

**STATE OF ILLINOIS
ILLINOIS RACING BOARD**

**IN THE MATTER OF THE ISSUANCE OF ORGANIZATION LICENSES
AND THE ALLOTMENT OF THOROUGHBRED AND HARNESS RACING
DATES FOR CALENDAR YEAR 2012**

ORDER

This matter came to be heard on the applications of Arlington Park Racecourse, LLC, Hawthorne Race Course, Inc., and Fairmount Park, Inc. for 2012 thoroughbred racing dates; and the applications of Balmoral Racing Club, Inc. and Maywood Park Trotting Association, Inc. for 2012 harness racing dates.

The hearing to award racing dates was conducted before Administrative Law Judge John White on September 16, 2011, pursuant to IRB rule 205 (11 Ill. Admin. Code 205 et seq., effective November 28, 2005). All applicants were represented by counsel. The ALJ presided over testimony from witnesses for each of the applicants and admitted exhibits into the record. In addition, the Board received testimony from the Illinois Harness Horsemen's Association ("IHHA"), the Illinois Thoroughbred Horsemen's Association ("ITHA"), and the Illinois Division of the Horsemen's Benevolent and Protective Association ("HBPA").

It is the public policy of this state to support and enhance the horse racing industry, ensure that Illinois' horse racing industry remains competitive with neighboring states, stimulate growth within Illinois' horse racing industry, promote tourism and encourage the breeding of thoroughbred and standardbred horses, and ensure public confidence and trust in the credibility and integrity of racing operations. 230 ILCS 5/1.2.

Section 5/20(e-5) of the Horse Racing Act (the "Act") vests the Illinois Racing Board (the "Board") with the discretion to determine an overall racing schedule which is conducive to

the best interest of the public and the sport of horse racing. In making this determination, the Board must consider the following factors enumerated in Section 20(e-5):

- The character, reputation, experience and financial integrity of the applicants and of any other person that controls such applicant, directly or indirectly;
- The facilities or proposed facilities for the conduct of horse racing;
- The total revenue to be derived by the State and horsemen from the conduct of race meetings; (without regard to Section 32.1)
- The good faith affirmative action plan of each applicant to recruit, train and upgrade minorities in all employment classifications;
- The applicant's financial ability to purchase and maintain adequate liability and casualty insurance;
- The applicant's proposed promotional budget;
- Agreements among applicants for the issuance of racing dates; and
- The extent to which applicants meet or exceed other standards adopted by the Board.

The Board has reviewed the complete record of the hearing, including the applications, transcripts of the proceedings, all exhibits admitted into evidence, and the arguments of the parties, including closing arguments from the applicants and the Board has officially noticed other materials in its possession including the Board's annual reports, past Dates Orders, the 2012 staff report, and Board statistics on racing through August 27, 2011. Being fully advised in the premises, the Board makes the following findings of fact and conclusions of law:

- 1) Each applicant has an extensive history of conducting race meets in Illinois over a period of many years and each has demonstrated and possesses the character, reputation, experience and financial integrity required for an organization license. With respect to each application, the Board has considered all the statutory criteria listed in Section 20 (e-5) of the Act.
- 2) Each applicant has demonstrated the financial ability to purchase the necessary casualty

and liability insurance.

- 3) The following applicants own or have a lease or contract for the possession of the following racetracks:

<u>ASSOCIATION</u>	<u>TRACK</u>
Arlington Park Racecourse, LLC	Arlington Park
Balmoral Racing Club, Inc.	Balmoral Park
Hawthorne Race Course, Inc.	Hawthorne Race Course
Fairmount Park, Inc.	Fairmount Park
Maywood Park Trotting Association, Inc.	Maywood Park

- 4) None of the applicants is in default in the payment of any obligation or debt due the State.

