

CALIFORNIA HORSE RACING BOARD
1010 HURLEY WAY, SUITE 300
SACRAMENTO, CA 95825
(916) 263-6000
FAX (916) 263-6042



REGULAR MEETING

of the California Horse Racing Board will be held on, Thursday, October 15, 2009, commencing at 9:00 a.m., in the Ballroom of the Harris Ranch Inn and Restaurant, 24505 West Dorris Avenue, Coalinga, California. The meeting will open at 9:00 a.m., then the Board will adjourn into Closed Session with the regular meeting commencing at approximately 9:30 a.m. The audio portion only of the California Horse Racing Board regular meeting will be available online through a link at the CHRB website (www.chrb.ca.gov) under "Webcasts."

AGENDA

Action Items:

1. Approval of the minutes of the regular meeting of August 27, 2009
2. Discussion and action by the Board on the Application to Conduct a Horse Racing Meeting of the Hollywood Park Fall Racing Association, LLC (T) at Hollywood Park, commencing November 11, 2009 through December 20, 2009, inclusive.
3. Discussion and action by the Board regarding financial assurances to be expected of Pacific Racing Association for granting final approval of its Application for License to Conduct a Horse Racing Meeting at Golden Gate Fields, commencing October 21, 2009 through December 20, 2009, inclusive, which assurances would ensure proper payment of all funds generated from wagering as the License Applicant is operating as a Debtor in Possession.
4. Report of the Safety Committee.
5. Discussion and action by the Board regarding the proposed amendment of CHRB Rules:
 - A. 1689, Safety Helmet Required and 1689.1, Safety Vest Required, to establish and/or revise standards for vests and helmets worn by jockeys, drivers, exercise riders and other mounted personnel training and racing on California racetracks.
 - B. 1685, Equipment Requirement, to revise the standards for the use of whips on California racetracks.

6. Discussion and action by the Board regarding the request from Oak Tree Racing Association and Breeders' Cup for waivers of CHRB Rules for the 2009 Breeders' Cup.
 - A. **Rule 1481, Occupational Licenses and Fees**, to issue a special 120-day license to expire 12/31/09 for the sole purpose of participating in the 2009 Breeders' Cup, for 1/3rd of the fee for that license classification.
 - B. **Rule 1554, Duties of Horse Identifier**, to allow imported horses, having their first run in California, to race without an identification tattoo.
 - C. **Rule 1693, Control of Horses and Jockeys on Entering the Track**, to allow human attendants to escort horses onto the track until the finish of the post parade and, if requested, that those attendants be allowed to be present at the starting gate.
 - D. **Rule 1685, Equipment Requirement**, to allow any European jockey to carry the approved European Flat Whip as specified by the BHA – Whip Specifications Rule 149 (ii).
7. Discussion and action by the Board regarding CHRB's claiming rules and whether CHRB Rule 1658, Vesting of Title to Claimed Horse, and Rule 1651, Eligibility to Claim, should be amended to allow a claim to be void if 1) a claimed horse, due to injury, fails to return to the designated unsaddling area after the finish of the race and/or 2) the post race test sample contains a prohibited drug substance.
8. Update from the Thoroughbred Owners of California (TOC) and discussion by the Board regarding the California Retirement Management Account (CARMA) and its first 18 months of operation.
9. Report and update on the progress and expansion of the Minisatellite Wagering Facility at the California Commerce Club.
10. Discussion by the Board regarding CHRB protocols for filing and investigating complaints.
11. Report of the Stewards Committee.
12. Discussion and action by the Board regarding the allocation of race dates and related issues for 2010 and beyond.
13. Discussion and action by the Board regarding the update from the Los Angeles Turf Club, Inc. operating at Santa Anita Park and the significance of the bankruptcy filing of Magna Entertainment Corporation on its racing operations and the status of statutory funds that may still be owed money from pre and post bankruptcy accounts.

14. **Public Comment:** Communications, reports, requests for future actions of the Board.
Note: Persons addressing the Board under this item will be restricted to **three (3) minutes** for their presentation.

15. **Closed Session:** For the purpose of receiving advice from counsel, considering pending litigation, reaching decisions on administrative licensing and disciplinary hearings, and personnel matters, as authorized by Section 11126 of the Government Code.
 - A. The Board may convene a Closed Session to confer with and receive advice from its legal counsel regarding the pending litigation described in the attachment to this agenda captioned "Pending Litigation," as authorized by Government Code section 11126(e).
 - B. The Board may convene a Closed Session to confer with and receive advice from its legal counsel regarding the pending administrative licensing or disciplinary matters described in the attachment to this agenda captioned "Pending Administrative Adjudications," as authorized by Government Code section 11126(e).

Additional information regarding this meeting may be obtained from the CHRB Administrative Office, 1010 Hurley Way, Suite 300, Sacramento, CA 95825; telephone (916) 263-6000; fax (916) 263-6042. This notice is located on the CHRB website at www.chrb.ca.gov. *Information for requesting disability related accommodation for persons with a disability who require aid or services in order to participate in this public meeting, should contact Jacqueline Wagner.

CALIFORNIA HORSE RACING BOARD

John C. Harris, Chairman
David Israel, Vice Chairman
Keith Brackpool, Member
Jesse H. Choper, Member
Bo Derek, Member
Jerry Moss, Member
Richard Rosenberg, Member
Kirk E. Breed, Executive Director

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PENDING LITIGATION
OCTOBER 2009

CASE

California Horse Racing Board v. Los Alamitos Quarter Horse Racing Association. et al.
Orange County Superior Court Case No. 00118250

CALIFORNIA HORSE RACING BOARD
1010 HURLEY WAY, SUITE 300
SACRAMENTO, CA 95825
(916) 263-6000
FAX (916) 263-6022



PENDING ADMINISTRATIVE ADJUDICATIONS
OCTOBER 2009

CASE

Settlement Proposal from attorneys for Respondent Richard B. Shapiro in the Matter of the Complaint against Richard B. Shapiro, CHRB Licensee No. 088429, Owner, CHRB Case No. 09HP036.

Settlement Proposal from Sacramento Harness Association regarding sums owed the California Horse Racing Board for various statutory obligations.

Application of license for Patrick Valenzuela.

PROCEEDINGS of the Regular Meeting of the **California Horse Racing Board** held at the **Del Mar Surfside Race Place**, 2260 Jimmy Durante Boulevard, Del Mar, California, on **August 27, 2009**.

PRESENT: John C. Harris, Chairman
David Israel, Vice-Chairman
John Andreini, Member
Jesse H. Choper, Member
Bo Derek, Member
Kirk E. Breed, Executive Director
Robert Miller, Staff Counsel

MINUTES

Chairman Harris asked for approval of the minutes of the Regular Meeting of June 5, 2009. Vice-Chairman Israel **motioned** to approve the minutes. Commissioner Andreini **seconded** the motion, which was **unanimously carried**. Chairman Harris asked for approval of the minutes of the Regular meeting of July 23, 2009. Commissioner Andreini **motioned** to approve the minutes. Vice-Chairman Israel **seconded** the motion, which was **unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD REGARDING A) REQUEST TO AMEND PACIFIC RACING ASSOCIATION'S 2009 ALLOCATED RACE DATES TO ADD EIGHT RACE DAYS TO ITS CURRENT SCHEDULE AND B) THE APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF THE PACIFIC RACING ASSOCIATION (T) AT GOLDEN GATE FIELDS, COMMENCING OCTOBER 21, 2009 THROUGH DECEMBER 20, 2009, INCLUSIVE.

Jacqueline Wagner, CHRB staff, said the Pacific Racing Association (PRA) proposed to run at Golden Gate Fields from October 21, 2008, through December 20, 2009, or 42 days. The dates originally allocated to PRA were October 21, 2008, through December 13, 2009, or 34 days. To coordinate racing with Hollywood Park, PRA was requesting

that its allocated race dates be changed to end on December 20, 2009, which would increase its total number of race days from 34 to 42. Ms. Wagner stated PRA would run Wednesday through Sunday, except for week four when it would race Friday through Sunday, and week nine when it would race Thursday through Sunday. PRA would offer eight races on weekdays and nine races on weekends and holidays. The first post time was 12:45 p.m. daily. The post times would be modified for the Breeders' Cup and for Thanksgiving Day. The advance deposit wagering providers were Youbet, TVG, XpressBet and Twinpires. Ms. Wagner added the horsemen's agreement was on file. Chairman Harris said PRA originally requested to run four days a week, but it was requesting five days in its application. He asked if the change was due to an increase in the horse inventory. Peter Tunney of PRA said the intent was to run concurrent with Southern California. PRA worked with Hollywood Park to develop the schedule. In addition, there would be a significant number of horses arriving from Washington State and Oregon to supplement the existing inventory. Chairman Harris stated the application included a letter from Magna Entertainment Corporation (MEC) that guaranteed the finances of PRA. However, MEC was in bankruptcy, so there needed to be further assurances that the various funds would be paid. Perhaps bonds or letters of credit needed to be considered. Gregg Scoggins, representing MEC and PRA, stated MEC filed a motion with the bankruptcy court to request that the tax cap be elevated so it could pay its outstanding amounts due to the State of California. Chairman Harris commented that MEC was requesting to pay license fees, not amounts owed to the statutory funds. Mr. Scoggins said that was correct. The request did not address the statutory funds. He stated MID, MEC's principal creditor, filed a proposed modified credit agreement with

the Ontario, Canada, Securities Commission. The agreement would be heard in mid-September 2009, and would add another \$28 million to the MEC loan that was currently in place. The additional funds would extend MEC's operational abilities through April 2010, and allow MEC to continue its operations and meet its obligations, as it had done since it filed its petition for bankruptcy. The agreement contained milestones that pertained to some of MEC's operations in California. The first milestone was that by October 31, 2009, MEC would obtain bankruptcy court orders approving the sale of various assets, including XpressBet and AmTote. Another milestone was that by November 30, 2009, there would be a sales order in place with respect to Golden Gate Fields (GGF) and Santa Anita Park Race Track (SA). Mr. Scoggins said MID reserved the right to credit bid on GGF and SA; however, MID would only credit bid on SA if it believed the sale price was not adequate. By mid-September 2009 MEC would know the extent to which the amended credit arrangement would be in place, which should give the parties a sense of MEC's ability to meet its obligations going forward. Mr. Scoggins stated MEC had concerns about the extent to which states could impose conditions on bankrupt entities. He said MEC would encourage the Board to consider deferring a final decision on any action it might wish to take regarding additional financial guarantees for the PRA meeting. That would allow MEC time to work with Board staff to determine how much was owed to which statutory fund, and it would give MEC time to learn the extent of the credit agreement, if it were approved. Chairman Harris commented the Board sympathized with MEC's financial state. He added the CHRB would probably not be harmed due to the changes in how it was funded. The issue was the monies owed the various statutory funds. Mr. Scoggins stated any discussion would involve post-petition

receivables emanating from the commencement of the PRA meeting, not the pre-petition receivables that were owed prior to bankruptcy. John Brooks, representing Racing and Gaming Services (RGS) said when MEC declared bankruptcy, RGS had over \$2.3 million in winning tickets outstanding that had not been paid by the MEC tracks. The money, which was in the pools, was being included in the bankruptcy, and RGS was being called an unsecured creditor. The funds also included \$834,000 in track fees, so the total was actually over \$3 million. RGS paid \$867,000 in federal taxes on the money, and it paid its customers, but MEC was still holding the funds and stating RGS was an unsecured creditor. Prior to the bankruptcy RGS was told the settlement money would never be included in the bankruptcy; RGS would be paid and so would the customers. However, that did not happen. RGS was currently in an adversarial proceeding with MEC in bankruptcy court, trying to get a resolution. Mr. Brooks stated RGS made some recommendations regarding legislative changes that would protect monies collected for statutory payments, as well as the wagering public. He outlined four points that required placing monies in separate trust accounts and that provided a 15-day deadline for settlements. Vice-Chairman Israel asked if RGS believed the Board had some legal authority it could exercise, or was it suggesting there needed to be legislation to provide such authority? Mr. Brooks stated RGS was not certain the Board had any legal authority, but in the future it could tell tracks how to operate. In Las Vegas a casino could not operate unless it could pay winning wagers. Casinos were not allowed to take money from winners and state they would pay them later. Even casinos in bankruptcy always paid gamblers because that money was held in trust. MEC was making the legal argument that the money that was contributed from other sites was their money, and RGS

was just another unsecured creditor like an entity that lent it money or a vendor. However, RGS believed the wagering pools were different. RGS filed a motion to have MEC pay the funds; MEC filed a motion to dismiss, and RGS filed a response to the MEC motion. Mr. Brooks stated the issue was important because an association that went into bankruptcy could call any patron who won a wager an unsecured creditor. Jack Liebau of Hollywood Park stated he spoke many times about the integrity of the pari-mutuel pools and what could happen when an association experienced financial difficulties. Mr. Liebau said Board Rule 1470, Accounting Practices and Responsibilities, required the funds to be placed in segregated accounts. In the immediate future, the California horse racing industry would file a complaint in the bankruptcy court that argued the funds for the various statutory accounts were held in trust, and the track was a mere stakeholder. It was absurd to think that a patron who placed a wager was a general creditor of the racetrack. Mr. Liebau stated he hoped the Board would hold any decision about requiring PRA to post a financial instrument in abeyance pending the filing of the industry's motion. He commented there was also legislation, Assembly Bill 246, which addressed the issue of the status of monies held by racing associations. Commissioner Choper asked what MEC's position was regarding monies that were owed to patrons who won wagers. Mr. Scoggins said MEC was sympathetic to the concerns of its simulcast partners to the extent that they had to pay winning tickets and because of the bankruptcy were not able to recover the amounts they paid. It was a complicated legal argument, but the bankruptcy courts held that when a simulcast operator cashed tickets for its own customers, with whom it had the sole contract for paying winning wagers, they had a different status than the actual patron who

placed the wager. If a patron placed a wager at SA, he was in a position where the court acknowledged and approved that he would receive any winnings. If a patron placed a wager with a third party, such as RGS, or a satellite wagering facility outside the MEC family, that person was still owed his winnings according to the laws of the state in which the wager was placed, as they related to the relationship between the patron and the satellite facility. However, the relationship between the satellite wagering facility and the track fell under the scope of the bankruptcy laws. The satellite wagering facilities that were owed money by the host track were not necessarily in a position to receive the funds. Commissioner Choper asked if the ruling came from the bankruptcy court. Mr. Scoggins said there was a similar situation with the New York Racing Association (NYRA) that was resolved in the same manner. The satellite wagering facility was seen in a different way than the patron who wagered with the bankrupt entity. Commissioner Choper asked if in the NYRA case the satellite wagering facilities ultimately got their funds. Mr. Brooks stated the court did not rule in the NYRA case. The NYRA ultimately settled and paid the funds. Mr. Brooks said MEC was not letting the bankruptcy court determine the issue; MEC was contesting having to pay the funds. Although there were complex legal arguments being made, it was a simple case; did the money in the pari-mutuel pool belong to the host? That was the question to be determined. Commissioner Choper said his understanding was that MEC was opposing the claims of RGS. He asked on what MEC based its opposition. Mr. Scoggins stated MEC's opposition was based on the argument that where there was a net payable to a satellite wagering facility or any other entity, bankruptcy laws prevented MEC from making that payment. Commissioner Choper asked if Mr. Scoggins meant a court ruling

or laws. Mr. Scoggins said bankruptcy laws provided general requirements regarding who could be paid, and how much could be paid, and whether an entity was a general creditor. Over time the courts determined what the laws meant, so it was a combination of rulings that treated such obligations as a general creditor obligation. That meant the parties would have to wait until a plan was approved, and they would be paid according to the plan, which meant (depending on the plan) a percentage of the dollar amount rather than the full amount. Vice-Chairman Israel stated on any given day 80 percent of the handle was off-track, so that meant the 20 percent that was on-track was being treated preferentially. As a practical matter, it seemed that was counter productive for the well being of horse racing. The integrity of the pari-mutuel pools and the confidence of the patrons were undermined by MEC's legal argument. He asked if the argument was even in MEC's best interests. Mr. Scoggins said practicality and the law did not always converge. There were also issues relative to ensuring that the estate had the funds to pay the claims of other creditors. A committee was formed by the creditors, and if it felt MEC was trying to meet an obligation that harmed the estate, it would file an objection to that payment. Commissioner Choper said let the committee file its objection. The MEC argument seemed counter productive and did not build trust in the organization. Vice-Chairman Israel stated it seemed MEC was making arguments in favor of creditors, many of whom did not have a long term interest in horse racing, and who did not care if California's racing partners and customers were alienated. The Board might not have a legal standing, but its responsibility was to ensure the integrity of the pari-mutuel pools, and to protect the wagering public, as well as other stakeholders in the industry. Mr. Scoggins said the bankruptcy laws created the conflict, as they were designed to help

creditors of the bankrupt party. Some of those creditors had no ongoing interest in the success of MEC or the industry; they just wanted to get paid. Bankruptcy laws had to be applied evenly because if preference was given to one party for the purpose of ensuring the operation or integrity of the industry, others would be disproportionately harmed. MEC understood the Board's and industry's arguments, and it had similar discussions in other racing jurisdictions, but there was a confluence of parties that did not care about the success of horse racing, who wanted to be paid as much as those within the industry. The bankruptcy laws were designed to protect all the parties. Commissioner Choper said the parties who did not care about the success of horse racing certainly cared about the size of the estate, and MEC's arguments were undermining the ongoing increase in that estate. Vice-Chairman Israel stated MEC was making an argument for what the Board requested, and that was the posting of a financial device that secured the funds in an account that could not be touched by the court. Chairman Harris said the debtor in possession situation raised the concern that the modified credit agreement with MID was not unlimited financing. That meant the same problems could reoccur. The Board wanted to see a safety net that would cover any financial issues. Mr. Scoggins stated MEC did not want to see the same thing happen, as it was not good for the industry. If the State took legislative action to ensure that the various types of funds were trust funds, then steps could be taken to ensure that the funds were held in trust for the benefit of others, and that would be positive for the California industry. However, there was a fairly high standard to meet for funds to be deemed a trust fund, and that issue would be argued in the context of the MEC bankruptcy, as well as future bankruptcies. Randy Gallo of the South Dakota Royal River Racing OTB talked about the funds

(approximately one million twenty one thousand dollars) owed to his organization by MEC. He stated Royal River Racing OTB and three other off track betting facilities filed a complaint with the bankruptcy court. MEC filed a motion to dismiss the complaint, which stated the track revenues were properties of the debtor estate. He stated MEC informed the Securities and Exchange Commission that it was making three percent on imported and exported signals, so how did the entire pari-mutual pool of \$3 million net become part of the estate? Mr. Scoggins said MEC had indicated it was able to pay winning wagers made at its facilities. MEC had not made any commitments with respect to its simulcast partners. There may have been some hope that they would be covered, but that was not the reality. Mr. Scoggins added Mr. Gallo's arguments were being addressed in the bankruptcy court. The parties were dealing with a question of law that was for the bankruptcy court to decide. Vice-Chairman Israel stated he did not disagree that the larger conversation belonged in the bankruptcy court. However, the issue before the Board was the terms and conditions that could be imposed on the approval of PRA's application for license to ensure the current dilemma with MEC's bankruptcy did not occur again. He said the MEC letter that was dated June 30, 2009, did not provide any financial guarantee, and it did not even cover the December 20, 2009, end date of the meeting. Mr. Scoggins stated his initial comments on the financial conditions the Board might wish to impose on the PRA application addressed that issue. He said PRA would encourage the Board to postpone a decision until its September 2009 Regular meeting so it could take the time to determine the conditions it wished to impose. Part of the issue was PRA's ability to meet any conditions, which would be determined by the results of the Ontario Securities Commission ruling in mid-September. The other part of the issue

was the extent to which the Board had the authority to impose conditions on a bankrupt entity. Vice-Chairman Israel asked how requiring PRA to post a bond would be different from other financial requirements that would allow it to continue operating. Mr. Scoggins stated the issue was the basis under which the requirement for a bond was made. Was it a routine requirement for every racing association, or was it a requirement because MEC was in bankruptcy? That was why the Board needed to look at the issue and determine what it could require without running afoul of the bankruptcy laws. The parties needed to be careful not to address pre-petition issues and complaints currently before the bankruptcy court. The issue was guaranteeing PRA's ability to meet its future financial obligations. Chairman Harris said it was not clear if third parties such as RGS or out-of-state simulcast wagering facilities would be part of a blanket agreement, or would want separate financial assurances. If the Board required a million dollar bond, how would it be distributed, and who would have priority? It seemed that an agreement to clearly segregate statutory funds might be better for some of the parties. Mr. Scoggins said that was why the Board needed to consider its options. It was unclear whether the Board had the ability to obligate a payment to a third party that was not specifically spelled out in the law. Vice-Chairman Israel asked how MEC would assure its continued relationship with its creditors. Why would an out-of-state simulcast facility handle any MEC races until it was paid or the bankruptcy was resolved? Mr. Scoggins stated it would be in violation of bankruptcy law to state that unless payment of pre-bankruptcy debts was made, "X" would not be done. However, if a satellite wagering facility did not wish to do business with MEC because it was not made whole, it had that right. Commissioner Choper said for its own interest, MEC should leave any creditors'

committee to its own devices and urge the bankruptcy court to pay out the statutory funds as quickly as possible, whether or not they were legally in trust in California. Mr. Scoggins said there were motions in place to address the various issues about what was the proper scope of entitlement to the funds by non-bankrupt third parties. The process did not move as swiftly as most would prefer, but they were ready for argument, and MEC was obligated to abide by the court's decisions. Chairman Harris stated the issue would be deferred until the parties could return with a definitive financial proposal. He stated the PRA application could be approved with the condition that the financial questions be further defined and approved. Vice-Chairman Israel motioned to approve the application for license to conduct a horse racing meeting of PRA with the requested date modification, and conditioned upon the approval of a financial agreement relative to the matters that were under discussion. Commissioner Choper seconded the motion, which was unanimously carried.

REPORT FROM PACIFIC RACING ASSOCIATION AND DISCUSSION BY THE BOARD REGARDING THE STATUS OF THE APPLICATIONS FOR LICENSE TO OPERATE A MINISATELLITE WAGERING FACILITY AT PETE'S TAVERN, SAN FRANCISCO, CALIFORNIA, AND SOTTO MARE OYSTERIA, SAN FRANCISCO, CALIFORNIA.

