

STAFF ANALYSIS

DISCUSSION AND ACTION BY THE BOARD REGARDING ENTERING INTO A VOLUNTARY IMPLEMENTATION AGREEMENT WITH THE HORSERACING INTEGRITY AND SAFETY AUTHORITY, INC. (HISA) AND THE HORSERACING INTEGRITY AND WELFARE UNIT (HIWU).

Regular Board Meeting
October 16, 2025

ISSUE:

The Horseracing Integrity and Safety Act of 2020 (15 U.S.C. Sec. 3051, et seq.) (“the Act” of “HISA”) permits the Horseracing Safety and Integrity Authority (Authority) to enter into agreements with state racing commissions “for services consistent with the enforcement of the racetrack safety program.” (See 15 U.S.C. § 3054(e)(2)(A)(i)). The California Horse Racing Board’s (CHRB’s or Board’s) current Voluntary Implementation Agreement (Agreement) expires December 31, 2025. Although a 2026 draft Agreement has not yet been provided to California, it is expected to be substantially similar to years past. The CHRB’s current Agreement is attached for reference.

RULE:

CA Bus. & Prof. Code section 19440.1 (in part):

(a)(1) Notwithstanding any other law, the board may enter into agreements with the authority and any other private, state, or federal entity that is responsible for administering the federal Horseracing Integrity and Safety Act of 2020 (15 U.S.C. Sec. 3051 et seq.) for the purpose of providing services consistent with the enforcement of the horseracing antidoping and medication control program and the racetrack safety program, as authorized by Section 3054(e)(2) of Title 15 of the United States Code.

BACKGROUND:

HISA does not require state racing commissions to enter into Voluntary Implementation Agreements with the Authority. Federal statute provides that any state racing commission that chooses not to do so will have its responsibilities shifted to personnel appointed by the Authority.

California was the first jurisdiction in the country to sign a voluntary agreement with the Authority to continue performing its host of vital roles when the Act’s drug control program went into effect in 2023.

RECOMMENDATION:

This item is presented for Board discussion and action. Should the Board elect to enter into a Voluntary Implementation Agreement with the Authority, staff request that the Board authorize

the Executive Director to: 1) enter into the Agreement after securing any amendments needed to protect the interests of the CHRB and 2) appoint appropriate individual(s) to the required roles specified in the Agreement.

VOLUNTARY IMPLEMENTATION AGREEMENT

THIS VOLUNTARY IMPLEMENTATION AGREEMENT (this "Agreement") is made and entered into this 1st day of January, 2025, by and among the Horseracing Integrity and Safety Authority, Inc., a Delaware non-profit corporation, 401 West Main Street, Unit 222, Lexington, Kentucky 40507 (the "Authority"), the Horseracing Integrity & Welfare Unit, a division of Drug Free Sport, LLC ("Drug Free Sport"), a Delaware limited liability company, 4801 Main Street, Suite 350, Kansas City, Missouri 64112 (the "Agency" or "HIWU"), and the California Horse Racing Board, an agency of the California state government whose mailing address is 1010 Hurley Way, Suite 300, Sacramento, CA 95825 (the "Commission"). As used herein, the "Parties" shall mean the Authority, the Agency, and the Commission, collectively; and a "Party" shall mean the Authority, the Agency or the Commission, individually.

WHEREAS, the Authority is a private, independent, self-regulatory, nonprofit corporation that was recognized for the purpose of developing and implementing a horseracing anti-doping and medication control program and a racetrack safety program for covered horses, covered persons, and covered horseraces by the Horseracing Integrity and Safety Act of 2020, as amended (the "Act");

WHEREAS, Drug Free Sport, a worldwide leader in the sport drug testing industry who administers comprehensive drug testing programs, manages national and international collections, and develops drug testing policies for a wide range of organizations around the world, created an entity to act as the anti-doping and medication control enforcement agency under the Act and to develop and enforce an independent and uniform thoroughbred anti-doping and medication control program ("ADMC Program");

WHEREAS, the Agency was created to act as the anti-doping and medication control enforcement agency under the Act and to develop and enforce the ADMC Program;

WHEREAS, the Commission is the independent agency of state government vested with jurisdiction to regulate the conduct of horse racing and pari-mutuel wagering on horse racing and related activities within the state of California (the "State");

WHEREAS, 15 USC § 3054(e)(2) of the Act permits the Authority to enter into agreements with state racing commissions for services consistent with the enforcement of the racetrack safety program (the "Racetrack Safety Program");

WHEREAS, 15 USC § 3054(e)(2)(A) permits the Authority to enter into agreements with state racing commissions for services consistent with the enforcement of the ADMC Program;

WHEREAS, the Parties agree that they are required to comply with the Act and any regulations approved by the Federal Trade Commission pursuant to the Act;

WHEREAS, the Authority has determined that the Commission has the ability to implement certain areas of the Racetrack Safety Program in accordance with the rules, standards, and requirements established by the Act and the Authority; and

WHEREAS, the Authority and the Agency have determined that the Commission has the ability to implement certain areas of the ADMC Program in accordance with the rules, standards, and requirements established by the Act, the Authority, and the Agency.

NOW THEREFORE, in consideration of the covenants herein contained and other good and valuable consideration, the sufficiency of which is acknowledged, the Parties agree as follows:

I. Racetrack Safety Program

B. Safety Director. The Commission names and appoints the Safety Steward assigned to the race meet as Safety Director of the State (the "Safety Director"). The Authority and the State agree that the Safety Director shall carry out the duties and responsibilities of the Safety Director set forth in the Racetrack Safety Program, including, but not limited to, the duties and responsibilities set forth in Rule 2131 of the Racetrack Safety Program, which includes reporting "of all equine injuries that required equine ambulance assistance and fatalities to the Racetrack's Risk Management Committee and the Authority within 72 hours of an injury, and within 24 hours of a fatality." Any person named to replace the individual named as Safety Director herein shall possess the necessary qualifications to perform the duties and responsibilities set forth in Rule 2131 of the Racetrack Safety Program. In the event of a replacement, the Commission shall provide written notice to the Authority and a management official for each racetrack under the Commission's jurisdiction.