- 5) The mileage between racetracks located in upstate Illinois is as follows:

Arlington Park and Balmoral Park	63.6 miles
Arlington Park and Hawthorne Race Course	30.4 miles
Arlington Park and Maywood Park	20.5 miles
Balmoral Park and Hawthorne Race Course	37.5 miles
Balmoral Park and Maywood Park	50.7 miles
Hawthorne Race Course and Maywood Park	10.5 miles

Fairmount Park is located more than 225 miles from the racetracks at which all other applicants seek to conduct race meetings.

- 6) Each applicant has submitted a summary of its workforce. Each applicant has actively recruited, trained and promoted minority employees.

- 7) The racing dates issued by the Board for 2011 were as follows:

THOROUGHBRED

Host Days

Live Dark

Arlington Park	194	86	108
January 1 through February 10			
May 1 through May 5			
September 26 through September 30			
May 6 through September 25 (racing 4 days per week)			
Hawthorne Race Course	171	110	61
February 11 through February 28 (racing 2 days per week)			
March 1 through March 26 (racing 4 days per week)			
March 27 through April 30 (racing 5 days per week)			
October 1 through December 31 (racing 5 days per week)			
Fairmount Park	n/a	75	
March 15 through September 30			

HARNESS

	<u>Host Days</u>	<u>Live</u>	<u>Dark</u>
Balmoral Park	261	153	108
January 1 through December 31			
Maywood Park	104	103	1
Trotting Association			
January 6 through December 30			

8) The average daily handle (live and simulcast), state revenue generated, commingled handle (e.g. out-of-state handle on Illinois races) and on-track attendance at each 2011 race meet through August 27, 2011 are set forth below:

	<u>Average Daily Handle</u>	<u>Average Daily State Gov. Revenue***</u>	<u>Commingled Handle **</u>	<u>Attendance</u>
THOROUGHBRED				
Arlington Park	\$1,967,224	\$28,423	\$2,266,824	8,942
Hawthorne Race Course Fall *	\$1,466,623	\$21,041	\$2,363,158	1,280
Hawthorne Race Course Spring	\$1,458,384	\$20,890	\$1,465,271	1,113
Fairmount Park	\$152,415	\$1,403	\$127,221	2,272
HARNESS				
Balmoral Park	\$545,538	\$7,888	\$644,151	960
Maywood Park	\$651,949	\$9,403	\$559,689	716

* Hawthorne Race Course Fall statistics reflect its 2010 race meet

** The State of Illinois does not generate revenue on commingled handle

***This reflects only the 1.5 percent pari-mutuel tax, and not local government revenue, sales or income or employment tax.

9) **Financial Integrity.** The Board carefully considered the financial integrity of each applicant. The decline in handle and revenues from wagering over the past several years has

caused concern over the financial health of each of the applicants. Last year, Hawthorne Racecourse and Maywood Park had financial “z scores” (as determined by Illinois Department of Revenue Financial review) at levels appreciably below the danger threshold. However, the release of the impact fee revenues on August 13, 2011 vastly improved the financial positions of all of the applicants. These funds represented 3% impact fee from the four casino riverboats in the Chicago area (230 ILCS 5/54.75) and had been held up in litigation for 5 years. The impact fees total \$56.7 million for racetracks and \$85 million for purses. The Department of Revenue amended its original “z score” analysis after the receipt of the impact fee money. Based on that analysis, the Board finds that all of the applicants now have the requisite financial integrity to conduct the race meets applied for.

HARNESS

10) **Maywood Park and Balmoral Park** applied for a combined 310 days of harness racing in 2012, with 6 days of racing per week throughout the year. (Tr. 27) Maywood’s proposed budget for advertising and promotions for 2012 is \$629,700 and Balmoral’s proposed marketing budget is \$765,000 (Tr. 43). Duke Johnston testified that the receipt of purse money from impact fees amounting to over \$36 million would ensure adequate funding and ample horses for these meets. (Tr. 33, 38, 41) Mr. Johnston also pointed out that the pending casino bill in Springfield would mandate that harness tracks conduct 310 days of racing in order to qualify for a gaming license. (Tr. 33) David McCaffrey of the IHHA strongly supports the request. (Tr. 52) The IHHA, Maywood Park and Balmoral Park agreed that if the horse population or purses prove insufficient to support a 6-day per week schedule, they would jointly seek a reduction to 5-day weeks and notify the Board of such on a quarterly basis. (Tr. 29-30)