Chairman Harris stated the items had been withdrawn; however, he stated the concept should be pursued as the minisatellites had promise, especially in a metropolitan area like San Francisco. Peter Tunney of Pacific Racing Association (PRA) stated his organization had not abandoned seeking approval of the proposed minisatellite locations. PRA was urged by the Board to discuss the issue with the San Mateo Jockey Club (SMJC), but no substantive discussions had taken place. PRA hoped to be able to report

on meaningful discussions at a future Regular Board Meeting. Vice-Chairman Israel said at the July 2009 Regular Board Meeting the counsel for SMJC substantially misrepresented the financial situation under which SMJC operated. It was claimed that SMJC had to self-fund in the amount of \$5 million. However, subsequent information revealed that out of a total funding of \$5,322,500 from the State of California, SMJC received a \$211,250 development grant; a \$1 million interest free loan; and a \$750,000 interest bearing loan. From the California Authority of Racing Fairs (CARF) SMJC received a grant of \$861,250 and an interest free loan. From the San Mateo County Fair, SMJC received a contribution of \$850,000. Vice-Chairman Israel stated that while the \$5 million number was accurate, the situation was significantly misrepresented because almost \$2 million was a grant that SMJC did not have to repay. Most of the money came from the State of California, the CARF and the Department of Food and Agriculture. Chris Carpenter of SMJC stated most of the funding for the San Mateo County Event Center was in the form of loans. There were two grants, so the amount to be paid back was \$4,350,000. The loans were five and ten year terms and the interest was between 4.96 percent and 5 percent. Chairman Harris asked if the impact fee issue had been discussed. Mr. Carpenter stated it had not, but SMJC was willing to hold talks with any interested party. He reiterated that SMJC had significant debt to pay and it was fearful of the impact of any minisatellite within a 20-mile radius. Vice-Chairman Israel stated he understood SMJC's interest in maintaining a monopoly, as it made its likelihood of success greater. However, the Board desired what was best for California horse racing within the law, and wanted to provide for maximum expansion of horse racing opportunities in the public interest. Mr. Carpenter stated one of the issues SMJC looked

at before it took on its loans was the protection it had under the law; there was a 20-mile radius shielding the facility. Up to 33 percent of SMJC's patrons came from San Francisco, and another 11 percent came from Daily City; SMJC was simply fearful of the impact of the proposed minisatellites. Chairman Harris said there might be a way to work out the problem if the impact could be quantified. He commented the number of patrons that would frequent the minisatellites was small relative SMJC's patronage. Horse racing was struggling to expand its marketing base, and the issue had generated a lot of unnecessary negative reaction to horse racing in the San Francisco media. Vice-Chairman Israel asked which creditor was to be paid first under SMJC plan. Mr. Carpenter said there was a five-year payment with San Mateo County, then a ten-year option to pay the remaining loans with the Division of Fairs and Expositions and CARF. Some of the loans were interest free, others were not, and SMJC was paying approximately \$525,000 per year to all the parties. After five years the San Mateo County Fair would be paid. Chairman Harris asked if the parties had met since July 2009. Mr. Carpenter stated there had been one conference telephone call, but no meeting. Commissioner Choper said it was important to look forward. If SMJC felt it was going to lose customers there ought to be a way for the parties to work out a solution. If the City of San Francisco were to approve minisatellite facilities, there were a lot more people in San Francisco who would start wagering if they did not have to travel to San Mateo. Commissioner Andreini asked if SMJC had any meetings with the Lucky Chance Casino in San Bruno. Mr. Carpenter stated Lucky Chance Casino offered to hold its profits in escrow, but only relative to the handle. There were other areas of profit for

SMJC that were close or equal to the 2 percent handle. He added the San Mateo County Fair was still open to discussions with all parties.

DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF THE OAK TREE RACING ASSOCIATION (T) AT SANTA ANITA, COMMENCING SEPTEMBER 30, 2009 THROUGH NOVEMBER 8, 2009, INCLUSIVE.

Jacqueline Wagner, CHRB staff, said the Oak Tree Racing Association (OTRA) proposed to race from September 30, 2009, through November 8, 2009, or 31 days, five more race days than in 2008. OTRA would race five days a week, concurrent with Fresno and Pacific Racing Association. The first post time was 1:00 p.m., weekdays, and 12:30 p.m. on weekends and holidays, except Cal Cup Day, when the first post time would be 12:00 p.m. The advance deposit wagering providers were Twinspires, Youbet, TVG and XpressBet. Chairman Harris said the financial statement that accompanied the application was from 2007. Sherwood Chillingworth of OTRA stated he would provide a 2008 financial statement as soon as possible. He added the 2009 financial statement would be ready on August 29, 2009. Vice-Chairman Israel asked how OTRA's funds were separated from MEC's funds. Mr. Chillingworth stated there was a system in place that kept the funds separate. Alan Gutterman, the OTRA Marketing Director, spoke extensively about OTRA's marketing program. Chairman Harris asked if there was any literature regarding the cumulative effect of holding the Breeders' Cup event in California. It was an event that had a lot of ripple effect on the economy and people should be informed. Mr. Chillingworth said a study demonstrated the 2003 Breeders' Cup had an impact of \$35 million in the greater Los Angeles area. The 2009 Breeders' Cup was projected to generate \$50 to \$65 million. Chairman Harris asked if out-of-state

trainers were bringing in more horses. Mike Harlow of OTRA said trainers who typically shipped would be represented, and would ship the first week or two of the meeting. Mr. Chillingworth commented Breeders' Cup was active in Europe, so OTRA was expecting between 35 and 40 horses. Vice-Chairman Israel motioned to approve the application for license to conduct a horse racing meeting of OTRA. Commissioner Andreini seconded the motion, which was unanimously carried.

DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF THE BIG FRESNO FAIR (F) AT FRESNO, COMMENCING OCTOBER 7, 2009 THROUGH OCTOBER 18, 2009, INCLUSIVE.

Jacqueline Wagner, CHRB staff, said the Big Fresno Fair (BFF) proposed to run from October 7, 2009 through October 18, 2009, or for ten days, which was one day less than in 2008. Ms. Wagner stated the BFF was a participant in the Combined Fair Horse Racing Meeting. The first post time would be 12:45 p.m. on weekends and 1:15 p.m. on weekdays. The advance deposit wagering providers were TVG, Twinspires, XpressBet, and Youbet. Dan White of the BFF stated his organization would like to run concurrent with Oak Tree Racing Association (OTRA) on October 14, 2009. He stated BFF waited to request the day so it could look at the Northern California horse population, and to ensure OTRA was committed to also run on October 14. Chairman Harris stated he thought neither association should run on October 14, as there was a bias against a six-day race week. The issue was October 12, which was Columbus Day. George Haines of OTRA stated OTRA planned to run on October 12, and on October 14. Chairman Harris said he thought it was important to run on Columbus Day, and if the horse population looked weak, perhaps the associations should not run on the Wednesday. He stated he

would rather see all five-day weeks because that was what the Board originally thought it was approving: run on Columbus Day and take two days off. Vice-Chairman Israel stated the license could be approved with both days with the option of being dark on October 14. Commissioner Choper said he noted BFF would offer a Pick-9, which would go through the tenth race, if there were ten races. He commented a lot of patrons would be lost with the inclusion of multiple breeds because they were not used to handicapping quarter horses, Arabians and others. Perhaps BFF could coordinate the wager with the thoroughbreds. Mr. White said Saturdays and Sundays would have a later post time, so the majority of the Pick-9 races would be thoroughbred races. Commissioner Andreini **motioned** to approve the application for license to conduct a horse racing meeting of the BFF. Commissioner Choper **seconded** the motion, which was **unanimously carried**.

PUBLIC HEARING AND ACTION BY THE BOARD REGARDING THE PROPOSED AMENDMENT OF CHRB RULE 1606, COUPLING OF HORSES, TO ELIMINATE THE REQUIREMENT THAT DIFFERENT TRAINERS TRAIN UNCOUPLED THOROUGHBRED HORSES OWNED BY DIFFERENT PARTNERSHIPS WITH AT LEAST ONE OWNER IN COMMON, BUT WHOSE OWNERSHIP IS NOT A MIRROR IMAGE.

Chairman Harris stated the proposed amendment to Rule 1606, Coupling of Horses, would allow thoroughbred horses to be uncoupled if they were owned by different partnerships with at least one owner in common, but whose ownership was not a mirror image. Under the proposed amendment the horses may be trained by the same trainer, or different trainers. The rule change would help racing secretaries fill races. Jacqueline Wagner, CHRB staff, said no comments were received during the 45-day public comment period. Commissioner Choper **motioned** to adopt the proposed amendment to

Board Rule 1606. Vice-Chairman Israel seconded the motion, which was unanimously carried.

REPORT AND DISCUSSION BY THE BOARD REGARDING RACETRACK MAINTENANCE PROCEDURES, SURFACE MEASUREMENTS AND RECORD KEEPING.

Dr. Rick Arthur, CHRB Equine Medical Director, stated the CHRB asked UC Davis to look into the establishment of comprehensive racetrack safety standards. He stated there had been a number of meetings at UC Davis that included individuals from several disciplines. The conclusion of the participants was that information needed to be compiled in a way that would allow an evaluation of what the racetracks were. The problem was that it was an opinion-rich, fact-poor environment. Meteorological data was being examined. The CHRB purchased weather stations that would be connected to a central data base at CHRB headquarters. The information from the weather stations should be available to the public on a real time basis. Consistent methods were needed for materials testing to allow comparison of information from track to track. It was difficult to compare data from one track to another, as there were a large number of objective measurements required to evaluate what went into a racetrack. Dr. Arthur spoke about the materials that went into a racetrack and how they could vary from track to track. He stated it would probably be necessary to know what went into a racetrack in the same manner that veterinarians reported what went into the horse. Vice-Chairman Israel asked if Dr. Arthur planned to test the four synthetic tracks in California, as they all seemed to behave differently. Dr. Arthur said a biomechanical tester and an instrumented tester would be used to compare a synthetic track with a dirt track, and then a decision

would be made regarding the best way to do performance testing, and which method would provide the most consistent data. Craig Fravel of Del Mar Thoroughbred Club (DMTC) stated the biomechanical tester was used to conduct tests on the old DMTC dirt track and its synthetic track. He added he believed every California track, including the northern fairs, participated in the testing. DMTC would share its information with staff. Vice-Chairman Israel asked if a baseline was established. Dr. Arthur said data was collected from many surfaces around the country for comparison, so "yes" a baseline was established. Dr. Arthur stated the track maintenance personnel were going to have to report how the tracks were maintained, and there had to be a better job of collecting injury data. Ultimately, there was an opportunity to combine the California necropsy program with the track data to try to understand what made a track safe. There were some misconceptions on what was safe, and whether the racetrack made a big difference. Research indicated that how a horse was trained was an important factor. Ninety percent of fatal injuries had pre-existing injuries at the site of the fatal injury, which meant there was an opportunity to intervene and identify the problems before the horse broke down on the racetrack. The goal was to identify the horses with pre-existing injuries prior to a fatal incident. Vice-Chairman Israel asked if Dr. Arthur was advocating that every horse be x-rayed at regular intervals. Dr. Arthur said the industry needed to figure out how to diagnose such horses. In September 2009 there would be another meeting of the UC Davis group, and by October 2009 there might be a plan regarding what needed to be done to evaluate racetracks and horse health, with the goal of reducing catastrophic injuries. Craig Fravel stated there were several studies being conducted, and one of the more prominent studies was of non-racing injuries, which was funded by the Grayson

Foundation. He commented DMTC was involved in that study. Mr. Fravel spoke about other racetrack data that had been collected. He stated all the work done by the industry would move California horse racing forward and would allow it to understand the conditions that created problems instead of just reacting to incidents as they occurred. Chairman Harris asked if the data could be placed on a website for public consumption. Mr. Fravel said much of DMTC's maintenance processes were on a website, and once the CHRB weather stations were in place, that data would also be made public. Vice-Chairman Israel asked if DMTC had a prescribed protocol for grooming the track, depending on weather conditions. Mr. Fravel stated the protocol was not prescribed. The primary differential was whether the track was watered, and how much water was used. In 2008 DMTC used water as a firming agent, then it added more wax, and now the track was where the old dirt surface was in terms of times for workouts and afternoon races. If conditions were stable, DMTC's procedures would be relatively consistent day-by-day; however, when conditions changed and the surface was warmer, water would be used as a cooling agent. Vice-Chairman Israel stated trainers complained that there was a certain inconsistency from day to day or even hour to hour during training. While the times may be the same as with dirt tracks, the complaint was the consistency of the racing surface. Mr. Fravel said the misconception was that dirt tracks never changed from day to day; that was not true. He stated he could demonstrate daily variances on the existing turf course. One day the course was favoring speed, the next day it was not, yet it was the same course. No one knew why the course varied, as there was still a lot of mystery to the art, but if it were cold at night, the track would be different from 4:30 a.m. until the sun came out and started warming the surface. Mr. Fravel said DMTC was still working

with the materials that made up the synthetic surfaces, and in a couple years there would be positive ways to change the impact of temperature changes. George Haines of Santa Anita Race Course (SA) stated his organization probably had the biggest temperature variant of any racetrack with a synthetic surface. However, SA was monitoring its track to learn techniques that kept it safe and consistent. Chairman Harris urged the parties to get the facts online because there were many misconceptions within the general public about the tracks. The industry needed to be able to quantify the condition of the tracks, rather than just stating they were hard or soft. Dr. Arthur stated one problem was making sure that everyone was using the same measurements in the same way, so they could be compared. He added the industry was forgetting the past, as within the past decade there were only two DMTC meetings with better racing statistics than the current meeting. Vice-Chairman Israel asked if the fatalities occurred primarily in the morning. Dr. Arthur stated there had been a change in the training fatalities. The fatalities used to be 60/40, but they were presently closer to 50/50 or maybe fewer while racing than training. The question was why, and that required analyzing the data. Vice-Chairman Israel stated he assumed dirt did not expand and contract with temperature changes in the same manner as a synthetic racing surface. That meant there were greater variables to the synthetic surfaces, which the industry needed to learn to fix. There was not enough experience with synthetic surfaces to have a well-devised protocol for dealing with the injuries and fatalities. Dr. Arthur said Vice-Chairman Israel had identified the biggest frustration among trainers, and that was the day to day variability of the synthetic tracks. However, the real goal was to determine what a safe racetrack was so the fatalities could be reduced.

REPORT AND UPDATE BY THE UNIVERSITY OF CALIFORNIA, DAVIS ON THE
CHRB/UC DAVIS POSTMORTEM PROGRAM.

Dr. Rick Arthur, CHRB Equine Medical Director, stated Dr. Hailu Kinde, Interim Director of the California Animal Health and Food Safety Laboratory, would present the 2008 data from the CHRB/UC Davis Postmortem Program. Dr. Arthur stated the program worked hard to make the report more relevant and to ensure the data was accurate. A written annual report would be available sometime in September 2009. Dr. Kinde said the Equine Post Mortem Program at UC Davis was probably one of the best in the world because it combined expertise in pathology, as well as expertise in research at the School of Veterinary Medicine, whereupon Dr. Kinde gave a Power Point presentation regarding the postmortem program. Commissioner Derek asked how the horses came to the program. Dr. Kinde stated every horse that died on a facility under the jurisdiction of the Board was submitted to the program. There were two major laboratories, one in San Bernardino and one at the UC Davis campus. Vice-Chairman Israel asked why the number of horses spiked in November/December 2008. Dr. Kinde stated there would be some data at the end of the presentation; he added, however, there was a problem with one breed. Vice-Chairman Israel asked if the ratio of horses submitted was consistent with the number registered to race. Dr. Kinde stated getting the number was difficult because not all horses that were registered actually raced. He commented it would be possible to look at the percentage of starters. Dr. Arthur stated the most significant information that might result from the presentation confirmed what trainers and veterinarians had reported. There was a higher incidence of hind limb injuries on synthetic surfaces. The data collected in 2008 confirmed the anecdotal evidence, and it provided objective numbers. Vice-Chairman Israel asked if anyone

talked to the exercise riders. He stated they had the most mounts, and they were reporting that the hind action of the horse was very different on synthetic surfaces. There seemed to be a bounce back. Dr. Arthur commented that was why the instrument shoe, which would be on the horse, was important. It would identify how that action changed. He stated the program spent a lot of effort to get the postmortem data in a form where it could be mined differently. Dr. Arthur explained at length the reporting system and how it was being changed. He also talked about the types of injuries the postmortem program examined, and how that contributed to the data collection. Commissioner Choper asked how long it would be before any conclusions regarding casual relationships could be drawn from the data. Dr. Arthur stated that was very difficult, but there were some preliminary discussion on how to analyze the data. The key was to collect the data in a way that allowed one to analyze it. One had to know the questions one was trying to answer. Vice-Chairman Israel commented it appeared that 32 percent of the fatal injuries were quarter horses. The breed did not comprise 32 percent of the horse population, so it looked like 2008 was bad for quarter horses and the dirt track. Dr. Arthur said Los Alamitos reworked its track over Christmas 2008, and it appeared to improve dramatically. Chairman Harris said the ultimate goal was to be able to track the history of the horse, including training. Dr. Arthur stated all tracks, except Los Alamitos and standardbred horses, were participating in the equine injury database. The database would allow one to analyze such items as a horse's recorded works, the number of times raced, if the horse had been on the veterinarian's list and other issues. Chairman Harris asked if the data were being put together, or was it hypothetical. Dr. Arthur stated the official veterinarians were entering data into the InCompass system. Chairman Harris

thanked Dr. Kinde for his report. He stated the written report needed to be reviewed when it was issued. Craig Fravel commented it was also important to review the racing history of the horse to see if it had trouble in the gate or contact during a race. Dr. Arthur stated the racing injury data base had fields for that type of information. It was surprising how often horses were knocked sideways with the results being fatal injuries.

DISCUSSION AND ACTION BY THE BOARD REGARDING INCREASING FINES FOR JOCKEYS IN LIEU OF SERVING SUSPENDED DAYS.

Chairman Harris said the item was intended to give jockeys an alternative to having their licenses suspended for a period of days. Jockeys did not get the days back even if they appealed to the Board, and received a stay. If there was a fine option, it might give finality to the situation and still provide a level playing field for the jockeys. The idea was to make the fine substantial enough that it was the equivalent of the suspension days. Vic Stauffer, a jockey agent, stated he discussed the idea with several jockeys, and the consensus was that fines, if implemented, would work well. Jockeys believed they should have the option of a receiving days or a fine, but at the jockey's discretion. Mr. Stauffer said the fines should be on a sliding scale because of the disparity in incomes between top riders and less successful riders. A set fine may mean little or nothing to a top rider, while it could be substantial for others. To arrive at a scale of fines the Board might look at the aggregate of the rider's income over a 90-day period and apply a percentage to that amount. A leading rider in Southern California typically made between \$20 thousand and \$30 thousand a week, so a fine for a three day suspension could be somewhere between \$3 thousand and \$4 thousand. The fines made sense because once a jockey served days of suspension, those days and that income would

never come back. If the jockey had a legitimate appeal that was upheld, the jockey could never recover what was lost. In addition, the fine would protect the owner and the trainer who might invest a lot of time and money in a horse, only to lose a top rider because of a suspension. Chairman Harris said the stewards currently had the ability to suspend or fine jockeys. Mr. Stauffer stated the stewards did issue fines, but traditionally not for riding infractions. Vice-Chairman Israel said if a jockey was riding in a million dollar race and finished first, he would be paid \$60 thousand out of a \$600,000 purse. That jockey might be tempted to cross the line if the fine for riding infractions were only \$7 thousand dollars. However, if the jockey thought he would receive five days suspension, which would prevent him from riding in the next stakes race, he might think again about his riding. Mr. Stauffer said if a jockey wanted to cross the line in a million dollar race, there was always the possibility he might be disqualified. He stated there were also designated races, graded stakes of a hundred thousand or more, in which the jockey's suspension was suspended. Chairman Harris commented jockeys could also get a stay, so they would not really be kept out of such races. Mr. Stauffer said the appellate process was also a problem. When one of the jockeys he represented was suspended he would look at the suspension as a financial consideration. If it looked like the jockey was going to ride several winners during the suspension, he would appeal. If it looked like the jockey was not riding, he would accept the days. A decision to appeal a suspension had little to do with the actual merits of the incident. In addition, the State would spend less money on appeals if a jockey were allowed to accept a fine. Vice-Chairman Israel asked if the jockey agent would pay a portion of the fine. Mr. Stauffer said "yes" because if the jockey were suspended, the jockey agent would have no income. Ron Ebanks, a jockey

agent, said the fine would come off the top of the jockey's earnings. If a jockey made \$20 thousand, he would pay the fine first, and then pay the jockey agent on what remained from his earnings. Commissioner Derek asked if any other racing jurisdictions provided the option of fines for jockeys. Mr. Ebanks said he believed a system of fines for jockeys was instituted in Illinois. The Illinois fines were set and depended on the number of suspensions a jockey might have over time. However, the proposal for California jockeys would involve a percentage of the jockey's gross income. Marsha Naify of Thoroughbred Owners of California (TOC) asked if the rule change would apply to drug violations and larger infractions; she said it was unclear the way it was phrased on the rule change. Chairman Harris stated there was no proposed amendment to a rule. The rule currently existed and it allowed the stewards to suspend, exclude and fine. Ms. Naify asked if the Board proposed eliminating suspensions. If so, the TOC was opposed to eliminating suspensions. Chairman Harris stated any changes would merely streamline the process on infractions that did not have anything to do with drugs or major violations. Ms. Naify said the TOC wanted to keep suspensions because they were useful for major infractions. The three-day suspensions for minor infractions had to be a steward's call. Chairman Harris stated an owner who had a jockey lined up for a race could be damaged because suddenly the jockey was suspended for a number of days. Mr. Naify said TOC understood that, but it was concerned with the safety and welfare of other riders and horses. Chairman Harris stated that was also the Board's concern, but it was willing to look at the possibility that fines were also an adequate remedy for rough riding. Ms. Naify stated TOC did not believe fines were an adequate deterrent, regardless of the amount. Mr. Ebanks said there should be certain infractions that offered no opportunity

for a fine. Only minimal infractions where there was a little bit of bumping or squeezing should result in a fine or a suspension – depending on the jockey’s preference. Vice-Chairman Israel asked how an average week’s earnings for a jockey would be calculated. Mr. Stauffer stated the suggested formula was a 90-day aggregate of the jockey’s earnings. Vice-Chairman Israel said the purse structures were very seasonal. Mr. Stauffer said in Southern California – other than Fairplex – it was pretty much 50 weeks of the same purse structure. Commissioner Choper stated there were a number of legitimate issues raised. A committee of persons who represented the interests ought to meet and develop a concrete proposal. The issue should not be a “yes” or “no” vote. Mr. Stauffer commented the jockeys also tended to police themselves regarding rough or careless riding. Vice-Chairman Israel stated there were too many variables like a gang-mentality, gender bias and other issues to factor self-policing into the equation. Ed Halpern of the California Thoroughbred Trainers said the idea of letting the jockey determine if he received a fine or a suspension, rather than the steward, was not appealing. Perhaps the solution was reminding the stewards they had the discretion to fine or suspend, and they might want to hear the arguments regarding which applied in a particular case. Mr. Halpern added that the same arguments could be made for the trainers, as they had the same consequences and loss of income. The issue required a lot of thought because there were a lot of variables involved. Vice-Chairman Israel asked if jockey agents who represented some of the lower-earning jockeys could be involved in any discussions. Mr. Stauffer said that would be effective because not all jockey agents believed the system of suspensions should be changed. Commissioner Choper stated someone had to take the initiative and hold a meeting with the relevant parties to work

out the issues. Mr. Stauffer stated he and his colleagues would work to bring the relevant parties together. Darrell Haire of the Jockeys' Guild (Guild) stated he had not spoken to the jockeys regarding the issue, so the Guild did not have an official position. He stated the Guild was willing to organize a meeting and sit down and discuss the issues.