C. Stewards. The Commission agrees that the Board of Stewards and Safety Steward shall enforce the safety regulations set forth in the Rule 2200 Series of the Racetrack Safety Program. The Commission further agrees that the stewards shall also serve in the adjudicatory capacities set forth in the Rule Series 8000, "Enforcement Rules."

D. Regulatory Veterinarian. The Commission names and appoints Doctor Jeff Blea as Regulatory Veterinarian of the State (the "Regulatory Veterinarian"). The Authority and the State agree that the Regulatory Veterinarian shall carry out the duties and responsibilities of the Regulatory Veterinarian set forth in the Racetrack Safety Program, including, but not limited to, the duties and responsibilities set forth in Rule 2135 of the Racetrack Safety Program. Any person named to replace the individual named as Regulatory Veterinarian herein shall possess the qualifications set forth in Rule 2134(a) Racetrack Safety Program. In the event of a replacement, the Commission shall provide written notice to the Authority and a management official for each racetrack under the Commission's jurisdiction.

F. Emergency Warning Systems. The Commission agrees to inspect and approve the racetrack emergency warning systems in use on all racing and training tracks at each racetrack under the jurisdiction of the Commission, as set forth in Rule 2153 of the Racetrack Safety Program. The Commission further agrees to provide the Authority with annual reports concerning the racetrack emergency warning systems on forms prescribed by the Authority and any additional reports as specifically requested by the Authority.

G. Trainers Test. The Commission agrees to require the use of the Authority's uniform National Trainers Test, as set forth in Rule 2181. Upon request by the Authority, the Commission shall provide documentation of satisfactory completion of the test for individual licensees. Upon request by the Authority, the Commission shall provide documentation of satisfactory completion of the test for individual licensees. Upon the Authority's request, the Commission shall make its California state trainers' test available for review by the Authority.

I. Testing Program. The Commission agrees to maintain a testing program for drugs and alcohol for Jockeys, as set forth in Rule 2191 of the Racetrack Safety Program. The Commission further agrees to submit the protocol for the testing program to the Authority. Upon request by the Authority, the Commission shall share with the Authority information pertaining to positive tests of individual Jockeys and shall make periodic reports concerning the testing program as directed by and on forms prescribed by the Authority.

J. Concussion Management. The Commission agrees to implement the Authority's Concussion management protocol containing the elements identified in Rule 2192.

K. Racetrack Safety Program Scope of Work. The scope of work and reporting obligations for the Racetrack Safety Program under this Agreement are those set forth in the Rule 2000 Series, "Racetrack Safety and Accreditation," and any additional policies and procedures implemented by the Authority which are consistent with the Act and any regulations approved by the Federal Trade Commission pursuant to the Act ("HISA Policies"). Copies of HISA Policies will be communicated to the Commission. The Commission agrees to provide performance metrics in reasonable detail and at reasonable intervals on forms to be prescribed by the Authority.

L. Indemnification. The Authority expressly agrees to indemnify and hold harmless the Commission and its agents, contractors or employees from and against any and all claims, loss, damages, injury, liability and costs, including but not limited to reasonable attorneys' fees and court costs, resulting from, or arising out of, the Racetrack Safety Program Scope of Work as defined in this Agreement, except to the extent that such liability, loss, expense, attorneys' fees, or claims for injury or damages are caused by, or result from, the breach of this Agreement by, or the, willful misconduct, or intentional acts or omissions of, the Commission or its employees or agents. Any enforcement actions related to the Racetrack Safety Program Scope of Work will be the responsibility of and will be defended by the Authority. Any appeals or challenges to actions taken by Commission agents, contractors or employees when enforcing the Act or federal rules or regulations promulgated pursuant to the Act will proceed pursuant to the enforcement rules of the Act and will be defended by the Authority. Notwithstanding anything set forth in this Agreement to the contrary, this Agreement shall not be construed to waive any immunity under applicable state law, including, but not limited to, sovereign immunity, possessed by the Commission and its agents, contractors, or employees.

M. Diagnostic Laboratory. The Commission agrees to coordinate with a diagnostic laboratory equipped with the facilities and trained personnel necessary to perform equine necropsies as contemplated in Rule 2170. If requested by the Commission, the Authority agrees to utilize best efforts to assist the Commission in coordinating with a diagnostic laboratory.

N. Confidentiality. (1) The Commission agrees that the content of any notices or communications with the Authority pursuant to the Rule Series 2000 (Racetrack Safety Program) or Rule Series 8000 (Enforcement Rules) (the "Confidential Information") shall not be publicly disclosed by the Commission or its officers, directors, employees, or agents unless and until (a) that information has been publicly disclosed by the Authority pursuant to the requirements of the Act, or (b) the Authority has given written consent for the information to be disclosed. In addition, the Commission agrees not to disclose the Confidential Information to any person other than to such of its officers, directors, employees, or agents who have a need to know and who agree to be bound by the confidentiality provisions hereof. The Commission agrees that it shall be responsible for any breach of this Agreement by its officers, directors, employees, or agents, in that the Commission shall take prompt action to correct the non-compliant conduct or prevent any future non-compliance.

(2) Upon receipt of any request for the disclosure of documents relating to the Rule Series 2000 or Rule Series 8000, the Commission agrees to provide the Authority with appropriate notification and opportunity to challenge the disclosure of such records.

