

CALIFORNIA HORSE RACING BOARD
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REGULAR MEETING

of the California Horse Racing Board will be held, Wednesday, September 20, 2006, commencing at 9:00 a.m., at the Hind's Pavilion (Barrett's), Fairplex Park (enter White Avenue Gate 12), Pomona, 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.

AGENDA

Action Items

1. Approval of the **minutes of the regular meeting of August 17, 2006.**
2. Report from the Thoroughbred Owners of California and the California Thoroughbred Trainers regarding **stall applications and the assurance that language, requiring the use of detention barns for TCO2 violations, is included in the application.**
3. Discussion regarding **racing programs and efforts to address field size, quality or quantity of entrants, ways to improve racing programs, types of races and restrictions.**
4. Discussion and action by the Board on the **Application for License to Conduct a Horse Racing Meeting of the Hollywood Park Fall Racing Association (T) at Hollywood Park**, commencing November 1, 2006 through December 18, 2006, inclusive.
5. Discussion and action by the Board on the **Application for License to Conduct a Horse Racing Meeting of the Bay Meadows Racing Association (T) at Bay Meadows**, commencing October 18, 2006 through December 18, 2006, inclusive.
6. Report of the **Strategic Planning Committee**
Chairman Richard B. Shapiro, Committee Chairman
Commissioner John Amerman, Member
Vice-Chairman Marie G. Moretti, Member
7. Public hearing by the Board on the adoption of the **proposed amendment to CHRB Rule 1582, Form of Entries and Declarations**, to allow acceptance of entries in any electronic form the track deems appropriate.
8. Public hearing by the Board on the adoption of the **proposed amendment to CHRB Rule 1544, Calling off Race, and CHRB Rule 1658, Vesting of Title to Claimed Horse**, to provide that any claims submitted in a race that is called off, canceled or declared no contest shall be void.

9. Discussion and action by the Board on the **proposed addition of CHRB Rule 1874.1, Breath Alcohol Testing**, to require jockeys to submit to a breath alcohol test at the beginning of each race program in which they participate.
10. Discussion and action by Board on the **proposed amendment to CHRB Rule 1433, Application for License to Conduct a Horse Racing Meeting**, to require associations to provide average daily purse estimates, the names of the advance deposit wagering providers and information describing first-aid facilities at the race track on the application for license.
11. Report by representatives of the California Animal Health and Food Safety Laboratory on **the Postmortem Program**.
12. Discussion and action by the Board on the request of the Bay Meadows Foundation to **distribute \$76,500 in charity day racing proceeds to 25 beneficiaries**.
13. Report on the status of the **Jockey Health Assessment Study**.
14. Discussion and action by the Board on the matter of: (1) **licensing and setting of ADW hub rates** and the obligations of ADW companies and or racing associations to have agreements with horsemen's or owner's organizations; (2) **TVG and TOC hub fee rate dispute**, relating to imported TB races and the propriety of an ADW company to import races without a contract in place with a racing association or horseman's organization of the same breed as the imported races; (3) **method of determining, calculating and reserving for rates in dispute**; (4) any other related matter considered part of the **dispute between any ADW company and any racing association or horsemen's or owner's organization**.
15. Discussion and action by the Board on the request of NOTWINC for an adjustment to the **stabling and vanning percentage that is withheld from the northern thoroughbred and fair off-track and out-of-zone handle**.
16. Staff report on the following concluded race meets:
 - A. **Sonoma County Fair** at Santa Rosa from July 26 through August 7, 2006.
 - B. **San Mateo County Fair** at Bay Meadows from August 9 through August 23, 2006.
 - C. **Humboldt County Fair** at Ferndale from August 10 through August 20, 2006.
17. Discussion and action by the Board on the **proposed Code of Ethical Conduct Policy** for Board Commissioners.

CALIFORNIA HORSE RACING BOARD

**M e m o r a n d u m**

Date : September 8, 2006

To : **California Horse Racing Board**
Richard B. Shapiro, Chairman
Marie G. Moretti, Vice Chairman
John W. Amerman, Member
John Andreini, Member
William A. Bianco, Member
John C. Harris, Member
Jerry Moss, Member

From : **Sharyn S. Jolly**
Administrative Hearings Unit

Subject : SCHEDULE FOR ACTION-CLOSED SESSION

The following Proposed Decisions and Administrative Proceedings may be reviewed for action:

SVENDSEN, LEMOYNE OAH No. N2006040586	Complaint- Proposed Decision
LEWIS, CRAIG SAC 06-0023	Appeal Board of Stewards Ruling LATS #105-Proposed Decision
BLAND, SHAWN SAC 06-0065	Fitness for Licensure-Proposed Decision
ALFEREZ, GILBERT SAC 06-0066	Fitness for Licensure-Proposed Decision
MARTIN, JOHN	Administrative Review
APPEAL OF STEWARDS DECISION TO VOID CLAIM FOR 1ST RACE, SEPTEMBER 4, 2005 AT DEL MAR RACE TRACK SAC 05-083	Administrative Review

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PENDING LITIGATION
SEPTEMBER 2006

CASE

CASE NUMBER

MARTIN, JOHN v.
California Horse Racing Board

Sacramento County Superior Court
No. 98CS00952

**CALIFORNIA HARNESS HORSEMEN'S
ASSOCIATION and CAPITOL RACING,
LLC, v.**
California Horse Racing Board

Sacramento County Superior Court
No. 03CS01033

BERG, PAMELA A. v.
California Horse Racing Board

Sacramento County Superior Court
No. 04AS03127

CAPITOL RACING, LLC, v
California Horse Racing Board and
(California Harness Horsemen's Association
interested Party)

Sacramento County Superior Court
No. 05CS01116

JAMGOTCHIAN, JERRY v.
California Horse Racing Board, et al.

Los Angeles County Superior Court
No. BS102641

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 17, 2006**.

Present: Richard B. Shapiro, Chairman
Marie G. Moretti, Vice-Chairman
John Amerman, Member
John Andreini, Member
William A Bianco, Member
John C. Harris, Member
Ingrid J. Fermin, Executive Director
Peter Kaufman, Deputy Attorney General

MINUTES

Chairman Shapiro asked for approval of the minutes of the Regular Meeting of July 20, 2006.

Commissioner Amerman **motioned** to approve the minutes. Commissioner Bianco **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 FRESNO DISTRICT FAIR (F) AT FRESNO, COMMENCING OCTOBER 4 THROUGH OCTOBER 15, 2006, INCLUSIVE.

John Reagan, CHRB staff, said the Fresno District Fair (FDF) proposed to run 11 days, the same number of days as in 2005, for a total of 95 races, four fewer than in 2005. The first post time would be 12:37 Saturday and Sunday; 1:30 p.m. Friday; and 1:15 p.m. Monday, Wednesday and Thursday. Mr. Reagan stated the name of the horseshoe inspector was missing from the application. Staff recommended the Board approve the application provided the missing information was completed. Chairman Shapiro said he noted FDF's second week was a six-day week. He commented the Board had tried to eliminate six-day weeks and he