REPORT OF THE MEDICATION COMMITTEE.

Dr. Rick Arthur, CHRB Equine Medical Director, reviewed the Medication Committee (committee) meeting of July 24, 2009. He stated the committee heard a discussion on exercise induced pulmonary hemorrhage (EIPH/bleeding) and the use of furosemide, which was permitted under Board Rule 1845, Authorized Bleeder Medication. The committee also talked about the use of whips and issues related to whips. He stated after the meeting Commissioner Derek talked to the jockeys and convinced them to take the initiative and use the padded whip. He added Commissioner Derek should be congratulated for moving the issue forward. The committee talked about anabolic steroid testing, as well as the corticosteroid issue. Finally, the committee talked about issues related to the Veterinarian's List, and it determined it would recommend the Board notice several proposed rule amendments for a 45-day public comment period.

DISCUSSION AND ACTION BY THE BOARD REGARDING THE PROPOSED AMENDMENT OF CHRB RULES:

(A) 1866, VETERINARIAN'S LIST, TO PROHIBIT A HORSE PLACED ON THE VETERINARIAN'S LIST AS INJURED, UNSOUND OR LAME, FROM WORKING OUT WITHIN 72 HOURS OF BEING PLACED ON THE LIST WITHOUT PERMISSION OF THE OFFICIAL VETERINARIAN.

(B) 1890, POSSESSION OF CONTRABAND, TO PROHIBIT THE POSSESSION AT A FACILITY UNDER THE JURISDICTION OF THE BOARD OF ANY VETERINARY TREATMENT OR MEDICATION, WHICH HAS NOT BEEN PRESCRIBED OR LABELED IN ACCORDANCE WITH RULE 1840, VETERINARY PRACTICES AND TREATMENTS RESTRICTED, AND RULE 1864, LABELING OF MEDICATIONS.

(C) 1867, PROHIBITED VETERINARY PRACTICES, TO PROVIDE THAT THE PRESENCE OF ANY DRUG SUBSTANCE PROHIBITED UNDER THIS RULE FOUND IN A TEST SAMPLE OBTAINED CONSISTENT WITH THE BOARD'S RULES SHALL APPLY IN THE SAME MANNER AS TO A HORSE ENTERED TO RACE.

(D) 1843.6, TOTAL CARBON DIOXIDE TESTING, TO AUTHORIZE THE EQUINE MEDICAL DIRECTOR AND THE STEWARDS AS WELL AS THE OFFICIAL VETERINARIAN TO DIRECT THAT BLOOD SAMPLES BE TAKEN FROM A HORSE FOR THE PURPOSES OF TCO₂ TESTING.

(E) 1858, TEST SAMPLE REQUIRED, TO REDUCE THE MINIMUM NUMBER OF "OTHER" HORSES DESIGNATED FOR TESTING FROM SIX TO ONE HORSE, AND TO AUTHORIZE THE EQUINE MEDICAL DIRECTOR TO DESIGNATE SUCH HORSES FOR TESTING AS WELL AS THE STEWARDS AND OFFICIAL VETERINARIAN.

(F) RULE 1859, TAKING, TESTING AND REPORTING OF SAMPLES, TO PROVIDE THAT URINE, BLOOD OR OTHER OFFICIAL TEST SAMPLES MAY BE TAKEN UNDER THE DIRECTION OF THE EQUINE MEDICAL DIRECTOR AS WELL AS THE OFFICIAL VETERINARIAN.

Dr. Rick Arthur, CHRB Equine Medical Director, said the proposed amendment of Rule 1866, Veterinarian's List, would provide a 72-hour cooling off period where the horse could not have a reported work. The trainer could still train the horse, but it could not be worked. The proposed amendment would also allow the official veterinarian to require an examination. The second item was a proposed amendment to Rule 1890, Possession of Contraband. There were instances where injectable medications were found in the stable areas. The stewards understood the regulation, but if the issue were appealed in court, there was really no prohibition against having a bottle of Equipoise or Novocain in the barn. The proposed amendment also required injectable medications to be prescribed

and labeled in accordance with the Board's regulations. There have been problems with medications coming into the inclosure that did not have labels stating how they should be prescribed. If the Board licensed veterinarians did not have instructions it would be difficult to avoid positives. The third proposed amendment was to Rule 1867, Prohibited Veterinary Practices. The proposed amendment would add growth hormone as a prohibited substance, and a penalty program for specified substances so the Board could prosecute positives under its penalty guidelines. Chairman Harris asked if the prohibited substance had to be named for action to be taken against a licensee. Dr. Arthur stated under the rule there were some drugs that were introduced that ended up as Class "A" drugs if there were a positive test sample, so it was better to name the prohibited drugs. The proposed amendment to Rule 1843.6, Total Carbon Dioxide Testing, added the board of stewards and the Equine Medical Director as persons who could designate what samples were taken. The proposed amendment to Rule 1858, Test Sample Required, added the Equine Medical Director to the individuals who could designate a horse for testing, and it reduced the minimum number of "other" horses designated for testing from six to one. Dr. Arthur commented the Association of Racing Commissioners International was evaluating the entire sampling process, and the McKenzie Report recommended that the Board reduce the number of samples taken and spend more money on more thorough testing. The reason this was added was because of the problems some of the smaller racing venues had with testing all the horses that were designated. Dr. Arthur stated he did not envision the provision being used in the thoroughbreds, as it would be entirely at the stewards' discretion. Vice-Chairman Israel asked why the stewards should be given the discretion. Dr. Arthur stated the stewards currently had the

discretion, but it was for a minimum of six random tests a day. Vice-Chairman Israel stated he thought reducing the minimum required number of random tests to one per day was making it too easy to take a chance on not being tested. Basically, the amendment would reduce the number of horses tested per day from 17 or 18 to 11. Dr. Arthur said the number would actually be reduced to five. Vice-Chairman Israel stated if he were a trainer who wanted to cheat, but did not think he would win his race, he would like his odds. Dr. Arthur stated the reason to change the minimum number of "other" horses to be tested was not to only test one horse per race card, but to have a tool to use when the receiving barn was backed up and it would be difficult to test every designated horse. Vice-Chairman Israel said in that case the amendment was written too broadly. The industry had made it progressively more difficult to cheat by drugging horses, but the proposed amendment seemed to be stating California was going to be a little less strict. Dr. Arthur said the proposed amendment to Rule 1858 could be changed to leave the minimum number of "other" horses tested at six. Dr. Arthur stated the final proposed amendment was Rule 1859, Taking, Testing and Reporting of Samples. The proposed amendment would add the Equine Medical Director as a person who could designate a horse or horses for testing. In addition, the proposed amendment would delete subsection 1859(b), which required that test samples be immediately discarded if there was no positive. This was in conflict with current practice, which was to freeze test samples for additional testing. Vice-Chairman Israel **motioned** to direct staff to initiate a 45-day public comment period regarding the proposed amendments to Board Rules 1866; 1890; 1867; 1843.6; 1858 and 1859. Commissioner Derek **seconded** the motion, which was **unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD ON AMENDING CHRB RULE 1685, EQUIPMENT REQUIREMENT, TO ALLOW THE USE OF ALTERNATE TYPES OF WHIPS WITH THE TEMPORARY SUSPENSION OF CHRB RULE 1685'S LIMIT ON AUTHORIZED WHIPS, AS TO THE CONFIGURATION OF PERMISSIBLE WHIPS.

Jacqueline Wagner, CHRB staff, said Rule 1685, Equipment Requirement, provided the standards for whips that may be used at California racetracks. In 2007 the Board issued a directive that suspended Rule 1685 to allow for the use of a "kinder" alternate whip. The directive allowed the use of the alternative whip as well as the whips described in Rule 1685. The Jockeys' Guild (Guild) has reported that advancements have been made in the design of the alternative whip, and that such whips were more durable, affordable and commonly available. The Guild requested that the Board again wave Rule 1685 to allow the use of the newly designed whip and that Rule 1685 be amended to allow for the use of the alternative whip. Ms. Wagner stated the Safety Committee would review a proposed text for an amendment to Rule 1685 at its September 4, 2009, meeting. Commissioner Derek said there was some confusion regarding the types of whips that could be used in the morning workout. She stated it should be clear that other whips could be used during training. There were times, especially with younger horses, that other whips were required. Darrell Hair of the Guild said a house rule at the Del Mar Race Track allowed the use of the whip with softer material. In addition, Fairplex Park Pomona and Santa Anita Park Race Track were purchasing the whips for riders to use at those facilities. Mr. Haire stated the Guild believed everything was in place for the amendment of Rule 1685 to proceed. Vice-Chairman Israel asked if there was a difference between north and south regarding affordability and what the tracks were providing. Mr. Haire stated some of the northern riders were using the whips, and as

others replaced their whips they would switch to the alternative whip. Vice-Chairman Israel asked if the different economic situation and smaller purses in the north impacted the riders' ability to change whips. Chairman Harris said the practice was for jockeys to buy their own whips. The tracks decided to buy the alternative whips to help implement the change. Mr. Haire said the whips cost between \$45 and \$85, and a jockey needed an average of four or five whips. He added the valets started making the alternative whips, so the prices would drop. Vice-Chairman Israel **motioned** to temporarily suspend Rule 1685 to allow for the use of the alternative whip. Commissioner Derek **seconded** the motion, which was **unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD ON THE APPROVAL OF AN AGREEMENT PROVIDING SUPPORT FOR THE BOARD, THE ESTABLISHMENT OF A RESERVE FUND FOR THE BOARD, AND THE PAYMENT OF THE MANDATED \$5.5 MILLION TO FAIRS AND EXPOSITIONS.

CHRB Executive Director Kirk Breed said the agreement ruled how funds flowed to the CHRB, pursuant to Senate Bill 16XX, and was based on the formulas established earlier in 2009. Executive Director Breed stated there were some trailer bills on the budget that involved the distribution of \$5.5 million to pay back the fairs from monies that were not obligated over the last three years pursuant to Business and Professions Code section 19616.52, which had to do with the \$40 million cap for the fairs. In addition, there was a trailer bill that redirected a portion of the outs to the CHRB as a rainy day account. Executive Director Breed stated staff recommended the Board approve the agreement as presented. Chairman Harris asked if the funding concept was that every racing association would pay proportionate to its revenue. Bernie Thurman of Hollywood Park

said that was correct. Every racing association would pay 42.6 percent of their savings from Senate Bill 16XX to support the CHRB, and 3.3 percent of their savings to the Fairs and Expositions (F&E) recapture fund. Chairman Harris asked what happened once the F&E recapture fund was fully paid. Ms. Thurman said the payment would cease. Chairman Harris asked how the industry determined the 42.6 percent would be enough to support the CHRB. Ms. Thurman said the industry made a very conservative estimate. Based on the calculations and the increase in racing days, the industry was confident the amount was sufficient. Chairman Harris asked if any surpluses were carried forward. Ms. Thurman stated there would be a true up at the end of the period, so any surpluses or deficits would involve carry forwards or credits. Commissioner Choper **motioned** to approve the agreement providing support for the CHRB, the establishment of a reserve fund for the CHRB, and the payment of the mandated \$5.5 million to F&E. Vice-Chairman Israel **seconded** the motion, which was **unanimously carried**.

UPDATE FROM THE THOROUGHBRED OWNERS OF CALIFORNIA (TOC) AND DISCUSSION BY THE BOARD REGARDING THE CALIFORNIA RETIREMENT MANAGEMENT ACCOUNT (CARMA) AND ITS FIRST 18 MONTHS OF OPERATION.

Chairman Harris said the item was **deferred**.

UPDATE AND DISCUSSION BY THE BOARD REGARDING SACRAMENTO HARNESS ASSOCIATION'S FINANCIAL STATUS AND THE RESOLUTION OF LIABILITIES.

Chairman Harris stated the item was discussed in closed session.

UPDATE AND DISCUSSION BY THE BOARD REGARDING CAPITOL RACING ASSOCIATION AND THE IMPACT FEE ISSUE WITH LOS ALAMITOS.

Chairman Harris stated the item was discussed in closed session.

DISCUSSION AND ACTION BY THE BOARD REGARDING THE UPDATE FROM THE LOS ANGELES TURF CLUB, INC. OPERATING AT SANTA ANITA PARK AND THE SIGNIFICANCE OF THE BANKRUPTCY FILING OF MAGNA ENTERTAINMENT CORPORATION ON ITS RACING OPERATIONS AND THE STATUS OF STATUTORY FUNDS THAT MAY STILL BE OWED MONEY FROM PRE AND POST BANKRUPTCY ACCOUNTS.

Chairman Harris stated the item was discussed in conjunction with item number three of the agenda, the application for license to conduct a horse racing meeting of Pacific Racing Association at Golden Gate Fields.

PUBLIC COMMENT

There was no public comment.

MEETING ADJOURNED AT 2:12 P.M.

A full and complete transcript of the aforesaid proceedings are on file at the office of the California Horse Racing Board, 1010 Hurley Way, Suite 300, Sacramento, California, and therefore made a part hereof.

Chairman

Executive Director

STAFF ANALYSIS

October 15, 2009

Issue: APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF THE HOLLYWOOD PARK FALL RACING ASSOCIATION, LLC AT HOLLYWOOD PARK NOVEMBER 11, 2009 THROUGH DECEMBER 20, 2009.

Hollywood Park Fall Racing Association, LLC filed its application to conduct a thoroughbred horse racing meeting at Hollywood Park:

November 11 through December 20, 2009, or 27 days, 13 less than 2008. The association proposes to race a total of 232 races, or 8.59 per day. In 2008 they raced 8.6 races per day with an average of 7.73 runners per race. The (actual) average daily purse for the fall 2008 meet was \$331,346. The (estimated) average daily purse for this meet is \$335,019.

- Hollywood Park was allocated 31 race days for 2009. The proposed race dates deletes December 21st racing. The association is additionally requesting to offer simulcast wagering with no live racing November 11, 12 and December 16, 2009. The changes would reduce their race days to 27.

November - 2009						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7
8	9	10	11	12		
	16	17				
	23	24				
	30					

December - 2009						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1				
	7	8				
	14	15	16			
	21	22	23	24	25 H	26
27	28	29	30	31		

- Racing 5 days per week, Wednesdays through Sunday, with 8 races on Wednesday, Thursdays, Fridays and 9 or 10 races on a selected basis on Saturdays, Sundays and Friday, November 27.
- First post 12:30 p.m. daily.
 - 7:05 p.m. post Friday, November 13 and 20.
 - 11:00 a.m. post November 26, Thanksgiving Day.
- Request Jennifer Paige be appointed horse identifier pursuant to CHRB Rule 1525.
- A track safety inspection has been requested and will be completed before the beginning of the race meet.
- Wagering program will use CHRB and ARCI rules.
 - Early wagering 8:30 a.m. on the day of and advance-day wagering.
 - \$1 trifecta in any race that complies with Rule 1979 and a \$.10 superfecta in any race that complies with Rule 1979.1.
 - Pick 6 on last 6 races - 70% of net pool to be retained for the jackpot and no cap be set.
 - Pick 4 on first 4 races and last 4 races - designate the major share as 0%.
 - Offering option of an alternate selection in the place pick all, pick 6 and pick 4.
 - Super High Five on the last race in accordance with ARCI Pick(n) Position(x) pools rules.

- The Advance Deposit Wagering (ADW) providers are TVG, Youbet, Xpressbet and Twinspires.
- Simulcasting conducted with out-of-state racing jurisdictions pursuant to Business and Professions Code Section 19602; and with authorized locations throughout California.
- Inspection of backstretch worker housing has been requested and will be completed before the beginning of the race meeting.

Specific information **still needed** to complete this application includes

1. \$100,000 bond on file expires October 29, 2009 (renewal required at expiration).
2. Promotional Plan

RECOMMENDATION:

Staff recommends that the application for license not be heard until the missing information is provided.

If the application is considered for approval, staff recommends a contingent approval pending the submission of outstanding items.



September 3, 2009

Mr. Kirk Breed
Executive Director
California Horse Racing Board
1010 Hurlley Way
Sacramento, CA 95825

Dear Mr. Breed:

This is in response to a CHRB request with respect to our 2009 Fall Meeting Application that we clarify our rationale for requesting 27 days of live racing rather than the 31 days that are available during the date allotment period of November 11 through December 21, 2009.

We have opted to offer simulcast wagering only on Wednesday, November 11 and Thursday, November 12 and to begin live racing on Friday, November 13. This decision was prompted by our desire to begin our race meeting in a most positive manner. We feel that an extended break after the Oak Tree meeting, which basically concludes with their presentation of the Breeders' Cup, will be advantageous to attendance and field size for the early portion of our fall meeting.

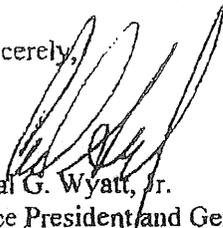
We have also requested in our application to present simulcast wagering only on December 16, which is the last Wednesday of our meeting. We feel that this will certainly help in assuring decent field sizes at the conclusion of our meeting and sustaining patron interest.

Monday December 21 has been eliminated from our schedule pursuant to an agreement with the other tracks, TOC and CTT. It was agreed that we would use that date only in the event the 2009 Fall Meeting was to be the last race meeting presented at Hollywood Park.

The TOC and the CTT have no objections to the schedule as requested in our application.

We thank you for your consideration.

Sincerely,



Earl G. Wyatt, Jr.
Vice President and General Manager

cc Jack Liebau
Andrea Ogden
Marsha Naify
Ed Halpern

STATE OF CALIFORNIA
CALIFORNIA HORSE RACING BOARD
APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING
CHRB-17 (Rev. 12/06)

Application is hereby made to the California Horse Racing Board (CHRB) for a license to conduct a horse racing meeting in accordance with the California Business and Professions (B&P) Code, Chapter 4, Division 8, Horse Racing Law, and the California Code of Regulations, Title 4, Division 4, CHRB Rules and Regulations.

1. APPLICANT ASSOCIATION

A. **Hollywood Park Fall Racing Association, LLC**
1050 South Prairie Avenue
Inglewood, California 90301
(310) 419-1500 phone
(310) 671-4460 fax

B. Breed of horse: TB QH H

C. Racetrack name: **Hollywood Park**

D. Attach a certified check payable to the Treasurer of the State of California in the amount of \$10,000 as deposit for license fees pursuant to B&P Code Section 19490. **On File**

NOTICE TO APPLICANT: Application must be filed not later than 90 days before the scheduled start date for the proposed meeting pursuant to CHRB Rule 1433.

2. DATES OF MEETING

A. Inclusive dates for the entire meeting: **November 11 through December 20, 2009.**

B. Actual dates racing will be held: **November 13, 14, 15, 18, 19, 20, 21, 22, 25, 26, 27, 28, 29, December 2, 3, 4, 5, 6, 9, 10, 11, 12, 13, 17, 18, 19, 20**

C. Total number of days or nights of racing: **27**

D. Days or nights of the week races will be held:
 Wed - Sun Tues - Sat Other (specify) See 2E

E. Number of days or nights of racing per week: **Simulcasting only on 11/11, 11/12 and 12/16**

3. RACING PROGRAM

A. Total number of races: **232**

B. Number of races for each day or night: **8 races on Wednesdays, Thursdays and Fridays; 9 or 10 races on a selected basis on Saturdays, Sundays, and Friday, November 27**

C. Total number of stakes races: **12 Stakes + 2 Overnight Stakes for a total of 14**

D. Attach a listing of all stakes races and indicate the date to be run and the added money or guaranteed purse for each. Note the races that are designated for California-bred horses. **Attached.**

CHRB CERTIFICATION

Application received: *8/22/09*
Deposit received: *on file*
Reviewed: *[Signature]*

Hearing date: *9/17/09*
Approved date:
License number:

HOLLYWOOD PARK FALL MEETING
2009 PROPOSED OVERNIGHT STAKES SCHEDULE

<u>DATE</u>	<u>STAKE</u>	<u>PURSE/DISTANCE</u>
Sat. Nov. 14	ON TRUST HANDICAP Three Year Olds & Upward, Bred in California	\$75,000 Added * Seven and One Half Furlongs
Sun. Nov. 15	CAT'S CRADLE HANDICAP Fillies & Mares, Three Year Olds & Upward, Cal-Bred	\$75,000 Added* Seven and One Half Furlongs

* - \$10,000 from the Cal-Bred Race Fund

HOLLYWOOD PARK FALL MEETING
2009 PROPOSED STAKES SCHEDULE

<u>DATE</u>	<u>STAKE</u>	<u>PURSE/DISTANCE</u>
Sat. Nov. 21	HOLLYWOOD PREVUE STAKES (GRADE III) Two Year Olds	\$100,000 Seven Furlongs
Sun. Nov. 22	MOCCASIN STAKES Fillies, Two Years Old	\$100,000 Seven Furlongs
Fri. Nov. 27	CITATION HANDICAP (GRADE I) Three Year Olds & Upward	\$300,000 One Mile and One Sixteenth (Turf)
Sat. Nov. 28	THE MATRIARCH (GRADE I) Fillies & Mares, Three Year Olds & Upward	\$300,000 One Mile (Turf)
Sat. Nov. 28	GENEROUS STAKES (GRADE III) Two Year Olds	\$100,000 One Mile (Turf)
Sun. Nov. 29	HOLLYWOOD DERBY (GR. I) Three Year Olds	\$300,000 One Mile and One Quarter (Turf)
Sun. Nov. 29	MIESQUE STAKES (GRADE III) Fillies, Two Years Old	\$100,000 One Mile (Turf)
Sat. Dec. 5	BAYAKOA HANDICAP (GRADE II) Fillies & Mares, Three Year Olds & Upward	\$150,000 One Mile and One Sixteenth
Sun. Dec. 6	VERNON O. UNDERWOOD (GRADE III) Three Year Olds & Upward	\$100,000 Six Furlongs
Sat. Dec. 12	NATIVE DIVER HANDICAP (GRADE III) Three Year Olds & Upward	\$100,000 One Mile and One Eighth
Sat. Dec. 19	CASHCALL FUTURITY (GRADE I) Two Year Olds Nominations Friday, May 15, 2009	\$750,000 Guaranteed One Mile and One Sixteenth
Sun. Dec. 20	HOLLYWOOD STARLET (GRADE I) Fillies, Two Years Old Nominations Friday, May 15, 2009	\$300,000 Guaranteed (\$200,000 Added) One Mile and One Sixteenth

* Includes \$10,000 from the Cal-Bred Fund

E. Will provisions be made for owners and trainers to use their own registered colors?

Yes No If no, what racing colors are to be used:

F. List all post times for the daily racing program:

<i>Race</i>	All days except Fridays Nov. 13 & 20 And Thursday, November 26	Friday Nights Nov. 13 & 20	Thanksgiving Day, Thursday November 26
1 st	12:30 p.m.	7:05 p.m.	11:00 am
2 nd	1:00 p.m.	7:35p.m.	11:30 am
3 rd	1:30 p.m.	8:05 p.m.	12:00 noon
4 th	2:00 p.m.	8:35 p.m.	12:30 pm
5 th	2:30 p.m.	9:05 p.m.	1:00 pm
6 th	3:00 p.m.	9:35 p.m.	1:30 pm
7 th	3:30 p.m.	10:05 p.m.	2:00 pm
8 th	4:00 p.m.	10:35p.m.	2:30 pm
9 ^{th*}	4:30 p.m.		
10 ^{th*}	5:00 p.m.		