II. ADMC Program

A. ADMC Program Testing.

(1) The Commission agrees that only Agency Authorized Collection Personnel will conduct Sample collections in the State for, and under the authority of, the Agency pursuant to Rule Series 3000, "Equine Anti-Doping and Controlled Medication Protocol," including, but not limited to, the regulations under Rule 3130 (Testing & Investigations), and Rule Series 5000, "Equine Testing and Investigation Standards," of the ADMC Program, including, but not limited to, Post-Race Samples, Post-Work Samples, TCO₂ testing, testing of Claimed Horses, and Out-of-Competition Samples (the "Agency Samples"). Pursuant to Rule 5450, the Agency will authorize these personnel (the "Agency-Authorized Collection Personnel") to conduct sample collections for the ADMC Program.

(2) The Commission agrees that the Agency Authorized Collection Personnel currently used to conduct TCO₂ testing collections for thoroughbred race horses in the State will conduct TCO₂ Sample collections in the State for, and under the authority of, the Agency pursuant to Rule Series 3000, "Equine Anti-Doping and Controlled Medication Protocol," including, but not limited to, the regulations under Rule 3130 (Testing & Investigations), and Rule Series 5000, "Equine Testing and Investigation Standards," of the ADMC Program (the "TCO₂ Collection Personnel"). The Commission will ensure that the Agency can train and certify the TCO₂ Collection Personnel as Agency-Authorized Collection Personnel under Rule 5450.

(3) Testing Liaison.

(a) The Commission/Executive Director of the Commission names and appoints Doctor Jeff Blea as HIWU Testing Liaison of the State (the "HIWU Testing Liaison"). The Agency

and the State agree that the Testing Liaison shall be the point-of-contact with the Agency for (a) the scheduling of the missions and collections of Agency Samples by Agency-Authorized Collection Personnel, (b) any problems or issues that arise during collections of Agency Samples by Agency-Authorized Collection Personnel, and (c) the delivery of any notice required under Rule Series 3000, "Equine Anti-Doping and Controlled Medication Protocol," to individuals present at racetracks or training facilities in the State. Additionally, the Testing Liaison (and/or their designated representative(s), i.e. Test Barn Veterinarian and Test Barn Supervisor) is responsible for the use and input of information into the HIWU Learning Management System (when such system is made available by the Agency) for purposes of accurate record keeping of active/certified Agency-Authorized Collection Personnel, initiating the certification process for potential Agency-Authorized Collection Personnel, and distributing to and ensuring Agency-Authorized Collection Personnel have received and completed all required training content and/or assessments. Any person named to replace the individual named as HIWU Testing Liaison shall be confirmed in written notice to the Agency.

(b) The Testing Liaison (or their designated representative(s), i.e. the Test Barn Veterinarian and Test Barn Supervisor) shall (i) manage supply and equipment inventory by conducting periodic inventory counts of specified Sample Collection Equipment to ensure accurate tracking and management of inventory levels; (ii) accurately input the results of inventory counts into a designated online inventory management system in a timely manner; and (iii) monitor inventory levels and, in the event that inventory of Sample Collection Equipment levels fall below the established minimum threshold, initiate an online order to replenish such supplies. The Testing Liaison (or their designated representative(s)) will adhere to the inventory thresholds and protocols for re-ordering, as defined by the Agency. The Testing Liaison (or their designated representative(s)) shall be responsible for maintaining the inventory within these guidelines and ensuring that orders are placed promptly to prevent shortages.

(4) The Commission agrees that Agency-Authorized Collection Personnel (including TCO2 Collection Personnel) will comply with the policies, procedures and instructions of the Agency while conducting the Sample collections for Agency Samples. With the exception of scheduling for Agency-Authorized Collection Personnel and monitoring Agency-Authorized Collection Personnel when they are carrying out responsibilities in accordance with the ADMC Program, the Commission agrees that it will not, in any way, be involved in the collection of Agency Samples, including, but not limited to, instructing or directing such State Sample Collection Personnel on which horses should be selected for testing at a given race or event, unless authorized by the Agency to do so. The Commission agrees that only Agency-Authorized Collection Personnel will be involved in the collection of Agency Samples, including giving directions and instructions to other Agency-Authorized Collection Personnel with respect to how to conduct any portion of a Sample collection.

(5) The Commission understands that, under the Act, no testing of Covered Horses will occur in the State unless it is at the direction of the Agency or has been authorized in advance and in writing by the Agency.

B. ADMC Program Investigations

(1) The Commission agrees that personnel currently used to conduct investigations in the State (including, but not limited to, its employees and/or contractors) will conduct investigations in the State (the "State Investigative Personnel") for, and at the direction of, the Agency pursuant to Rule Series 3000, "Equine Anti-Doping and Controlled Medication Protocol," including, but not limited to, the regulations under Rule 3130 (Testing & Investigations), and Rule Series 5000, "Equine Testing and Investigation Standards," including the regulations under Rule 5700 (Standards for Investigations) of the ADMC Program (the "Agency Investigations"). In connection with Agency Investigations, the Investigations Liaison and State Investigative Personnel shall be deemed designees of the Authority pursuant to Rule 8400 (Investigatory Powers).

(2) Investigations Liaison. The Commission/Executive Director of the Commission names and appoints the Commission's Chief of Enforcement and Equine Medical Director as Investigations Liaisons of the State (the "Investigations Liaisons"). The Agency and the State agree that the Investigations Liaisons shall be the point-of-contact with the Agency for the scheduling of any investigatory work requested by the Agency pursuant to subparagraph (1) above. Any person(s) named to replace the individual(s) named as Investigations Liaison(s) shall be confirmed in written notice to the Agency.

(3) The Commission agrees that State Investigative Personnel will comply with the policies, procedures, deadlines, and instructions of the Agency while conducting these Agency Investigations, and the Commission will not, in any way, be involved in decision-making in connection with these Agency Investigations, including, but not limited to, instructing or directing such State Investigative Personnel on which individuals or horses should be investigated, or when or where to conduct an Agency Investigation. However, the Commission reserves the right to address personnel issues, including, but not limited to, scheduling State Investigative Personnel's time and work assignments, as well as employee hiring, corrective actions, or discipline.

