



June 14, 2021

Indiana Gaming Commission
East Tower, Suite 1600
101 W. Washington Street
Indianapolis, IN 46204

Dear Commissioners,

We are writing to respectfully ask the Commission to reconsider its order for Caesars to sell a third Indiana asset. Since the closing of the Caesars transaction in July 2020, Caesars' executive management team has worked closely with Executive Director Tait and her staff to fulfill its obligations under the order. Despite the difficulties of the COVID-restricted environment, we were able to sign and close an agreement to sell Tropicana Evansville and sign a second sales agreement for Caesars Southern Indiana. In both cases, we identified well-qualified buyers that were new to the State. At the same time, we ran a fulsome sale process for Horseshoe Hammond and kept Ms. Tait informed and involved as it developed. As you know, based on the direction that process was headed, we asked for an extension of time to complete the sale and are thankful that you granted our request. While the recent opening of the Spectacle project in Gary and the upcoming competitive openings in Illinois present an uncertain future for Horseshoe Hammond, we remain convinced that Caesars' management and the Caesars Rewards program are essential to retain customers in Indiana and to best position the property for future success. Because we believe that Caesars maintaining stewardship over Horseshoe Hammond is in the best interest of the state of Indiana, we are asking the Commission to allow us to keep Horseshoe in the Caesars family.

Caesars has been actively working towards a resolution to the conditions of the merger approval

As you are aware, we did contract to sell two terrific properties, Tropicana Evansville and Caesars Southern Indiana, in a timely manner and we are appreciative of the one-year divestiture extension for Hammond that the Commission approved in November.

Caesars was excited to inherit a strong collection of horseracing assets and is proud that we have been able to build upon that strong foundation, growing Indiana's racing brands and reputation nationwide. In October, we hosted the Breeder's Crown for the second time, further establishing Harrah's Hoosier Park's position as one of the premier harness tracks in North America. In addition, we finalized plans to host the Bank of America AQHA Challenge in 2022 – the Super Bowl for quarter horses. This will provide visibility to our terrific quarter horse program at Indiana Grand.



By moving race days in the 2020 season, we were able to expand our reach across the country and in doing so, broke all-time handle records. For the first time, we offered a winter program at Indiana Grand, allowing a year-round training location which is terrific for the local economy. We funded our \$25 million capital escrow account for spending on the racing side of the business, and began capital improvements in racing immediately upon closing. In addition, we broke ground on our \$34 million expansion at Indiana Grand and continue to develop our plans for the \$30+ million expansion at Hoosier Park. Indiana is, and will remain, an extremely important state in our portfolio, as evidenced by our significant capital investment.

Caesars is a valued partner in Hammond

As I know that Hammond Mayor McDermott will attest to you, Caesars remains a proud local partner in the Hammond community. We view corporate responsibility and community involvement as a key pillar of our business model.

The COVID crisis has been exceptionally difficult, but throughout the crisis we remained committed to our employees. During the closure period and until the end of 2020 (more than 6 months total), Caesars paid 100% of all furloughed team members' benefits premiums across the company, including in Indiana. Caesars also committed to paying those benefits a second time in other jurisdictions that had to shut down again for COVID or hurricanes (in IL, PA, and LA). To help ease the emotional and financial strain of having to quarantine from work due to a COVID exposure, Caesars introduced a new two week, COVID-specific leave of absence to every team member. This benefit was extended into 2021 and reset for all employees. Caesars also partnered with local health departments to offer on-site vaccination clinics in many jurisdictions, including Hammond, to ensure our employees and their families had easy access vaccines and instituted a reward program for those who chose to get vaccinated.

On a local level, the Hammond leadership team instituted many changes to ensure we're minimizing work-place stress and providing a fun environment while keeping health and safety our main priority. In addition to all the enhanced safety protocols executed on a daily basis, we altered attendance policies to provide increased flexibility for employees, added additional lounge space so team members can still relax in a socially distanced space, and creatively transformed celebration and recognition events so employees do not miss a beat.

We've recently been recognized for the 11th straight year by the Indiana Chamber of Commerce as a "Best Places to Work" and inducted into their Hall of Fame, an honor not bestowed on any other casino in the state. To celebrate this incredible achievement, the Hammond leadership team, as always, pulled out all the stops. The team orchestrated an 11-day COVID-friendly



celebration of our employees filled with free meals and treats, raffles and prize booths, as well as a charity event to benefit our employee assistance fund, Caesars Cares.

Almost 50% of our staff have worked at Horseshoe Hammond for over 10 years, 20% have been with us for over 20 years. Despite the challenging work environment that comes with working in a casino, our employees continue to choose Horseshoe because of our core values. We have a relentless focus on bridging the gap between work and home, giving back to the community, providing lasting wellness programs and sincere appreciation programs, and promoting diversity and inclusion activities/groups

The new Caesars leadership team continues to put a huge emphasis on diversity and inclusion awareness activities. The company is hosting monthly educational town halls for all 54,000 team members dedicated towards recognizing inequalities and discussing ways to promote and support different minority groups with industry subject matter experts. The new team evidenced a renewed focus on celebrating and educating employees on various cultural holidays as well as re-launching Business Impact Groups that promote cultural awareness and education. Hammond has a Business Impact Group centered on providing employees (and their families) who are active in the military or veterans with support and resources. This group participates in veteran career fairs and stand down events as well as volunteers with veteran focused community projects. The Hammond female leadership team also participate in Lean-In circles, which are dedicated groups focused on the support and advancement of women in the workplace. These circles provide women various opportunities for networking, personal and career development, and mentorship. These two programs have been so successful, we plan to roll out a new minority focused group soon.

Caesars is committed to helping Indiana succeed

Caesars Entertainment is the leading casino and entertainment operator in the United States. As we've discussed, the upcoming competitive threats to Horseshoe Hammond, our Caesars Rewards loyalty program, customer database, and operational experience in this market will be vital to retaining gaming customers in Indiana. Additionally, our strong customer and employee relationships have already proven successful despite a challenging operating environment during the COVID crisis. Caesars has been a successful operator of this property and is best positioned to ensure it has a sustainable business model for years to come.



Despite the challenges ahead, we believe Horseshoe Hammond and the state of Indiana has the potential for continued success. Caesars management remains committed to the property, our employees, and the community. We know that we want to keep Horseshoe Hammond a part of the Caesars portfolio for decades to come and strongly believe that outcome is in the best interest of the State. We respectfully request that the Commission reconsider its order for a third asset sale.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Kelly". The signature is fluid and cursive, with the first name "Tom" and last name "Kelly" clearly distinguishable.

Tom