* When applicable

NOTICE TO APPLICANT: Every licensee conducting a horse racing meeting shall each racing day provide for the running of at least one race limited to California-bred horses, to be known as the "California-bred race" pursuant to CHRB Rule 1813. For thoroughbred and quarter horse meetings, the total amount distributed for California-bred stakes races from the purse account, including overnight stakes, shall not be less than 10% of the total amount distributed for all stakes races pursuant to B&P Code Section 19568(b).

4. RACING ASSOCIATION

- A. Association is a: Corporation (complete subsection C)
 LLC (complete subsection D)
 Other (specify, and complete subsection E)

B. Complete the applicable subsection and attached Addendum, Background Information and Ownership. **On file**

C. CORPORATION – N/A

D. LLC

- Registered name of the LLC: **Hollywood Park Fall Racing Association, LLC**
- State where articles of organization are filed: **Delaware**
- Registry or file number for the LLC: **3993459**

- Names of all officers and directors, titles, and the number of shares of the LLC held by each:

Terrence Fancher, Chairman & Director	0
Jack Liebau, President	0
Kristin Renaudin, Secretary	0

Charlene Kiley, Vice President	0
Eual Wyatt, Vice President	0
Barbara Helm, Vice President, Finance	0
Martin Panza, Vice President	0
Bernie Thurman, Vice President	0
Dyan Grealish, Vice President	0

5. Names (true names) of all members, other than the officers and directors listed above, that hold 5% or more of the outstanding shares in the LLC and the number of shares held by each: N/A
6. Are the shares listed for public trading? Yes No
If yes, on what exchange and how is the stock listed:
7. If more than 50% of the shares are held by a parent corporation or are paired with any other corporation or entity, give the name of the parent and/or paired corporation or entity:
Stockbridge Real Estate Partners II, LLC is the general partner of the Fund which owns the Applicant
8. Attach the most recent audited annual financial statement for the licensee, including balance sheet and profit and loss statement, and a copy of a report made during the preceding 12 months to shareholders in the LLC and/or the Securities and Exchange Commission and/or the California Corporations Commission. **Balance sheet on file with the CHRB.**

E. OTHER – N/A

F. Management and Staff

1. Name and title of the managing officer and/or general manager of the association and the name and title of all department managers and staff, other than those listed in 10B, who will be listed in the official program:
 - F. Jack Liebau, President**
 - Eual G. Wyatt, Jr., Vice President & General Manager**
 - Charlene Kiley, Vice President**
 - Dyan Grealish, Vice President Marketing & Sales**
 - Barbara Helm, Vice President, Finance**
 - Martin Panza, Vice President-Racing**
 - Bernie Thurman, Vice President**
 - Don Barney, Director of Security & Safety**
 - Cleon Bounds, Property Manager**
 - Bernie Eastridge, Turf Course Superintendent**
 - Diane Hudak, Horsemen's Liaison**
 - Russell Hudak, Timer, Morning Line Maker**
 - Dal Jones, Director of Marketing**
 - Michael Mooney, Director of Media Relations**
 - Dennis Moore, Track Superintendent**
 - Robert Poole, Director of Pari-Mutuels**
 - Roger Roman, Director of Broadcasting**
 - Vic Stauffer, Track Announcer**
 - Mark Tomes, Plant Superintendent**
 - Kay Webb, Simulcast Coordinator**
 - Cole Younger, Operations Manager**
 - Kerlan-Jobe Orthopedic, Jockeys' Physician**

2. Name and title of the person(s) authorized to receive notices on behalf of the association and the mailing address of such person(s) if other than the mailing address of the association:

F. Jack Liebau, President, 1050 South Prairie Avenue, Inglewood, CA 90301

5. PURSE PROGRAM

Please note that there were 40 race days during the prior meeting compared to 27 race days for the current meeting.

A. Purse distribution:

1. All races other than stakes

Current meet estimate: **\$6,243,000 (includes underpayment carryover of \$225,000)**

Prior meet actual: **\$8,674,458 (includes an underpay distribution of \$125,176)**

Average Daily Purse (5A1 ÷ number of days):

Current meet estimate: **\$231,200**

Prior meet actual: **\$216,861**

2. Overnight stakes:

Current meet estimate: **\$130,000**

Prior meet actual: **\$510,000**

Average Daily Purse (5A2 ÷ number of days):

Current meet estimate: **\$ 4,815**

Prior meet actual: **\$12,750**

3. Non-overnight stakes:

Current meet estimate: **\$1,900,000**

Prior meet actual: **\$2,895,000**

Average Daily Purse (5A3 ÷ number of days):

Current meet estimate: **\$70,370**

Prior meet actual: **\$72,375**

B. Stakes races:

1. Purse distribution for all stakes races:

Current meet estimate: **\$2,030,000**

Prior meet actual: **\$3,405,000**

Average Daily Purse (5B1 ÷ number of days):

Current meet estimate: **\$75,185**

Prior meet actual: **\$85,125**

2. Percentage of the purse distribution for all stakes races that will be distributed for California-bred stakes races:

Current meet estimate: **6.4%**

Prior meet actual: **5%**

C. Funds to be generated for all California-bred incentive awards:

Current meet estimate: **\$537,000**

Prior meet actual: **\$838,000**

D. Payment to each recognized horsemen's organization contracting with the association and the name(s) of the organization(s):

Recognized Horsemen's Organization	Current meet estimate:	Prior meet actual:
TOC	\$82,716	\$122,400
CTT - Pension	82,716	122,400
CTT - Admin	41,359	61,201
NTRA	<u>28,722</u>	<u>30,390</u>
Total	\$235,513	\$336,391

E. Amount from all sources to be distributed in the form of purses or other benefits to horsemen (5A+5C+5D):

Current meet estimate:	\$9,045,513
Prior meet actual:	\$13,253,849

Average Daily Purse (5E ÷ number of days):

Current meet estimate:	\$335,019
Prior meet actual:	\$331,346

F. Purse funds to be generated from on-track handle and intrastate off-track handle:

Current meet estimate:	\$5,465,700
Prior meet actual:	\$8,517,298

Average Daily Purse (5F ÷ number of days):

Current meet estimate:	\$202,433
Prior meet actual:	\$212,932

G. Purse funds to be generated from interstate handle:

Current meet estimate:	\$2,582,300
Prior meet actual:	\$3,436,984

Average Daily Purse (5G ÷ number of days):

Current meet estimate:	\$95,640
Prior meet actual:	\$85,925

H. Bank and account number for the Paymaster of Purses' purse account: Hollywood Park is in the process of changing banks. **Union Bank of California Account No. On file**

I. Name, address and telephone number of the pari-mutuel audit firm engaged for the meet: **Bowen & Mc Beth Inc. 10722 Arrow Highway, Suite 110 ,Rancho Cucamonga, Ca. 91730 909/944-6465**

NOTICE TO APPLICANT: All funds generated and retained from on-track pari-mutuel handle which are obligated by law for distribution in the form of purses, breeders' awards or other benefits to horsemen, **shall not** be deemed as income to the association; **shall not** be transferred to a parent corporation outside the State of California; and **shall**, within 3 calendar days following receipt, be deposited in a segregated and separate liability account in a depository approved by the CHRB and shall be at the disposition of the Paymaster of Purses, who shall pay or distribute such funds to the persons entitled thereto. All funds generated from off-track simulcast wagering, interstate wagering, and out-of-state wagering which are obligated by law for distribution in the form of purses and breeders' awards, shall also be deposited within 3 calendar days following receipt, into such liability account. In the event the association is obligated to the payment of purses prior to those obligated amounts being retained from pari-mutuel wagering for such purpose, or as a result of overpayment of earned purses at the conclusion of the meeting, the association shall transfer from its own funds such amounts as are necessary for the Paymaster of Purses to distribute to the horse owners statutorily or contractually entitled thereto. The association is entitled to recover such transferred funds from the Paymaster of Purses' account; and if insufficient funds remain in the account at the conclusion of the meeting, the association is entitled to carry forward the deficit to its next succeeding meeting as provided by B&P

CHRB-17 (Rev. 12/06)

Code Section 19615(c) or (d). In the event of **underpayment** of purses which results in a balance remaining in the Paymaster of Purses' account at the conclusion of the meeting after distribution of amounts due to horsemen and breeders and horsemen's organizations, the association may carry forward the surplus amount to its next succeeding meeting; provided, however, that the amount so retained does not exceed an amount equivalent to the average daily distribution of purses and breeders' awards during the meeting. All amounts in excess shall be distributed retroactively and proportionally in the form of purses and breeders' awards to the horse owners and breeders having earned purses or awards during the conduct of the meeting.

6. STABLE ACCOMMODATIONS

- A. Number of usable stalls available for racehorses at the track where the meeting is held: **1,950**
- B. Minimum number of stalls believed necessary for the meeting: **1,950**
- C. Total number of usable stalls to be made available off-site at approved auxiliary stabling areas or approved training centers: **2,500**
- D. Name and location of each off-site auxiliary stabling area and the number of stalls to be maintained at each site: *
- | | |
|---------------------------|--------------|
| Santa Anita | 1,500 |
| San Luis Rey Downs | 500 |
- E. Attach each contract or agreement between the association and the person(s) furnishing off-site stabling accommodations for eligible racehorses that cannot be provided stabling on-site. **On file**

Complete subsections F through H if the association will request reimbursement for off-site stabling as provided by B&P Code Sections 19607, 19607.1, 19607.2, and 19607.3; otherwise, skip to Section 7.

- F. Total number of usable stalls made available on-site for the **1986** meeting: **2,000**
- G. Estimated cost to provide off-site stalls for this meeting: **\$535,000**. Show cost per day per stall:
Average cost: **\$6.37**
- H. Estimated cost to provide vaning from off-site stalls for this meeting. Show fees to be paid for vaning per-horse: **\$225,000**
- | | |
|------------------------------------|--------------|
| Roundtrip from: Santa Anita | \$180 |
| San Luis Rey | \$320 |
| Los Alamitos | \$180 |

* At the time of submission of this application, it is contemplated that Fairplex will not be open for stabling during this race meeting

7. PARI-MUTUEL WAGERING PROGRAM

- A. Pursuant to B&P Code Section 19599, and with the approval of the CHRB, associations may elect to offer wagering programs using CHRB Pari-mutuel Rules, the Association of Racing Commissioners International (RCI) Uniform Rules of Racing, Chapter 9, Pari-mutuel Wagering, or a combination of both. Please complete the following schedule for the types of wagering other than WPS and the minimum wager amount for each:
Use DD for daily double, E for exacta (special quinella), PK3 for pick three, PK4 for select four, PNP for pick (n) pool, PPN for place pick (n), Q for quinella, SF for superfecta, TRI for trifacta, and US for unlimited sweepstakes (pick 9).

	TYPE OF WAGERS	APPLICABLE RULES
Race #1 *	\$2DD	CHRB 1957
	\$1E	CHRB 1959
	\$1PPN	CHRB 1976.8
	\$1PK3	CHRB 1977
	\$2Q	CHRB 1958
	\$1 PNP (Pick 4)	CHRB 1976.9
Race #2 *	\$2DD	CHRB 1957
	\$1E	CHRB 1959
	\$1PK3	CHRB 1977
	\$2Q	CHRB 1958
Race #3 *	\$2DD	CHRB 1957
	\$1E	CHRB 1959
	\$1PK3	CHRB 1977
	\$2Q	CHRB 1958
	\$2 PNP (Pick 6 when 8 races)	CHRB 1976.9
Race #4 *	\$2DD	CHRB 1957
	\$1E	CHRB 1959
	\$1PK3	CHRB 1977
	\$2Q	CHRB 1958
	\$2 PNP (Pick 6 when 9 races)	CHRB 1976.9
Race #5 *	\$2DD	CHRB 1957
	\$1E	CHRB 1959
	\$1PK3	CHRB 1977
	\$2Q	CHRB 1958
	\$2PNP (Pick 6 when 10 races)	CHRB 1976.9
	\$1PNP (Pick 4 when 8 races)	CHRB 1976.9
Race #6 *	\$2DD	CHRB 1957
	\$1E	CHRB 1959
	\$1PK3	CHRB 1977
	\$2Q	CHRB 1958
	\$1PNP (Pick 4 when 9 races)	CHRB 1976.9
Race #7 *	\$2DD	CHRB 1957
	\$1E	CHRB 1959
	\$1PK3 (when 9 or more races)	CHRB 1977
	\$2Q	CHRB 1958
	\$1PNP (Pick 4 when 10 races)	CHRB 1976.9
Race #8 *	\$2 DD (when 9 or more races)	CHRB 1957
	\$1E	CHRB 1959
	\$1PK3 (when 10 races)	CHRB 1977
	\$2Q	CHRB 1958
Race #9 *	\$1E	CHRB 1959
	\$2Q	CHRB 1958
	\$2 DD (when 10 races)	CHRB 1957
Race #10*	\$1E	CHRB 1959
	\$2Q	CHRB 1958

* \$1 Trifecta in any race when we can comply with CHRB Rule 1979. 10 cent Superfecta in any race when we can comply with CHRB Rule 1979.1. The Pick 6 [P(n)P] will be offered on the last 6 races of the card. In accordance with CHRB Rule 1976.9 we designate that seventy percent (70%) of the net Pick 6 pool be retained for the jackpot and that no cap be set on the jackpot. A Pick 4 (PnP) will be offered on the first 4 and last 4 races of the card. In accordance with CHRB Rule 1976.9 we designate that major share of the Pick 4 pool be designated as 0%. Additionally, we will offer our patrons the option of an alternate selection pick in the place Pick All and Pick 6 and Pick 4. Additionally we will offer Win, Place or Show parlay wagering in accordance with CHRB 1954.1. We will also offer the Super High Five on the last race of the card in accordance with the ARCI Pick(n) Position(x) pools rule.

NOTE: Applicant reserves the right to offer or substitute additional wagers approved prior to or during its meeting.

- B. Maximum carryover pool to be allowed to accumulate before its distribution OR the date(s) designated for distribution of the carryover pool: **Closing day, December 20, 2009**
- C. List any options requested with regard to exotic wagering: **B & P Code Section 19611.5**
- D. Will "advance" or "early bird" wagering be offered? Yes No
If yes, when will such wagering begin: **8:30 am on the day of and advance-day wagering.**
- E. Type(s) of pari-mutuel or totalizator equipment to be used by the association and the simulcast organization, name of the person(s) supplying equipment, and expiration date of the service contract:
Scientific Games, September 2012

8. ADVANCE DEPOSIT WAGERING (ADW)

- A. Identify the ADW provider(s) to be used by the association for this race meeting: **TVG, YouBet, Xpress Bet & Twinspires.com (Television provider will be TVG)**

9. SIMULCAST WAGERING PROGRAM

- A. Simulcast organization engaged by the association to conduct simulcast wagering: **Southern California Off-Track Wagering, Inc.**
- B. Attach the agreement between the association and simulcast organization permitting the organization to use the association's live audiovisual signal for wagering purposes and providing access to its totalizator for the purpose of combining on-track and off-track pari-mutuel pools. **On File with CHRB**

- B. California simulcast facilities the association proposes to offer its live audiovisual signal:

National Orange Show (San Bernardino)	Barona Indian Reservation
Del Mar Fair (Del Mar)	Sycuan Tribe
Ventura County Fair	Cabazon Indian Reservation
Riverside County Nat'l Date Fest. (Indio)	Viejas Indian Reservation
Lake Perris Fairgrounds	Santa Anita Racetrack
Santa Barbara Horse & Flower Show (S.B.)	L.A. County Fair (Pomona)
Santa Barbara County Fair (Santa Maria)	Los Alamitos Race Course
Antelope Valley Fair & Alfalfa Fest. (Lancaster)	San Bernardino County Fair (Victorville)
All Northern California locations authorized to conduct pari-mutuel wagering	

- D. Out-of-state wagering systems the association proposes to offer its live audiovisual signal:
Attachment "A"

- E. Out-of-state wagering systems that will combine their pari-mutuel pools with those of the association:
Attachment "A"
- F. For **THOROUGHBRED** racing associations, list the host track from which the association proposes to import out-of-state and/or out-of-country thoroughbred races. Include the dates imported races will be held, and whether or not a full card will be accepted. If the full card will not be imported, state "selected feature and/or stakes races": **See Attachment "B"**

NOTICE TO APPLICANT: B&P Code Section 19596.2(a) stipulates that on days when live thoroughbred or fair racing is being conducted in the state, the number of thoroughbred races which may be imported by an association or fair during the calendar period the association or fair is conducting its racing meeting cannot exceed a combined daily total of 23 imported thoroughbred races statewide. The limitation of 23 imported thoroughbred races per day statewide does not apply to those races specified in B&P Code Section 19596.2(a)(1), (2), (3) and (4).

THOROUGHBRED SIMULCAST RACES TO BE IMPORTED

Name of Host Track	Race Dates	Full Card or Selected Feature and/or Stakes Races
--------------------	------------	---

- G. For **QUARTER HORSE** racing associations, list the host track from which the association proposes to import out-of-state and/or out-of-country quarter horse races. Include the dates imported races will be held, and whether or not a full card will be accepted. If the full card will not be imported, state "selected feature and/or stakes races": N/A

QUARTER HORSE SIMULCAST RACES TO BE IMPORTED

Name of Host Track	Race Dates	Full Card or Selected Feature and/or Stakes Races
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- H. For **STANDARD BRED** racing associations, list the host tracks from which the association proposes to import out-of-state and/or out-of-country harness races. Include the dates imported races will be held, and whether or not a full card will be accepted. If the full card will not be imported, state "selected feature and/or stakes races": N/A

HARNESS SIMULCAST RACES TO BE IMPORTED

Name of Host Track	Race Dates	Full Card or Selected Feature and/or Stakes Races
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- I. For **ALL** racing associations, list imported simulcast races the association plans to receive which use breeds other than the breed of the majority of horses racing at its live horse racing meeting. Include the name of the host track, the dates imported races will be held, and how many races will be imported: **Wagering will be offered on all races conducted or imported by Los Alamitos (Quarter Horse) and Cal Expo (Harness)**

OTHER BREED SIMULCAST RACES TO BE IMPORTED

Name of Host Track	Breed of Horse	Race Dates	Number of Races to be Imported
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- J. For **ALL** racing associations, if any out-of-state or out-of-country races will commence outside of the time constraints set forth in B&P Code Section 19596.2 and 19596.3, attach a copy showing the agreement by the appropriate racing association(s). N/A

NOTICE TO APPLICANT: All interstate wagering to be conducted by an association is subject to the provisions of Title 15, United States Codes, which require specific **written** approval of the CHRB and of the racing commission having jurisdiction in the out-of-state venue. All international wagering to be conducted by an association is subject to the provision of B&P Code Sections 19596, 19596.1, 19596.2, 19601, 19602, and 19616.1, and will require specific written approval of the CHRB.