(4) The Commission understands that, under the Act, the Commission shall not conduct any investigation pertaining to the ADMC Program, including, but not limited to, any interviews or searches of any kind, relating to any Covered Horse, unless it is at the direction of the Agency. However, State Investigative Personnel or Equine Medical Director may initiate investigations/searches under the ADMC Program and in accordance with this Agreement and the Agency's policies and procedures when the subject matter of the potential investigation/search (i) clearly falls under the ADMC program and (ii) requires urgent or immediate action. If State Investigative Personnel or Equine Medical Director initiate such an investigation, the Commission or the State Investigative Personnel/Equine Medical Director must notify the Agency of any investigative action taken as soon as practicable, and no later than the end of the same business day.

C. Access to Racetracks. The Commission agrees that any individual who presents a credential or letter of authorization issued by the Agency will be permitted access to any racetrack in the State at which Covered Horses compete, and such access will include all areas of the racetracks, including, but not limited to, the stable area.

D. Regulatory Veterinarian. As set forth in Paragraph I.D above, the Commission names and appoints Doctor Jeff Blea as the Regulatory Veterinarian. The Parties agree that the Regulatory Veterinarian shall carry out the duties and responsibilities of the Regulatory Veterinarian set forth in the ADMC Program, including, but not limited to, the duties and responsibilities set forth in Rule Series 3000, "Equine Anti-Doping and Controlled Medication Protocol," and Rule Series 5000, "Equine Testing and Investigation Standards." Any person named to replace the individual named as Regulatory Veterinarian herein shall possess the qualifications set forth in Rule 2134(a) of the Racetrack Safety Program under the Act, and such replacement requires the prior written approval of the Agency.

E. Additional Testing.

(1) In addition to any Agency Samples collected at the direction of the Agency, the Commission may, under Rule 3132 (Authority to Test), request additional samples be collected from thoroughbred horses present in the State. Any such request must be made in writing to the Agency (attention: Kate Mittelstadt, Chief of Operations at HIWU@hiwu.org) and must include all the specific details of the requested testing (e.g., sample types, dates, location, rationale). The Agency has approved the testing of 50% of all horses in the State on Race Day for TCO2 testing (in addition to any TCO2 testing in the State included in the Agency's nationwide Test Distribution Plan).

(2) The Agency may, in its absolute discretion, approve or reject the request. If the request is rejected, the Commission agrees that the requested testing will not be conducted by any person, organization, or entity within its authority or control. If the request is granted, (i) the Agency will determine which sample collection personnel will conduct the testing (i.e., Agency-Authorized Collection Personnel or personnel retained by the Agency), (ii) the collections will comply with Rule Series 3000, "Equine Anti-Doping and Controlled Medication Protocol," and Rule Series 5000, "Equine Testing and Investigation Standards," and (iii) all of the results of such testing will be sent to, and processed by, the Agency pursuant to Rule Series 3000, "Equine Anti-Doping and Controlled Medication Protocol," including all of the regulations in Rules 3240 and 3340 (Results Management).

(3) For each calendar year in which additional testing in the State is approved and conducted pursuant to this Paragraph II.E, the Commission agrees to cover the following expenses for such additional testing: the actual cost for collection personnel, equipment, shipping, and laboratory expenses.

F. Testing Laboratories.

(1) For the 2025 calendar year, the Commission agrees that Agency Samples will be sent to, and the Agency Samples which are "A" samples will be analyzed by, The Kenneth L. Maddy Equine Analytical Laboratory at the University of California-Davis School of Veterinary Medicine (the "State-Appointed Testing Laboratory"). For each subsequent year of this Agreement, the Commission will appoint the State-Appointed Testing Laboratory by the September 30 of the prior year (e.g., September 30, 2025 for 2026) by providing written notice of the appointment to the Agency. The State-Appointed Testing Laboratory must be a laboratory accredited by the Agency.

(2) The Commission understands that, under the Act, any analysis performed on Agency Samples which are "B" Samples will be sent to, and analyzed by, a laboratory selected by the Agency that is different from the State-Appointed Testing Laboratory.

(3) Notwithstanding any laboratory selection made by the Commission pursuant to subparagraph (1) above, if the laboratory selected by the Commission cannot adequately analyze any Agency Sample for any specific substance or method requested by the Agency, the Commission understands that, under the Act, the Agency may have the Samples (both "A" and "B") sent to a different laboratory of the Agency's choosing. The Commission also understands that the Agency has the authority to direct further analysis on all Agency Samples at its discretion.

G. Credits for Testing.

(1) The Commission will receive a credit to its 2025 assessment, which was sent by the Authority to the Commission on October 31, 2024. The credit will be applied to the amount paid to the Authority for that calendar year in connection with the funding required to be paid by the State to the Authority under the Act (the "State Testing Credit"). The State Testing Credit is an estimated amount for costs, including the costs of Agency-Authorized Collection Personnel required for the guaranteed minimum of Race Day testing, including Post-Race, and TCO2 testing, as well as additional Post-Work, Vet's List and/or out-of-competition testing all conducted on Race Days, and testing of all Claimed Horses. These estimated costs include travel, per diem, and other direct and additional costs associated with the collections conducted by Agency-Authorized Personnel. The Parties agree that, for the 2025 calendar year, the Commission's total State Testing Credit will be \$7,244,675 (which includes \$1,869,675 for Sample collection and \$5,375,000 for laboratory costs for Race Day testing, research, and the analysis of Samples from other states). The Commission will receive an additional credit of \$344,313 for the 2023 true-up. This credit will be applied to the total 2025 assessment.

(2) The Commission shall be eligible to receive \$1,320,000 for Post Race testing conducted by HIWU-Authorized Sample Collection Personnel. Post Race testing includes, but is not limited to, the collection of blood, urine, and hair samples from Covered Horses.

(3) The Commission shall be eligible to receive \$237,600 for TCO2 testing conducted by HIWU-Authorized Sample Collection Personnel in accordance with the Agency's Testing Distribution Plan in the State. The Commission will not receive any additional credit for the costs for the use of TCO2 Collection Personnel for additional approved TCO2 testing in the State.

