

**AGREEMENT BETWEEN
WATCH AND WAGER.COM LLC**

And

CALIFORNIA HARNESS HORSEMEN'S ASSOCIATION

THIS AGREEMENT is entered into between Watch And Wager.com LLC ("WAW"); and California Harness Horsemen's Association, a California corporation ("CHHA"). For convenience herein, WAW and CHHA may be referred to as the "Parties."

Recitals

- A. **Whereas**, WAW desires to operate harness racing meets at the Cal Expo Race Track facility in Sacramento, California.
- B. **Whereas**, CHHA is comprised of a majority of owners, trainers, drivers, and breeders of harness/Standardbred race horses which will participate in all harness racing meets conducted at Cal Expo and has been acknowledged by the California Horse Racing Board (CHRB) to be the organization to represent horsemen at California harness racing meetings.
- C. **Whereas**, the CHRB allocates harness racing dates for specific periods during the calendar year.

Now, therefore, the parties agree as follows:

1. HARNESS RACING DATES:

- a) The CHRB has allocated harness racing dates to Cal Expo for the period October 28, 2017 through May 5, 2018 (proposed racing calendar attached) for a harness racing meet to be conducted at the Cal Expo racetrack in Sacramento, California. It is acknowledged and understood by both parties that harness racing dates are allocated by the CHRB and harness racing dates for the above allocation as well as any allocation for calendar year 2017/2018 will be requested by WAW.
- b) WAW and CHHA mutually agree to make every attempt to request the allocation of and operate a minimum of 53 racing days each calendar year at the Cal Expo facility, with racing weeks consisting of one (1) or two (2) racing days each week. Changes in racing dates can be made with the consent of both parties and neither party will unreasonably withhold this approval.
- c) "Race meet" or "racing meet" is defined as the entire period under the conduct of an association within the enclosure of the designated grounds for which the CHRB has granted a license.

2. TERM OF AGREEMENT

- a) The term of this Agreement is September 1, 2017 through May 15, 2018. This Agreement may be extended for two additional one-year terms, exercised independently, provided that the Parties reach a mutually acceptable agreement.
- b) This agreement shall be considered null and void prior to the expiration date listed above if another operator, other than WAW, is operating the race meet; or if another organization, other than CHHA, is representing the owners, trainers, drivers, and breeders, pursuant to CHRB approval.

3. HORSEMEN'S PURSE POOL:

- a) The amount to be paid by WAW to horsemen participating in the race meet as purses shall be determined and computed in accordance with the California Business & Professions Code regulations. Said amounts are derived from wagering handle on all live harness races emanating from Cal Expo and all imported out-of-state races that are Hosted by WAW from On-Track Handle, California off-Track Handle, Out-of-State Handle on WAW live races, Advance Deposit Wagering handle in California on WAW live and WAW hosted events, and Exported Advance Deposit Wagering (ADW) handle on WAW live handle through out-of-state ADW providers, from purse monies generated pursuant to B. & P. Code Section 19596.1 (a) (4) and from any other wagering sources that are approved by the California State Legislature as part of the Business & Professions Code and/or by Rules and Regulations that are promulgated by the CHRB.
- b) The parties agree that purses in the Opening Purse Schedule shall be based on a payout of approximately Forty-Thousand Dollars (\$40,000.00) per racing day for the fifty-three (53) racing days included in this race meet.
- c) The parties agree that this Agreement shall constitute the written agreement contemplated in Business & Professions Code section 19605.7(c) and that fifty percent (50%) of the one-half of one percent (0.5%) of unused funds identified in said section 19605.7(c), commonly referred to as a "promotion fund," shall be deposited into the horsemen's purse pool account at the conclusion of the race meet.
- d) Nothing in this Agreement is intended to alter the requirement of the law {Bus. & Prof. Code § 19619) with regard to the funding of the California Standardbred Sires Stakes Program.
- e) WAW and CHHA mutually agree that any subsidy of California Sires Stakes Program races shall come from the horsemen's purse pool. All Sires Stakes supplemental purse monies shall be paid by WAW directly to the California Standardbred Sires Stakes Committee (CSSSC) administrator. The parties hereby acknowledge that while in previous Agreements the purse pool funded the Sires

Stakes races on a supplemental basis at a \$3,000 per event, such funding will be suspended for the 2017-2018 meet and such monies will be noted due and owing from the horsemen's purse pool to the CSSSC for use in Sires Stakes races beginning in 2021.