Attachment A – Section 9D and 9E

Out of State Wagering Systems the association proposes to offer its live audiovisual signal. Locations that will not combine their pools with those of the association are marked with an asterisk (*)

Hollywood Park Fall Meet		Prepared: July 30, 2009
COMMINGLED POOL SITES	COMMINGLED POOL SITES	COMMINGLED POOL SITES
<u>Location</u>	<u>Location</u>	<u>Location</u>
AmWest Entertainment, ND <i>AmWest Accounts</i> <i>Riders Up (SD)</i> <i>Time Out Lounge (SD)</i> <i>Triple Crown OTB (SD)</i>	International All Sports Ltd., FL Keeneland, KY . Kentucky Downs, KY Kentucky OTB, KY Lebanon Raceway, OH Lewiston Raceway/OTB-ME	Suffolk Downs, MA <i>Pat's Pizza OTB (ME)</i> Suffolk Regional OTB, NY Sunland Park, NM SunRay Park & Casino, nm The Greyhound Park @ Post Falls, ID The Lodge @ Belmont, NH The Meadows, PA Thistledown, OH Tioga Downs, NY Tri-State Greyhound, WV The Racing Channel Turf de Venezuela Turf Paradise, AZ Turfway Park, KY TVG (Television Games Network), CA Taunton Dog Track, MA Taunton ADW, MA Twin Spires ADW, KY Vernon Downs, NY Western Regional OTB, NY Wheeling Downs, WV Will Rogers Downs, OK Wonderland Greyhound, MA Wyoming OTB, WY XpressBet, Inc., CA Yavapai Downs, AZ Yonkers Raceway, NY Yonkers ADW – TVG Cedar Downs OTB Zia Park, NM
Arapahoe-Mile High Park, CO Arima Race Club, Trinidad Arlington International, IL Atlantic City Casino Assn, NJ Atlantic City Race Course, NJ Atokad Downs, NE Balmoral/Maywood Park, IL Bangor Raceway/Millers OTB, ME Bet Pad Ltd. Beulah Park, OH Birmingham Race Course, AL Blue Ribbon Downs, OK Bluffs Run Greyhound Track, IA Bordertown Buffalo Raceway, NY Calder Racecourse, FL *Canadian Associations Canterbury Park, MN Capital District OTB, NY Catskill Regional OTB, NY Charles Town Race Course, WV Churchill Downs, KY Coeur d'Alene Casino & ADW, ID Colonial Downs, VA Columbus Raceway, NE Comtech (BRZ)	Lien Games, ND <i>Chips Lounge and Casino</i> <i>North Dakota Horse Park</i> <i>Idaho Falls Racing OTB</i> <i>Rumors OTB</i> <i>SkyDancer Casino</i> Lincoln Greyhound Park @ Twin Rivers, RI Lone Star Park, TX Louisiana Downs, LA LVDC <i>Cities of Gold / Pojoaque</i> <i>Foxwoods Resort Casino</i> <i>Meskwaki Bingo</i> <i>The Stables</i> <i>Elite Turf Club #1</i> <i>Elite Turf Club #2</i> <i>Elite Turf Club #3</i> <i>Elite Turf Club #4</i> <i>Elite Turf Club #6</i> <i>Elite Turf Club #7</i> <i>Elite Turf Club #8</i> Manor Downs, TX Maryland Jockey Club, MD Meadowlands/Monmouth, NJ Montana OTB, MT Monticello Raceway, NY Mountaineer Park, WV Monticello Raceway, NY Mountaineer Park, WV Mount Pleasant Meadows, MI Nevada Pari-Mutuel Association, NV New Jersey Casino Association, NJ New Mexico, NM Newport Jai Alai, RI New York City OTB, NY New York Racing Association, NY Northfield Park, OH <i>Cedar Downs OTB</i> Northville Downs, MI Oaklawn Park, AR Ocean Downs, MD Penn National, PA Philadelphia Park, PA Phumelela Gold, S. Africa Pinnacle Race Course, MI Plainridge Racecourse, MA Pocono Downs, PA Portland Meadows, OR	
Connecticut OTB, CT Mount Pleasant Meadows, MI <i>Divi Carina Bay Casino</i> <i>Equis St. Thomas Racing</i> <i>Fair Chance Racing</i> <i>Ho-Chunk Casino</i> <i>John Martini's Manor</i> <i>Millendium Racing</i> <i>Mohegan Sun Casino</i> <i>Oneida Bingo & Casino, ID</i> <i>Paragon Casino & Resort</i> <i>Pony Bar Simulcast Center</i> <i>Randall James Racetrack</i> <i>Royal Beach Casino</i> <i>Shoreline Star Greyhound Park</i> <i>Tote Investment Racing Service</i> Corpus Christi Greyhound Racing, TX Cypress Bayou, LA Dairyland Greyhound Park, WI Delaware Park, DE Delta Downs, LA Dover Downs, DE		

CHRB-17 (Rev. 12/06)

Downs at Albuquerque, NM
 Ellis Park, KY
 Emerald Downs, WA
 Evangeline Downs, LA
 Fair Grounds, LA
 Fair Meadows at Tulsa, OK
 Fairmount Park, IL
 Finger Lakes, NY
 Fonner Park, NE
 Freehold Raceway, NJ
 Gillespie County Fair, TX

Global Wagering Solutions (MEC) Magna Bet

Great Lakes Downs, MI
 Greenetrack, AL
 Gulf Greyhound Park, TX
 Harrah's Chester Downs, PA
 Harrington Raceway, DE
 Hawthorne Race Course, IL
 Hazel Park, MI
 Hinsdale Greyhound, NH
 Hipodromo President Ramon, PAN
 Hoosier Park, IN
 Horsemen's Park, NE
 Indiana Downs, IN
 | Suffolk Downs, MA
 | Evansville OTB

***Canadian Associations**

Potawatomi Resort Casino, WI
 Prairie Meadows, IA
 Presque Isle Downs, PA
 Raceway Park, OH
 Racing2Day, FL
 Racing & Gaming Ser., Inc., Br. WI
 Raynham Taunton Greyhound, MA
 Remington Park, OK
 Retama Park, TX
 River Downs, OH
 Rockingham Park, NH
 | Seabrook Greyhound
 Rosecroft Raceway, MD
 Royal River Racing (Bettor Racing OTB), SD
 Ruidoso Downs, NM
 Running Aces Harness Park, MN
 Sam Houston Race Park, TX
 | Valley Greyhound Park
 Saratoga Raceway, NY
 Scarborough Downs, ME
 Scioto Downs, OH
 Sol Mutuel Ltd, Grenada
 Southland Greyhound Park, AR
 Sports Center, KY

SEPARATE POOL SITES

Location

Hipodromo Presidente Remon (Pan)
 Hipodromo Camarero (PR)
 Caymanas Park (Jam)

Assiniboia Downs, Barrie Raceway, Charlottetown, Clinton Raceway, Connaught Park – Aylmer, Dresden, Elmira Raceway, Evergreen Park, Exhibition Park, Flamboro Downs, Fort Erie Racetrack, Fraser Downs, Fredericton Raceway, Georgian Downs, Grand River, Hanover Raceway, Hastings Park, Hiawatha, Hippodrome de Montreal, Hippodrome de Quebec, Hippodrome de Trois-Rivieres, Inverness Raceway, Kawartha Downs, Marquis Downs, Mohawk Racetrack, Northlands Park, Picox Downs, Quinte Raceway, Rideau Carleton Raceway, Rocky Mountain Turf Club, Royal Britannia Hub, St. John's, Stampede Park, Sudbury Downs, Summerside-PEI, TBC Sandown, TBC Teletheatres, Truro Raceway, Western Fair Raceway, Windsor Raceway, Woodbine, Woodstock-Ontario

Attachment B – Section 9F

Hollywood Park Fall Meet
November 11, 2009 – December 21, 2009
Out-of-State & International Imports - Full or Partial Card (Subject to Change)

<u>DOMESTIC</u>	
AQUEDUCT	11/11-12/13
BEULAH PARK	11/11-12/21
CALDER RACECOURSE	11/11-12/21
CHURCHILL DOWNS	11/11-11/28
DELAWARE	11/11-12/21
DELTA DOWNS	11/11-12/21
FAIR GROUNDS	11/13-12/21
HAWTHORNE RACECOURSE	11/11-12/21
LAUREL	11/11-12/21
MEADOWLANDS	11/11-12/5
MOUNTAINEER	11/11-12/21
PENN NATIONAL	11/11-12/21
PHILADELPHIA PARK	11/11-12/21
PORTLAND MEADOWS	11/11-12/21
PRAIRIE MEADOWS	11/11-12/21
REMINGTON PARK	11/11-12/13
SUNLAND PARK	12/11-12/21
TAMPA BAY	12/12-12/21
TURF PARADISE	11/11-12/21
TURFWAY PARK	11/29-12/21
ZIA PARK	11/11-12/8
<u>INTERNATIONAL</u>	
WOODBINE	11/11-12/6
SOUTH AMERICAN RACING	11/11-12/21
SAN ISIDRO	11/11-12/21
HIPPODROMO CHILE	11/11-12/21
MARONAS	11/11-12/21

Every association shall pay over to the simulcast organization within 3 calendar days following the closing of wagering for any day or night racing program, or upon receipt of the proceeds, such amounts that are retained from off-track simulcast wagering, interstate and out-of-state wagering, and which are obligated by statute for guest commissions, simulcast operator's expenses and promotions, equine research, local government in-lieu taxes, and stabling and vaning deductions. Every association shall pay to its Paymaster of Purses' account within 3 calendar days following the closing of wagering for each day or night racing program, or upon receipt of the proceeds, such amounts that are retained or obligated from off-track simulcast wagering, interstate and out-of-state wagering for purses, breeders' awards or other benefits to horsemen. (See Notice to Applicant, Section 5.)

10. CHARITY RACING DAYS

A. Name and address of the distributing agent (charity foundation) for the net proceeds from charity racing days held by the association: **Hollywood Park Racing Charities, 1050 South Prairie Avenue Inglewood, California 90301 310-419-1518**

B. Names and addresses of the trustees or directors of the distributing agent:

Tirso del Junco, M.D.
Chairman & President
761 Terminal St. #1
Los Angeles, CA 90021

Miss Angie Dickinson
Treasurer
P. O. Box 369
Inglewood, CA 90306

Mr. Willie D. Davis
Vice-President
P. O. Box 369
Inglewood, CA 90306

Mrs. Barbara Knight
Secretary
P. O. Box 369
Inglewood, CA 90306

Rick Baedeker
c/o Hollywood Park
1050 South Prairie Ave
Inglewood, CA 90301

Alvin Segel, Esq.
Irell & Manella
1800 Avenue of the Stars, #900
Los Angeles, CA 90067

C. Dates the association will conduct races as charity racing days OR:

D. Will the association pay the distributing agent an amount equal to the maximum required under B&P Code Section 19550(b)? Yes

NOTICE TO APPLICANT: Net proceeds from charity racing days shall be paid to the designated and approved distributing agent within 180 days following the conclusion of the association's race meeting in accordance with the provisions of B&P Code Section 19555. Thereafter, the distributing agent shall distribute not less than 90% of the aggregate proceeds from such charity racing days within 12 calendar months after the last day of the meeting during which the charity racing days were conducted and shall distribute the remaining funds as soon thereafter as is practicable. At least 20% of the distribution shall be made to charities associated with the horse racing industry in accordance with the provisions of B&P Code Section 19556(b).

11. RACING OFFICIALS, OFFICIALS, AND OFFICIATING EQUIPMENT

A. Racing officials nominated:

Association Veterinarian(s)	Jill Bailey, D.V.M.
Clerk of Scales/Film Specialist	Ruben Hernandez
Clerk of the Course	Lisa Jones
Horse Identifier	Jennifer Paige
Horseshoe Inspector	Louis Damore
Paddock Judge/Patrol Judge	Ken Goldberg
Patrol Judge	Heather Correa

Placing Judges	Zachary Soto
	Kevin Colosi
Starter	Gary Brinson
Timer	Russell Hudak

- B. Management officials in the racing department:
- | | |
|--------------------------------|-----------------------------------|
| Director of Racing | N/A |
| Racing Secretary | Martin Panza |
| Assistant Racing Secretary | Richard Wheeler and Daniel Eidson |
| Paymaster of Purses | Susan Winters |
| Others (Asst. Clerk of Scales) | Charles McCaul |
- C. Name, address and telephone number of the reporter employed to record and prepare transcripts of hearings conducted by the stewards: **Weinstein Court Reporters, 9582 Hamilton Avenue, Suite 265 Huntington Beach, California 92646 (714) 964-7102**
- D. Photographic device to be used for photographing the finish of all races, name of the person supplying the service, and expiration date of the service contract: **Plusmic, USA 12/31/09**
- E. Photo patrol video equipment to be used to record all races, name of the person supplying the service, and expiration date of the service contract. Specify the number and location of cameras for dirt and turf tracks. **Association provides its own service and equipment. Equipment utilized is described in Attachment "C"**
- F. Type of electronic timing device to be used for the timing of all races, name of the person supplying the service, and expiration date of the service contract: **American Teletimer, 12/31/09**

12. SECURITY CONTROLS

- A. Name and title of the person responsible for security controls on the premises. Include an organizational chart of the security department and a list of the names of security personnel and contact telephone numbers. **Don Barney, Director of Security 310/419-1395 – organizational chart attached.**
- B. Estimated number of security guards, gatemen, patrolmen or others to be engaged in security tasks on a regular full-time basis:
- 43 Uniformed Officers**
 - 8 Agents**
 - 5 Firemen**
 - 11 Gatemen**
 - 5 Communication Operators**
1. Attach a written plan for enhanced security for graded/stakes races, and races of \$100,000 or more, to include the number of security guards in the restricted areas during a 24-hour period and a plan for detention barns. **Six hours prior to post time, officers or Backstretch Events Personnel will be assigned to each horse scheduled to run in all stakes races with a purse value of \$100,000 or more. The officers and Backstretch Event Personnel will all be equipped with a video**

Attachment C – Section 11EVIDEO EQUIPMENTCAMERAS

Eight DXC-35 Sony Cameras
 Six DXC-637 Sony Cameras
 One BRC-H700 Sony remote control camera
 Pan (Wide) w/44X1 Fuji Lens
 Pan (Close up) w/55X1 Fuji Lens
 7/8 Dirt Tower w/45X1 Canon Lens
 7/8 Turf Tower w/22X1 Fuji Lens
 1/4 Tower w/26X1 Angenieux Lens
 3/16 Sony robo cam 16x1 Lens
 3/8 Dirt Tower w/45X1 Canon Lens
 3/8 Turf Tower w/33X1 Canon Lens
 One Autodome PTZ Day/Night Color Camera 23X 1 lens for Turf Chute Backside
 Winner's Circle w/18X1 Canon Lens
 Paddock view Camera w/18X1
 Ground Level Finish w/18X1 Canon Lens
 Gate Start Camera w/15X1 Fuji Lens
 Horse Tunnel Camera w/15X1 Canon Lens
 Studio Camera w/15X1 Canon Lens
 Paddock view Camera w/15X1

VIDEO TAPE RECORDING EQUIPMENT

12 - Channels Leitch 300 Video Servers
 2 - BVW - 75 Beta SP (slo-mo)
 4 - PVW – 2800 Beta Sp
 1- DPS Velocity video edit system

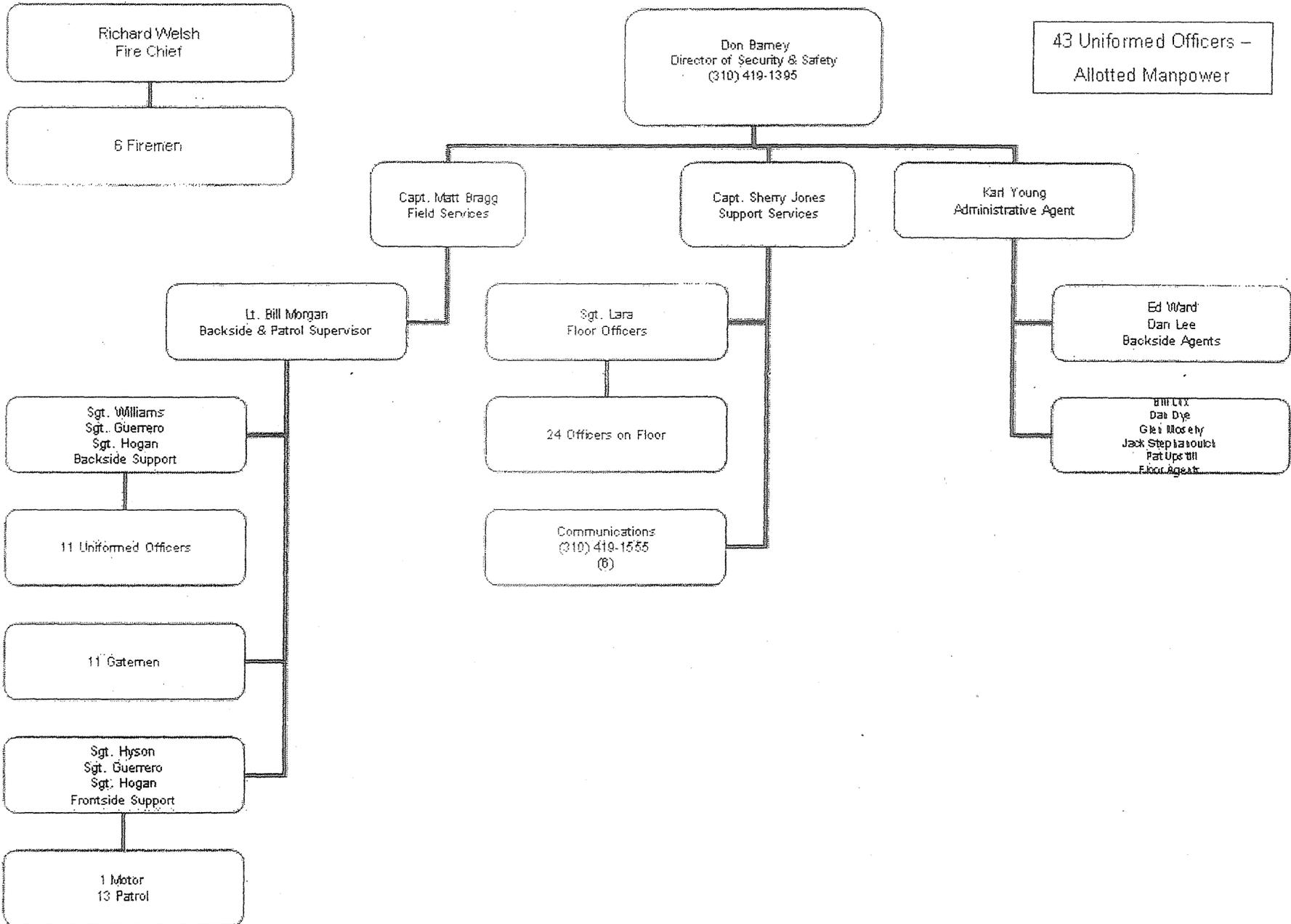
DISTRIBUTION/SWITCHING EQUIPMENT

Utah 132X132 A/V Router
 Ross Synergy 3 Production Switcher
 Ross "Squeeze & Tease" four Channel Digital Video Effects Unit

OTHER

Four "Autotote" VGS Units - Betting Screens
 Data links wagering system
 DekoCast Graphics System
 Pegasus Datalinks Broadcast Computer Graphics System
 Clear-com "Matrix" Intercom System
 Approximately 1,100 Color Televisions

Hollywood Park Security Department



surveillance camera and a security radio. In addition, there will be an Agent to monitor the security enforcement and 5 additional uniformed officers throughout the backside during racing. During non-racing, nighttime hours there will be 4 officers per shift patrolling the backside. In the event that horse is assigned to the detention barn, uniformed officers will be assigned to that area for twenty-four hour surveillance. The horses will also be under video surveillance.

2. Detention Barns:

A. Attach a plan for use of graded stakes or overnight races.

Detention barn is used as required by the CHRB.

B. Number of security guards in the detention barn area during a 24-hour period.

As needed at the direction of the CHRB.

C. Describe number and location of surveillance cameras in detention barn area.

There are currently 10 cameras over the stalls and 2 covering the shedrow. We have additional cameras on site ready for installation.

3. TCO2 Testing:

A. Number of races to be tested, and number of horses entered in each race to be tested.

Will follow CHRB staff directives.

B. Plan for enhanced surveillance for trainers with high-test results **Will follow CHRB staff directives.**

C. Plan for detention barns for repeat offenders. **Will follow CHRB staff directives.**

D. Number of security personnel assigned to the TCO2 program.

As needed per the advice of CHRB staff.

C. Describe the electronic security system:

1. Location and number of video surveillance cameras for the detention barn and stable gate.

Camera at each of our two stable gates, also see 2C above

D. For night racing associations: Describe emergency lighting system: **The track lighting system, which is used primarily for Friday night racing is on a preferred electrical current provided by Southern California Edison. Additionally we have an emergency lighting system powered by two karolite 125 k.w. 277/480 volt generators which are activated and placed on line during the running of every race run after dark.**

13. EMERGENCY SERVICES

A. Name, address and emergency telephone number of the ambulance service to be used during workouts and the running of the races: **Huntington Ambulance Service, Box 145 Sunset Beach, California 562/904-1550**

- B. Name, address and emergency telephone number of the ambulance service to be used during workouts at auxiliary sites: **Santa Anita- Huntington Ambulance Service, Box 145 Sunset Beach, California 562/904-1550; Pomona-Cole Schafer Ambulance Service, 324 N. Town Ave., Pomona California 909/966-4727-800/966-4727; San Luis Rey Downs- North County Fire Protection District, Fallbrook, California-760/723-2006**
- C. Describe the on-track first aid facility, including equipment and medical staffing: **Our first aid facility is located on the ground level in the hallway between the paymaster of purses and the track photographer offices. The rear entrance to the first aid facility opens to tunnel 1A and is approximately 12ft from the Jocks' room entrance. During training hours two certified EMTs are stationed in an ambulance located on the backstretch just off the main track. They have access to the first aid facility should the need arise. During racing hours two certified EMTs staff and maintain the first aid facility with an addition team of two EMTs stationed in an ambulance on the race track. Also during racing hours there is a medical doctor on duty who provided through Kerlan-Jobe clinic.**

The facility is equipped with the following: beds, stethoscope, otoscope, flash light, forceps, clamps, scissors, scalpel, tourniquet, sterile syringes, blood pressure kit, oxygen, eye flushes, splints, bandages, trauma dressing, hydrogen peroxide etc., nasal packing, topical anesthetic, thermometer, Silver nitrate sticks (AgNO₃), ice packs, backboards for spinal precautions, cervical collars, immobilization straps hare traction splints for closed femur fractures, KED splints, bag valve mask for CPR, Automated external defibrillator., oxygen masks, cannula tubing and a variety of addition supplies and over the counter drugs (aspirin etc.)

- D. Name and emergency telephone number of the licensed physician on duty during the race meeting: **Dr. John Goff 310/419 1562 There will be other doctors who will be pre scheduled to relieve Dr. Goff from time to time during the race meeting . That schedule will be provided to the CHRB when it becomes available.**
- E. Name, address and emergency telephone number of the hospital to be used for admittance and treatment of emergency injuries in the event of an on-track injury to a jockey: **Centinela Hospital, 555 East Hardy Street, Inglewood, Ca- Dr Lee Wise- Chief of staff 310/697-9180**
- F. Attach, in English and Spanish, the emergency medical plan procedures that will be posted in each jockey's room to be used in the event of an on-track injury to a jockey: **Refer to Attachment "D"**
- G. Name of health and safety manager and assistant manager responsible for compliance of health and safety provisions pursuant to B& P Code 19481.3(d): **Don Barney Safety Manager- Karl Young Assistant Safety Manager**
- H. Attach a fire clearance from the fire authority having jurisdiction over the premises. **Fire clearance inspection has been scheduled for September 24, 2009.**
- I. Name of the workers' compensation insurance carrier for the association and the number of the insurance policy (if self-insured, provide details): **Commerce & Industry Insurance Company WC3428561**
- J. Attach a Certificate of Insurance for workers' compensation coverage. The CHRB is to be named as a certificate holder and given not less than 10 days' notice of any cancellation or termination of insurance that secures the liability of the association for payment of workers' compensation. **Attached**



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
09/28/2009

PRODUCER Willis Insurance Services of California, Inc. 26 Century Blvd. P. O. Box 305191 Nashville, TN 37230-5191	877-945-7378		THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.	
			INSURERS AFFORDING COVERAGE	NAIC#
INSURED Stockbridge Capital Group, LLC dba Hollywood Park 4 Embarcadero Center, Suite 3300 San Francisco, CA 94111			INSURER A: Commerce & Industry Insurance Company	19410-100
			INSURER B:	
			INSURER C:	
			INSURER D:	
			INSURER E:	

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	ADD'L INSR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS	
		GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC				EACH OCCURRENCE	\$
						DAMAGE TO RENTED PREMISES (Ea occurrence)	\$
						ME&D EXP (Any one person)	\$
						PERSONAL & ADV INJURY	\$
						GENERAL AGGREGATE	\$
						PRODUCTS - COMP/OP AGG	\$
		AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALLOWED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS				COMBINED SINGLE LIMIT (Ea accident)	\$
						BODILY INJURY (Per person)	\$
						BODILY INJURY (Per accident)	\$
						PROPERTY DAMAGE (Per accident)	\$
		GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT	\$
						OTHER THAN AUTO ONLY: EA ACC	\$
						AGG	\$
		EXCESS / UMBRELLA LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE <input type="checkbox"/> RETENTION \$				EACH OCCURRENCE	\$
						AGGREGATE	\$
							\$
							\$
A		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? <input type="checkbox"/> Y/N (Mandatory in NH) If yes, describe under SPECIAL PROVISIONS below		9/23/2009	9/23/2010	<input checked="" type="checkbox"/> WC STATUTORY LIMITS	OTHER
						E.L. EACH ACCIDENT	\$ 1,000,000
						E.L. DISEASE - EA EMPLOYEE	\$ 1,000,000
						E.L. DISEASE - POLICY LIMIT	\$ 1,000,000
		OTHER					

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

CERTIFICATE HOLDER

CANCELLATION

CHRB
1010 Hurley Way
Suite 300
Sacramento, CA 95825

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE
[Signature]

Attachment D - Section 13

MEMORANDUM

From: Don Barney, Director of Security & Safety

Subject: Emergency Medical Action Plan for Injured Jockeys

Since May 1, 2003 we at Hollywood Park have had in place an emergency medical action-plan for injured jockeys. There is now a new law requiring such an action plan. Pursuant to the Business and Professions Code section 19481.3 (b) each racing association shall adopt and maintain an emergency medical action plan for injured jockeys and shall be posted in English and Spanish within the jockeys room.

