LLC
SCE PARTNERS, LLC
SW GAMING LLC
TROPICAL PARK, LLC
TURFWAY PARK, LLC
WKY DEVELOPMENT, LLC
YOUTBET.COM, LLC

By: 
Name: Marcia A. Dall
Title: Treasurer


[Signature Page to Supplemental Indenture (2031 Notes)]

ARLINGTON OTB CORP.
QUAD CITY DOWNS, INC.


By: 
Name: Bradley K. Blackwell
Title: Secretary


[Signature Page to Supplemental Indenture (2031 Notes)]

CHURCHILL DOWNS LOUISIANA HORSERACING
COMPANY, L.L.C
CHURCHILL DOWNS LOUISIANA VIDEO POKER
COMPANY, L.L.C.
PID, LLC
OLD BAY GAMING AND RACING, LLC
VIDEO SERVICES, LLC

By: 
Name: Maureen Adams
Title: Treasurer


[Signature Page to Supplemental Indenture (2031 Notes)]

OLD BAY BEVERAGE COMPANY, LLC

By: 
Name: Maureen Adams
Title: Secretary

[Signature Page to Supplemental Indenture (2031 Notes)]

UNITED TOTE COMPANY

By:  _____

Name: Andrew M. Archibald

Title: President and Secretary

[Signature Page to Supplemental Indenture (2031 Notes)]

By: Maureen Adams
Name: Maureen Adams
Title: President

[Signature Page to Supplemental Indenture (2031 Notes)]

NEW GUARANTYING SUBSIDIARIES:

LINCOMPINCH LLC, as a Guarantor

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

CDI TERRE HAUTE LAND, LLC, as a Guarantor

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

[Signature Page to Supplemental Indenture (2031 Notes)]

**U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION,**
as Trustee

By: Amy Anders
Name: Amy Anders
Title: Vice President

**U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION,**
as Agent

By: Amy Anders
Name: Amy Anders
Title: Vice President

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, William C. Carstanjen, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Churchill Downs Incorporated;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 26, 2023

/s/ William C. Carstanjen
 William C. Carstanjen
 Chief Executive Officer
 (Principal Executive Officer)

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

I, Marcia A. Dall, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Churchill Downs Incorporated;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 26, 2023

/s/ Marcia A. Dall

Marcia A. Dall
Executive Vice President and Chief Financial Officer
(Principal Financial & Accounting Officer)

**Certification of Chief Executive Officer and Chief Financial Officer Pursuant to
18 U.S.C. Section 1350,
As Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report on Form 10-Q of Churchill Downs Incorporated (the "Company") for the quarterly period ended June 30, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), William C. Carstanjen, as Chief Executive Officer (Principal Executive Officer) of the Company, and Marcia A. Dall, as Executive Vice President and Chief Financial Officer (Principal Financial & Accounting Officer) of the Company, each hereby certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, to the best of his or her knowledge, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ William C. Carstanjen

William C. Carstanjen
Chief Executive Officer
(Principal Executive Officer)
July 26, 2023

/s/ Marcia A. Dall

Marcia A. Dall
Executive Vice President and Chief Financial Officer
(Principal Financial & Accounting Officer)
July 26, 2023

This certification is being furnished to the Securities and Exchange Commission as an exhibit to the Report and shall not be deemed filed by the Company for purposes of § 18 of the Securities Exchange Act of 1934, as amended.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Churchill Downs Incorporated and will be retained by Churchill Downs Incorporated and furnished to the Securities and Exchange Commission or its staff upon request.