- f) The parties will endeavor to estimate the amount of purses to be paid at the race meet, separately and singularly so as to avoid the overpayment or underpayment of purses to the horsemen by Cal Expo. WAW and CHHA shall provide to each other, an estimate of the purse pool generated during the period covered in this agreement.

Any underpayments or overpayments of purses shall be carried over to subsequent meets that are operated by WAW.

In the event an overpayment exists at the end of a scheduled race meet and the subsequent race meet is operated by an entity other than WAW, then CHHA shall make every effort to include, in their agreement with the new operator, to have purse funds directed and paid to WAW in the exact amount of the purse overpayment no later than six (6) months after the last scheduled racing day of a race meet operated by WAW. If an underpayment of purses exists at the end of a scheduled race meet and the subsequent race meet is operated by an entity other than WAW, then the two parties shall meet and mutually agree to a method to distribute any underpayments in a manner that will benefit the harness horsemen who had participated in the race meet.

- g) Representatives of each party shall meet either party requests to discuss any issues related to the purse pool or any other matter. The parties agree that they will meet on a regular basis to determine if the purse levels are being met by the handle and to determine if a purse increase or decrease is necessary to be placed in effect for the current meet or subsequent meets.
- h) Southern California Off Track Wagering, Inc. (SCOTWINC) receives payments from harness operators for expenses related to the harness race meet and thereafter refunds excess amounts collected by SCOTWINC from the operator. In estimating the amount of money available for the payment of purses, WAW shall also estimate that the purse pool shall receive, on a retroactive basis, one-half of all of the SCOTWINC refunds paid as a result of the race meet. In the event of a SCOTWINC shortfall, both parties agree to equally share any liability.
- i) Pursuant to Business & Professions Code section 19601(1), when WAW is required to pay to Los Alamitos an impact fee, fifty percent (50%) of the impact fee paid to Los Alamitos shall be paid from commissions and fifty percent (50%) shall be paid from the purse pool.
- j) Pursuant to Business & Professions Code section 19605.77.(a), by signing this Agreement, CHHA approves the deduction of an additional one percent (1%) of the

total amount handled in conventional pari-mutuel pools of the WAW harness meet and hosted events for the defraying of workers' compensation costs for the trainers that are represented by CHHA.

- k) CHHA shall provide to WAW a listing of all current committees and subcommittees of the CHHA.
- i) When the race office combines conditions listed on the condition sheet, the purse of the resulting race shall be no less than the highest purse associated with the horse(s) that said horses originally entered for (so long as they were eligible for that race). For example, assume a NW\$1500L5 race is written with a purse of \$2900 and 6 enter and a NW\$2500L5 race is written with a purse of \$3400 and 2 enter. If these races are combined such that the new race is written NW\$1500L5 AE NW\$2500L5 to draw outside, then the resulting purse would be \$3400.

ii)

4. PURSE SCHEDULE:

- a) Distribution of purse money to the various classes of horses competing at WAW's race meets will be in accordance with the provisions set forth herein.
- b) Purses shall not be increased during any meet except by written agreement of the CHHA Purse Committee and/or the CHHA Executive Director, as executed by the CHHA Executive Director or President and WAW. All purse increases shall apply only to overnight races and maybe distributed proportionately among all classes or races in accordance with the initial purse structure of any meet. Purses shall not be decreased without the written agreement of the CHHA Purse Committee and/or the CHHA Executive Director, as executed by the CHHA Executive Director or President and WAW. WAW must state facts upon which the decrease is warranted. CHHA shall not unreasonably withhold consent of a purse decrease.
- c) After each racing week during the race meet, WAW shall make every effort to provide to CHHA, by facsimile, e-mail, hard copy, a report indicating the weekly total amount of monies wagered (total handle), when available; estimated commissions (WAW's share); estimated purses generated (horsemen's share); estimated purses paid; breeders and owners awards; the balance of the horsemen's purse account; and whether the horsemen are overpaid or underpaid. Within thirty (30) days of the conclusion of any meet, WAW shall furnish to CHHA the final statement containing all of the above information for the entire meet. CHHA acknowledges that some reports are not directly provided in a timely manner to WAW; however, WAW shall make every effort to keep CHHA apprised of all handle related data on a weekly basis.
- d) No purse pool money shall be used for match races, exhibition races, or special racing events unless the terms, conditions, and purses are expressly agreed upon in writing by the CHHA Purse Committee and/or the CHHA Executive Director, as

executed by the CHHA Executive Director or President and WAW prior to the scheduling or announcement of such races. The parties acknowledge that a Schedule of Late Closing events may be agreed upon, the Terms, Conditions & Funding of which shall be designated in writing and become part of this Agreement.