The system we have in effect follows the exact guidelines required by the above statute. The emergency action plan we deploy goes as follows:

“Upon the observed or reported injury of a jockey, medical assistance will be immediate. The responding medical technician, track doctor or security will contact communications (via hand held radio or calling 310 4191555). Security will then activate the emergency contact procedure. This procedure will be the responsibility of the Safety Director or his designee. The Safety Director will contact the Chief of Medical Staff at Centinela Hospital and prepare for the injured jockeys arrival. The phone number of Centinela Hospital is 310- 4198636 and is located at 555 East Hardy Street, Inglewood.

The Chief of Staff will ensure that his personnel are standing by to receive the injured jockey. The Chief of Staff will also contact any specialists who are contracted for the care of an injured jockey. This will lay the foundation for a rapid admittance and treatment of the injured Jockey. A Security Agent will also be dispatched to respond to the emergency room to assist family members of the injured jockey and to also maintain the integrity of the injured jockeys needs. It will also be the responsibility of the Security Agent to keep the Director of Safety informed as to the condition and progress of the injured jockey. It will be the responsibility of the Security Agent to obtain a copy of the accident from the T.V. department. The Security Agent will prepare a report as to the accident and treatment. The agent will also ensure that all workers compensation information pertaining to the jockey is accurate and current.”

From: Don Barney, Director of Security & Safety

Subjecto: Emergencia Medica Accion de plan para el Jinete Lastimado

Desde Mayo 1, 2003 Hollywood Park a tenido un plan de Emergencia Medica para los jinetes lastimados. Hay nueva ley que requiere accion de plan. Siguiendo las leyes del negocio y Profesion Codigo seccion 19481.3(b) cada asociado de carrera tiene que adaptar y mantener el plan de emergencia en el cuarto de los jinetes.

El sistema en efectivo que tenemos sigue exactamente todas las reglas y guias. El plan de emergencia se dirige asi:

“Asistencia medica sera inmediata al observar o reportar un jinete lastimado. El medico tecnico, el doctor de hipodromo o seguridad se comunicara via radio o llamara (310)419-1555. Seguridad activara el proceso de el contacto de emergencia. Este proceso sera la responsabilidad de el Director de Seguridad o su designado. El Director de Seguridad contactara al Jefe Medico de Centinela Hospital localizado en la 555 East Hardy

El Jefe de Estafa se asegurara que su personal se encargue de recibir al jinete herido y contactar a otros especialistas en el contrato y cuidado de el jinete. Este fundamento sera rapido para admitir y tartar al jinete herido. Un agente de seguridad sera despachado al cuarto de Emergencia para asistir a la familia y mantener la integridad y necesidades de el jinete herido. Sera la responsabilidad del agente, reportar e informar al Director de Seguridad de la condicion y el progreso de el jinete. Es la responsabilidad del agente de obtener copia del accidente de el Departamento de Television. El agente se asegurara que toda la informacion de compensacion de trabajo que pertenezca a el jinete sea fija y corriente.”

NOTICE TO APPLICANT: Every licensee conducting a horse racing meeting shall pursuant to B&P Code 19481.3 maintain, staff, and supply an on-track first aid facility, that may be either permanent or mobile, and which shall be staffed and equipped as directed by the board. A qualified and licensed physician shall be on duty at all times during live racing, except that this provision shall not apply to any quarter horse racing at the racetrack if there is a hospital situated no more than 1.5 miles from the racetrack and the racetrack has an agreement with the hospital to provide emergency medical services to jockeys and riders. An ambulance licensed to operate on public highways provided by the track shall be available at all times during live racing and shall be staffed by two emergency medical technicians licensed in accordance with Division 2.5 (commencing with Section 1797) of the Health And Safety Code, one of whom may be an Emergency Medical Technician Paramedic, as defined in Section 1797.84 of the Health and Safety Code. (b) Each racing association and racing fair shall adopt and maintain an emergency medical plan detailing the procedures that shall be used in the event of an on-track injury. The plan shall be posted in each jockey room in English and Spanish. (c) Prior to every race meeting, the racing association or racing fair shall contact area hospitals to coordinate procedures for the rapid admittance and treatment of emergency injuries. (d) Each racing association or racing fair shall designate a health and safety manager and assistant manager, who shall be responsible for compliance with the provisions of this section and one of whom shall be on duty at all times when live racing is conducted. The health and safety manager may, at the discretion of the racing association, be the person designated to perform risk management duties on behalf of the association.

14. CONCESSIONAIRES AND SERVICE CONTRACTORS

Names and addresses of all persons to whom a concession or service contract has been given, **other than those already identified**, and the goods and/or services to be provided by each: See Attachment "E"

15. ON-TRACK ATTENDANCE/FAN DEVELOPMENT

A. Describe any promotional plans:

To be submitted under separate cover.

B. Number of hosts and hostesses employed for meeting: During the fall meet, we will employ up to 14 hosts and hostesses to handle group business and between 12 and 15 guest service personnel. We add another 15-20 people on promotional days for giveaways and sign-ups for the Hollywood Park Gold Club.

C. Describe facilities set aside for new fans:

- Jockey Club/Ascot Terrace - On two Friday nights, we will again utilize the spacious North Park Lawn as the location for concerts after the races. The North Park Lawn was first used for this purpose during the Spring 2009 meet. It proved to be a very successful concert venue, and allowed much larger crowds (than we had been able to host in the past) to attend concerts featuring popular bands. The North Park Lawn is located on the far turn so people can view races and stay on track afterwards for the concert. During the races we will be staff customer service representatives to answer racing related questions that fans may have.
- Saturday Handicapping Seminar with Kurt Hoover
- Sunday Handicapping Seminar with George Ortuzar
- Customer Service Booths – Throughout the facility there are Customer Service booths staffed to assist patrons with any requested information
- Group Events – The track hires handicappers each day there are groups attending the races to educate new fans regarding handicapping.

Attachment E - Section 14Concessionaires and Service Contractors

Levy Premium Food Service Limited Partnership Food, Beverage, Liquor
 980 North Michigan Avenue, Suite 400
 Chicago, IL 60611

Harry Aqurarelli Tip Sheet
 Duke Racing Selections
 6632 West 87th Street
 Los Angeles, California 90045

Winners Tip Sheet
 Toby Turrell
 14112 Enfield Circle
 Westminster, California 92683

Bob's Card, Inc. Tip Sheet
 Tiffany Boland
 6288 Highland Meadows
 Medina, Ohio 44256

Today's Racing Digest
 P. O. Box 85007
 San Diego, California 92138

Thorograph
 541 Hudson Street
 New York City, New York 10014

New World Service, Inc. Janitorial
 1050 South Prairie
 Inglewood, California 90301

Miscellaneous

Ann Roper Silks
 c/o Ann Roper
 P. O. Box 3547
 Lennox, CA 90304

Western Saddlery
 c/o A. Liederman
 206 E. Hillsdale Blvd.
 San Mateo, CA 94403

July 9, 2009

D. Describe any improvements to the physical facility in advance of the meeting that directly benefit:

1. Horsemen

2. Fans:

The concert location mentioned above is a major improvement for fans. In the past, the locations we had selected as concert venues were either too small to handle the crowds we were drawing, or located in areas where there was no view of racing. We have received a great deal of positive feedback from our customers regarding this change.

3. Facilities in the restricted areas Improvements to be determined

16. SCHEDULE OF CHARGES

A. Proposed charges, note any changes from the previous year:

1) General Admission	\$ 8.00
a. 17 yrs. old and under	Free
b. Wednesday Senior Citizens	\$ 5.00
c. Thursdays	Free Admission
(2) Clubhouse Admission	\$ 10.00
(3) Turf Club	\$ 20.00
(4) Reserved seating	\$ 2.00
(5) General Parking	Free
(6) Preferred (Premium) Parking	\$ 5.00
(7) Valet Parking	\$10.00
(8) Programs	\$2.25

B. Describe any "Season Boxes" and "Turf Club Membership" fees:

Box Seats	*Turf Club Membership
4 seat Box \$1,600	Single Turf Club \$ 800
6 seat Box \$2,000	Double Turf Club \$ 1,250
8 seat Box \$2,600	Corporate Membership \$ 2,400
8 seat SuperBox \$3,000	

*Includes Spring/Summer, Fall Meets and Simulcast

C. Describe any "package" plans such as combined parking, admission and program:
Admission includes parking and program.

17. JOCKEYS/DRIVERS' QUARTERS

A. Check the applicable amenities available in the jockeys/drivers' quarters:

<input checked="" type="checkbox"/> Corners (lockers and cubicles)	How many	80
<input checked="" type="checkbox"/> Showers	<input checked="" type="checkbox"/> Steam room, sauna or steam cabinets	<input checked="" type="checkbox"/> Lounge area
<input checked="" type="checkbox"/> Masseur	<input checked="" type="checkbox"/> Food/beverage service	<input checked="" type="checkbox"/> Certified platform scale

- B. Describe the quarters to be used for female jockeys/drivers: **Separate quarters including restroom facilities, showers, cubicles, scale, televisions, couch, food services, etc.**

18. BACKSTRETCH EMPLOYEE HOUSING

- A. Inspection of backstretch housing has been requested and will be completed before the race meet begins.
- B. Number of rooms used for housing on the backstretch of the racetrack: **Approximately 450**
- C. Number of restrooms available on the backstretch of the racetrack: **77 including: 155 toilets, 81 urinals and 167 sinks.**
- D. Estimated ratio of restroom facilities to the number of backstretch personnel: **Minimum of 1 to 10 including non-resident personnel.**

19. TRACK SAFETY

- A. Total distance of the racecourse - measured from the finish line counterclockwise (3' from the inner railing) back to the finish line: **Main Track - 1 mile & 1/8 - 5,940 feet, Turf Track - 1 mile 165 feet - 5,445 feet**
- B. Describe the type(s) of materials used for the inner and outer railings of the race course, the type of inner railing supports (i.e., metal gooseneck, wood 4" x 4" uprights, offset wood 4" x 4" supports, etc.), the coverings, if any, on the top of the inner railing, and the approximate height of the top of the inner railing from the level of the race course. . **Main Track - aluminum gooseneck post, aluminum railing, as well as aluminum safety panels covering the gooseneck post. Turf Course - inner rail - Fontana turf rail 40" in height, outer rail - metal uprights.**
- C. Name of the person responsible for supervision of the maintenance of the racetrack safety standards pursuant to CHRB Rule 1474: **Dennis Moore**
- D. Attach a Track Safety Maintenance Program pursuant to CHRB Rule 1474. **On file:**
- E. If the association is requesting approval to implement alternate methodologies to the provisions of Article 3.5, Track Safety Standards, pursuant to CHRB Rule 1471, attach a Certificate of Insurance for liability insurance which will be in force for the duration of the meeting specified in Section 2. The CHRB is to be named as a certificate holder and given not less than 10 days' notice of any cancellation or termination of liability insurance. Additionally, the CHRB must be listed as additionally insured on the liability policy at a minimum amount of \$3 million per incident. The liability insurance certificate must be on file in the CHRB headquarters office prior to the conduct of any racing. **N/A**

20. DECLARATIONS

- A. All labor and lease agreements and concession and service contracts necessary to conduct the entire meeting have been finalized except as follows (if no exceptions, so state): **No exceptions**
- B. Attach each horsemen's agreement pursuant to CHRB Rule 2044. **To be submitted under separate cover.**

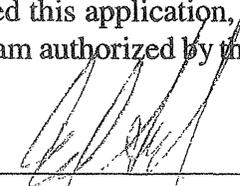
- C. Attach a lease agreement permitting the association to occupy the racing facility during the entire term of the meeting. (In the absence of either a lease agreement or a horsemen's agreement, a request for an extension pursuant to CHRB Rule 1407 shall be made). **On File.**
- D. All service contractors and concessionaires have valid state, county or city licenses authorizing each to engage in the type of service to be provided and have valid labor agreements, when applicable, which remain in effect for the entire term of the meeting except as follows (if no exceptions, so state): **No exceptions**
- E. Absent natural disasters or causes beyond the control of the association, its service contractors, concessionaires or horsemen participating at the meeting, no reasons are believed to exist that may result in a stoppage to racing at the meeting or the withholding of any vital service to the association except as follows (if no exceptions, so state): **No exceptions**

NOTICE TO APPLICANT: Pursuant to CHRB Rules 1870 and 1871, the CHRB shall be given 15 days' notice in writing of any intention to terminate a horse racing meeting or the engagements or services of any licensee, approved concessionaire, or approved service contractor.

21. CERTIFICATION BY APPLICANT

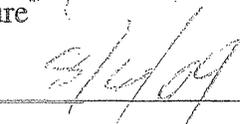
I hereby certify under penalty of perjury that I have examined this application, that all of the foregoing statements in this application are true and correct, and that I am authorized by the association to attest to this application on its behalf.

Eual G. Wyatt, Jr.
Print Name



Signature

Vice President, General Manager
Print Title



Date

STAFF ANALYSIS
DISCUSSION AND ACTION BY THE BOARD
REGARDING FINANCIAL ASSURANCES TO BE EXPECTED OF PACIFIC
RACING ASSOCIATION FOR GRANTING FINAL APPROVAL OF ITS
APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING AT
GOLDEN GATE FIELDS, COMMENCING OCTOBER 21, 2009 THROUGH
DECEMBER 20, 2009, INCLUSIVE, WHICH ASSURANCES WOULD ENSURE
PROPER PAYMENT OF ALL FUNDS GENERATED FROM WAGERING AS THE
LICENSE APPLICANT IS OPERATING AS A DEBTOR IN POSSESSION.

Regular Board Meeting
October 15, 2009

BACKGROUND

Business and Professions Code Section 19440 provides that the Board shall have all powers necessary and proper to enable it to carry out fully and effectually the purposes of this chapter (Horse Racing law). Responsibilities of the Board shall include, but not be limited to 1)adopting rules and regulations for the protection of the public and the control of horse racing and parimutuel wagering; 2)administration and enforcement of all laws, rules, and regulation affecting horse racing and pari-mutuel wagering; 3)adjudication of controversies arising from the enforcement of those laws and regulations dealing with horse racing and pari-mutuel wagering;4) licensing of each racing association and all persons, other than the public at large, who participate in a horse racing meeting with parimutuel wagering and 5)allocation of racing dates to qualified associations in accordance with law.

Business and Professions Code Section 19434 specifies that the board may require that the books and financial or other statements of any person licensed under this chapter shall be kept in any manner which to the board may seem best.

CHRB Rule 1470, Rule 1470, Accounting Practices and Responsibility states (a) Every association shall maintain in an approved depository those amounts deducted from the pari-mutuel handle which are retained by the association for distribution for purposes specified in the law, rules or agreements including, but not limited to purses, breeder's awards, and unclaimed pari-mutuel distribution. Each association and its managing officers are jointly and separately responsible to assure the amounts retained from the pari-mutuel handle are distributed under the law, rules or agreements (other than collective bargaining). (b) Racing associations which have not previously operated, new operators of established associations, or associations which have not demonstrated

financial stability, are required to make advanced payments, or post a security instrument as a condition preceding the issuance of the racing license. (c) The Board may, at its discretion, require periodic audits to determine that associations have funds available to meet those distributions for the purposes specified above.

The Board at its August 27, 2009 Regular meeting, conditionally approved the application for license to conduct a horse racing meeting of the Pacific Racing Association at Golden Gate Fields, commencing October 21, 2009 through December 20, 2009, subject to assurances from Pacific Racing Association to insure payment and distribution of any funds generated via wagering as they are operating as a debtor in possession.

Bankruptcy law mandates that the Pacific Racing Association fulfill all post-petition obligations. The penalty for failing to fulfill all post-petition obligations would be the loss of bankruptcy protection afforded by the Magna Entertainment Corporation bankruptcy filing. Bankruptcy counsel for the California Horse Racing Board advises that no additional financial assurances can be imposed upon the Pacific Racing Association. The imposition of additional assurances may be deemed preferential treatment of one group of creditors over all others.

RECOMMENDATION

Staff recommends the Board hear from the applicant as to procedures to be utilized which will assure payment of all meet obligations.

CALIFORNIA CODES
BUSINESS AND PROFESSIONS CODE
SECTION 19440

19440. (a) The board shall have all powers necessary and proper to enable it to carry out fully and effectually the purposes of this chapter. Responsibilities of the board shall include, but not be limited to, all of the following:

(1) Adopting rules and regulations for the protection of the public and the control of horse racing and parimutuel wagering.

(2) Administration and enforcement of all laws, rules, and regulations affecting horse racing and parimutuel wagering.

(3) Adjudication of controversies arising from the enforcement of those laws and regulations dealing with horse racing and parimutuel wagering.

(4) Licensing of each racing association and all persons, other than the public at large, who participate in a horse racing meeting with parimutuel wagering.

(5) Allocation of racing dates to qualified associations in accordance with law.

(b) The board may delegate to stewards appointed pursuant to Article 5 (commencing with Section 19510) any of its powers and duties that are necessary to carry out fully and effectuate the purposes of this chapter.

19434. The board may require that the books and financial or other statements of any person licensed under this chapter shall be kept in any manner which to the board may seem best.

CHRB Rule 1470, Accounting Practices and Responsibility.

(a) Every association shall maintain in an approved depository those amounts deducted from the pari-mutuel handle which are retained by the association for distribution for purposes specified in the law, rules or agreements including, but not limited to purses, breeder's awards, and unclaimed pari-mutuel distribution. Each association and its managing officers are jointly and separately responsible to assure the amounts retained from the pari-mutuel handle are distributed under the law, rules or agreements (other than collective bargaining).

(b) Racing associations which have not previously operated, new operators of established associations, or associations which have not demonstrated financial stability, are required to make advanced payments, or post a security instrument as a condition preceding the issuance of the racing license.

(c) The Board may, at its discretion, require periodic audits to determine that associations have funds available to meet those distributions for the purposes specified above.

Authority cited: Section 19440, Business and Professions Code.

Reference: Section 19434, Business and Professions Code.

HISTORY: 1. Amendment filed 12-6-99; effective 12-6-99.

CALIFORNIA HORSE RACING BOARD

OCTOBER 15, 2009
REGULAR BOARD MEETING

There is no board package material for Item 4

STAFF ANALYSIS
DISCUSSION AND ACTION REGARDING PROPOSED AMENDMENT OF
CHRB RULES 1689, SAFETY HELMETS REQUIRED
AND 1689.1, SAFETY VEST REQUIRED

Regular Board Meeting
October 15, 2009

BACKGROUND

Business and Professions Code section 19420 provides that jurisdiction and supervision over meetings in this State where horse races with wagering on their results are held or conducted, and over all persons or things having to do with the operation of such meetings, is vested in the California Horse Racing Board (Board). Business and Professions Code section 19481 states that in performing its responsibilities, the Board shall establish safety standards governing equipment for horse and rider to improve the safety of horses, riders, and workers in the racing inclosure. Board Rule 1689, Safety Helmets Required, provides that a racing association may not permit any person to gallop or pony a horse, to ride a horse in a race or be mounted in or riding on a sulky unless the person is wearing a properly fastened safety helmet. Board Rule 1689.1, Safety Vest Required, requires jockeys and apprentice jockeys to wear safety vests when riding in a race. Additionally, the rule provides that jockeys, apprentice jockeys and exercise riders must wear a safety vest when they train or exercise any horse on the grounds of a racing association or racing fair. Rule 1689.1 currently specifies that such safety vests shall meet the level five rating of the British Equestrian Trade Association standard for horse riders' body and shoulder protectors.

At the July 23, 2009 regular meeting of the Board, representatives from the California Horsemen's Safety Alliance (CHSA) presented technical information regarding the testing of safety vests and safety helmets and several texts of proposed amendments to the rules were provided to the Board for consideration. The Board decided that discussion and action on the proposed amendments to Rule 1689, Safety Helmets Required, and Rule 1689.1, Safety Vest Required, would best be accomplished in a Safety Committee Meeting.

A Safety Committee Meeting, chaired by Commissioner Derek, was held on September 4, 2009 to discuss the recommendations from the Jockeys' Guild and the California Horsemen's Safety Alliance regarding proposed amendments to CHRB Rules 1689 and 1689.1. The Safety Committee determined it would recommend that the Board initiate a 45-day comment period regarding the proposed amendment to Rules 1689 and 1689.1.

ANALYSIS

The proposed amendment to Rule 1689 maintains the current requirement that a racing association, fair, or authorized training facility may not permit any person to gallop or pony a horse, to ride a horse in a race, or be mounted in or riding on a sulky, unless the person is wearing a properly fastened safety helmet. The amendment establishes new standards

requiring that safety helmets comply with at least one of the following four product standards: American Society for Testing Materials (ASTM) standard F1163-04a, European Norms (EN) standard 1384, Australian and New Zealand Racing Boards (AS/ZN) standard 3838, and Snell Memorial Foundation (Snell) standard H2000.

The proposed amendment to Rule 1689.1 amends the outdated British Equestrian Trade Association (BETA) standard of level five to level one under the BETA 2009 standard for horse rider's body and shoulder protectors. In addition, the proposed amendment to Rule 1689.1 incorporates the CHSA and Jockeys' Guild recommendations to include the Shoe and Allied Trade Association (SATRA) Jockey Vest product standard and the ASTM F2681-08 standard.

Under the proposal, jockeys and apprentice jockeys riding in a race and jockeys, apprentice jockeys, and exercise riders training or exercising any horse would be required to wear a safety vest that complies with at least one of the product standards. The proposed amendment also includes language prohibiting the alteration of a safety vest from its original manufactured design.