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questioned whether October 11 should be awarded to the fair. Commissioner Harris said FDF only had 11 days of racing. In addition, Oak Tree Racing Association (OTRA) was running concurrently and the extended week would provide racing in the north and the south. Chairman Shapiro stated he would raise the same issue with OTRA, as it was also asking for a six-day week. He also recognized the fair's position that it only had 11 days; however, the Board was attempting to reduce the number of race days due to the lack of horses. Daniel White of FDF said the Monday was Columbus Day, which was traditionally a huge day for FDF, and the Wednesday was one of the few days with no overlap in the north. He stated FDF anticipated more entries on those dates. Chairman Shapiro asked what advance deposit wagering (ADW) providers would be utilized for the meeting. Chris Korby of California Authority of Racing Fairs said each racing fair that conducted live racing would utilize all three ADW providers. Chairman Shapiro asked if there were head-on cameras for the straightaways. Mr. Korby said cameras were provided for the straightaways - as well as a portable camera. Chairman Shapiro asked what FDF was doing for advertising and promotions. Mr. White said the FDF began promoting the fair at Christmas by mailing cards to owners and trainers who ran horses at the fair. In addition, hams and turkeys were sent to owners and trainers who ran more than an average number of horses at the fair. Mr. White discussed several additional actions aimed at attracting owners and trainers to the FDF meeting. He stated the response was very positive. Mr. White listed numerous improvements to the physical facility at FDF, which were intended to make the track more attractive to the wagering public. Commissioner Amerman said FDF showed a purse distribution down over 3 percent. He asked how FDF got its figures, and what could be done to arrive at least at a

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break-even purse distribution for 2006. Commissioner Amerman commented the mentality of dropping by 3 percent was wrong; the purse distribution should gain by 3 percent. Chairman Shapiro said it appeared to him that fair officials took last year's numbers and prorated them based on the number of days or races they would run. He stated the Board appreciated all that FDF was doing to improve its facility and attract horsemen, but what was it doing to increase fan attendance? How could those attending the fair be attracted to the race meeting so the handle will increase? Mr. White stated FDF had no problems filling its grandstand Friday, Saturday and Sunday. The average attendance was around 10,000 fans, and to bring in more fans FDF advertised in the local media. Commissioner Harris said one of the problems was that FDF did not get its fair share of some of the off-track wagering. If a patron wagered at Turlock on Belmont, none of the wager went to FDF; it all went to Golden Gate or Bay Meadows. Commissioner Amerman said everything FDF was doing was very positive, but the mentality said FDF was going to protect itself and the handle would drop rather than increase. Chairman Shapiro said the Board would encourage FDF to have a positive attitude. He stated he was concerned that the fairs were not receiving ADW airtime, and it was important that the fairs work with ADW providers to increase their exposure. Mr. Korby stated paragraph "D" of the application, which stated the cumulative total of purse projections showed a \$22,000 increase for 2006. Jerry Jamgotchian, a horse owner, spoke in support of the FDF application. Richard Castro of the Pari-Mutuel Employees Guild spoke in support of the FDF application. Commissioner Harris **motioned** to approve the application to conduct a horse racing meeting of FDF. Commissioner Amerman **seconded** the motion, which was **unanimously carried**.

Proceedings of the Regular Board Meeting of August 17, 2006**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 27 THROUGH OCTOBER 29, 2006, INCLUSIVE.**

John Reagan, CHRB staff, said the Oak Tree Racing Association (OTRA) proposed to run 26 days, five days less than in 2005, for a total of 224 races. The first post time would be 1:00 p.m. weekdays; 12:30 p.m. weekends and holidays; and 12:00 p.m. on Cal Cup Day and closing day. Mr. Reagan stated the application was complete and staff recommended the Board approve the application as presented. Chairman Shapiro asked why OTRA was running on October 11, which resulted in a six-day week. John Barr of OTRA said the date was traditionally a holiday for many fans and an opportunity to see an increase in on-track attendance. Mr. Barr stated OTRA attempted to respect the five-day week during the remainder of its meeting. The meeting was five days shorter than the 2005 meeting and every race day was valuable to OTRA, so it took advantage of the holiday. Commissioner Harris said the tracks had an expectation that the racing calendar would be followed as approved; so it would be difficult to drop a day. Chairman Shapiro stated he understood, but by having a conversation about the six-day weeks the industry would become sensitized to the issue. He said he did not want to cut a day, but he was troubled by the six-day week. Chairman Shapiro complimented OTRA on its stakes schedule, but said he questioned the purse distribution, which he assumed was reduced as a result of the shorter meeting and losing the Breeders' Cup. Mr. Barr stated those two ingredients were the reason for the reduction. He said OTRA hoped to follow-up on Santa Anita's successful meeting, and was employing the same marketing team. Chairman Shapiro asked if there was a larger promotional and advertising budget for OTRA in 2006 versus the 2005 meeting. Mr. Barr said he believed there was an 18 percent

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increase in the advertising and promotions budget. Commissioner Amerman stated on track attendance was very thin with regards to certain age demographics. He commented Keeneland offered college scholarships to attract students to the track, and Golden Gate Fields was going to implement a similar program, which seemed like a good way to get younger patrons to the track. Mr. Barr said he was not aware of a scholarship program. OTRA tried to attract a younger demographic with infield events on Friday afternoons, but was unsuccessful. Mr. Barr stated OTRA would look into the scholarship feature as part of its marketing strategy. Chairman Shapiro asked if OTRA had an agreement in place that would place trainers with TCO2 positives in a detention barn. Mr. Barr said such an agreement was in place. Trainers planning to race at OTRA had to sign a stall application supplement that bound them to the TCO2 testing program. Chairman Shapiro asked why OTRA was using a contract service for surveillance in stake races versus using security guards licensed by the Board. George Haines of Santa Anita (SA) said the security guards that worked on a daily basis at SA were from Local 495 of the Teamsters Union. When the surveillance began SA was not able to hire from within the union, as there were up to 60 persons at a time on duty. Mr. Hines said SA was forced to contract for surveillance. The company that SA used performed security throughout the Los Angeles area, and its personnel were often off-duty policemen. SA continued to use the company because it could supply the amount of guards needed at a moment's notice. Chairman Shapiro said he was wondering if there was not a better system that could be put in place. He stated he met with union representatives who stated they believed they could supply guards who were licensed by the Board. Chairman Shapiro said he realized it was difficult as the tracks did not know how many guards would be needed, but horses were involved, and the

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guards needed to be familiar with track operations. He asked if the industry could meet and look at the issue. Mr. Haines said the contract guards were trained before they were assigned to a position. SA's backside security agent gave courses on what to look for. He added there were always new guards, who needed to be trained, but they did know how to detain people and they knew the basics of security work. Mr. Haines stated, however, that SA would work with the industry to look at the issue. Jerry Jamgotchian, a horse owner, spoke regarding various aspects of the OTRA application. Commissioner Amerman **motioned** to approve the application to run a horse racing meeting of OTRA. Vice-Chairman Moretti **seconded** the motion, which was **unanimously carried**.

PUBLIC HEARING BY THE BOARD ON THE ADOPTION OF THE PROPOSED AMENDMENT TO CHRB RULE 1486, TERM OF LICENSE, TO CHANGE THE EXPIRATION DATE OF ONE-YEAR LICENSES FROM DECEMBER 31 TO THE LAST DAY OF THE BIRTH MONTH OF THE LICENSEE.

John Reagan, CHRB staff, said the proposed amendment to Rule 1486, Term of License, would change the expiration date of one-year licenses from December 31 to the last day of the birth month of the licensee. Chairman Shapiro said the proposed amendment was intended to relieve the backlog of licensees trying to renew at the end of each year. He stated the amendment was a good first step in the process. Commissioner Harris **motioned** to adopt the amendment to Rule 1486. Vice-Chairman Moretti **seconded** the motion, which was **unanimously carried**.

