



The Downs Racetrack & Casino
145 Louisiana Blvd., NE
Albuquerque, NM 87108
505.266.5555
www.abqdowns.com

June 15, 2021

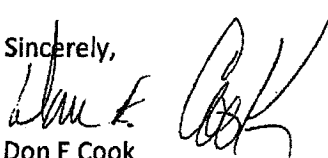
Ismael Trejo
Executive Director
New Mexico Racing Commission
4900 Alameda Boulevard Ne
Albuquerque, New Mexico

Dear Ismael,

The New Mexico Horsemen's Association conduct over the last year has given us great concern. The NMHA lawsuit against the New Mexico Racing Commission has now brought our race track into the lawsuit. Frankly we feel this lawsuit is frivolous. Our race track will now be forced to expend time and money for legal fees. The New Mexico Horsemen's associations lawsuit is also a breach of a long-standing policy that was agreed to by both the New Mexico Horsemen's Association and the race tracks. The New Mexico Horsemen's Association over the last two years have threatened the race tracks with denying approval of the simulcast export signal for each track. This highly disturbing threat is based on the New Mexico Horsemen's Association setting requirements that the racetrack must comply with by contract. The requirements that the New Mexico Horsemen's Association proposes have nothing to do with the simulcast export signal. The requirements of the New Mexico Horsemen's Association are items that they simply want, and are not in any way connected to exporting the signal. Extortion by threats of monetary damage to the race tracks if the race tracks don't comply with their wishes is not acceptable.

Due to the Downs concern with the competence and viability of the New Mexico Horsemen's Association, the Downs would like the New Mexico Racing Commission to consider the following action item. Because of the irrational, dangerous and negligent behavior by the New Mexico Horsemen's Association, the Downs at Albuquerque would like to request, while in litigation with the New Mexico Horsemen's association and after litigation is concluded, the Downs would like to transfer its statutorily required purse payments directly to the New Mexico Racing Commission. The New Mexico Racing Commission can then deposit those monies, in accordance with statute, into an interest-bearing account for the Downs of Albuquerque purse fund. The purse money can then be released by the New Mexico Racing Commission at the start of our approved New Mexico Racing Commission meet. We feel that this is by far the best business practice. Transferring \$52 million in funds to a New Mexico state agency who regulates the industry and is backed by the credit and goodwill of the state of New Mexico rather than transferring the funds to a private organization, who wishes not even to be licensed is unarguably the best solution.

Sincerely,



Don E Cook

President of Racing



SUNLAND PARK
RACETRACK & CASINO

1200 FUTURITY DRIVE
SUNLAND PARK, NEW MEXICO 88063
TELEPHONE: 575/874-5200
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June 16, 2021

Mr. Ismael Trejo
Executive Director
New Mexico Racing Commission
4900 Alameda Blvd NE
Albuquerque, NM 87113

Re: New Mexico Horsemen's Association-- Concerns

Dear Izzy:

On behalf of Sunland Park Racetrack & Casino, I am writing to express concern regarding monies that Sunland Park generates and sends to the New Mexico Horsemen's Association for purses. Sunland Park's concerns arise from the New Mexico Horsemen's Association's extremely aggressive handling of issues with the racetracks and the Racing Commission. With regard to the racetracks, the most recent example is how the NMHA negotiated with Ruidoso Downs' over its simulcast signal, not giving its consent until literally moments before racing started. The NMHA's lawsuit against the Racing Commission shows the same type of behavior—taking the position that the NMHA does not need to be licensed and that the Racing Commission has no jurisdiction over the NMHA shows a complete disregard for your regulatory authority and the image of horse racing in New Mexico. It also has created a split among the horsemen—Sunland Park has been told that many New Mexico horse owners and breeders strongly oppose the lawsuit.

Section 60-1A-21 of the New Mexico Horse Racing Act states, in part in subsection B., that if the "money allocated to the New Mexico horsemen's association pursuant to the Horse Racing Act cannot be received or administered by the New Mexico horsemen's association..." then the Racing Commission is authorized to take control of those monies. Clearly, Section 60-1A-21.B. covers breakage and retainage since those funds are specifically referenced. It is unclear whether that would include the 20% of net take allocated to purses, but the Racing Commission's regulations, which are promulgated pursuant to the New Mexico Horse Racing Act, govern what happens with the purse monies so perhaps those funds are covered, too. See NMAC 15.2.2.9.

The Racing Commission can take direct control over the money, or it can designate "another organization ... under the absolute control of the commission" to receive and administer the money.