RECOMMENDATION

Staff recommends the Board hear from the Safety Committee.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 8. RUNNING THE RACE
PROPOSED AMENDMENT OF RULE 1689, SAFETY HELMETS REQUIRED

Regular Board Meeting
October 15, 2009

1689. Safety Helmets Required.

(a) A racing association, fair, or authorized training facility may not permit any person to gallop or pony a horse, to ride a horse in a race, or be mounted in or riding on a sulky, unless the person is wearing a properly fastened safety helmet.

(b) Safety helmets required under subsection (a) of this rule shall comply with one of the following product standards:

- (1) American Society for Testing Materials (ASTM) standard F-1163-04a, or
- (2) European Norms (EN) standard 1384, or
- (3) Australian and New Zealand Racing Boards (AS/ZN) standard 3838, or
- (4) Snell Memorial Foundation (Snell) standard H2000.

Authority: Sections 19420 and 19440,
Business and Professions Code.

Reference: Sections 19481 and 19460,
Business and Professions Code.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 8. RUNNING THE RACE
PROPOSED AMENDMENT OF RULE 1689.1 SAFETY VEST REQUIRED

Regular Board Meeting
October 15, 2009

1689.1. Safety Vest Required.

(a) No jockey or apprentice jockey shall ride in a race unless wearing a safety vest, nor shall a jockey, apprentice jockey, or exercise rider, train or exercise any horse on the grounds of a racing association, ~~or racing fair,~~ or authorized training facility unless wearing a safety vest. Such safety vest shall:

(1) Provide a minimum of shock absorbing protection to the upper body, as evidenced by a label indicating that the safety vest meets one of the following standards: of a five rating as defined by the British Equestrian Trade Association (BETA);

(A) “Level 1” under the British Equestrian Trade Association (BETA) 2009 Standard for Horse Riders’ Body and Shoulder Protectors, or

(B) American Society for Testing Materials (ASTM) standard F2681-08, or

(C) Shoe and Allied Trade Association (SATRA) Jockey Vest Document M6 Issue 3, Australian Racing Board (ARB) 3.

(2) Cover the entire torso from the ~~collar bone~~ collarbone to a line level with the hip bone allowing a vee opening in the front neckline;

(3) Weigh no more than 2 pounds.

(4) Not be altered from its original manufactured design. This includes, but is not limited to:

(A) Cutting the vest to customize fit.

(B) Removal of manufacturer’s labels.

(C) Removal of protective padding.

(b) The weight of a safety vest shall not be included in the weight of a jockey or apprentice jockey when weighing out or weighing in or when adding weight to make up a weight assignment.

Authority: Sections 19420, 19481 and 19562
Business and Professions Code

Reference: Section 19481
Business and Professions Code

STAFF ANALYSIS
DISCUSSION AND ACTION REGARDING THE PROPOSED
AMENDMENT TO
CHRB RULE 1685, EQUIPMENT REQUIREMENT
TO REVISE THE STANDARDS FOR WHIPS USED ON
CALIFORNIA RACETRACKS

Regular Board Meeting
October 15, 2009

BACKGROUND

Business and Professions Code section 19420 provides that the Board shall have jurisdiction and supervision over meetings in California where horse races with wagering on their results are held or conducted, and over all persons or things having to do with the operation of such meetings. Business and Professions Code section 19440 states the Board shall have all powers necessary and proper to enable it to carry out fully and effectually the purposes of Chapter 4, Business and Professions Code. Responsibilities of the Board shall include, but not be limited to, adopting rules and regulations for the protection of the public and the control of horse racing and pari-mutuel wagering. Business and Professions Code section 19481 provides that in performing its responsibilities, the Board shall establish safety standards governing equipment for horse and rider.

Board Rule 1685, Equipment Requirement, sets the weight, type of "popper," and length of whips authorized for use by jockeys. The rule states: "No bridle shall weigh more than two (2) pounds, nor shall any whip weigh more than one-half pound. No whip shall be used unless it has affixed to the end a looped "popper" made of leather or other material approved by the stewards, not less than one and one-quarter (1 1/4) inches in width, and not over three (3) inches in length, and be "feathered" above the "popper" with not less than three (3) rows of "feathers" made of leather or other material approved by the stewards, each feather not less than one (1) inch in length. No whip shall exceed thirty-one (31) inches in length. All whips are subject to inspection and approval by the stewards.

At the July 19, 2007 Regular Board Meeting, representatives of the Jockeys' Guild (Guild) requested the Board approve the use of a "kinder" alternative whip. While the current CHRB rules on the use and construction of whips are designed to prevent abuses, the Guild representatives explained that the newly designed whip would take another step to promote the health and safety of racehorses. The alternative whip was described as being "kinder" to horses due to its materials and construction. The most notable difference between traditional whips and the alternative whip was the addition of a softer, padded material on the tip that was rounded without hard edges. The whip was described as "equine friendly" and the Guild representative stated it was preferred by most jockeys.

At the July 19, 2007 Regular Board Meeting the Guild stopped short of requesting that the Board mandate the use of the new whip because of design problems that increased its cost and limited its availability. At the meeting the Board temporarily suspended Rule 1685's limit on authorized whips to allow use of a specified "kinder whip" with a tip, or "popper" that was narrower than the traditional whips authorized by Rule 1685. The

Board also suspended action on amending Rule 1685 to require the use of the alternative whip until the Guild brought the matter back for consideration. Compared to the whip authorized by Rule 1685, the alternative whip authorized under the July 2007 suspension of Rule 1685 had a narrower popper, was made of softer material, and had padding to make the tip nearly round in configuration (eliminating hard edges on the sides). The authorized alternative whip also had to have a longer popper than those authorized by Rule 1685, extending as far up as the handle on some models. For alternative whips with poppers six inches or greater in length, feathers or loose leather strips were not required.

At the August 27, 2009 Regular Board Meeting the Guild reported that advancements have been made in the design of the new "kinder" styles of whip, especially in the use of more durable materials, and that the whips are now more affordable and readily available. As a result of this progress, the Guild requested that the Board reconsider amending Rule 1685 to require the whip's use. The Guild also requested that the Board again waive Rule 1685 to specifically allow for use of the newly designed whips. Such a waiver would supersede the 2007 waiver, and authorize the use of the new "kinder" alternative whips. This would be in addition to the whips currently described in Rule 1685. The suspension would be effective until the completion of the regulatory process. The Board waived Rule 1685 as it pertains to the construction of whips specifically to allow for the use of a new style of whips that is described as being "kinder" and "safer" for horses and referred the issue to the Safety Committee for discussion and action to develop a proposal for the amendment of Rule 1685.

At the September 4, 2009, Safety Committee meeting a proposed amendment to Rule 1685 was discussed. The proposed amendment would require the use of the "kinder" alternative whip in flat racing. The Safety Committee determined it would recommend that the Board initiate a 45-day public comment period regarding the proposed amendment to Rule 1685.

ANALYSIS

The text of the proposed amendment to Rule 1685 incorporates the specifications for "kinder" alternative whips, which were adopted by the Association of Racing Commissioners International in the spring of 2009, as well as recommendations made by interested California parties. The proposed text specifies a whip which is slightly shorter and lighter than whips that are currently authorized for use in California. The new whips have soft, rounded, padded material at the tip, no feathering and shock absorbing characteristics. The proposed amendment to Rule 1685 also requires that the flap/popper be "dark in color" so as not to startle the horse.

RECOMMENDATION

Staff recommends the Board hear the recommendation of the Safety Committee.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 8. RUNNING THE RACE
RULE 1685. EQUIPMENT REQUIREMENT

Regular Board Meeting
October 15, 2009

1685. Equipment Requirement.

~~(a) No bridle shall weigh more than two (2) pounds, nor shall any whip weigh more than one half (1/2) pound. No whip shall be used unless it has affixed to the end a looped "popper" made of leather or other material approved by the stewards, not less than one and one quarter (1 1/4) inches in width, and not over three (3) inches in length, and be "feathered" above the "popper" with not less than three (3) rows of "feathers" made of leather or other material approved by the stewards, each feather not less than one (1) inch in length. No whip shall exceed thirty one (31) inches in length. All whips are subject to inspection and approval by the stewards.~~

(b) Whips allowed for use in flat racing shall be unaltered from the original manufacturer; shall have shaft and flap (popper); shall weigh no more than 8 ounces and shall not be more than 30 inches in length.

(1) The minimum diameter of the shaft shall be 0.5 inches, with a smooth, padded contact area, and no protrusions or raised surface.

(c) The only allowed attachment to the shaft is the flap (popper), which shall not extend more than 1 inch beyond the shaft.

(1) The flap (popper) shall have a width of not less than 1 inch, or more than 1.5 inches; shall have a minimum length of 7 inches; and a minimum circumference of 3 inches. The flap (popper) shall have no reinforcements or additions beyond the end of the shaft, and no binding within 7 inches of the end of the shaft.

(2) The flap (popper) shall be folded over and sewn down each side. It shall have an inner layer consisting of memory foam, closed cell foam, or a similar shock-absorbing material, and an outer layer that is dark in color and made of a material that does not harden over time.

(d) All whips are subject to inspection and approval by the stewards.

Authority: Sections 19420 and 19440,
Business and Professions Code.

Reference: Sections 19441.2 and 19481,
Business and Professions Code.

STAFF ANALYSIS
DISCUSSION AND ACTION REGARDING THE REQUEST FROM
OAK TREE RACING ASSOCIATION AND BREEDERS' CUP FOR
WAIVERS OF CHRB RULES
FOR THE 2009 BREEDERS' CUP

Regular Board Meeting
October 15, 2009

BACKGROUND

In 2003 and 2008 Breeders' Cup LTB requested exceptions to, or waivers of a variety of the Board's rules and regulations. In preparation for the November 6 - 7 2009 Breeders' Cup at Santa Anita, Breeders' Cup, Ltd. has requested the following five rules be waived. The waiver requests are the same as those granted by the Board in 2008, the last time California hosted the Breeders' Cup, with the exception of the request to offer a new pari-mutual wager.

ANALYSIS

- A. **Rule 1481, Occupational Licenses and Fees.** Breeders' cup has requested that the Board authorize a special license of reduced duration and cost for the event. Since 1986, the Breeders' Cup has requested that any such license be effective for at least 30 days and cost no more than one-third of the normal license fee.

Rule 1481, Occupational Licenses and Fees, establishes the duration and fees of occupational licenses for persons desiring to participate in California racing on an ongoing basis; however, it is silent on special events such as Breeders' Cup.

Breeders' Cup requested the Board waive Rule 1481 in 2003 and 2008. At its July 23, 2003 Regular Meeting the Board approved the waiver of Rule 1481 for the Breeders' Cup, granting an owner or trainer license valid through December 31 of that year at a cost of \$50.00; however, a few Commissioners expressed concern that the rule waiver would give an unfair advantage to out-of-state and out-of-country trainers and owners. They were also unsure whether other states and countries reciprocated waivers of rules during big racing events.

Staff contacted the New Jersey Racing Commission (Monmouth Park), the host of the 2007 Breeders' Cup and the Kentucky Horse Racing Commission (Churchill Downs), the 2006 host, to survey their response to the Breeders' Cup request for special Breeders' Cup licenses at reduced duration and cost.

The New Jersey Racing commission and the Kentucky Horse Racing Commission did not grant a waiver of their licensing rules and Breeders' Cup

participants were required to obtain occupation licenses at full cost; however, both racing jurisdictions' occupational license fee schedules differ from California's fee schedule. In New Jersey, an owner or trainers license is \$50 for a one year term, whereas in California it costs \$150 for a three year license as either a trainer or owner. New Jersey's license fee for both classes is already one-third the amount it costs in California. Kentucky also offers a one year license, but at a higher cost of \$100.

The Board at its August 19, 2008 Regular Meeting discussed the Breeders' Cup request to waive Rule 1481 to allow for reduced license fees for the 2008 Breeders Cup. Commissioners again, expressed concerns associated with the request. Ultimately, the Board disapproved the request for license fee reduction and owners and trainers paid the amounts prescribed by Rule 1481 and were issued a three year license. Licensees who participated in the 2008 Breeders Cup should currently have a valid CHRB license.

- B. Rule 1554, Duties of Horse Identifier.** Breeders' Cup has requested that imported horses, having their first run in California be allowed to participate in the Breeders' Cup event without an identifying tattoo, provided that the horse can be properly identified to the stewards satisfaction.

Rule 1554, Duties of Horse Identifier, provides that any horse within the inclosure, which has not been identified in California, shall be properly identified prior to competing. The rule also states that the horse identifiers shall supervise the tattooing or branding of any horse within the inclosure. In previous years the horse identifier has requested that, prior to racing, arrangements be made for a horse to be identified and photographed without bandages if it is permitted to race without being tattooed.

The request to waive Rule 1554 to allow all horses shipped from Europe to participate in the Breeders' Cup event without an identifying tattoo was approved by the Board in 2003 and 2008.

- C. Rule 1693, Control of Horses and Jockeys on Entering the Track.** Breeders' Cup has requested that human attendants escort horses onto the track until the finish of the post parade and, if requested, the attendants be allowed to be present at the starting gate.

Rule 1693, Control of Horses and Jockeys on Entering the Track, prohibits attendants once the horses are on the track. In previous years, racing secretaries and starters have agreed to allow human attendants to accompany horses until the close of the post parade, but have opposed any attendants being present at the starting gate. The main concern is safety. In California there are sufficient assistant starters who are trained to deal with horses in the starting gate.

The request to waive Rule 1693 to allow human attendants to escort horses onto the track until the finish of the post parade and allow attendants be present at the starting gate was approved by the Board in 2003 and 2008.

- D. **Rule 1685, Equipment Requirement.** Breeders' Cup has requested that the CHRB allow any European jockey to carry the approved European Flat Whip as specified by the British Horseracing Authority (BHA).

Rule 1685, Equipment Requirement, specifies the type of whip jockeys are allowed to use during California horse races. No whip shall weigh more than one-half (1/2) pound. No whip shall be used unless it has affixed to the end a looped "popper" made of leather or other material approved by the stewards, not less than one and one-quarter (1 ¼) inches in width, and not over three (3) inches in length, and be "feathered" above the "popper" with not less than three (3) rows of "feathers" made of leather or other material approved by the stewards, each feather not less than one (1) inch in length. No whip shall exceed thirty-one (31) inches in length. All whips are subject to inspection and approval by the stewards.

CHRB Directive 05-09, issued September 28, 2009, authorizes an interim temporary partial suspension of Rule 1685 to allow the use of an alternate "kinder" whip. Specifically, the rule suspension authorizes, in addition to the whips described in Rule 1685, whips for flat racing that are unaltered from the original manufacture, have a shaft and flap (popper) that weighs no more than eight ounces, and is no more than thirty inches in length. The minimum diameter of the shaft shall be one-half inch, with a smooth contact area and no protrusions or raised surface. The shaft's contact area must be covered by shock absorbing material. The only allowed attachment to the shaft is the flap (popper), which shall not extend more than one inch beyond the shaft and have no reinforcements or additions beyond the shaft. The width of the flap (popper) shall not be less than one inch or more than one and a half inches. The flap (popper) shall be a minimum of seven inches long and a minimum of two and a half inches in circumference.

The European Flat Whip that Breeders' Cup is requesting authorization to use is strictly specified by BHA Rule 149 ii. The whip approved to be carried in flat races has a maximum length, including flap of 70cms; with no binding within 17cms of the end of the flap; a minimum diameter of 1cm; overall weight not to exceed 160gms and the contact area of the shaft must be smooth, with no protrusion or raised surface, and covered by shock absorbing material throughout its circumference such that it gives a compression factor of at least 6mm. The only additional feature which may be attached to the whip is a flap. If the flap is attached it must fall within the following specifications: (A)

Maximum length of the flap from the end of the shaft of 10cms (B) Maximum width of the flap of 4cms, with a minimum width of 2 cms; (C) The flap from the end of the shaft must not contain any reinforcements or additions; (D) The flap must have a similar shock absorbing characteristics to that of the contact area. Other than adjustments to the handle/grip, an approved whip must not be modified in any way. For avoidance of doubt the addition of tape to the flap or shaft is unacceptable.

This is the second year a waiver of Rule 1685 has been requested. Since the waiver request only applies to European jockeys, the current CHRB whip specifications would still apply to all other jockeys.

The request to waive Rule 1685 to allow any European jockey to carry the approved European Flat Whip as specified by the BHA was approved by the Board in 2008.

- E. **New Wager.** Breeders' Cup is requesting a new pari-mutuel wager based on what jockey wins the most races over the two days. It proposes there will be 13 of the most likely jockeys to win this bet given numbers and the field will be all other-riders. Payouts will be based on "wins" only. This is the first time Breeders' Cup has requested this new wager.

Business and Professions Code section 19411 defines "pari-mutuel wagering" as a form of wagering in which bettors either purchase tickets of various denominations, or issue wagering instructions leading to the placement of wagers, on the outcome of one or more horse races.

Business and Professions Code section 19412(a) provides that a "conventional pari-mutuel pool" means the total wagers under the pari-mutuel system on any horse or horses in a particular race to win, place, or show.

Business and Professions Code section 1912(b) provides that an "exotic pari-mutuel pool" means the total wagers under the pari-mutuel system on the finishing position of two or more horses in a particular race.

Business and Professions Code section 19590 provides that the Board shall adopt rules governing, permitting and regulating pari-mutuel wagering on horse races under the system known as pari-mutuel method of wagering.

Business and Professions Code section 19599 states an association or fair may offer any form of pari-mutuel wagering, as defined by regulations adopted by the board, or as defined by Chapter 9, Pari-Mutuel Wagering, Uniform Rules of Racing, as published by the Association of Racing Commissioners International (ARCI). The board may prohibit any form of pari-mutuel wagering if it

determines that the proposed wagering would compromise the honesty and integrity of racing in the state. Each racing association or fair shall include the types of conventional, exotic and other wagering it proposes to offer on its application to conduct a horse racing meeting.

CHRB Rule 1950, Pari-Mutuel Wagering, specifies that all forms of wagering may only be used with the permission of the Board and under the provisions of the Horse Racing Law.

The wager proposed by the Breeders Cup is not a California or ARCI wager. In addition, it is based on the performance of a jockey, not a horse. The jockeys will be given numbers on which patrons may wager. Therefore, it appears the proposed Breeders' Cup wager is unable to be offered at this time.

RECOMMENDATION

Staff recommends the Board approve a waiver of the following rules for the 2009 Breeders Cup:

- Rule 1554, Duties of Horse Identifier
- Rule 1693, Control of Horses and Jockeys on Entering the Track
- Rule 1685, Equipment Requirement

Staff recommends the Board hear from the Breeders' Cup representative concerning the request to waive Rule 1481, Occupational Licenses.



September 16, 2009

Mr. Kirk Breed
 California Horse Racing Board
 1010 Hurley Way, Room 300
 Sacramento, CA 95825

Dear Kirk:

For the 2008 Breeders' Cup, Oak Tree requested a waiver of thee of its rules to ensure the integrity and success of the championship races. We are again requesting these same waivers for the 2009 Breeders' Cup, on November 6 and 7.

1. **Lip Tattoo Requirements** – Breeders' Cup requests that the CHRB rule to have all horses be identified by a lip tattoo be waived for horses being imported into the United States and having their first run in California, provided that the horse can be properly identified to the stewards satisfaction. The Registrar for the Jockey Club will be on site to personally execute the Foal papers and make sure that all identifying marks are noted on the papers. Horses from Europe travel with passports that include their color and all markings. Any horse making a second start in California will be tattooed prior to their next start.
2. **Accompany Horses to Gate** – All horses competing in Europe do not go through a formal post parade or have a pony accompany them to the post. This is foreign to the way they are trained and Breeders' Cup requests that the CHRB allow their human attendants to escort the horses onto the track, complete the post parade and if needed and approved by the starter and the stewards be allowed to attend to the horse at the starting gate. All attendants on the track would be informed that it would be at their own risk.
3. **European Whips** – Since several jockeys from oversees will be riding in the events, Breeders' Cup requests that the CHRB allow any European jockey the ability to carry the approved European Flat Whip as specified by the BHA – Whip Specifications (Rule 149

(ii). The whip approved to be carried in Flat races has a maximum length, including flap, of 70cms; with no binding within 17cms of the end of the flap; a minimum diameter of 1cm; overall weight not to exceed 160gms and the contact area of the shaft must be smooth, with no protrusion or raised surface, and covered by shock absorbing material throughout its circumference such that it gives a compression factor of at least 6mm. The only additional feature which may be attached to the whip is a flap. If the flap is attached it must fall within the following specifications: (A) Maximum length of the flap from the end of the shaft of 10cms (B) Maximum width of the flap of 4cms; with a minimum width of 2cms; (C) The flap from the end of the shaft must not contain any reinforcements or additions; (D) The flap must have a similar shock absorbing characteristics to that of the contact area. Other than adjustments to the handle/grip, an approved whip must not be modified in any way. For avoidance of doubt the addition of tape to the flap or shaft is unacceptable.

4. **Licensing** – The CHR B has allowed for short term license to be issued at a reduced rate of one-third of the fee for all individuals that are coming to California to race exclusively in the Breeders' Cup Championships. Several hundred individuals will need to be licensed as owners, trainers, jockeys, stable employees and clerks. The license would expire on the 31st of December and would help in the processing of the numerous individuals that are coming to California just to compete in the Breeders' Cup.
5. **New Wager** – Breeders' Cup wants to try a new pari-mutuel wager based on what jockey wins the most races over the two days. There will be 13 of the most likely jockeys to win this bet given numbers and the field will be all other-riders. Payouts will be based on "wins" only.

Sincerely,

C. Chilly

Sherwood C. Chillingworth

Cc: Jackie Wagner

STAFF ANALYSIS
DISCUSSION AND ACTION BY THE BOARD REGARDING
CHRB'S CLAIMING RULES AND WHETHER
CHRB RULE 1658, VESTING OF TITLE TO CLAIMED HORSE
AND
RULE 1651, ELIGIBILITY TO CLAIM
SHOULD BE AMENDED TO ALLOW A CLAIM TO BE VOID IF
1) A CLAIMED HORSE, DUE TO INJURY, FAILS TO RETURN TO THE
DESIGNATED UNSADDLING AREA AFTER THE FINISH OF THE RACE
AND/OR
2) THE POST RACE TEST SAMPLE CONTAINS A PROHIBITED DRUG
SUBSTANCE

Regular Board Meeting
October 15, 2009

BACKGROUND

Business and Professions Code Section 19420 provides that the Board has jurisdiction and supervision over meetings in California where horse races with wagering on their results are held or conducted, and over all persons or things having to do with the operation of such meetings. Business and Professions Code section 19440 states the Board shall have all powers necessary and proper to enable it to carry out fully and effectually the purposes of this chapter. Responsibilities of the Board include adjudication of controversies arising from the enforcement of those laws and regulations dealing with horse racing and pari-mutuel wagering. Business and Professions Code section 19562 provides that the Board may prescribe rules, regulations, and conditions, consistent with the provisions of this chapter, under which all horse races with wagering on their results shall be conducted in California.