THOROUGHBRED

11) **Arlington Park and Hawthorne Racecourse** were in dispute regarding the spring thoroughbred meet. Hawthorne applied for the same dates as they did for Calendar year 2011, relying upon the 2-year agreement with Arlington submitted during last year's Dates Hearing. The Board accepted the Arlington-Hawthorne agreed schedule for calendar year 2011, but expressly reserved the right to alter the schedule for 2012. (Tr. 59) Arlington's proposed marketing budget for 2012 is approximately 7 million dollars. Hawthorne's proposed marketing budget is approximately 1.5 million dollars.

12) Arlington requested that the Board eliminate the spring meet at Hawthorne, and award Arlington all of the dark host days during the first four months of the year. To support its position, Arlington presented the testimony of William Mudd, the Chef Financial Officer of Churchill Downs, Arlington's parent company, and Tony Petrillo, Arlington's General Manager. (Tr. 763, 162) Mr. Mudd provided a detailed analysis of a variety of racing statistics compiled by the Jockey Club and summarized a recent report prepared by the McKenzie consulting firm that identified current problems confronting the racing industry and suggested potential solutions. (Tr. 127) Mr. Mudd made note of a number of data points showing a general decline in racing nationally, and an even more precipitous decline in Illinois specifically. (Tr. 79-82) The McKenzie research focused on exhaustive surveys of horse racing customers. (Tr. 110-111) Its findings show clearly that racing's fan base is aging, generally unenthusiastic and unlikely to expand anytime soon under current conditions. The Board generally agrees with the report and finds that handle has rapidly and steeply declined, along with attendance, purses, state taxes and horse population.

13) Arlington presented data showing that under some circumstances, such as during

Monmouth's 2010 meet, fewer race days have resulted in higher overall handle (Tr. 142-143, ARL Exh. 1 p.23); and that better caliber races such as the Triple Crown and Breeder's Cup have tended to be far more successful in maintaining handle and attendance. (ARL Exh. 1 p.7)

Arlington submitted an exhibit entitled "A Report for Improvement of Illinois Racing" which urges the redirection of dark time purse revenue from the spring to Arlington's summer meet to attract better quality stables with a focus on fewer more meaningful race days. (ARL Exh. 3)

14) Mr. Petrillo testified that when comparing Arlington's summer meet with Hawthorne's spring meet in 2011, Arlington out performed Hawthorne on every metric. Illinois handle was better by \$500,000 per day at Arlington, and on-track handle at Arlington was more than double than that of Hawthorne. (Tr. 168, ARL Slide 2) Attendance was 8 times higher at Arlington (Tr. 170, ARL Slide 5), and revenue to the state was 40% higher than at Hawthorne. Arlington paid \$240,000 per day in total purses compared to Hawthorne's \$154,000. Moreover, Arlington spent more than twice as much on marketing and promotion than Hawthorne, and spent 5 times as much in capital improvements. (Tr. 171-72, ARL Slides 6,7)

15) Hawthorne presented the testimony of its President and General Manager, Tim Carey. (Tr. 242) Mr. Carey testified to Hawthorne's argument that the 2011 agreement with Arlington expressly covered the 2012 dates schedule for Hawthorne and Arlington, and that Arlington was limited to applying for the dates contained in the agreement. (Tr. 248-49, Tr. 251) Mr. Carey testified to the importance of Hawthorne's spring meet to Illinois racing. (Tr. 252, 256) He testified that hundreds of employees and horsemen are dependent on Hawthorne for their jobs and that the elimination of the meet would put all of these individuals out of work with no ability to find other employment. (Tr. 258-59) Hawthorne provides living quarters in the nearby area free of charge for many of these employees and horsemen, and many have children who attend

the local schools. (Tr. 261)

16) Mike Campbell of the ITHA testified to the importance of the Hawthorne spring meet to the horsemen. (Tr. 269, 271-73) He stated that Hawthorne provides winter stabling and important racing opportunities for Illinois horsemen during the spring months. (Tr. 273-74) He testified that many Illinois Horsemen could not survive without this additional income.

