



February 26, 2010

Mr. Frank De Marco, Jr.
Secretary
San Luis Rey Downs
5772 Camino Del Rey
Bonsall, CA 92003

Dear Mr. De Marco:

We are writing in response to your letter of February 12, 2010, advising of the decision of MI Developments, Inc., and Magna Entertainment Corporation to close San Luis Rey Downs as a Thoroughbred training center on March 15, 2010.

It is our understanding that the horsemen and horsewomen currently stabled at your facility have received Notices of Termination of Occupancy instructing them to vacate the premises by March 15, 2010.

It is also our understanding that the horsemen and horsewomen currently occupying San Luis Rey Downs have contacted representatives of MI Developments, Inc. and/or Magna Entertainment Corporation to discuss alternatives to the closure of the facility. One such alternative involves the immediate implementation of a business plan for a lease of the San Luis Rey Downs training facility by an *ad hoc* entity. In order to provide these trainers the opportunity to discuss, formulate, and implement this plan and in recognition of the long-term relationship many of these trainers have with your organizations, we are requesting, on their behalf, the retraction of the aforementioned Notices of Termination of Occupancy and reissuance of new Notices of Termination of Occupancy with an effective date of May 31, 2010.

During this period of forbearance, our organizations will be working together with the horsemen and horsewomen of San Luis Rey Downs to seek a mutually satisfactory agreement regarding the continuing operation of San Luis Rey Downs as a thoroughbred training facility.

Thanking you in advance for your cooperation, we are . . .

Sincerely,

Marsha Naify, Chairperson
THOROUGHBRED OWNERS OF CALIFORNIA

John Sadler, President
CALIFORNIA THOROUGHBRED TRAINERS