Rule 1658, Vesting of Title to Claimed Horse, provides that title to a horse which is claimed shall be vested in the successful claimant from the time the field has been dispatched from the starting gate and the horse becomes a starter. The successful claimant becomes the owner of the horse whether it is alive or dead, sound or unsound, or injured during the race or after it. However, the claim shall be void if the race is called off, canceled, or declared no contest.

Rule 1651, Eligibility to Claim, states in claiming races any horse is subject to being claimed for its entered price by any racing interest, by any licensed horse owner, or by any person who has established his qualifications to claim by filing an application for license as horse owner and having been granted a certificate authorizing the claim.

A claiming race is a horse race in which each horse entered is made available for purchase, or claiming, at a fixed price which a buyer must agree to pay before the race is run. Claiming allows lesser quality horses to compete equally, as horses are entered for a price at which the owner or trainer feels is reasonable to lose him. Claiming is a venue

in which first time horse owners may buy a racehorse, and where others buy horses they believe can compete at higher levels than the current owner is running him at, so they feel they are getting a higher quality horse for a bargain price. Claiming can be risky, since the claimant does not get to examine the horse prior to putting in a claim, and the horse actually belongs to a successful claimant from the time the field is dispatched. If anything happens to the horse, the claimant still must take ownership regardless of the condition of the horse. The term "Caveat Emptor" or "Buyer Beware" applies to claiming because a claiming race may be a good way for owners and trainers to rid themselves of horses whose performance is not what they expect.

At its December 2009 meeting in Tucson, Arizona, The Association of Racing Commissioners International (ARCI) will contemplate proposed changes to its Model Rules governing claiming. The proposed changes will require the stewards to void a claim in cases where a claimed horse fails to return to the designated unsaddling area due to distress or injury, unless the claimant informs the stewards he still wants the claimed horse. Another proposed change to the ARCI Model Rules would allow a claimant to request testing of a horse for prohibited drug substances, or other tests as approved by the official veterinarian. If the test proves positive, the stewards shall void the claim, unless otherwise notified by the claimant within 72 hours of the reporting of the test results.

ANALYSIS

If the proposed changes to the ARCI Model Rules are adopted, racing jurisdictions may begin to offer some recourse to claimants of horses that are unable to return to the designated unsaddling area due to physical distress, if it is found that the claimed horse was administered a prohibited drug substance prior to a race, or if the horse is found to suffer from a condition that may be discovered through testing. In California this would require the amendment to several of the Board's rules and regulations – specifically Rule 1658 and Rule 1651. The protections provided the successful claimants under the proposed ARCI Model Rules are not automatic. In the instance of the physical condition of the horse, the animal must fail to return to the designated unsaddling area after the finish of the race, and the unsaddling of the rest of the field. It would still be possible to claim a horse that did not display any physical distress during a race, only to subsequently discover issues with its physical condition. To be able to void a claim due to a positive test finding, the claimant must first request such testing on the claim form and the claimant must bear the cost of the testing and the maintenance of the horse during the period requested for the test. In California, that means a successful claimant may wait up to twenty one calendar days for test results. However, the ARCI model rule does shift the responsibility for such costs to the owner of the horse at time of entry if the test proves positive.

RECOMMENDATION

This item is presented for Board discussion and action.
Copies of Board Rule 1658 and 1651, as well as the proposed ARCI Model Rule amendments, are attached.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 7. CLAIMING RACES.
RULE 1658. VESTING OF TITLE TO CLAIMED HORSE.

Regular Board Meeting
October 15, 2009

1658. Vesting of Title to Claimed Horse.

(a) Title to a horse which is claimed shall be vested in the successful claimant from the time the field has been dispatched from the starting gate and the horse becomes a starter; and said successful claimant becomes the owner of the horse whether it be alive or dead, sound or unsound, or injured during the race or after it. Only a horse which is officially a starter in the race may be claimed. A subsequent disqualification of the horse by order of the stewards or the Board shall have no effect upon the claim.

(b) The claim shall be void if the race is called off, canceled, or declared no contest in accordance with Rule 1544 of this division.

Authority: Sections 19420 and 19440,
Business and Professions Code.

Reference: Section 19562,
Business and Professions Code.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 7. CLAIMING RACES
RULE 1651. ELIGIBILITY TO CLAIM

Regular Board Meeting
October 15, 2009

1651. Eligibility to Claim.

In claiming races any horse is subject to being claimed for its entered price by any racing interest, by any licensed horse owner, or by any person who has established his qualifications to claim by filing an application for license as horse owner and having been granted a certificate authorizing the claim. Such claim certificate shall not be issued until all conditions and qualifications for a horse owner's license have been met or completed.

PROPOSED AMENDMENTS TO
ASSOCIATION OF RACING COMMISSIONERS INTERNATIONAL
MODEL RULES

ARCI-009-010 General Provisions

- (2) Title to a claimed horse shall be vested in the successful claimant at the time the horse leaves the paddock. ~~The successful claimant shall then become the owner of the horse whether it be alive or dead, sound or unsound or injured at any time after leaving the paddock, during the race or after. However,~~
- (a) Should the claimed horse due to injury or distress fail to return to the designated unsaddling area after the finish the race and the unsaddling of the rest of the field, the stewards shall void the claim, unless the claimant has notified the stewards prior to the start of the next race that he still wants the claimed horse.
- (b) The successful claimant may request on the claim blank at the time he/she makes the claim that the horse be tested for the presence of prohibited substances, or other tests as approved by the official veterinarian equine infectious anemia via a Coggins test. Should this test prove positive, it shall be cause for voiding the claim. Should this test prove positive, the stewards shall void the claim unless the claimant notifies the stewards that he still wants the claimed horse within 72 hours of the reporting of the test results. The expense of the test and the maintenance of the horse during the period requested for the test, shall be the responsibility of the successful claimant, unless the test proves positive, wherein the owner(s) of the horse at the time of entry shall be responsible.

ARCI-009-015 Claiming Of Horses

- (1) Any horse starting in a claiming race is subject to be claimed for its entered price by any:
- (a) licensed owner;
- (b) holder of a valid claim certificate; or
- (c) licensed authorized agent acting on behalf of an eligible claimant.
- (2) Every horse claimed shall race for the account of the original owner, but title to the horse shall be transferred to the claimant at the time the horse leaves the paddock

- (3) Should the claimed horse due to injury or distress fail to return to the designated unsaddling area after the finish of the race and the unsaddling of the rest of the field, the stewards shall void the claim, unless the claimant has notified the stewards prior to the start of the next race that he still wants the claimed horse.

STAFF ANALYSIS
UPDATE FROM THE THOROUGHBRED OWNERS OF CALIFORNIA (TOC)
AND DISCUSSION BY THE BOARD REGARDING THE
CALIFORNIA RETIREMENT MANAGEMENT ACCOUNT (CARMA)
AND ITS FIRST 18 MONTHS OF OPERATION

Regular Board Meeting
October 15, 2009

BACKGROUND

At the May 2007 Regular Board Meeting the Thoroughbred Owners of California (TOC) presented a proposal to form a TOC managed California Retirement Management Account (CARMA) for retired thoroughbred horses. At the July 2007 Regular Board Meeting staff was directed to notice a proposed amendment to Rule 1467 to implement the CARMA program. The amendment to Rule 1467 became effective May 8, 2008.

Under the CARMA program the paymaster of purses deducts 0.3 percent of the net purse earned by any thoroughbred horse at a thoroughbred racing association or fair meeting, for deposit into the CARMA. The program is optional, and horsemen may opt-out of the CARMA by submitting the appropriate paperwork to the paymaster. The CARMA, which was established by the TOC, is a charitable trust fund for the benefit of California Thoroughbred retirement/rehabilitation facilities. The horsemen's organization is required to submit to the Board an annual audited financial statement regarding the CARMA within 90 days of the close of the horsemen's organization's fiscal year.

RECOMMENDATION

This item is presented for Board discussion. A TOC representative is prepared to give an update on the CARMA.

STAFF ANALYSIS
REPORT AND UPDATE ON THE PROGRESS AND EXPANSION
OF THE
MINISATELLITE WAGERING FACILITY
AT THE
CALIFORNIA COMMERCE CLUB

Regular Board Meeting
October 15, 2009

BACKGROUND

Assembly Bill (AB) 241 (Price), Chapter 594, Statutes of 2007, added sections 19410.7, 19605.25 and 19605.54 to the Business and Professions Code to provide that the Board may authorize up to 15 minisatellite wagering sites in each of the three zones (total 45) under certain conditions. Board Rule 2066, Application for License to Operate a Minisatellite Wagering Facility, sets forth the application process and provides the criteria for persons or entities who wish to operate a Minisatellite Wagering Facility.

At its April 24, 2009, Regular Meeting the Board heard an application for license to operate a minisatellite wagering facility of the California Commerce Club, Inc. d/b/a Commerce Casino. The Commerce Casino wished to operate a minisatellite wagering site at the Commerce Casino in Commerce, California, for a period of up to two years. Operations would begin upon approval of the application. The Commerce Casino is in the southern zone, and at the time of application it requested a six-month exclusive right among card clubs in Los Angeles County to operate a minisatellite facility. The Commerce Casino opened with five convertible teller/self service machines, four dedicated self-service machines, and a seating capacity of 35, with nine tables and 14 television monitors. The Board approved the California Commerce Club application for license to operate a minisatellite wagering facility with a six-month exclusive right, and the option to extend its license for an additional 18 months.

At the July 2009 Regular Board Meeting Rod Blonien, representing the California Commerce Club, stated the minisatellite wagering facility at Commerce Casino opened the week of July 13, 2009, without advertising or promotions. He said the facility did \$10,000 on Hollywood Park racing its first night, and within three days did \$37,000. On the opening day of the Del Mar meeting, Mr. Blonien reported the Commerce Casino minisatellite did \$42,000. Mr. Blonien commented the minisatellites were an opportunity for the industry to grow.

The Commerce Club minisatellite facility has been open approximately three months and wishes to make a presentation to the Board regarding its progress and expansion.

RECOMMENDATION

Staff recommends the Board hear from the Commerce Club representative.

CALIFORNIA HORSE RACING BOARD

OCTOBER 15, 2009
REGULAR BOARD MEETING

There is no board package material for Item 10

CALIFORNIA HORSE RACING BOARD

OCTOBER 15, 2009
REGULAR BOARD MEETING

There is no board package material for Item 11

STAFF ANALYSIS
DISCUSSION AND ACTION BY THE BOARD
REGARDING THE ALLOCATION OF RACE DATES AND
RELATED ISSUES FOR 2010 AND BEYOND

Regular Board Meeting
October 15, 2009

BACKGROUND

Business and Professions Code section 19440 (a) states the Board shall have all powers necessary and proper to enable it to carry out fully and effectually the purposes of this chapter. Responsibilities of the Board shall include allocation of racing dates to qualified associations in accordance with law.

Board Rule 1430, Allocation of Racing Weeks and Dates, states the Board shall allocate racing weeks and dates for the conduct of horse racing in this State for such time periods and at such racing facilities as the Board determines will best subserve the purposes of the Horse Racing Law and which will be in the best interests of the people of California in accord with the intent of the Horse Racing Law.

In preparation for discussion regarding 2010 race date allocations, the industry was asked to submit proposed 2010 race dates. Proposals for Southern California thoroughbred race dates have been received from the Los Angeles Turf Club at Santa Anita; Hollywood Park Racing Association; Del Mar Thoroughbred Club (DMTC); Oak Tree Racing Association at Santa Anita and Fairplex Park Pomona (Pomona). The Los Alamitos Race Course has submitted its proposed 2010 race dates.

Northern California's 2010 proposed racing calendar was submitted by Pacific Racing Association (PRA) on behalf of PRA, TOC and California Authority of Racing Fairs (CARF). This is a calendar on which PRA, TOC and CARF can currently agree. Details of the summer block of dates, shown on the attached draft, are still being negotiated.

California Exposition and State Fair (CESF) advised that the Cal Expo Board of Directors will meet October 9, 2009 to discuss the concept of moving its fair dates in 2010. Dependent upon the decision made by the Cal Expo Board, CESF will request 11 to 13 racing days, with days of racing to occur within the block of dates allocated for summer fair racing.

If the fair program is moved to July, CESF would request 13 racing days to begin concurrent with the opening of its fair. If dates remain in the current timeframe, CESF would request 14 racing days, which would include the traditional August racing dates and conclude on Labor Day.

In 2010 Cal Expo Harness proposes to race 45 weeks from December 26, 2009 through December 18, 2010 with a summer break of approximately seven weeks. Race dates would include 132 racing days at three days per week.

ANALYSIS

Attached are the following items to assist in the development of proposed race dates for calendar year 2010 and beyond.

1. 2010 Southern California Proposed Race Dates
(Proposed dates submitted by Los Angeles Turf Club; Hollywood Park racing Association; Del Mar Thoroughbred Club; Los Angeles Country Fair (Fairplex) and Oak Tree Racing Association).
2. 2010 Northern California Proposed Race Dates
(Proposed dates submitted by Pacific Racing Association; California Authority of Racing Fairs).
3. 2010 California Exposition/ Harness Proposed Race Dates
4. 2010 California Exposition and State Fair Race Dates proposal.
5. 2010 Los Alamitos Proposed Race Dates
6. 2009 Racing Calendars
7. 2010 Blank Calendar

RECOMMENDATION

This item is presented for Board discussion.

PROPOSED 2010 SOUTHERN CALIFORNIA RACE DATES

12-3

December						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
					25	26
27	28	29	30	31		

5

January						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

23

May						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

23

September						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

7

15

2

Legend:

LATC 83

HP - Spring 65

Del Mar 37

HP Fall 35

Fairplex 15

Oak Tree 26

February						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28						

20

June						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

20

October						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

24

March						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

21

July						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

14

9

November						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

20

April						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

14

8

August						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

21

December						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

15

Proposed Dates Submitted by:

Los Angeles Turf Club (LATC); Hollywood Park Racing Association (HP); Del Mar Thoroughbred Club (DM);
Los Angeles County Fair(Fairplex); Oak Tree Racing Association (Oak Tree)

PROPOSED 2010 NORTHERN CALIFORNIA RACE DATES

December						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
						26
27	28	29	30	31		

PRA Winter-Fall	83
PRA Spring	77
PRA Total	160

CARF & Summer Meets	89
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Simulcast Only	10
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January						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

February						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28						

March						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

April						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

May						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

June						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

July						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

August						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

September						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

October						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

November						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

December						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

PROPOSED 2010 CAL EXPO HARNESS RACE DATES

Cal Expo Harness 132

December						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
						26
27	28	29	30	31		

2

January						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

14

May						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

13

September						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

13

February						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28						

12

June						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

12

October						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

14

March						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

12

July						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

12

November						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

11

April						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

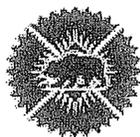
14

August						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

6

December						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

9



CAL EXPO

September 8, 2009

Commissioners
California Horse Racing Board
1010 Hurley Way, Suite 300
Sacramento, CA 95825

Dear Commissioners:

On behalf of the California Exposition & State Fair we respectfully submit our request for FAIR THOROUGHBRED AND OTHER BREED racing dates for 2010.

As you may or may not know, we consider our most recently concluded race meet a success due to the fact that our live racing handle in Northern and Southern California experienced an increase 5% from 2008.

With the assist and concurrence of the Thoroughbred Owners of California, we were also able to increase the amount of purse money paid to horsemen for specific classes.

The Cal Expo Board of Directors will meet October 9, 2009 to discuss the concept of moving our fair dates in 2010. Dependent upon the decision made by the Cal Expo Board, we will request racing days in the amount of 11 to 13 days, with days of racing to occur within the block of dates allocated for summer fair racing.

If our fair program is moved to July, we would request 13 racing days that would begin concurrently with the opening of our fair. If dates remain in the current timeframe, we would request 14 racing days which would include the traditional August racing dates and concluding on Labor Day.

Respectfully,
CALIFORNIA EXPOSITION & STATE FAIR

Norbert J. Bartosik,
General Manager/CEO

NJB:DE:lvc

cc Mr. Kirk Breed
Ms. Jackie Wagner
Cal Expo Board of Directors
Mr. David Elliott

PROPOSED 2010 LOS ALAMITOS RACE DATES

12-7

Los Alamitos 203

December						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
						26
27	28	29	30	31		

2

January						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

19

May						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

18

September						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

17

February						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28						

15

June						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

16

October						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

19

March						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

16

July						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

19

November						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

15

April						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

18

August						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

17

December						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

12

Proposed Dates Submitted by: Los Alamitos Racing Association

2009 SOUTHERN CALIFORNIA RACE DATES

December						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
			24	25	26	27
28	29	30	31			

5

January						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

23

May						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

21

September						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

7

15

1

Legend:

LATC 84

HPRA - Spring 56

Del Mar 37

HP Fall 31

Fairplex 15

Oak Tree 31

February						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28

20

June						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

16

October						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

24

March						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

21

July						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

12

8

November						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

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15

April						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

15

7

August						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

22

December						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

16

8/4/09- Approved Fairplex to canceled 9/21

6/5/09 Board approved HPRA Spring race day reduction: June 17, 24 and July 1, 8, 15

2009 NORTHERN CALIFORNIA RACE DATES

December						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
					26	27
28	29	30	31			

4

PRA @ GGF Winter-Spring	114
PRA @ GGF Fall	34
Total PRA	148

Stockton (6/18-6/28)	9
Pleasanton (7/1-7/19)	15
Vallejo (7/22-7/26)	5
Santa Rosa (7/29-8/9)	10
Ferndale (8/14-8/23)	8

CARF @ GGF	26 (8/12-8/23 & 9/9-10/4)
Sacramento (8/26-9/7)	11
Fresno (10/7-10/18)	10
Total Fairs	94

January						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

20

February						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28

17

March						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

21

April						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

22

May						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
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3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

22

June						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

8

July						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

15

August						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

7

September						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

6

October						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

10

November						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

17

December						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

8

8/4/09 - Approved to change start date at Ferndale to 8/14 (previously 8/13). Approved CARF to cancel Sept. 16, 23, 30

5/28/09 Approved PRA to cancel 3 race days: May 28, June 3, 10

2009 CAL EXPO HARNESS RACE DATES

12/26/08 - 08/01/09 = 95
 09/25/09 - 12/19/09 = 38
 Total = 133

December						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
			24	25	26	27
28	29	30	31			

2

January						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

15

February						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28

12

March						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

12

April						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

13

May						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

14

June						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

12

July						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

14

August						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	3	4	5	6	7	8
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16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

1

September						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

2

October						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

15

November						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

12

December						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
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9

9/29/09 request approved to cancel 11/12 and add 11/15/09
 8/7/09 - request approved to cancel 11/25/09 and add 11/29/09
 5/28/09 revised: cancel (May 28) and add race day (May 31)

2009 LOS ALAMITOS RACE DATES

Los Alamitos 201

December						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
			24	25	26	27
28	29	30	31			

0

January						
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19

February						
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15

March						
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17

April						
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May						
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18

June						
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16

July						
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August						
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September						
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16

October						
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November						
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16

December						
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12

8/21/2009 approved to add race day Sept. 3, 2009
 5/28/09 approved cancel race day May 28

December						
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January						
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February						
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April						
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August						
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September						
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October						
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November						
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December						
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DISCUSSION AND ACTION BY THE BOARD REGARDING THE
UPDATE FROM THE LOS ANGELES TURF CLUB, INC., OPERATING AT
SANTA ANITA PARK AND THE SIGNIFICANCE OF THE BANKRUPTCY
FILING OF MAGNA ENTERTAINMENT CORPORATION ON ITS
RACING OPERATIONS AND THE STATUS OF STATUTORY FUNDS
THAT MAY STILL BE OWED MONEY FROM PRE AND POST
BANKRUPTCY ACCOUNTS

Regular Board Meeting
October 15, 2009

BACKGROUND

On March 5, 2009, Magna Entertainment Corporation (MEC) filed voluntary petitions for relief under Chapter 11 of the US Bankruptcy Code. At the March 19, 2009, Regular Board Meeting, the Board discussed the significance of the bankruptcy filing of MEC on its subsidiaries operating in California, Los Angeles Turf Club, Inc., and Pacific Racing Association. At its April 24, 2009, and June 5, 2009, Regular Meetings, the Board heard presentations by MEC representatives and interested parties regarding the progress of the bankruptcy proceedings and the sale of certain MEC California assets.

At the June 5, 2009, Regular Board Meeting MEC representatives reported that definitive bids for the assets identified for sale were to be filed on July 31, 2009. The bids would be evaluated between July 31, 2009 and August 7, 2009, to determine the highest and best offer, which would then be designated the stalking horse bidder for the particular asset or group of assets. On September 8, 2009, a bidding auction would allow other parties to offer higher bids or better terms than the stalking horse bid. The auction would result in the final successful bidder for any asset or assets; however, the bankruptcy court would ultimately decide whether it would approve the winning bidder. The Board also heard an extensive discussion regarding an industry petition that was filed with the bankruptcy court to force the distribution of pre-petition funds, such as advance deposit wagering fees and satellite wagering fees, and MEC's objection to the petition. The Board urged the parties to present their positions: why MEC felt its objection to the petition was appropriate, and why the industry believed the funds owed were different from funds owed general creditors and should have a priority position.

At its July 23, 2009 Regular Meeting the Board heard from representatives of MEC regarding the MEC bankruptcy proceedings. The dates for the bidding auction process, as reported at the June 5, 2009, Regular Board Meeting, had not changed. The Board was informed that industry and Board staff met with MEC representatives to discuss the Southern California Off Track Wagering, Inc. claims; however, no resolution was reached. An extensive discussion of payment of priority claims was heard. Priority tax claims and claims for fees would be paid in full over a five-year period with interest at the prevailing interest rate. The Board was informed that the State had filed its proofs of claim regarding taxes and fees owed it by MEC.

At the August 27, 2009, Regular Board Meeting a MEC representative reported that MID, MEC's principal creditor, filed a proposed modified credit agreement with the Ontario, Canada,

Securities Commission. The agreement would be heard in mid-September 2009, and would add up to \$28 million to the MEC loan that was currently in place. The additional funds would extend MEC's operational abilities through April 2010, and allow MEC to continue its operations and meet its obligations. The agreement contained milestones that pertained to some of MEC's California operations: 1) by October 31, 2009, MEC would obtain bankruptcy court orders approving the sale of various assets, including XpressBet and AmTote; 2) by November 30, 2009, there would be a sales order in place with respect to Golden Gate Fields and Santa Anita Park Race Track. MID reserved the right to credit bid on Golden Gate Fields and Santa Anita Park Race Track if it believed the sale price was not adequate. By mid-September 2009 MEC would know the extent to which the amended credit arrangement would be in place, which should provide a sense of MEC's ability to meet its obligations going forward.

RECOMMENDATION

This item is presented for Board discussion and action