Proceedings of the Regular Board Meeting of August 17, 2006**PUBLIC HEARING BY THE BOARD ON THE ADOPTION OF THE PROPOSED AMENDMENT TO CHRB RULE 1544, CALLING OFF RACE, AND CHRB RULE 1658, VESTING OF TITLE TO CLAIMED HORSE, TO PROVIDE THAT ANY CLAIMS SUBMITTED IN A RACE THAT IS CALLED OFF, CANCELED OR DECLARED NO CONTEST SHALL BE VOID.**

John Reagan, CHRB staff, said the proposed amendment was the result of a claim that was voided by the stewards after a race was canceled. The status of the claim was appealed, and the Administrative Law Judge reinstated the claim. The proposed amendment would make it clear that claims shall be void if a race is called off, canceled, or declared "no contest." Chairman Shapiro stated the proposed amendment would be effective only in future races, not in past events. Deputy Attorney General (DAG) Peter Kaufman said it would behoove the Board to make it clear in the language of the regulation that it affects only races that occurred after the effective date of the regulation. DAG Kaufman said it would require an additional 45-day public comment period. Commissioner Harris said the Board's concern was it needed to be clear that the regulation was effective going forward, and was not a regulation going backwards. Peter Miller, a horse owner, spoke against the proposed amendment. Jerry Jamgotchian, a horse owner, spoke against the proposed amendment.

PUBLIC HEARING BY THE BOARD ON THE ADOPTION OF THE PROPOSED AMENDMENT TO CHRB RULE 1733, WHIPS, TO BRING THE ALLOWED LENGTH OF A DRIVER'S WHIP IN LINE WITH THE UNITED STATES TROTTING ASSOCIATION (USTA) REQUIREMENTS.

John Reagan, CHRB staff, said the proposed amendment to Rule 1733, Whips, would bring the allowed length of a driver's whip in line with an amended United States Trotting Association regulation, which was in effect in May 2006. Mr. Reagan said no comments were received during the 45-day public comment period and staff recommended the Board adopt the

regulation as presented. Commissioner Bianco **motioned** to adopt the amendment to Rule 1733. Vice-Chairman Moretti **seconded** the motion, which was **unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD ON THE MATTER OF: (1) LICENSING AND SETTING OF ADW HUB RATES AND THE OBLIGATIONS OF ADW COMPANIES AND OR RACING ASSOCIATIONS TO HAVE AGREEMENTS WITH HORSEMEN'S OR OWNER'S ORGANIZATIONS; (2) TVG AND TOC HUB FEE RATE DISPUTE RELATING TO IMPORTED TB RACES AND THE PROPRIETY OF AN ADW COMPANY TO IMPORT RACES WITHOUT A CONTRACT IN PLACE WITH A RACING ASSOCIATION OR HORSEMEN'S ORGANIZATION OF THE SAME BREED AS THE IMPORTED RACES; (3) METHOD OF DETERMINING, CALCULATING AND RESERVING FOR RATES IN DISPUTE; (4) ANY OTHER RELATED MATTER CONSIDERED PART OF THE DISPUTE BETWEEN ANY ADW COMPANY AND ANY RACING ASSOCIATION OR HORSEMEN'S OR OWNER'S ORGANIZATION.

Chairman Shapiro stated the issue was originally placed on the January 2006 agenda and was deferred. The issue was an ongoing dispute with respect to the setting of hub fee rates and in particular, a dispute between the advance deposit wagering (ADW) provider, TVG, and Thoroughbred Owners of California (TOC). Chairman Shapiro said he spoke with the parties and he believed they would agree to meet to resolve the matter. He stated he would like to hear from the parties regarding their willingness to commit to a process under which they would solve their dispute. Drew Couto of TOC said the matter had been portrayed as an acrimonious issue between TOC and TVG, which was not the case. Instead, the matter was a business issue that had lingered since November 2005. Mr. Couto stated the issue was not simply a TVG/TOC conflict, as it was unique to TVG and horsemen across the country. However, TOC was appreciative of TVG's willingness to discuss the issue. Mr. Couto commented that if the parties were not able to resolve their conflict, the matter would, again, be before the Board. Jess Jackson of TOC said the issue before the Board was critical to the

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survival of horse racing nationwide, but it was particularly critical to California due to reduced fields and purses. Higher purses were essential to bring horses to California, as the state's horses were moving east. Mr. Jackson stated without increasing purses in California, the problem would never be solved. Instead, California was experiencing reduced purses, which led to reduced handle, and more stress on horses and the industry. While the TVG issues were nationwide, California had the opportunity to take the lead by requiring TVG to negotiate with the tracks, horsemen and owners. Mr. Jackson spoke about the horsemen's investment in the industry, and how horsemen had been ignored and excluded from negotiations. He stated horsemen across the nation needed to recapture the signal, as it was part of the handle that should return to the host track. Horsemen were only receiving 2 percent or 3 percent to the host track and that was a small part of the purse. The recipient of the handle was getting 10 percent to 15 percent. Chairman Shapiro said the Board would agree that the industry needed to do everything it could to advance horse racing. The current dispute was not in the best interest of that goal. It was a step forward if the parties would meet and resolve the issue without having the Board intervene. John Hindman of TVG said his organization cared very deeply about California horse racing, as it was a large part of TVG's past and its future. TVG was committed to helping the industry move forward, and it understood the industry had to work together. Mr. Hindman said he wanted TOC to understand that the dispute was a business issue and was not personal. TVG was happy to sit down with TOC and hopefully move forward. Chairman Shapiro said he was assuming there would be sufficient discussions, as necessary, to try to reach a fair and equitable solution that would benefit California horse racing. Mr. Hindman said the general manager would be available. Mr. Couto said TOC

would ask that if Mr. Nathanson attended the meetings, a third party would be present to ensure good faith. Chairman Shapiro stated he thought that was a good idea, and the parties could choose a third party. Vice-Chairman Moretti asked if some of the issues before the parties would also be re-addressed before the legislature in 2007. Mr. Couto said the immediate objective of TOC was to resolve the issues related to hub fees. If there were productive discussions, TVG and TOC and the industry could then move on to issues related to the extension of ADW. Chairman Shapiro said the issue before the parties was the setting of hub fees. However, there should be discussions by the Board in advance of legislation regarding how to make ADW more beneficial for California horse racing. Vice-Chairman Moretti said hopefully the parties would resolve the issue of hub fees, but asked if part of the resolution would be codified, or in 2007 would the industry return to a similar situation? Mr. Hindman said he hoped all the parties would have discussions that would provide stability for the industry to move forward in a new arrangement. Chairman Shapiro said it was apparent that the current ADW model did not work for California, and as the industry had the benefit of seeing what ADW meant since 2001, a means of keeping TVG in business and making the industry profitable had to be found. Commissioner Harris said one problem was the law was not clear, which brought disputes to the Board. One risk going forward was that the legislature could come back and state it would not extend ADW, which would not be good for the industry. Mr. Couto said he agreed the only way ADW would work was for all stakeholders to sit down and revise the current law. Moving ahead under the current system would not be a good idea. TOC had learned a lot and so had the remainder of the industry, so it was up to the industry to make changes to improve the system. Commissioner Amerman

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said he did not think ADW was working at all. The breakdown between the host fee and where the wager was placed was not right. TVG put a lot of money into ADW and was doing better. Commissioner Amerman said it was the horses and the tracks that put on the show, and for the breakdown to be 3 percent versus 15 percent made no sense. The disparity needed to be corrected in California and across the country. Both sides should be flexible, as ADW was not going in the right direction and the mix had to be changed, or no one would be happy. Mr. Hindman said TVG had invested a lot of money in ADW and the business model for an industry that did not exist too long ago. There was a correlation between the model and being able to conduct business on a daily basis. Mr. Hindman said the model was important for horse racing and the quality of distribution and programming, and he hoped the industry would appreciate and understand the correlation between what TVG could do on the screen every day and how the model operated. Commissioner Harris said ADW had not worked as well as expected, and the industry was not seeing the growth it would like, but it was still a major move for horse racing to be available in millions of homes. Literally thousands of ADW accounts were opened, and while ADW was not what it could be, it was not less than a success. Chairman Shapiro said he did not think Commissioner Harris's comments could be disputed, but ADW also meant cannibalization of fans and more money streaming through ADW providers and less revenue for purses and the tracks. ADW was a good idea, but after several years of experience, the industry needed to find a way to make ADW work to the benefit of industry stakeholders. Chairman Shapiro stated the industry needed to start from the beginning and ask itself what it would do differently based on four years of experience. Chairman Shapiro said if the parties could not reach an agreement the item would be on the

agenda of the September 2006 Regular Board Meeting. Vice-Chairman Moretti asked if one month was sufficient time for the parties to come to an agreement. Mr. Couto stated TOC felt one month was sufficient. Mr. Hindman said TVG believed at least some progress could be made in 30 days. Commissioner Amerman asked if there was an outside party that could move the talks towards an agreement. Mr. Couto said in all prior years the issues were resolved; however, 2006 was unique because a meeting did not take place. He stated he was optimistic that once the parties met face-to-face the issues could be resolved. The meetings would occur with a third party present to force the parties to come to a solution. Chairman Shapiro said the matter would be deferred to the September 2006 Regular Board Meeting.