17) Considering all of the evidence, if this were a normal year, the Board would agree with Arlington's approach. Hawthorne's spring meet has been very weak for several years, but the 2011 meet was especially poor. Handle was down 16% from a base line that was already exceedingly low. (Tr. 165) Daily in-state handle was less than \$300,000 per day. Average field size, which is a problem every spring, was much worse than previous years. With the exception of the Gold Cup weekend, for all of March and April only 6 or 7 horse fields was the average, and this was with 8-race cards about half of the time. Not only do short fields hurt handle, they have the potential to create many more integrity concerns. However, the Board must consider that the release of the impact fees in August 2011 has changed the outlook. This may only be a temporary reprieve, but Hawthorne's share of the impact fees is \$12.7 million and its purse share is \$17 million. These funds allowed Hawthorne to pay off much of its debt and avoid what our consultants felt was almost certain bankruptcy. More importantly, it provides a significant source of new funding for purses in the spring which hopefully can help attract more and better horses to Hawthorne. By the same token, Arlington's purse account has received \$26 million in impact fees. This obviously reduces somewhat the urgency of any additional purse subsidies. It is important to remember that the overriding legislative purpose for the statute that brought us these impact fees was a desire to subsidize purses in order to keep tracks from shutting down. It would therefore be especially inappropriate for the Board to choose this year to close a race meet

after waiting 5 years to finally receive these funds.

18) Considering all of the evidence, the Board finds that some modification of Hawthorne's spring meet is warranted. The Board does not see justification in 5-day race weeks in April. This past spring, with 4-day weeks and many 8-race card programs, Hawthorne struggled to attract even 7 horses per race. In May, a much better month, Arlington only proposes a 4-day week. Most racetracks nationally, with much better purse structures, are only racing 4 days per week. Therefore the Board finds that Hawthorne's proposed Sunday cards should be stricken in April, eliminating 4 live days. To partially offset the loss, Hawthorne shall have one 3-day week in February by racing on Tuesday, February 21st and then begin 4-day weeks the following week by racing on Tuesday and Wednesday, February 28th and 29th. In addition, the Board is not open to Hawthorne's proposal to open Saturday, February 11th followed by 6 consecutive dark days. In the past, the spring thoroughbred meet has opened during the last few days of February or the first few days of March. The obvious reason has been to avoid most of the fierce Chicago winter weather. With that in mind, Hawthorne will open on Friday, February 17th and race the next day, February 18th. As to the dark days from February 11th through February 16th, the Board finds it is in the best interest of racing to give the first 3 to Arlington and the second 3 to Hawthorne. The Board recognizes Arlington's superior performance in 2011, as well as the outsized commitment it has made in terms of marketing and capital expenditures.

19) Arlington has requested permission to race on Saturday nights using temporary lights. Its submissions at the hearing show that a similar experiment at Churchill Downs resulted in huge increases in handle and attendance. The Horse Racing Act prohibits the licensing of 2 racetracks within 100 miles during the same hours unless all such tracks agree. (230 ILCS 5/21(b))
Arlington's proposal would be during the same hours as Balmoral's harness meet on Saturday

nights. Balmoral Park has consented to Arlington conducting those programs. The Board strongly supports and encourages any innovation that may improve our product. The Board approves the night racing proposed by Arlington with the condition that both the Board stewards and the jockeys approve whatever temporary lighting is planned so as to ensure safe operating conditions.