(4) The Commission shall be eligible to receive up to \$312,075 for Out-of-Competition ("OOC") testing conducted by HIWU-Authorized Sample Collection Personnel. OOC Testing includes, but is not limited to, the collection of blood, urine, and hair samples, and is inclusive of assignments for Vets' List Testing, Clearance Testing, and sample collections following injuries or fatalities. OOC testing missions will be assigned on both Race and non-Race Days and may be requested at affiliated Training Centers and private farms or facilities. If the costs for OOC testing pursuant to this Paragraph exceeds or is less than \$312,075, the difference between the actual cost and the credit of \$312,075 will be included in the 2025 true-up process between the Commission, the Authority, and the Agency and will be applied to the 2026 assessment.

(5) Notwithstanding anything to the contrary herein, the testing credits set forth in this Section II.G. are calculated based on the current projections for the number of 2025 Race Days in California and the HIWU Testing Distribution Plan, and is subject to adjustment based on the actual number of Race Days and the Commission's compliance with the Agreement and HIWU's Testing Distribution Plan.

(6) In each subsequent year of this Agreement, the Authority or the Agency will provide the State with the annual State Testing Credit by the November 1 of the previous year (e.g., November 1, 2025 for 2026).

(7) The Commission agrees that by October 1 of each calendar year of the Agreement it will provide the Agency with a list of the thoroughbred racing days to be held in its State in the subsequent calendar year, including dates, locations, and number of races each day. The Commission also agrees to provide the Agency with prompt notice of any changes to this list.

H. Credits for Investigations. The Agency agrees to credit the Commission for any costs, including out-of-pocket travel and similar expenses incurred in connection with any Agency Investigation in the State conducted pursuant to Paragraph II.B. above. This credit will be applied monthly to the Commission's yearly assessment, based upon the current estimate of \$300,000. If the costs for Agency Investigations pursuant to this paragraph exceeds or is less than \$300,000 at the end of 2025, the difference between the actual cost and the credit of \$300,000 will be included in the 2025 true-up process among the Commission, the Authority and the Agency and applied to the 2026 assessment.

I. Training Opportunities. The Commission agrees to identify existing, or provide locally, training opportunities for all Agency-Authorized Collection Personnel and State Investigations Personnel to be organized in conjunction with the Agency. The Commission further

agrees that the Agency may request and review information pertaining to the training opportunities available to Agency-Authorized Collection Personnel and State Investigations Personnel.

J. Arbitration Procedures. The Commission understands that, under the Act, any anti-doping rule or controlled medication rule violations alleged to have occurred in the State will be processed pursuant to Rule Series 7000, "Arbitration Procedures," and that, under these regulations, alleged anti-doping rule violations will be heard by the Arbitral Body and alleged controlled medication rule violations will be heard by the Internal Adjudication Panel. The Commission agrees that its employees, consultants and other agents (including, but not limited to, Agency-Authorized Collection Personnel and State Investigative Personnel) will cooperate with any process or proceeding conducted pursuant to the Arbitration Procedures, including, but not limited to, providing documents and testimony in connection with the case or matter. The Agency understands that any costs associated with preparation, testimony or any other expenses incurred by Agency-Authorized Collection Personnel or Investigative Personnel shall be the sole responsibility of the Agency.

K. ADMC Program Scope of Work.

(1) The scope of work and reporting obligations for the ADMC Program ("State Requirements") under this Agreement are those set forth in the Rule Series 3000, "Equine Anti-Doping and Controlled Medication Protocol," Rule Series 5000, "Equine Testing and Investigation Standards," and any additional policies and procedures implemented by the Agency which are consistent with the Act and any regulations approved by the Federal Trade Commission pursuant to the Act ("HIWU Policies"). Copies of HIWU Policies will be communicated to the Commission. General State Requirements are set forth on Exhibit A to this Agreement. The HIWU Policies shall include a process that is part of the Test Distribution Plan that shall permit Commission Stewards to select Covered Horses for Post-Race testing, including with input from the Regulatory Veterinarian.

(2) The Commission understands that Agency-Authorized Collection Personnel must acquire and maintain certification from the Agency in order to be permitted to conduct collections of Agency Samples. The Commission agrees to provide information relating to the compliance of its Agency-Authorized Collection Personnel with the Rule Series 3000, "Equine Anti-Doping and Controlled Medication Protocol," Rule Series 5000, "Equine Testing and Investigation Standards," and HIWU Policies at reasonable intervals and on forms to be specified by the Agency.

(3) The Commission agrees to provide the Agency with (a) a certification or affidavit that all Agency-Authorized Collection Personnel (i) have satisfactorily completed a background check within a completion date no earlier one (1) year from the individual's initial Agency certification date, and (ii) are in good standing with the relevant racetrack(s) at which they will collect samples; and (b) completed conflict of interest statements (in a form specified by the Agency) from all Agency-Authorized Collection Personnel. The Commission understands that the requirements of subparagraphs (a) and (b) are conditions of certification and recertification of

Agency-Authorized Collection Personnel by the Agency. Agency certification of Collection Personnel is valid for two (2) years from their certification or recertification date. After two (2) years, recertification must occur prior to the next race meet at which the individual will collect Samples on behalf of the Agency.

- a. The Commission agrees to notify the Agency immediately upon the addition of any new employee or contractor that will need authorization and certification from the Agency to serve as Sample Collection Personnel, or if any individual's employment with the Commission is terminated or not renewed such that their certification and authorization should be revoked by the Agency. Notifications regarding Commission employees/contractors under this Section II.K(3)(a) must be made to the Agency through the HIWU Learning Management System and Sample Collection Personnel Management Systems (when such systems are made available by the Agency) as soon as reasonably practicable.