DISCUSSION AND ACTION BY THE BOARD ON THE REQUEST OF NOTWINC FOR AN ADJUSTMENT TO THE STABLING AND VANNING PERCENTAGE THAT IS WITHHELD FROM THE NORTHERN THOROUGHBRED AND FAIR OFF-TRACK HANDLE.

John Reagan, CHRB staff, said the stabling and vanning funds came from the off-track handle and was administered by Northern California Off-Track Wagering, Incorporated (NOTWINC). NOTWINC was asking for an increase from the current .94 percent to a rate of 1.15 percent. That would mean 4.1 million dollars for the stabling requirements of the program; for the vanning reimbursements for shipping horses, it would mean five hundred thousand dollars. NOTWINC estimated that with a rate of 1.15 percent, 4.8 to 4.9 million dollars in revenue would be generated for the stabling and vanning operation. Mr. Reagan commented that the horsemen would pay half the increase and the tracks would pay the other half. Chairman Shapiro asked if there were a budget or income statement that would show the specifics of the vanning and stabling program, so the Board would know what it was being asked to approve.

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Mr. Reagan said the budget was given to him just prior to the meeting. Chairman Shapiro stated it was not fair to an issue when items were provided without sufficient time for the Board to absorb them and understand the issue. He said he did not see that the Board should take any action until it had a full understanding of the program's costs and why an increase was needed. Peter Tunney of Golden Gate Fields said the NOTWINC committee discussed the item over several months. The committee recommended that the controllers within the four organizations comprising NOTWINC audit each other's numbers and recommend a figure for an increase. Mr. Tunney said this was the first time the Board asked for information as it was determined by NOTWINC. Commissioner Harris asked if NOTWINC had enough money in reserve to keep the program running until the Board's next Regular Meeting. Mr. Tunney said there was enough money, but it was at a lower rate. The tracks would have to make up the difference caused by increases in gasoline and shipping. Chairman Shapiro said he was not comfortable approving an increase without seeing a breakdown of expenses and income. He stated he would recommend the matter be deferred to the September 2006 Regular Meeting. Mr. Tunney said the materials were readily available and would be forwarded to staff. NOTWINC would return with a request that was retroactive. Vice-Chairman Moretti commented that the Board once required all materials to be submitted at least ten days in advance. She stated there were at least five new pieces of material with five separate issues that were handed out at the meeting, and the Commissioners could not possibly be expected to be able to give them any consideration in that regard. Chairman Shapiro said the Board would not deal with issues where information was presented at the last minute.

REPORT BY REPRESENTATIVES FROM HOLLYWOOD PARK AND BAY MEADOWS REGARDING THE RESULTS OF THE EXPERIMENTAL TEMPORARY SUSPENSION OF CHRB RULE 1606, COUPLING OF HORSES, AT THEIR CONCLUDED 2006 SPRING RACE MEETINGS.

John Reagan, CHRB staff, said the item was a report from representatives of Hollywood Park (HP) and Bay Meadows (BM) regarding the results of experimental temporary suspension of Rule 1606, Coupling of Horses, at their concluded 2006 Spring race meetings. Chairman Shapiro said information was received from HP and BM. In addition, Los Alamitos (LA) provided information that may not have reached all the Commissioners. Chairman Shapiro said the reports from HP and BM was excellent and he congratulated the tracks on their efforts. The information from LA was incomplete and did not address the issues the Board was looking at, which was the financial impact of splitting the entries and what the additional revenue generation was for the comparable races. Eual Wyatt of HP said there were 17 instances out of 531 races where horses owned by the same owners were uncoupled under the test process. He stated the sample was very small, so he was not sure the experiment was conclusive. Mr. Wyatt said common sense would say an additional horse in races over a period of time would result in a larger handle and consequently more purses and more commissions. Mr. Wyatt commented it was interesting to note that in 5 of the seventeen races the horse with longer odds beat the horse with shorter odds. He said he did not know the exact statistics of same trainer - different owner instances, as they had been uncoupled for some period of time. Chairman Shapiro said it appeared that there was about a 20 percent to 26 percent increase in revenue from BM and a 13 percent increase from HP. He stated he was troubled by the experiment as it touches on the integrity of horse racing. If there were not a shortage of horses Chairman Shapiro said he did not think the Board would be contemplating

the experiment. In addition, he stated he recognized that patrons could ask what the owner had to do with coupling when it was the trainer who could be in a better place to manipulate a race. Chairman Shapiro said that raised a question regarding coupling trainers, and asked if the Board should require all trainers that run more than one horse in a race to be coupled. Commissioner Harris said the issue could be argued either way. The data clearly showed that if there were more entries there was more total wagering; however, there was the issue of integrity. Commissioner Amerman said the data from HP and BM did not appear to present a compelling argument for change. Since there were valid arguments on both sides, he stated his inclination was to keep the current regulation as it was. Bernie Thurman of BM said the sample was too small to consider. She stated she would request that the Board consider extending the experiment to allow for the collection of more information. Chairman Shapiro said he did not think that over time there would be much difference in the data. The results showed an increase in the handle, so the issue came down to integrity versus monetary gain. Chairman Shapiro stated he would not be in favor of an extension. Commissioner Harris said if integrity was an issue, the Board ought to look at coupling horses trained by the same trainer. Chairman Shapiro stated he agreed. He commented the LA data showed multiple instances where the same trainer trained as many as three horses in a race. Rod Blonien representing LA said the experiment was beneficial to quarter horses, and increased the handle significantly. He stated LA favored extending uncoupling of horses. Drew Couto of Thoroughbred Owners of California (TOC) said the issues of integrity and principal were ideals one did not compromise in hard times. He stated TOC believed uncoupling horses was a shortsighted solution to a problem, and the industry owed more to the fans. If the racetracks

did not insist on running the number of days they ran every year the industry would not be talking about uncoupling horses. Ed Halpern of California Thoroughbred Trainers (CTT) said it appeared to him that changing the coupling rule would be dangling temptation in front of owners and trainers. The important part was integrity, and it was the industry should be listening to the patrons, who were opposed to the idea.

PUBLIC HEARING BY THE BOARD ON THE ADOPTION OF THE FOLLOWING ACTIONS:

A. REPEAL OF CHRB RULE 1606, COUPLING OF HORSES, AND CHRB RULE 1974, WAGERING INTEREST.

B. PROPOSED AMENDMENT OF CHRB RULE 1420, DEFINITIONS; RULE 1954.1, PARLAY WAGERING ON WIN, PLACE OR SHOW; RULE 1957, DAILY DOUBLE; RULE 1959, SPECIAL QUINELLA (EXACTA); RULE 1976, UNLIMITED SWEEPSTAKES; RULE 1976.8, PLACE PICK (N); RULE 1976.9, PICK (N) POOL; RULE 1977, PICK THREE; RULE 1978, SELECT FOUR; RULE 1979, TRIFECTA; RULE 1979.1, SUPERFECTA.