- e) No race shall be placed on the condition sheet or carded for horses with a claiming price of less than Three Thousand Dollars (\$3,000). Claiming prices may only be reduced below this level if agreed to in writing by WAW and the CHHA Executive Director or President. Bottom level claiming races will be drawn from least money earned last five starts to the highest. Eight starters is the desired but not required goal. Bottom level claimers will be split by sex when possible. Any horse dropping from a condition race or higher claimer to the bottom claiming level will be seeded at the top level for its first start in that class, unless it has raced at the bottom claiming level at least once in its last three starts.
- f) In condition races, a one class (level) drop rule will be in effect regardless of eligibility. For the purposes of this provision, classes are defined as follows

| Level | Class | Base Claiming Price |
|-------|----------------------------|------------------------|
| 1 | Any Open Class | >=\$10,000 |
| 2 | NW\$3000L5 to NW\$10,000L5 | >=\$8000 and <\$10,000 |
| 3 | NW\$2000L5 to NW\$2999L5 | >=\$6000 and <\$8000 |
| 4 | NW\$1000L5 to NW\$1999L5 | >=\$4000 and <\$6000 |
| 5 | NW\$1L5 to NW\$999L5 | >=\$3000 and <\$4000 |

For purposes of illustration, a horse entered into an NW\$3250L5 race would be eligible to race in a NW\$2100L5 race the following week if he otherwise fit. This would constitute a one class (or level) drop. A horse entered for a base claiming price of \$7500 would be able to enter a NW\$1500L5 race the following week if he otherwise fit.

- g) W&W will make every reasonable effort to write claiming or claiming handicap races between \$4000 and \$10,000. However, if such races do not fill, the NW\$L5 races will be written with Also Eligible conditions as follows:

| NWLast5 Money | AE Base Claiming Price |
|----------------------|-------------------------------|
| Open II | AE: \$15,000 Claimer |
| Open III | AE: \$12,000 Claimer |
| >=\$3500 | AE: \$10,000 Claimer |
| >=\$3000 and <\$3499 | AE: \$8000 Claimer |
| >=\$2500 and <\$2999 | AE: \$7000 Claimer |
| >=\$2000 and <\$2499 | AE: \$6000 Claimer |
| >=\$1500 and <\$2000 | AE: \$5000 Claimer |
| >=\$1000 and <\$1499 | AE: \$4000 Claimer |
| <\$1000 | AE: \$3000 Claimer |

In order to maintain uniformity between NW horses and AE claimers, if the race office saw fit to write, for example, a NW\$1000 race and a NW\$2000 race, the NW\$2000 race would be constructed in a way such that the NW\$1500 AE \$5000 Claimers would draw inside to the NW\$2000 AE \$6000 Claimers, or would simply write NW\$2000 AE \$6000 Claimers and no horses could enter for a \$5000 base claiming price.

- h) Purse distribution shall be in accordance with the practice in the industry and rules of the CHRB. If, due to an accident or other circumstance approved by the CHRB Stewards, fewer than five (5) horses finish in an overnight race, United States Trotting Association (USTA) Rule 19 shall apply. If fewer than five (5) horses earn money in an overnight race any unpaid monies will remain in the purse account.
- i) The Paymaster of Purses shall: (1) pay driver's fees in accordance with CHRB Rules; (2) pay programmed trainers five percent (5%) of the purses earned by horses under their care; and (3) pay out Cal-bred Breeder Awards and Cal-bred Owner's Bonuses within fourteen (14) calendar days of each race. Breeders without an owner's account shall be paid no later than the last day of each calendar month.
- j) WAW and CHHA may agree to be joint participants in a Horse Incentive Program, the terms, conditions and funding for such a program shall be set forth in writing and become part of this Agreement.
- k) The parties acknowledge the adoption of the Diamond Horse Alliance (DHA) to include horses sired from the following harness racing jurisdictions: Alberta, CAN, Manitoba, CAN, Iowa, Wisconsin, Minnesota, Maine and Michigan. The parties agree to work together and cooperate in implementing and undertaking the DHA program and to take no action which is inconsistent with that program. WAW and CHHA may agree, in writing, to discontinue the DHA program but agree that horses that have participated in this program will not be negatively affected by such cancellation.
- l) The parties acknowledge the adoption of a "Standardbred Horse Retirement Fund" to assist in the care and placement of Standardbred race horses after they are retired from