20) **Fairmount Park** seeks to race 67 thoroughbred days from April 3rd through September 21st. Its application is supported by the downstate horsemen and is unopposed by any other applicant. Fairmount's request is similar to the schedule it raced this year. Fairmount has experienced financial difficulty in recent years that has caused it to voluntarily reduce race days. Under Section 26(g)(7.1) of the Act, Fairmount Park must apply for at least as many live racing days as it conducted in calendar year 2000 in order to qualify for thoroughbred purses from simulcast and intertrack wagering. Fairmount Park has met this requirement. The statute does not, however, require the Board to award any specific number of live racing days to Fairmount Park. In 2011, Fairmount was awarded 75 days but only raced 69. For 2012, Fairmount proposed a marketing and promotions budget of \$192,250.

21) Members of the Board have frequently visited and inspected each Illinois racetrack and are familiar with the facilities and accommodations of each applicant. The Board notes the following about Illinois' five racetracks:

Arlington Park

- a) Arlington has a 1 1/8 mile main course with a synthetic racing surface (Polytrack) and a one-mile turf course. Both are ideal for thoroughbred racing.
- b) Arlington utilizes the Fontana safety rail, which is preferred by thoroughbred jockeys.
- c) Arlington's public facilities and accommodations are superior for warm

weather racing.

- d) Arlington's backside facilities are excellent for warm weather racing. Three new family dormitories have been built since 2005.
- e) Arlington has sufficient stall space to accommodate all race dates requested.

Balmoral Park

- a) Balmoral has a one-mile clay and limestone track, equipped with lights, which is excellent for harness racing.
- b) Balmoral utilizes the "hubless hubrail," which is considered by harness drivers to be the most important safety feature available.
- c) Balmoral's facilities and accommodations for the public are excellent and appropriate for all weather conditions.
- d) Balmoral's backside facilities and accommodations are adequate for all weather conditions.
- e) Balmoral has sufficient stall space to accommodate all race dates requested.

Fairmount Park

- a) Fairmount Park has a one-mile dirt course and utilizes the Fontana Safety rail.
- b) Fairmount's public facilities and accommodations are adequate.
- c) Fairmount's backside facilities are adequate.
- d) Fairmount has sufficient stall space to accommodate all race dates requested.

Hawthorne Race Course

- a) Hawthorne's accommodations for the public are excellent for all weather conditions.
- b) Hawthorne has a one-mile dirt course, and a 7/8 mile turf course, which is ideal for thoroughbred racing.
- c) Hawthorne uses a removable, modified Fontana Safety rail system, for

thoroughbred racing. Thoroughbred jockeys prefer the Fontana rail.

- d) Hawthorne's backside facilities and accommodations are adequate for all weather conditions. Hawthorne provides and maintains off-site housing for backstretch workers.
- e) Hawthorne has sufficient stall space to accommodate all race days requested.

Maywood Park

- a) Maywood has a half-mile limestone track, equipped with lights, which is acceptable for harness racing.
- b) Maywood utilizes the "hubless hubrail," which is considered by harness drivers to be the most important safety feature available.
- c) Maywood's public and backside facilities and accommodations are excellent for all weather conditions.
- d) Maywood has sufficient stall space to accommodate all race dates requested.

22) Pursuant to section 26(h)(1)(iii)(B), in order for Fairmount to qualify for its intertrack location licenses, the Illinois Horsemen's Benevolent and Protective Association President Lannie Brooks agreed with Fairmount Park to conduct fewer than 100 live days of racing at Fairmont Park. (Tr. 22-26)

23) The Board finds that Illinois thoroughbred and harness racing, wagering and revenues are in decline. Handle at brick and mortar locations dropped an additional 10% in 2011, but with Advance Deposit Account Wagering included, total handle is down 8%. Out-of-state handle on Illinois races was down 7%. Arlington's Illinois handle was down 3% in 2011, and yet, attendance remained even. Arlington's out-of-state handle on their races remained steady as well. Hawthorne was down in out-of-state handle on their races by 13% and live Illinois handle was down 16%. On the harness side, Balmoral was down 7% in all source handle, and Maywood decreased 3%.