Chairman Shapiro said the Board would consider whether to continue the experiment with modification of the uncoupling rule. Roger Stein, a horse trainer, spoke against the repeal of Rule 1606, Coupling of Horses. Jerry Jamgotchian, a horse owner, spoke against the repeal of Rule 1606. Rod Blonien, representing Los Alamitos, spoke in favor of the repeal of Rule 1606. Chairman Shapiro **motioned** to not adopt the proposed repeal of Rule 1606 and Rule 1974. Commissioner Amerman **seconded** the motion, which was **unanimously carried**.

Proceedings of the Regular Board Meeting of August 17, 2006**STAFF PRESENTATION ON THE MONTHLY STATISTICAL REPORT, WHICH INCLUDES 2005 VS. 2006 COMPARISON FOR MONTHLY AND YEAR-TO-DATE HANDLE, PURSES, TRACK COMMISSION AND ATTENDANCE INFORMATION.**

John Reagan, CHRB staff, said the first statistical report was a comparison between July 2005 and July 2006. The second report was a cumulative report for 2005 versus 2006, which ran from December 26, 2005 through July 31, 2006. Mr. Reagan said a new feature was a page that indicated the changes in purses: the amount to the track and the amount to the state by meeting. The final report was a cumulative report on the daily attendance that compared 2005 to 2006. Jerry Jamgotchian, a horse owner, spoke about the statistical reports.

DISCUSSION ON SENATE BILL 746 (VINCENT), TO REQUIRE A WRITTEN AGREEMENT BETWEEN QUARTER HORSE AND HARNESS ASSOCIATIONS TO INCLUDE IMPACT FEES TO ACCEPT SATELLITE WAGERING SIGNALS.

Commissioner Andreini said he was on the board of the Pacific Quarter Horse Racing Association (PQHRA) prior to his appointment as a Commissioner. Every meeting of the PQHRA board dealt with the conflict between harness racing in Sacramento and quarter horse interests at Los Alamitos (LA). When he heard that Senate Bill (SB) 746 was facing opposition he asked that the issue be placed on the agenda for discussion. Rod Blonien, representing LA, said SB 746 was intended to solve the contentious issue between harness and quarter horse interests that had, in the past, occupied so much of the Board's time. The bill stated the parties would negotiate, and if they reached an agreement, both parties would take one another's signal. In the absence of an agreement, the signal would not be taken. Chairman Shapiro said that meant if there were not an agreement, the harness signal would not have been shown at LA. He stated that would have proven devastating, if not fatal, to the

harness industry, and that was the reason he decided it would be detrimental to a segment of the industry. Chairman Shapiro said the Board's job was to protect all breeds and to enhance racing for all segments of the industry. He stated he was thrilled the bill was modified and the signals would be accepted at both locations. At the time the legislative committee decided to oppose the bill it was not looking at the current version. The committee was asked for a position, and that was the reason it actually took opposition. Chairman Shapiro stated now that the legislation provided a resolution that all sides agreed on, the Board could take a position to support the bill. Mr. Blonien said he would advise the Board that SB 746 was again being amended to provide the same distribution of monies for quarter horses as is provided for the harness industry. In addition, the amended bill would provide to two additional satellite facilities in Alameda County.

STAFF REPORT ON THE FOLLOWING CONCLUDED RACE MEETS:

- A. HOLLYWOOD PARK RACING ASSOCIATION, LLC AT HOLLYWOOD PARK FROM APRIL 26 THROUGH JULY 16, 2006.**
- B. ALAMEDA COUNTY FAIR AT PLEASANTON FROM JUNE 28 THROUGH JULY 9, 2006.**
- C. SOLANO COUNTY FAIR AT VALLEJO FROM JULY 12 THROUGH JULY 24, 2006.**

John Reagan, CHRB staff, said the end-of-meeting reports for the Hollywood Park Racing Association (HP), Alameda County Fair (ACF) and Solano County Fair (SCF) were attached. Commissioner Amerman said HP was down 16.61 percent, and with the direction of on-track attendance and handle over the past five years, the industry was flirting with disaster. He stated HP management should be telling the Board what it was going to do to turn the situation around. Eual Wyatt of HP said management installed a new admission system prior to the current race meeting. He stated he suspected the old system was not accurate. In addition,

Proceedings of the Regular Board Meeting of August 17, 2006

changes in operations were being contemplated. Mr. Wyatt said when HP came before the Board with its application for the fall it would be better prepared to answer Commissioner Amerman's question. Commissioner Amerman said he had attended HP for years and was distressed to see so few fans in the stands on Gold Cup Day. He stated the conclusion he reached was that HP was not advertising. If HP wanted to attract fans perhaps it should open up the stands to people to reintroduce them to horse racing. Commissioner Amerman stated the industry almost forced fans to stay away, as they had to pay for parking; the Daily Racing Form; the program; and to get into the facility. If fans were simply let in, they could use that money for wagering and increase the handle. Mr. Wyatt said HP had promotions where it reduced admission for the clubhouse, and they were fairly successful. He stated there were other promotions that produced disappointing results, so he was not sure the answer was quite that simple. Rick Pickering of the ACF said ACF declined to 2004 levels, however, it did experience its third highest handle in its history, and the same was true of its on-track attendance. Mr. Pickering discussed ACF's promotional activities and recent improvements to the physical facility. He also talked about factors that affected ACF's performance, such as the extreme heat in July and problems with the State of New Jersey's budget, which stopped wagering in that state. Norm Towne of SCF stated SCF did not have a good meeting. He stated the week of the SCF meeting was the hottest of the summer, and was unusual for Solano, which is a temperate location. The entire fair drew 56,000 persons, but only 9,700 attended the live meeting.

REPORT OF THE MEDICATION COMMITTEE

Dr. Rick Arthur, a veterinarian, said the medication committee (committee) met on August 10, 2006. The committee discussed a proposed amendment to Rule 1844, Authorized Medication, to change the permitted level of flunixin from 25 nanograms to 50 nanograms. In addition, the committee discussed modifying the Clenbuterol level to 25 picograms in the blood, and to allow procaine penicillin levels in the blood for horses that have been medicated – provided such horses were sequestered in a detention barn. Chairman Shapiro said he thought the meeting was successful. He stated the meeting was very informative and helpful. Commissioner Harris said he, too, thought the meeting was excellent. He added the Center for Equine Health would have a meeting on August 31 at which Dr. Sue Stover would make a presentation regarding her research.

GENERAL BUSINESS

Mr. Cliff Goodrich spoke regarding constructive public participation in the proceedings of the Board. He stated those who care about the industry, but whose comments were not well received, should try to find a more positive way to make contributions.

MEETING ADJOURNED AT 2:30 P.M.

Proceedings of the Regular Board Meeting of August 17, 2006

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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

CALIFORNIA HORSE RACING BOARD

SEPTEMBER 20, 2006
REGULAR BOARD MEETING

There is no board package material for Item 2.

CALIFORNIA HORSE RACING BOARD

SEPTEMBER 20, 2006
REGULAR BOARD MEETING

There is no board package material for Item 3.

STAFF ANALYSIS
September 20, 2006

Issue: APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF THE HOLLYWOOD PARK FALL RACING ASSOCIATION, LLC AT HOLLYWOOD PARK NOVEMBER 1, 2006 THROUGH DECEMBER 18, 2006.

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

- November 1 through December 18, 2006, or 36 days, 9 more than 2005. In 2005 they were allocated to race 31 days and were unable to race 4 days due to turf problems. The association proposes to race a total of 310 races, or 8.61 per day. In 2005 they raced 8.44 races per day with an average of 7.45 runners per race. The (actual) average daily purse for the fall 2005 meet was \$376,893. The (estimated) average daily purse for this meet is \$367,436.
- The race dates proposed are the dates the Board allocated.