racing. The parties agree to each contribute Five-Thousand Dollars (\$5,000) to fund this program. A Committee shall be formed consisting of four (4) members from CHHA and one (1) member from WAW to serve as the "steering committee" for this program.

5. CHHA ADMINISTRATIVE FUNDING:

- a) The amount to be paid from the purse pool to CHHA for the purpose of defraying the cost of administration and services by CHHA for the benefit of horsemen shall be six percent (6%) of any and all purse monies generated from sources as defined in paragraph 3(a) of this Agreement.
- b) All accrued and unpaid amounts required to be paid to CHHA pursuant to this paragraph shall be paid to CHHA no later than the fifteenth (15th) day of each month for purse moneys generated the prior month. For example, if \$500,000 was generated to the purse pool as defined in paragraph 3(a) of this Agreement in October 2016, six percent (6%) of that amount shall be paid to CHHA on or before November 15, 2016.
- c) WAW receives funds from the pari-mutuel handle from various sources for commissions and purses. WAW may choose to provide to CHHA their administrative fees by the fifteenth (15th) day of each month based on funds that WAW has received. For example, if the ADW providers do not pay to WAW specific funds generated through the ADW providers in a timely manner, WAW shall pursue those late funds and shall pay to CHHA any outstanding administrative fees owed upon receipt of funds. To clarify, WAW may choose to not pay six percent (6%) administrative fees to CHHA using the calculation of funds that WAW has not received and WAW shall advance funds to the purse pool but shall not advance unpaid funds to CHHA for administrative fees. WAW will make every effort by negotiation to receive the historical "slow pay" funds in a timely manner so that it can pay to the CHHA the required administrative fees.

6. USE OF TRACK AND BARN AREA:

- a) The barn area, including the back track and main racetrack will open no later than September 15, 2017. The main track will be closed to horses after the last race of the final night of the race meet. WAW shall ensure that the main racetrack and barn areas meet Standardbred racing standards.

7. TRACK CONDITION:

- a) WAW management shall supervise the planning and proper preparation of the race track prior to the opening of the race meet, including resurfacing of the track or reconditioning of the soil if necessary, and shall consult with the CHHA Track Committee to review plans for preparation. The track is to be approved by the CHHA Track Committee no later than two (2) days prior to the opening day of racing. WAW agrees to abide by all safety rules promulgated by the CHRB with

regard to track maintenance and safety.

- b) WAW shall obtain the approval of CHHA's Track Committee regarding the condition of the track for racing, training, and safety. An emergency meeting may be scheduled on two (2) hours' notice when the safety of the track is at issue. The decision as to track safety shall be at the discretion of the Stewards for purposes of racing, based upon recommendations from CHHA Track Committee and WAW management. The condition of the track for training purposes shall be maintained by WAW to the satisfaction of the CHHA Track Committee, keeping in mind the health, and welfare of the horses and all individuals participating in the training and racing of horses. In the event the CHHA Track Committee determines the racetrack to be inadequate for Training or racing purposes, it shall promptly advise WAW management, and WAW shall promptly effectuate such repairs or remediation as may be necessary. If, in the determination of the CHHA Track Committee the racing surface is determined to be unsafe for training or racing purposes, no owner, trainer, driver, groom, or horse shall be required to participate in any event on that racing surface.
- c) The main track shall be open from 6:30AM until 12:00 PM six (6) days per week during the term of this Agreement or other times as necessary as determined by WAW management. WAW shall not withhold consent to have the racetrack open during specific periods if a majority of the horsemen agree on suitable times for the racetrack to be opened and maintained.
- d) WAW shall, at its expense, provide an experienced outrider to be on the track each day during the hours when the track is open for jogging and/or training.