24) The Board has considered each of the applicants consistent with the factors enumerated in Section 20 of the Horse Racing Act (230 ILCS 5/20(e-5)). Consistent with its obligation to act in the best interest of the public and the sport of horse racing and to determine an overall schedule which enhances the horse racing industry, ensures that Illinois' horse racing industry remains competitive with other states, promotes tourism, stimulates growth within the horse racing industry, and satisfies the market in a variety of geographic areas, and based on the applications, exhibits, and testimony.

IT IS HEREBY ORDERED THAT:

25) Sixty-seven (67) days of thoroughbred racing are allotted to Fairmount Park, Inc., to be conducted at Fairmount Park from April 3, 2012 through September 21, 2012, two and three days per week, Tuesday afternoons, Friday and Saturday evenings and May 28 and September 3, dark on May 29 and September 4.

26) Ninety (90) days of thoroughbred racing are allotted to Arlington Park Racecourse, LLC, to be conducted at Arlington Park from May 1, 2012 through September 30, 2012. In addition, Arlington Park is awarded host track status from January 1, 2012 through February 13, 2012. Arlington Park will race four days per week, dark Mondays, Tuesdays and Wednesdays and May 3 with live racing on May 28, July 4 and September 3. Night racing shall be conducted on June 30, July 21 and August 25 (alternative dates June 9, July 28 and September 1). Post-times shall be 1:00 p.m., except that Arlington Park may have a 12:00 noon post time on Kentucky Derby Day and an 11:45 a.m. Post-time on Arlington Million Day and a 3:00 p.m. post on Fridays. Arlington shall conclude its Friday afternoon program (last race declared official) by 7:10 p.m. so as not to conflict with the Maywood evening program. Arlington may conduct 12 races on Arlington Million Day. Arlington Park shall operate as the Illinois host track for the entirety of

its meet, even on days and during weeks when no live racing occurs.

27) One hundred and five (105) days of thoroughbred racing are allotted to Hawthorne Race Course, Inc. Racing on February 17 and 18, 2012 and racing 3 days per week February 19 through 27, 2012, Tuesdays, Fridays and Saturdays. Racing February 28 through April 30, 2012, 4 days per week on Tuesdays, Wednesdays, Fridays and Saturdays. Racing October 1, 2012 through December 31, 2012, 5 days per week, dark Mondays and Tuesdays. The track shall be dark on November 22. During live racing, post-times shall be 1:00 p.m., except that Hawthorne may have a 3:00 p.m. post on Fridays, as daylight may permit. Hawthorne Race Course shall operate as the Illinois host track for the entirety of its meet, even on days when no live racing occurs.

28) Two hundred and seven (207) nights of harness racing are allotted to Balmoral Racing Club, Inc. from January 1, 2012 through December 30, 2012, racing four nights per week, Tuesdays, Wednesdays, Saturdays and Sundays. Post-times shall be between 7:00 p.m. and 7:45 p.m., except that Sunday and New Year's Eve post-times may be at 6:30 p.m. Balmoral shall be dark on February 5 and December 25. Balmoral shall operate as the Illinois host track for the entirety of its meet, even on days when no live racing occurs.

29) One hundred and three (103) nights of harness racing are allotted to Maywood Park Trotting Association, Inc. from January 5, 2012 through December 28, 2012. Maywood Park shall race on Thursdays and Fridays with post-times between 7:00 p.m. and 7:45 p.m. Maywood shall be dark on November 22. Maywood Park Trotting Association shall operate as the Illinois host track for the entirety of its meet.

30) The Board shall retain the right to reduce the 6-day week schedule at Maywood and Balmoral to a 5-day week schedule if average field size falls below what it deems acceptable

levels, irrespective of the wishes of the tracks and horsemen.

31) No organization licensee receiving racing dates pursuant to this order shall be deemed to have a vested interest, property right or future expectation to receive an organization license in any subsequent year as a result of the granting of an organization license for the calendar year 2012.

32) Each organization licensee shall maintain an open backstretch with sufficient stall space to accommodate horses for all dates awarded.