(4) If at any time during the term of this Agreement, the Agency, with good cause, believes that the Commission or any individual Agency-Authorized Collection Personnel or State Investigative Personnel is not satisfying the requirements set forth in this Agreement, it shall notify the Commission of the reasons, for its good faith basis in writing. The Commission agrees to take any necessary action to promptly correct the non-compliant conduct or prevent any future non-compliance to the satisfaction of the Agency. If the individual at issue continues to be non-compliant, or if the initial conduct was so egregious as to warrant removal from the individual's position as Agency-Authorized Collection Personnel or State Investigative Personnel (as determined by the Agency in its sole discretion), then the Agency may revoke the individual's certification and require the Commission to cease assigning said individual to perform further services under this Agreement. The Commission shall promptly comply with such request. Any action by the Agency under this Paragraph shall in no way affect the employment status of any individual and shall in no way impair the Commission's right to continue to employ such individual. The Agency acknowledges that Agency-Authorized Collection Personnel and State Investigative Personnel are not employees of the Agency.

L. Information Sharing.

(1) The Commission agrees that it will provide the Agency, on a timely basis, with any information, documentation, or evidence that it receives or discovers relating to possible violations of the ADMC Program.

(2) The Agency agrees that it will provide the Commission and the Investigations Liaisons, on a timely basis, with any information, documentation, or evidence that it receives or discovers relating to possible violations of the State's laws, regulations, or rules applicable to racing horses other than Covered Horses.

(3) In addition to any notifications required by the Act to be made by the Agency to the Commission, the Agency will make its best efforts to notify the Commission of negative tests from the Agency Samples that are "A" Samples for a specific Race Day within three (3) business days of the Agency's receipt of those results from the State-Appointed Testing Laboratory. This notification will be made by email the individuals named in Exhibit B once all of the results for that day have been received by the Agency. To the extent that the Commission has any authority concerning the purse account, the Commission agrees that all purses will be held until this notification of results is received by the Commission from the Agency.

(4) Exhibit B sets out the contact information and names of Commission staff that shall receive the specific notices/notifications contemplated under Section II of this Agreement. Exhibit B may be amended by the Parties at any time upon written mutual agreement (e-mail acceptable). All individuals named within Exhibit B are subject to the confidentiality provisions set forth in this Agreement.

M. Confidentiality.

(1) The Commission agrees that the content of any notices, including EAD Notices under Rule 3245 and ECM Notices under Rule 3345, received by it from the Agency pursuant to the Rule Series 3000, "Equine Anti-Doping and Controlled Medication Protocol," (the "Confidential Information") will not be publicly disclosed by the Commission or its officers, directors, employees, contractors or agents unless and until (a) that information has been publicly disclosed by the Agency pursuant to the requirements of the Act, or (b) the Agency has given written consent for the information to be disclosed. In addition, the Commission agrees not to disclose the Confidential Information to any person other than to such of its officers, directors, employees, contractors or agents who have a need to know and who agree to be bound by the confidentiality provisions hereof. The Commission agrees that it will be responsible for any breach of this Agreement by its officers, directors, employees, contractors or agents.

(2) Upon receipt of any request for the disclosure of documents relating to the ADMC Program, the Commission agrees to provide the Authority and/or the Agency with appropriate notification and opportunity to challenge the disclosure of such records.

N. Indemnification. The Authority expressly agrees to indemnify and hold harmless the Commission and its employees, contractors or agents from and against any and all claims, loss, damages, injury, liability and costs, including, but not limited to, reasonable attorneys' fees and court costs, resulting from, or arising out of, the ADMC Program Scope of Work as defined in Paragraph II.K above, except to the extent that such liability, loss, expense, attorneys' fees, or claims for injury or damages are caused by, or result from, the breach of this Agreement by, or the, willful misconduct, or intentional acts or omissions of, the Commission or its employees, contractors or agents. Any enforcement actions related to the ADMC Program Scope of Work will be the responsibility of, and will be defended by, the Authority and the Agency. Any appeals or challenges to actions taken by Commission employees, contractors or agents when enforcing the

Act or federal rules or regulations promulgated pursuant to the Act will proceed pursuant to the enforcement rules of the Act and will be defended by the Authority and the Agency. Notwithstanding anything set forth in this Agreement to the contrary, this Agreement shall not be construed to waive any immunity under applicable state law, including, but not limited to, sovereign immunity, possessed by the Commission and its agents, contractors, or employees.

III. General Provisions

A. Term and Termination.

(1) This Agreement shall be effective on January 1, 2025. This Agreement shall terminate on December 31, 2025, unless the Parties agree in writing to extend the term of the Agreement beyond that date. Notwithstanding the foregoing, in the event that a Party indicates its intent to extend the term of this Agreement in writing (e-mail acceptable), which is accepted by each of the other Parties returning an unqualified acceptance in writing (e-mail acceptable), the Parties agree that the term of this Agreement shall not lapse on January 1, 2026, and shall instead be extended through January 31, 2026 while a more formal amendment or renewal is negotiated, agreed upon, and executed.

(2) This Agreement may be terminated by any Party upon one hundred twenty (120) days written notice to all Parties.

(3) This Agreement may be terminated by the Agency upon sixty (60) days written notice if the Agency has determined, in good faith, that the Commission, Agency-Authorized Collection Personnel, or State Investigative Personnel have failed to substantially comply with the requirements of Rule Series 3000, "Equine Anti-Doping and Controlled Medication Protocol," Rule Series 5000, "Equine Testing and Investigation Standards," or any HIWU Policy. Any written notice provided pursuant to this subparagraph shall include the basis for the Agency's determination.

(4) If any Party defaults in a material obligation under this Agreement and continues in default for a period of thirty (30) days after written notice of default is given to it by another Party, the other Party may terminate and cancel this Agreement, immediately upon written notice of termination given to the defaulting Party.