November - 2006						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2	3	4
5	6	7	8	9	10	11 H
12	13	14	15	16	17	18
19	20	21	22	23 H	24	25
26	27	28	29	30		

December - 2006						
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
24/31	25 H	26	27	28	29	30

- 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 and Sundays, with 10 races on November 24, 25, 26 and 8 races on December 18.
- First post 12:30 p.m. daily.
 - 7:05 p.m. post November 10 and 17.
 - 11:00 a.m. post November 23.
- Request Jennifer Paige be appointed horse identifier pursuant to CHRB Rule 1525.
- Track safety requirements have been fulfilled.
- Wagering program will use CHRB 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.
- The Advance Deposit Wagering (ADW) providers are TVG, Xpressbet and Youbet.
- 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 completed.

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

1. Horesmen's agreement.

RECOMMENDATION:

Staff recommends the Board approve the application conditioned upon receiving the additional information necessary to conduct the racing meeting.

STATE OF CALIFORNIA
 CALIFORNIA HORSE RACING BOARD
 APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING
 CHRB-17 (Rev. 7/05)

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 1 through December 18, 2006.**
- B. Actual dates racing will be held: **November 1, 2, 3, 4, 5, 8, 9, 10, 11, 12, 15, 16, 17, 18, 19, 22, 23, 24, 25, 26, 29, 30, December 1, 2, 3, 6, 7, 8, 9, 10, 13, 14, 15, 16, 17, 18.**
- C. Total number of days or nights of racing: **36**
- D. Days or nights of the week races will be held:
 Wed - Sun Tues - Sat Other (specify)
Racing Monday, December 18 (closing day).
- E. Number of days or nights of racing per week: **5**

3. RACING PROGRAM

- A. Total number of races: **310**
- 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 and Sundays, with 10 races on Friday, November 24, Saturday, November 25, Sunday, November 26 and 8 races on Monday, December 18.

CHRB CERTIFICATION

Application received: *8/7/06*
 Deposit received: *on file*
 Reviewed: *APA*

Hearing date: *9/20/06*
 Approved date:
 License number:

- C. Total number of stakes races: **22 (17 stakes and 5 overnight stakes)**
- 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**
- 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 Saturday, November 4, Fridays November 10 & 17 and Thursday, November 23	Friday Nights (November 10 & 17)	Thanksgiving Day, Thursday November 23	Breeders' Cup Day, Saturday, November 4
1 st	12:30 p.m.	7:05 p.m.	11:00 am	10:30 a.m.
2 nd	1:00 p.m.	7:35p.m.	11:30 am	11:55 a.m.
3 rd	1:30 p.m.	8:05 p.m.	12:00 noon	1:15 p.m.
4 th	2:00 p.m.	8:35 p.m.	12:30 pm	2:45 p.m.
5 th	2:30 p.m.	9:05 p.m.	1:00 pm	3:15 p.m.
6 th	3:00 p.m.	9:35 p.m.	1:30 pm	3:45 p.m.
7 th	3:30 p.m.	10:05 p.m.	2:00 pm	4:15 p.m.
8 th	4:00 p.m.	10:35p.m.	2:30 pm	4:45 p.m.
9 ^{th*}	4:30 p.m.			5:15 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

HOLLYWOOD PARK FALL MEETING
2006 STAKES SCHEDULE

<u>DATE</u>	<u>STAKE</u>	<u>PURSE/DISTANCE</u>
Sat. Nov. 4	REAL QUIET STAKES Two Year Olds	\$100,000 One Mile & One Sixteenth
Sun. Nov. 5	SHARP CAT STAKES Fillies, Two Years Old	\$100,000 One Mile & One Sixteenth
Sat. Nov. 18	HOLLYWOOD PREVUE STAKES (GRADE III) Two Year Olds	\$100,000 Seven Furlongs
Sun. Nov. 19	MOCCASIN STAKES Fillies, Two Years Old	\$100,000 Seven Furlongs

TURF FESTIVAL

Fri. Nov. 24	CITATION HANDICAP (GRADE I) Three Year Olds & Upward	\$400,000 One Mile and One Sixteenth (Turf)
	GENEROUS STAKES (GRADE III) Two Year Olds	\$100,000 One Mile (Turf)
Sat. Nov. 25	HOLLYWOOD TURF EXPRESS (GRADE III) Three Year Olds & Upward	\$150,000 Six Furlongs (Turf)
	MIESQUE STAKES (GRADE III) Fillies, Two Years Old	\$100,000 One Mile (Turf)
Sun. Nov. 26	THE MATRIARCH (GRADE I) Fillies & Mares, Three Year Olds & Upward	\$500,000 One Mile (Turf)
	HOLLYWOOD DERBY (GR. I) Three Year Olds	\$500,000 One Mile and One Quarter (Turf)

* * *

Sat. Dec. 2	VERNON O. UNDERWOOD (GRADE III) Three Year Olds & Upward	\$100,000 Six Furlongs
Sun. Dec. 3	BAYAKOA HANDICAP (GRADE II) Fillies & Mares, Three Year Olds & Upward	\$150,000 One Mile and One Sixteenth
Sat. Dec. 9	HOLLYWOOD TURF CUP (GRADE I) Three Year Olds & Upward	\$250,000 One Mile and One Half (Turf)
Sun. Dec. 10	NATIVE DIVER HANDICAP (GRADE III) Three Year Olds & Upward	\$100,000 One Mile and One Eighth
Sat. Dec. 16	HOLLYWOOD FUTURITY (GRADE I) Two Year Olds Late Supplements to be made at Time of Entry. (\$20000)	\$250,000 Guaranteed (\$200,000 Added) One Mile and One Sixteenth
Sun. Dec. 17	HOLLYWOOD STARLET (GRADE I) Fillies, Two Years Old Late Supplements to be made at Time of Entry. (\$20000)	\$250,000 Guaranteed (\$200,000 Added) One Mile and One Sixteenth
Mon. Dec. 18	DAHLIA HANDICAP (GRADE II) Fillies & Mares, Three Year Olds & Upward	\$150,000 One Mile and One Sixteenth (Turf)

* - \$25,000 from the Cal-Bred Race Fund.

HOLLYWOOD PARK FALL MEETING
2006 OVERNIGHT STAKES SCHEDULE

<u>DATE</u>	<u>STAKE</u>	<u>PURSE/DISTANCE</u>
Wed. Nov. 1	BIEN BIEN STAKES Three Year Olds which have not won \$60,000 at one mile or over	\$60,000 Added One Mile (Turf)
Sat. Nov. 11	HERMOSA BEACH HANDICAP Fillies & Mares, Three Years Old & Upward	\$60,000 Added One Mile and One Half (Turf)
Sun. Nov. 12	AUDREY S. KENIS STAKES Fillies, Three Years Old	\$60,000 Added One Mile & One Eighth (Turf)
Thur. Nov. 23	ON TRUST HANDICAP Three Year Olds & Upward, Bred in California	\$100,000* Seven and One Half Furlongs
Fri. Nov. 24	CAT'S CRADLE HANDICAP Fillies & Mares, Three Year Olds & Upward, Cal-Bred	\$100,000* Seven and One Half Furlongs

* - Denotes \$25,000 from Cal-Bred Race Fund

D. LLC

1. Registered name of the LLC: **Hollywood Park Fall Racing Association, LLC**
2. State where articles of organization are filed: **Delaware**
3. Registry or file number for the LLC: **3993459**
4. 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 Gardner, Secretary	0
Charlene Kiley, Vice President & Chief Financial Officer	0
Eual Wyatt, Vice President	0
Barbara Helm, Vice President, Finance	0
Martin Panza, Vice President	0
Bernie Thurman, Vice President	0
Michael Ziegler, 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:
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.**

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**
 - Michael Ziegler, Vice President and Assistant General Manager**
 - Tim Barden, Assistant General Manager**
 - Charlene Kiley, Vice President & Chief Financial Officer**
 - Dyan Grealish, Vice President**
 - Barbara Helm, Vice President, Finance**
 - Martin Panza, Vice President-Racing**
 - Bernie Thurman, Vice President**
 - Don Barney, Director of Security & Operations**
 - Cleon Bounds, Plant Superintendent**
 - Bernie Eastridge, Turf Course Superintendent**
 - Diane Hudak, Horsemen's Liaison**

Russell Hudak, Timer, Morning Line Maker

F. Management and Staff (continued)

Ted Jakubanis, Television**Michael Mooney, Director of Media Relations****Robert Poole, Director of Pari-Mutuels****Vic Stauffer, Track Announcer****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, 2600 South Delaware Street, San Mateo, CA 94403**5. PURSE PROGRAM**

A. Purse distribution:

Please note that there were 27 race days during the prior Fall meeting, compared to 36 race days for the current meeting. Additionally there was no turf racing during the 2005 meeting.