33) As a condition of its license, each organization agrees to the following:

a) To complete the capital improvements as outlined in Exhibit 17 of the 2012 Dates Application.

b) Arlington – extend the exit from the training track to slow transition from dirt to asphalt.
Balmoral – relocate the State Veterinarian’s viewing booth to a more secure and unobstructed location; update viewing monitors and replace race replay and recording system in stewards stand.

Fairmount – submit a plan to the Board by December 15, 2011 for relocating the IRB offices or rehabilitating the existing building; repair roofs on barns K and W; due to a lack of drainage in wash stall, address flooding in barn F; re-roof the comfort station; repair or replace the fence along the ditch; repair broken doors in dormitories.

Hawthorne – purchase horse ambulance and trailer; properly maintain the backside roads to the satisfaction of the Board; repair trainers “shack” and add heater; improve lighting in the barns, including emergency lights, to the satisfaction of the Board.

Maywood - update viewing monitors and add sufficient telephones in stewards stand.

In addition, Board staff will provide under separate cover, a list of general maintenance items that must be completed to the satisfaction of the Board.

34) Each organization shall establish and maintain security staffing at a level that is satisfactory to the Board.

35) The issuance of organization licenses shall be subject to the condition that prior to its race meeting, each organization licensee shall furnish to the Board the following inspection reports:

a) A report from the Health Department of the municipality in which the track is located, or the Health Department of the County or State if the

municipality lacks jurisdiction. This inspection report shall include, but not be limited to, an inspection of kitchen and concession equipment, water supply, sewage, drainage, housing and sanitation facilities of both the backside and the public areas. This report shall state that the facilities inspected at the particular track are in satisfactory compliance with the applicable health code provisions.

- b) A report from the Building Department of the municipality in which the track is located, or the Health Department of the County or State if the municipality lacks jurisdiction, stating that all the buildings located on the physical plant of the particular track are in satisfactory compliance with the applicable building code provisions.
- c) A satisfactory report from the State Fire Marshal's Office. This report shall detail any corrective action required in the areas of fire prevention, detection, suppression, construction, or health and safety addressed by the State Fire Marshal, the Board's Fire Safety rules (11 Ill. Adm. Code 403), or any state statutes which may be applicable. If the track appeals the findings of the Office of the State Fire Marshal, a copy of said appeal shall be filed with the Board in lieu of the Statement of Satisfactory Compliance. All tracks shall keep Board staff apprised of the status of any appeals. Upon acceptance of the 2012 racing dates, each organization licensee shall remit \$2,000 payable to the Illinois State Fire Marshall's Office and submitted to the Board, for fire safety inspection reports, which are required by regulation.
- d) Copies of all interim inspection reports, citing code and fire rule violations, if any, shall be submitted to the Board by the organization licensee within three (3) working days of receipt by the organization licensee. In the event of successive race meets of the same breed at the same track, only the first organization need submit the inspection reports required in this paragraph, unless any applicable rules require additional inspections.

36) Prior to the issuance of an organization license, each applicant shall file an admission tax bond in the amount of \$25,000 and a pari-mutuel tax bond in the amount of \$200,000. Said bonds shall be filed with the Board not less than 20 days prior to the opening of each applicant's meet.

37) Each organization licensee, within 10 days of receipt of the final executed Dates Order, shall file with the Board an acceptance of the award, and pay to the Board \$110 for each racing date awarded.

38) Each thoroughbred organization licensee shall submit its proposed stakes schedule, including proposed purses, to the Board for its approval at least 60 days prior to the opening of a new race meeting. Accompanying the proposed stakes schedule shall be a letter of approval or disapproval from the horsemen's groups.

39) Each organization licensee accepting thoroughbred dates under this order shall publish condition books covering at least the first seven (7) days of the meet and make them available to horsemen at least three (3) weeks prior to opening day; except Hawthorne Race Course and Fairmount Park, Inc., which shall provide such books no later than six (6) weeks prior to opening day. Thereafter, condition books shall be provided no later than three (3) weeks prior to the effective date of the first day of racing provided in such subsequent condition books.