Sunland Park is asking the Racing Commission to consider this matter because we do not want to be subjected to the sharp practices of the NMHA when it comes to any of our business operations, including the distribution of purse monies. The horse racing industry has been under scrutiny for some time now and we need unity and cooperation for the betterment of the industry, not lawsuits and other challenges. If the Racing Commission needs any more information or has questions, please let me know.

Sincerely,

A handwritten signature in black ink, appearing to read "Rick Baugh". The signature is fluid and cursive, with a large, sweeping flourish at the end.

Rick Baugh
General Manager

ZIA PARK
CASINO • HOTEL • RACETRACK
— HOBBS, NM —

June 18, 2021

Mr. Ismael Trejo
Executive Director
New Mexico Racing Commission
4900 Alameda Blvd. NE
Albuquerque, NM 87113

Dear Izzy,

I am writing to express our concerns of the aggressive behavior of the New Mexico Horsemen's Association towards the racetracks and the Racing Commission specifically with regards to purse money. Regarding the racetracks, going back to our meet in the fall of 2020, the NMHA withheld consent of the simulcast signal until the last minute and decided they were not going to pay for 50% of the Jock's Insurance. The fallout of the Jock's insurance has led to the first of two lawsuits against the commission including taking the position that they are not required to be licensed. These decisions have made it very clear that the NMHA does not recognize the NMRC's authority to regulate horse racing in New Mexico nor do they have the long-term interest of the industry at the forefront of their objectives.

I am asking that the NMRC to consider alternatives to who controls and distributes all purse monies. After the year this industry had in 2020, all the stake holders need to work together and the NMHA's leadership's behavior has made it very clear that they are not interested in the long-term success of the industry in New Mexico, they are interested in the right now. I do not think the NMHA controlling tens of millions of dollars will be good for the industry, including the horsemen.

If you have any questions or concerns, please do not hesitate to let me know.

Sincerely,



Bill Belcher
VP | General Manger





June 23, 2021

Mr. Ismael Trejo
Executive Director
New Mexico Racing Commission
4900 Alameda Blvd NE
Albuquerque, NM 87113

Re: New Mexico Horsemen's Association - Concerns

Dear Izzy:

I received a copy of a recent letter submitted by Sunland Park Racetrack concerning how purse money is being handled. As you know, Ruidoso Downs opened its doors to fans in 2021 without a signed simulcast agreement with the horsemen. We worked in good faith to reach an agreement with the horsemen but were left with no choice after the negotiations stalled.

The new terms being requested were not reasonable and at no point in time was the track prepared to sign the proposed contract. Listed below are some of the requests we received prior to opening day as requirements to comply in order to get a signed agreement.

NMHA Proposal:

Section 5:

- **Full Disclosure of all Documents Relating to Revenues.** NMHA shall have the right to review, audit and inspect all files and documents, in whatever form, in possession, custody or control of the Track or its agents relating to any and all revenues generated by the track during the agreement, including but not limited to wagering at the Racetrack, simulcast agreements, sponsorships, media rights, telephone, internet or electronic wagering, sale of lottery tickets, slots, video lottery terminals, bingo and other forms of gaming. The track agrees to make all of its relevant books and records available to the NMHA for review, audit, inspection and/or copying, upon 24 hours' notice.

Section 6d

- **Failure to Repair.** In the event that the Track fails to make repairs to the barn area and/or racetrack including the track surface after receiving the written report form, NMHA within a reasonable period of time (not to exceed three working days), NMHA may discontinue all simulcast authority until such time as necessary repairs are made.

The terms listed above are two of many similar requests. As a licensed horse racetrack in New Mexico, we comply with all laws, statutes and regulations and continue to have a healthy and productive

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Ruidoso Downs, NM 88346
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relationship without regulators. We have numerous audits by NMGCB, NMRC and even external auditors to ensure we operate in professional manner.

With regards to "failure to repair", after walking the barn area and speaking with other New Mexico racetracks, I don't not feel comfortable agreeing to rebuild facilities that were simply destroyed less than seven days after being newly built. These scenarios play out time and time again on the backside and we are not willing to assign our right to simulcast race to a committee who decides how quickly we must make such repairs and in what manner we make them.

We assure you the team at Ruidoso Downs Racetrack is doing it's best to host a first class race meet and We spend hours every day talking with horsemen and walking the grounds evaluating how we can be better.

Our refusal to sign was not about our unwillingness to work with the organization and do what is right. We felt as though the contract process was held off until the last minute as a design, one built to force us into signing a contract that we would never sign under any other circumstance. I fear this is not the last time this contract and any other like it will be used as a point of leverage.

Sincerely,

A handwritten signature in black ink, appearing to read 'E. Linder', with a long horizontal flourish extending to the right.

Ethan Linder
General Manager

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