1. All races other than stakes:

Current meet estimate: **\$8,646,761**Prior meet actual: **\$7,644,363 (includes \$140,413 subsidy of Golden Gate purses)**

2. Overnight stakes:

Current meet estimate: **\$330,000**Prior meet actual: **\$278,600**

3. Non-overnight stakes:

Current meet estimate: **\$2,900,000**Prior meet actual: **\$1,089,850**

B. Stakes races:

1. Purse distribution for all stakes races:

Current meet estimate: **\$3,230,000**Prior meet actual: **\$1,368,450**

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

Current meet estimate: **4.6%**Prior meet actual: **8.6%**

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

Current meet estimate: **\$995,000**Prior meet actual: **\$777,800**

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

Recognized Horsemen's Organizations	Current meet estimate:	Prior meet actual:
TOC	\$122,327	\$93,736
CTT – Pension	\$122,327	\$ 93,736
CTT – Administration	\$61,163	\$ 46,868
NTRA	\$50,100	\$ 151,150
Total	\$355,917	\$ 385,490

- E. Total amount from all sources to be distributed in the form of purses or other benefits to horsemen (5A+5C+5D):
 Current meet estimate: **\$13,227,678**
 Prior meet actual: **\$10,176,103**
- F. Purse funds to be generated from on-track handle and intrastate off-track handle:
 Current meet estimate: **\$ 9,351,330**
 Prior meet actual: **\$ 7,336,278**
- G. Purse funds to be generated from interstate handle:
 Current meet estimate: **\$2,788,349**
 Prior meet actual: **\$2,052,231**
- H. Bank and account number for the Paymaster of Purses' purse account: **Cal National #0022002380**
- I. Name, address and telephone number of the pari-mutuel audit firm engaged for the meeting: **Bowen-McBeth, 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 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 |
| Pomona | 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: **\$1,070,000**. Show cost per day per stall:
Average cost: \$11.15
- H. Estimated cost to provide vanning from off-site stalls for this meeting. Show fees to be paid for vanning per-horse: **\$240,000** Roundtrip from:
- | | |
|---------------------|--------------|
| Santa Anita | \$180 |
| Pomona | \$200 |
| San Luis Rey | \$320 |
| Los Alamitos | \$180 |

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 trifecta, 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

7. PARI-MUTUEL WAGERING PROGRAM (continued)

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

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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.

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 18, 2006**
- 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 2007

8. 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**
- C. 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 "B"
- E. Out-of-state wagering systems that will combine their pari-mutuel pools with those of the association:
Attachment "B"
- 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":

NOTICE TO APPLICANT: B&P Code Section 19596.2(a) stipulates that on days when live thoroughbred or fair racing is being

Attachment B – Section 8D and 8E

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 (*)

Acoma Pueblo Casino	Great Lakes Downs
America Tab	Greenetrack
AmWest Entertainment	Greyhound Track at Post Falls
Arapahoe Park	Gulf Greyhound Park
Arima Race Club	Harrington Raceway
Arlington Park	Hawthorne
Atlantic City Race Course	Hazel Park
Atlantis Casino	Hinsdale Greyhound Park
Atokad Downs	*Hippodromo Presidente Ramon
Balmoral Park	Hoosier Park
Bangor Historic Track	Horsemen's Park
Batavia Downs	Indiana Downs
Beulah Park	Jackson Harness
Birmingham Race Course	Keeneland
Blue Ribbon Downs	*LVDC
Bluff's Run Greyhound Park	Lebanon Raceway
Buffalo Raceway	Les Bois Park
Calder Race Course	Lewiston Raceway
Canterbury Park	Lien Games (ND)
Capital District OTB	Lincoln Greyhound Park
Catskill District OTB	Lone Star Park
Charles Town Race Course	Louisiana Downs
Choctaw Racing Services	Manor Downs
Churchill Downs	Maryland Jockey Club
Coeur D'Alene Casino	Maywood Park
Colonial Downs	Meadowlands
Columbus Races	Meskwaki Casino
Connecticut OTB	*MIR/Caliente
Corpus Christi Greyhound Park	Mobile Greyhound Park
Crystal Palace Casino	Monmouth Park
Dairyland Greyhound	Montana Simulcast Partners
Dakota Teletrack	Monticello Raceway
Delaware Park	Mountaineer Park
Delta Downs	Mt. Pleasant Meadows
Dover Downs	Multnomah Kennel Club
Downs at Albuquerque	Nassau Regional OTB
Dubuque GHP	Nebraska State Fair Park
Ellis Park	Nevada Pari-Mutuel Association
Emerald Downs	New Jersey Casinos
Eureka GHP	New York City OTB
Evangeline Downs	NYRA
Excelsior Casino	Newport Jai-Alai
Fair Grounds	Northfield Park
Fair Meadows	Northville Downs
Fairmount Park	Oaklawn Park
Finger Lakes	Ocean Downs Racetrack
Fonner Park	Penn National
Foxwoods Casino	Philadelphia Park
Freehold Raceway	Plainridge Racecourse
Geneva Lakes Kennel Club	Pocono Downs

Attachment B – Continued

Pojoaque Casino	Turf Paradise
Portland Meadows	Turfway Park
Potawatomi Casino	Valley Race Park
Prairie Meadows	Vernon Downs
Raceway Park	Western Regional OTB
Racing World	Wheeling Downs
Raynham Taunton Greyhound	Wichita Greyhound Park
Remington Park	Will Rogers Downs
Retama Park	Wonderland Greyhound Park
RGS	*Woodbine Entertainment Group
Riders Up (SD)	Woodlands
River Downs	Wyoming OTB
Rockingham Park	Xpressbet (CA)
Rosecroft Raceway	Yavapai Downs
Royal River Racing	Yonkers Raceway
Ruidoso Downs	Youbet.com
Saginaw Harness	Zia Park
Sam Houston Race Park	
Saratoga Harness	
Scarborough Downs	
Scioto Downs	
Spirit Mountain Casino	
Southland Greyhound Park	
Sports Creek	
Stables Casino	
Suffolk Downs	
Suffolk District OTB	
Sunland Park	
Sun Ray Park	
Tampa Bay Downs	
Tioga Downs	
TVG	
The Greyhound Park @ Post Falls	
The Lodge at Belmont (NH)	
The Meadows	
The Racing Channel/The Racing Channel Intl.	
The Stables Casino	
Thistledown	
Tri-State Greyhound Park	

* Out-of-state wagering systems that will not combine their pari-mutuel pools with those of the association.

Other out-of-state wagering systems to be determined.