8. SERVICES AND CONDITIONS OF OTHER FACILITIES

- a) WAW shall maintain the Driver's Locker Room in a clean, presentable condition.
- b) WAW shall provide to the CHHA and horsemen a schedule depicting the days that the barn area and racetrack will open and close for harness horses.
- c) In connection with all matters affecting horsemen at the meet, WAW recognizes CHHA and its respective working committees as being the designated representatives of the horsemen as recognized by the CHRB. Upon the request of WAW or any of the above committees, representatives of both parties shall meet as expeditiously as possible to discuss and resolve any problems or matters affecting horsemen or WAW or the conduct of the meet. All agreements reached with any such committee or representatives shall be reflected in writing and signed by a representative of WAW, the CHHA Committee involved, and/or the CHHA Executive Director or President.
- d) No deduction, other than driver's and trainer's fees, fees for registration and eligibility papers, entry fees, and claims with the owners approval, fines levied by the CHRB, deductions ordered by any court, shall be made from any owner's purse account without the authorization of the owner or his/her authorized agent. Fees for photos,

videos, and other services provided by or at the track will be deducted upon agreement of the owner and the vendor with notice given to the Paymaster of Purses. Any disputes as to the propriety of any such deduction must be resolved between the owner and the vendor.

9. SECURITY

- a) Detention Barn: Trainers who, by stewards or association order, are serving in the detention barn will be charged the reimbursable fee for security and cleaning in the detention barn for each racing period that they are relegated to the detention barn.
- b) WAW shall provide randomly scheduled night security patrol in the barn area.
- c) With respect to TC02 testing and detention barn policies, WAW and CHHA agree to abide by all laws, regulations, rules, and policies of the CHRB.

10. QUALIFYING RACES

- a) WAW shall conduct qualifying races before a designated nightly racing program with a maximum of eight (8) horse fields unless larger fields are agreed to in writing by WAW and the CHHA Executive Director or President. If cancelled because of extenuating circumstances, qualifying races shall be held the next racing day, conditions permitting. To qualify a horse as a starter, the following requirements shall be met: (1) the horse shall be identified by the horse identifier; (2) the horse shall be approved by the Stewards for conduct and safety; (3) the WAW management and the Stewards shall set time standards for particular gait and age of horses and for track condition; and (4) timing and equipment check procedures for each qualifying race will be consistent with those used for pari-mutuel races.
- b) In the event any horses have not started within forty five (45) days immediately preceding a race in which they are to be entered, those horses shall be required to qualify. This requirement may be waived by WAW and the CHHA upon agreement by both parties for any reason deemed necessary.

11. LATE CLOSERS AND ENTRIES

- a) Early or late closing events shall be conducted only upon a written agreement of terms for such races between WAW and the CHHA. Some examples of items that may be included in the agreements for early or late closing events are condition of race, purse amounts, guarantees, entry fees, added purse monies, number of betting interests, etc.
- b) It is agreed that in all claiming races, Cal-Sired and Cal-Bred horses will receive a 50% base claiming allowance. DHA horses which include Alberta, Iowa, Minnesota, Maine, Wisconsin and Michigan will be given a base claiming price allowance of

25% in addition to normal age and Sex allowances. It is further agreed that any and all lifetime or last 5 or similar conditions, related to earnings will reflect a 50% allowance for all DHA horses. For example, a “Non-winners of \$1,500 last 5 starts” race shall be written “Non-winners of \$1,500 (DHA \$2250) last 5 starts”. This would include any Also Eligible conditions.