40) Each licensee shall make pari-mutuel settlements within a 15-day cycle. Pari-mutuel settlements include, but are not limited to, live and host track commissions, purse allocations, outstanding pari-mutuel winnings, surcharges and interstate host fees.

41) The failure of any organization licensee to satisfy any of the aforementioned conditions or mandates to the Board's satisfaction may result in civil penalties being assessed against them, rescission of their racing dates, and revocation of their organization licenses.

42) Attached hereto as Appendix A and made a part hereof is a chart of the 2012 dates awarded.

43) This is a final administrative decision subject to the Administrative Review Law. This decision may be challenged by the filing of an action for administrative review within 35 days.

44) This document may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one document. Signatures may be transmitted initially by facsimile, with hard copy to follow.

[Signature Page to Follow]

APPENDIX A

2012 RACING DATES SCHEDULE

THOROUGHBRED

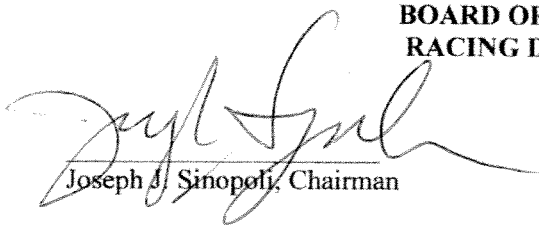
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	<u>Host Days</u>	<u>Live</u>	<u>Dark</u>
Arlington Park January 1 through February 13 May 1 through September 30	197	90	107
Hawthorne Race Course February 14 through April 30 October 1 through December 31	169	105	64
Fairmount Park April 3 through September 21	n/a	67	

HARNESS

	<u>Host Days</u>	<u>Live</u>	<u>Dark</u>
Balmoral Park January 1 through December 30	262	207	55
Maywood Park Trotting Association January 5 through December 28	104	103	1

**BOARD ORDER SIGNATURES
RACING DATES FOR 2012**



Joseph J. Sinopoli, Chairman

Angelo A. Ciambrone

William Farley, Jr.

Timothy P. Martin

Jon P. Metcalf

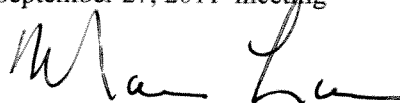
Allan Monat

Michael Murphy

Paul B. Smith, D.V.M.

Robert C. Winchester

Action taken by the Board at it's
September 27, 2011 meeting



Marc Laino, Executive Director

11/17/11

Date Executed

**BOARD ORDER SIGNATURES
RACING DATES FOR 2012**

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Date Executed

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RACING DATES FOR 2012**

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Angelo A. Ciambrone

William Farley, Jr.

Timothy P. Martin

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Jon P. Metcalf

Action taken by the Board at it's
September 27, 2011 meeting

Allan Monat

Marc Laino, Executive Director

Michael Murphy

Date Executed

Paul B. Smith, D.V.M.

Robert C. Winchester

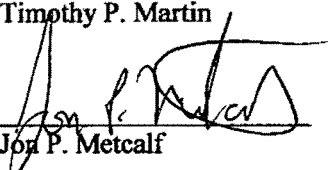
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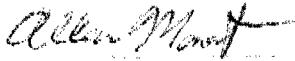
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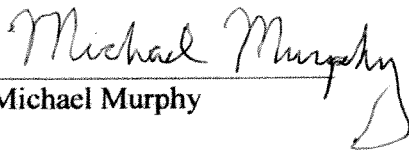
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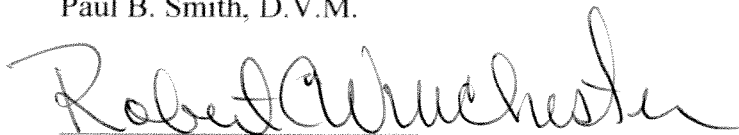
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