(5) If this Agreement is terminated pursuant to this Paragraph III.A, (a) any State Testing Credit provided to the Commission pursuant to Paragraph II.G above will be reduced on a pro-rata basis, (b) the certification of all Agency-Authorized Collection Personnel will be revoked by the Agency, and (c) the Agency will, pursuant to the Act, take direct control of all anti-doping and controlled medication testing and investigative operations in the State with respect to Covered Horses.

(6) In addition to any right of termination granted to the Agency pursuant to this Agreement, the Agency may request that the Authority reduce the Commission's Testing Credit, on a pro-rata basis, for any period of time that the Agency determines that the Commission has not complied with its material obligations under this Agreement. The Agency will provide the Authority and the Commission written notice of the request, which will include the basis for the Agency's determination and the time period covered by the request. The Authority will make a decision on the request within thirty (30) days of receiving the Agency's request.

B. Notices. All notices required to be provided hereunder shall be in writing and shall be deemed delivered if (1) sent by facsimile, upon confirmation of faxing, (2) if sent by overnight courier, by the date after mailing, (3) if by hand delivery, upon actual receipt or (4) if by certified mail, return receipt requested and postage prepaid, on the third business day after deposit in the mails, to the addressee set forth below (with a copy emailed to the email addresses set forth below) or at such other location as such Party notifies the other pursuant to this provision.

If to the Authority:

401 West Main Street, Unit 222
Lexington, Kentucky 40507
Attention: Lisa Lazarus
lisa.lazarus@hisaus.org

with a copy to:

Ransdell Roach & Royse PLLC
176 Pasadena Drive, Building One
Lexington, Kentucky 40502
Attention: John C. Roach
john@rrrfirm.com

If to the Agency:

4801 Main Street, Suite 350
Kansas City, MO 64112
Attention: Ben Mosier, Executive Director
bmosier@hiwu.org

with a copy to:

Michelle Pujals, HIWU General Counsel
mpujals@hiwu.org

If to the Commission:

California Horse Racing Board
1010 Hurley Way, Suite 300
Sacramento, CA 95825
Attention: Scott Chaney
eschaney@chrh.ca.gov

C. Severability. If any part of this Agreement is determined to be invalid or illegal by any court or agency of competent jurisdiction, then that part shall be limited or curtailed to the extent necessary to make such provision valid, and all other remaining terms of this Agreement shall remain in full force and effect.

D. Entire Agreement. This Agreement constitutes the entire agreement among the Parties and supersedes all prior and contemporaneous agreements and understandings, whether written or oral, among the Parties with respect to the subject matter hereof.

E. Amendment and Waiver. This Agreement may be modified or amended only in a writing signed by all Parties. A Party's failure to act hereunder shall not indicate a waiver of its rights hereto. No waiver of any provision of this Agreement shall be valid unless made in writing and signed by the waiving Party. The failure of any Party to require the performance of any term or obligation of this Agreement or the waiver by any Party of any breach of this Agreement shall not prevent any subsequent enforcement of such term and shall not be deemed a waiver of any subsequent breach.

F. Governing Law. This Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the state of California, without regard to its conflicts of laws principles.

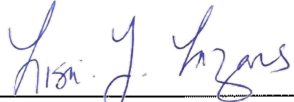
G. Assignability. The Agency may assign this Agreement to an affiliate, a successor in connection with a merger, acquisition, or consolidation, or to the purchaser in connection with the sale of all or substantially all of Service Provider's assets without notice to the Commission. This Agreement and all of the terms and provisions hereof will be binding upon, enforceable against, and will inure to the benefit of, the Parties hereto and their respective successors and assigns.

H. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument. Any signature page delivered by facsimile, telecopy machine, portable document format (.pdf) or email shall be binding to the same extent as an original.


I. Headings; Interpretation. The headings in this Agreement have been included solely for ease of reference and shall not be considered in the interpretation or construction of this Agreement. All references herein to the masculine, neuter or singular shall be construed to include the masculine, feminine, neuter or plural, as appropriate.

IN WITNESS WHEREOF, the undersigned have executed this Voluntary Implementation Agreement as of date first written above.

Horseracing Integrity and Safety Authority, Inc.

By: 
Name: Lisa Lazarus
Title: Chief Executive Officer

Horseracing Integrity & Welfare Unit, a Division of Drug Free Sport, LLC

By: 
Name: Ben Mosier
Title: Executive Director

California Horse Racing Board

By: C. Scott Chaney Digitally signed by C. Scott Chaney
Date: 2025.01.14 15:16:32 -08'00'
Name: C. Scott Chaney
Title: Executive Director

EXHIBIT A STATE REQUIREMENTS

The State Requirements set forth below are requirements for testing, personnel, and investigations, if applicable. More specific requirements and/or details may be set forth in the HIWU Policies.

Post-Race Testing

- Post-Race testing is planned by the Agency for all Covered Horseraces.
- A sufficient number of Agency-Authorized Collection Personnel must be provided by the Commission to complete all Agency issued Post-Race testing missions.
- Post-Race testing missions include, but are not limited to, Post-Race collection of blood and urine Samples from each Covered Horse selected for testing, and the collection of hair Samples when necessary.
- The Agency's selection criteria for Post-Race testing will include: winners, specials, and/or claimed horses.
- Agency Authorized Collection Personnel are responsible for (1) tagging all Covered Horses selected for Post-Race testing, and (2) notifying the relevant Nominated or Responsible Person. Tagging and notification responsibilities may be completed another individual at the track (i.e. a track or Commission designated employee such as the chief of scales, an outrider, or someone who already has responsibilities at the winner's circle or finish line) as long as such person has been approved and trained by the Agency.
- Post-Race testing shall be conducted in the designated Test Barn at the relevant Racetrack. The Racetrack, the Commission, and Agency-Authorized Collection Personnel must jointly ensure that the Test Barn is maintained in accordance with the ADMC Rules and Agency's Policies and Procedures.
- The Agency recommends that all Veterinarians working at the Racetrack become Agency-Authorized Collection Personnel in the event that Sample collection is required for a fatality or injury during racing or training, in compliance with the HISA Racetrack Safety Rules.
- Claimed Horse Sample collections may be required or requested by a claimant. Only an Agency-Authorized Blood Collection Officer may conduct Sample Collections involving claimed horses.