- c) All entries in any race must be given the option to withdraw with no date penalty and to enter another race in the event of a condition change after the normal time for close of entries. If a race does not fill, the Racing Secretary may cancel the race and write a new condition(s) as a substitute race. Such new race shall be announced (including a text message to text subscribers). Any horses having entered an unfilled race shall be given preference over late entries.
- d) The preference rule to be in effect for the meet shall enable all horses to be eligible for a given race regardless of who the trainer or owner(s) are. In all cases all horses eligible for a race shall only have their respective preference dates used to determine their eligibility for that race. However, in no case shall any common owner have three or more three horses in a race and in no case shall any trainer have three or more horses in a race, paid-in races excepted.
- e) USTA rule 14.10 shall otherwise govern Preference Dates. However, for the sole purpose of eligibility with regard to preference, any horses entered to race at Cal-Expo on a single entry date shall be considered to have the same preference date designated as the earliest of the race dates related to that entry date. For example, if the entry date is Tuesday, January 10 for races on Friday and Saturday January 13 and 14, then all horses that would otherwise have a preference date would be given the preference date of Friday, January 13, even if they actually race on Saturday January 14.
- f) When a minimum of eight (8) separate betting interests are entered for a race, the race shall be considered filled and no late entries shall be accepted by the Racing Secretary. In no event shall any race be drawn with less than five (5) separate betting interests except by mutual written agreement of WAW and the CHHA Executive Director or President. If a race is not filled, the Racing Secretary may call for additional entries or may cancel the race and add a substitute race which adds conditions to any original condition. When this occurs, the Racing Secretary or his or her designees shall announce over a public address system the relevant facts and send a text message to those who have subscribed to such a service reflecting the same information.
- g) When a horse is scratched prior to the announced scratch time, the number one also eligible shall draw into the post position vacated by the scratched horse. Once the announced scratch time has passed, all horses which have drawn into a race are obliged to race unless scratched due to one of the reasons set forth in CHRB rules. WAW shall make available to CHHA, each day after the draw, the list of entries.
- h) Unless agreed otherwise between WAW and CHHA Purse Committee and/or CHHA

Executive Director or President, the taking of daily entries shall be at a minimum of 72 hours prior to race time and scratch time shall be at a minimum of 48 hours prior to race time.

- i) The condition sheet for each racing program shall contain conditions for as many races as are scheduled on the program. In addition, the Racing Secretary may write conditions for substitute races; however, substitute races that are generally equal in quality should be used in place of an originally carded race that did not fill.

12. RACING CONDITIONS

- a) WAW, with the written consent of CHHA, executed by its Executive Director or President, may apply to the CHRB for permission to conduct one (1) to five (5) racing programs during each scheduled week of its meeting based upon the availability of race ready horses. Racing weeks of less than two (2) days may be granted if mutually agreed upon by both parties and provided there are insufficient racehorses available for two (2) days of racing. WAW and CHHA shall strive to achieve an average starter per race amount of eight (8) horses per race in all instances.
- b) WAW shall not schedule any stakes during the meet except for those stakes mutually agreed to in writing by WAW and CHHA. The stakes schedule may be modified with the mutual written consent of the CHHA Purse Committee/ Executive Committee/Executive Director and WAW, executed by the CHHA Executive Director or President.
- c) Recalls shall be made for reasons that are considered acceptable under the standards maintained by the USTA and the CHRB Stewards. Under all other circumstances, all horses shall be considered starters.
- d) Horses competing in races conducted as part of the California Standardbred Sires Stakes during the meet shall be required to be stabled in a designated detention barn before their respective race events, in accordance with CHRB rules, and adhere to the other conditions in the posted detention barn policy. Upon violation of detention barn policies, the stewards shall be notified. Current detention barn time is 12 noon race day.

13. CALIFORNIA BRED RACES

- a) Pursuant to Business & Professions Code Section 19568, WAW shall offer on the condition sheet at least one race per day restricted to Cal Bred horses. These races will be subject to all provisions of overnight races. The owner of a registered California bred horse that wins any race (excluding stakes, late/early closers, or restricted races) shall be paid by the Paymaster of Purses a bonus equal to ten percent (10%) of the winner's share of the posted purse from the horsemen's purse account. The Racing Secretary shall weekly place on the condition sheet a California Bred Open Race if a minimum of six (6) competitive California Bred Open horses enter and the race will be carded and will carry a purse equal to the Preferred 1 Class. The California Bred Open will be carded as a pari-mutuel race if there are seven (7)

separate wagering betting interests. If there are fewer than seven (7) separate wagering interests entered, but more than four (4), it will be at the discretion of Cal Expo management whether to card the race. If there are four (4) or fewer entries, the race will not be carded. All California bred races shall split divisions after twelve (12) or more entries have been accepted, should the race be used.

