

California Thoroughbred Business League

Addendum No. 1 to Participation Agreement

This Addendum No. 1 to Participation Agreement (this "**Addendum**") is issued pursuant to Section 1.04(e) of that certain Participation Agreement previously entered into between **you** (as that term is defined in the Participation Agreement) and the California Thoroughbred Business League (the "**Business League**"), and amends the Participation Agreement effective as of March 1, 2007. All defined terms used herein shall have the meaning set forth in the Participation Agreement.

The Participation Agreement is hereby amended to add a new subsection (l) to **Section 1.02**, as set forth below. All other provisions of the Participation Agreement shall remain in full force and effect.

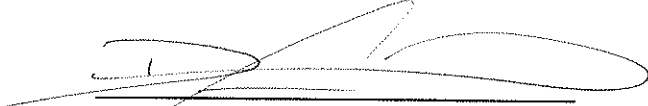
Section 1.02 Representations, Warranties and Covenants. In consideration for participation in the programs provided by the Business League and receipt of Workers' Compensation Subsidies, you:

* * *

(l) agree not to make any future election, and to retroactively cancel any prior election, under your workers' compensation insurance policy to provide workers' compensation insurance coverage for any individual who is licensed as a thoroughbred owner or trainer. This covenant shall apply irrespective of whether you are operating as a corporation or other business entity and are technically an employee of such entity.

Issued and effective as of March 1, 2007.

**CALIFORNIA THOROUGHBRED
BUSINESS LEAGUE**



Name: Drew Couto

Title: President