Personnel Requirements Specific To Post-Race Testing

- 1 designated Test Barn Veterinarian
 - Must be an Agency Authorized Blood Collection Officer (i.e. a Veterinarian or Vet Tech, if allowed by the state). The Test Barn Veterinarian is designated to the Test Barn for the entirety of Post-Race testing, and may serve as both the Test Barn Veterinarian and the Test Barn Supervisor.

- 1 designated Test Barn Supervisor
 - Must be an Agency-Authorized Blood Collection Officer (i.e. a Veterinarian or Vet Tech, if allowed by the state). The Test Barn Supervisor shall carry out the responsibilities of the Test Barn Supervisor as established in the Agency's Policies and Procedures.
- 4 (at a minimum) Agency-Authorized Collection Personnel or Collection Assistants (i.e. Test Barn Workers). Agency-Authorized Collection Personnel are responsible for urine collection and sample processing, monitoring of the Test Barn, stall cleaning, and any other duties set forth in the Agency's Policies and Procedures.
- 1 designated Test Barn Security Guard
 - The Test Barn Security Guard may be provided by the Commission or the track

TCO2 Testing

- TCO2 testing is planned for the majority of Race Days, including all Race Days that have Stakes Races.
- A sufficient number of Agency-Authorized Collection Personnel must be provided by the Commission to complete all Agency issued TCO2 testing missions.
- TCO2 testing missions include, but are not limited to, the collection of Blood samples.

Personnel Requirements Specific to TCO2 Testing

- 1 (at a minimum) Agency-Authorized Blood Collection Officer (i.e. a Veterinarian or Vet Tech, if allowed by the state) shall be available to conduct TCO2 testing on a majority of Race Days.
 - Track logistics, testing volume, and other factors may necessitate that additional Agency-Authorized Blood Collection Officers be available to complete the required Agency testing missions.
- 2 (at a minimum) Agency Authorized Blood Collection Officers may be required for Race days containing Graded Stakes Races and/or two or more Stakes Races.
 - The Agency will coordinate with the Commission and/or the tracks when its Test Distribution Plan will require additional Agency Authorized Collection Personnel, and work in conjunction such personnel to ensure testing objectives are met.
- The Agency recommends that 1 Agency-Authorized Collection Personnel or Collection Assistant be present for TCO2 testing to assist with notification, paperwork, and/or sample processing to ensure testing missions are completed.

Out-of Competition (OOC) Testing

- OOC testing missions will be requested on at last 3 Race Days per month during race meets.
- OOC testing missions will be requested on at least 3 dark days (i.e. non-Race Days) per month during race meets.

- Vets' List testing may require at least 2 testing missions per week depending on demand and volume, the racing schedule, and the number of Covered Horses stalled at a track or in the relevant horse population
- OOC testing missions may be requested at affiliated Training Centers and private farms or facilities.
- A sufficient number of Agency-Authorized Collection Personnel must be provided the Commission to complete all Agency issued OOC testing missions.
- OOC testing missions include, but are not limited to, the collection of blood Samples, and the collection of hair and/or urine Samples when necessary.
- OOC testing missions also include assignments for Vets' List testing, Post-Work, Clearance Testing, and when required, Sample collections following injuries or fatalities not associated with racing.
- OOC Testing may be requested at any time while Covered Horses are allowed to be stabled at the relevant tracks, regardless of the racing calendar.
- Vets' List scheduling requires a minimum of 48 hours notice and a request by a Regulatory Vet to the Agency.

Personnel Requirements Specific to OOC Testing

- 1 (at a minimum) Agency-Authorized Blood Collection Officer (i.e. Veterinarian or Vet Tech, if allowed by state) for each OOC testing mission
 - Track logistics, testing volume, and other factors may require more than 1 Agency-Authorized Blood Collection Officer to complete Agency issued testing missions.
- The Agency recommends that 1 Agency-Authorized Collection Personnel or Collection Assistant be present for OOC testing missions to assist with notification, paperwork, and/or sample processing to ensure testing missions are completed.

General Requirements

- Coordination of shipping of Agency Samples to selected laboratories
- State Investigative Personnel for service of notices and accompanying searches
- State Investigative Personnel for other tasks as requested by the Agency and agreed upon by the Commission
- Coordination of Stewards to assist with directing the selection of Covered Horses to the Test Barn on Race Days pursuant to HIWU Policies
- Minimum employment and workers' compensation insurance policies required by law
- Required work permits/authorizations for collection and investigations personnel for Agency-Authorized Collection Personnel and State Investigative Personnel

EXHIBIT B

Contacts

EAD/ECM Notices, Charges, Sanctions

Scott Chaney; cschaney@chr.ca.gov
Dr. Jeff Blea; jablea@ucdavis.edu
Darrell McHargue; dgmchargue@chr.ca.gov

Negative Results

Race Day (Post-Race and TCO2)

Scott Chaney; cschaney@chr.ca.gov
Dr. Jeff Blea; jablea@ucdavis.edu
Darrell McHargue; dgmchargue@chr.ca.gov

Vets' List

Santa Anita/Del Mar/San Luis Rey Downs/Los Alamitos Racecourse:
Dr. Pattio; ovscocaltb@yahoo.com
Dr. Jeff Blea; jablea@ucdavis.com

Fresno/Pleasanton/Sacramento/Santa Rosa - Fairs:
Dr. TBD, ddmill@aol.com (Donna Miller)
Dr. Jeff Blea; jablea@ucdavis.edu

Los Alamitos:
Dr. Fitzgerald; losalstatevets@gmail.com, ovscocaltb@yahoo.com
Dr. Jeff Blea; jablea@ucdavis.edu