- b) WAW management shall be available to meet with the CHHA Purse Committee to discuss the schedule of races and purses. WAW management shall take into consideration the number and classification California bred horses on the grounds and shall write conditions that will insure full fields. The Racing Secretary shall maintain a list of all California bred horses on the grounds and shall make this list available to the CHHA Executive Director on a weekly basis upon request. CHHA will cooperate with the Racing Secretary in an effort to identify such California horses.
 - c) WAW shall make available to CHHA the daily report from the Paymaster of Purses listing winners of California bred and California sired races and purses upon request.
14. **INSURANCE**: WAW shall obtain, without cost to the horsemen, driver and trainer accident and disability insurance with the following coverage at a minimum: Two Hundred Fifty Thousand Dollars (\$250,000) medical; Thirty Thousand Dollars (\$30,000) accidental death and dismemberment; and Three Hundred Fifty Dollars (\$350) per week disability for a period of up to 24 months. This insurance shall cover death, accident or injury to participants during activities related to jogging, training, the warm-up for, and conduct of any race or qualifying race at the WAW harness/Standardbred meet, or any other personal injury suffered while working on the backstretch or on the racing surface. Prior to the opening of each race meet, WAW shall provide CHHA with evidence of compliance with this provision, including a copy of the insurance policy obtained and premiums paid. If CHHA is able to purchase this same coverage at a lower rate than WAW, CHHA shall make arrangements to do so and WAW shall reimburse CHHA for any premiums paid.
15. **AMENDMENT**: No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or Agreement not incorporated in the Agreement is binding on any of the parties.
16. **TERMINATION PRIOR TO EXPIRATION OF TERM**:
- a) Either party may terminate this Agreement and be relieved of any performance should the other party breach this Agreement. In the event of such termination, either party may proceed in a manner consistent with available legal remedies.
 - b) Either party may terminate this Agreement, without cause, upon giving 180 days written notice to the other party.
17. **DISPUTE RESOLUTION**: The parties agree that in the event of a dispute over an item(s) covered in the Agreement, the CHRB shall be asked to provide dispute resolution.

18. CHANGE OF LAW: In the event a change of law substantially affects any part of this Agreement, the parties shall meet, confer, and reduce to writing any provisions necessary to carry on the agreement as intended by the parties.

19. AGREEMENT VALIDITY: Should any part of this Agreement be declared invalid, the remaining parts of the Agreement shall remain in full force and effect, and the invalid portion shall be eliminated to the extent not inconsistent with the Horse Racing Law or the directives, rules, and regulations of the CHRB.

20. MISCELLANEOUS

- a) CHHA will use its best efforts to see to it that its members and the horsemen who participate in or who have horses stabled at the meet are advised of the terms of this Agreement, and CHHA will use its best efforts to cause those persons to comply therewith in matters under the control of CHHA. WAW will likewise use its best efforts to advise its officers and employees of the terms of this Agreement and to cause compliance therewith.
- b) Where mutual agreement is required, neither party shall unreasonably withhold its agreement, nor shall all such mutual agreements be evidenced in a writing signed by the parties hereto, including the CHHA Executive Director or President and WAW.
- c) As long as WAW is not in material breach of this Agreement, neither CHHA, its officers, directors, or employees shall induce, incite or encourage a strike, boycott or refusal to participate in the meet
- d) CHHA hereby understands, recognizes, and agrees that WAW may charge a fee for the repair of any tack rooms, barns, stalls, restrooms, roofs, solar panels or any other item that is deemed to be damaged by any CHRB licensee. Owners and trainers that are assigned barns and stalls shall receive the barns and stalls in good condition and shall sign off on the condition of their assigned barns and stalls and shall only be charged a fee upon damaging the assigned barns or stalls.
- e) CHHA hereby understands, recognizes, and agrees that it will assist WAW in any manner whatsoever related to the compliance of water quality issues in the backstretch area WAW may institute rules, procedures, and policies to be followed for the compliance of water quality issues by the horsemen and WAW. Upon finding a repeat violation by a horseman, trainer, or other person of these rules and procedures, WAW may fine or eject any persons occupying the backstretch area.
- f) CHHA and WAW agree to negotiate in good faith to achieve an acceptable “Third-party Lasix” program prior to its becoming mandated by the California Horse Racing Board.

21. ATTACHMENTS: Attached proposed racing calendar and condition sheet are hereby made part of this agreement.

IN WITNESS WHEREOF, the parties hereto have affixed their signatures on the date first shown below.

WATCH AND WAGER

CALIFORNIA HARNESS
HORSEMEN'S ASSOCIATION

Date:

Date:

By: _____

Christopher J. Schick
General Manager

By:

Jimmy Perez
Executive Director