Attachment C – Section 8F**THOROUGHBRED SIMULCAST RACES TO BE IMPORTED**

Name of Host Track	Race Dates	Full Card or Selected Feature and/or Stakes Races
Aqueduct	11/01 through 12/18/06	Full or Partial Cards
Calder	11/01 through 12/18/06	Full or Partial Cards
Churchill Downs	11/01 through 11/25/06	Full or Partial Cards
Delaware Park	11/01 through 11/19/06	Full or Partial Cards
Fair Grounds	11/23 through 12/18/06	Full or Partial Cards
Hastings Park	11/01 through 11/26/06	Full or Partial Cards
Hawthorne	11/01 through 12/18/06	Full or Partial Cards
Hoosier Park	11/01 through 11/25/06	Full or Partial Cards
Laurel Park	11/01 through 12/18/06	Full or Partial Cards
Meadowlands	11/01 through 11/11/06	Full or Partial Cards
Sam Houston	11/17 through 12/18/06	Full or Partial Cards
Suffolk Downs	11/01 through 11/11/06	Full or Partial Cards
Tampa Bay	12/09 through 12/18/06	Full or Partial Cards
Thistledown	11/01 through 11/27/06	Full or Partial Cards
Turf Paradise	11/01 through 12/18/06	Full or Partial Cards
Turfway Park	11/26 through 12/18/06	Full or Partial Cards
Woodbine	11/01 through 12/03/06	Full or Partial Cards
United Kingdom	11/01 through 12/18/06	Full or Partial Cards
England	11/01 through 12/18/06	Full or Partial Cards

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
Attachment “C”

- 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

- 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

- 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

- 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.

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 vanning 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.)

9. 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
4924 Sunset Boulevard
Los Angeles, CA 90027**

**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).

10. RACING OFFICIALS, OFFICIALS, AND OFFICIATING EQUIPMENT

A. Racing officials nominated:

- | | |
|---------------------------------|--------------------------------------|
| Association Veterinarian(s) | Steven C. Buttgenbach, D.V.M. |
| Clerk of Scales/Film Specialist | Ruben Hernandez |
| Clerk of the Course | Lisa Jones |
| Horse Identifier | Jennifer Paige |
| Horseshoe Inspector | Harry Toston |
| 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 12/31/08**
- 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 "D"**
- 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, 12/31/07**

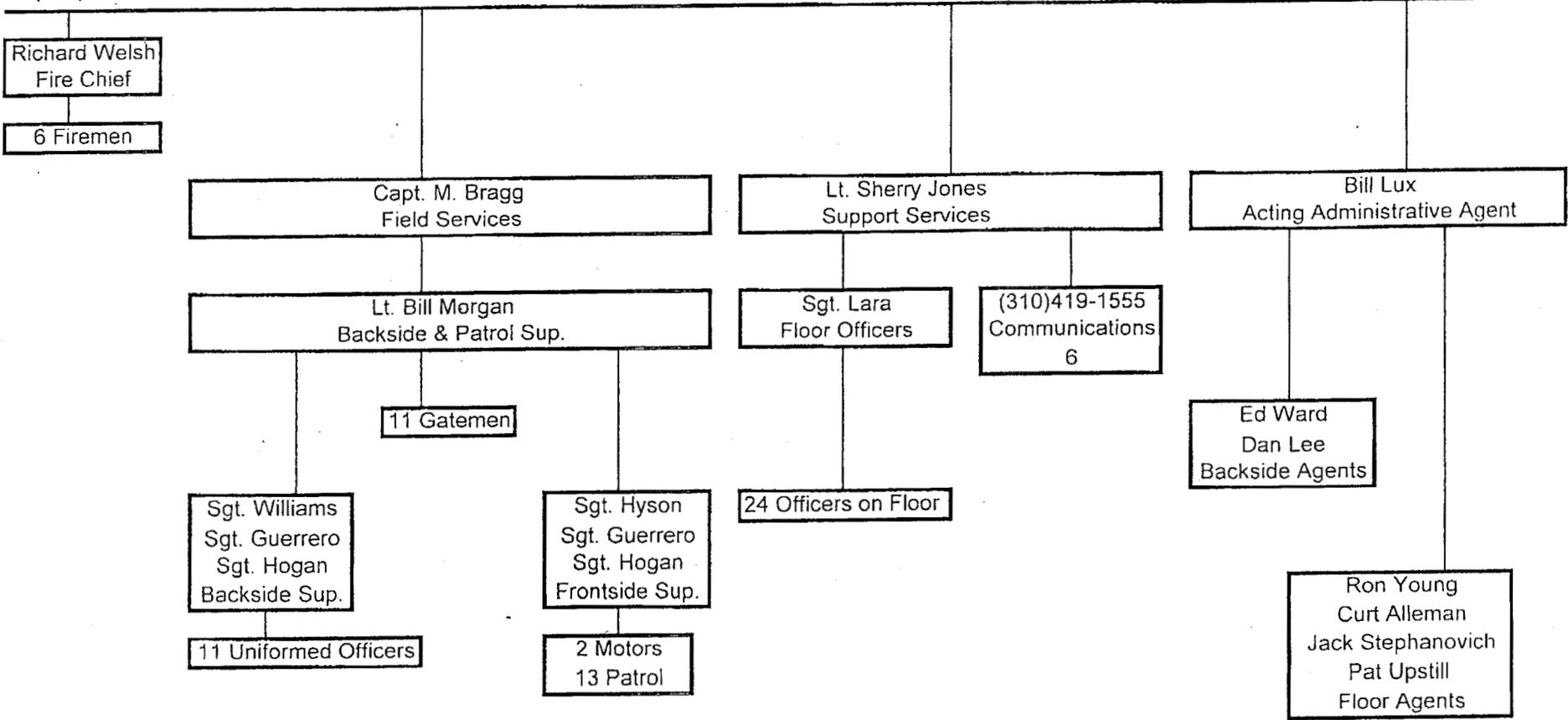
11. SECURITY CONTROLS

- 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:
- 55 Uniformed Officers**
 - 11 Agents**
 - 7 Firemen**
 - 11 Gatemen**
 - 6 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, an officer will be assigned to each horse scheduled to run in all graded stakes races and races of \$100,000 or more. The officers will all be equipped with a video surveillance camera and a security radio. In addition, there will be 1 Agents 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.**

All officers can be reached
at (310)419-1555

Don Barney (310)419-1395
Director of Security & Operations

55 uniform officers
allotted manpower



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Attachment D – Section 10EVIDEO 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
 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
 2 - Chyron Graphics Systems - Max and Maxine
 Charlson O'Hare Computer Graphics System
 Clear-com "Matrix" Intercom System
 Approximately 1,100 Color Televisions

2. Detention Barns:

- A. Attach a plan for use of graded stakes or overnight races.
Detention barn is used as provided in contractual agreements with TOC and CTT and as directed by the CHRB.
- B. Number of security guards in the detention barn area during a 24-hour period.
As needed per horse, also one additional officer to cover relief/breaks.
- 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 to insure compliance with CHRB Rule 1843.6..
 - B. Plan for enhanced surveillance for trainers with high-test results **Will follow CHRB staff directives to insure compliance with CHRB Rule 1843.6..**
 - C. Plan for detention barns for repeat offenders. **Will follow CHRB staff directives to insure compliance with CHRB Rule 1843.6..**
 - 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.**

12. 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 No. Town Ave., Pomona, CA 909/966-4727 800/966-4727 San Luis Rey Downs – North County Fire Protection District Fallbrook, CA 760/723-2006**

- C. Attach a fire clearance from the fire authority having jurisdiction over the premises. **Fire Inspection complete certificate to follow.**
- D. Name of the workers' compensation insurance carrier for the association and the number of the insurance policy (if self-insured, provide details): **American Home Assurance Company #WC3420311**
- E. 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**

13. 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"**

14. ON-TRACK ATTENDANCE/FAN DEVELOPMENT

- A. Describe any promotional plans:

Date: Wednesday, November 1
 Promotion: Opening Day, Senior Day
 Description: For Opening Day, coupons will be included in the November direct mail piece for \$5 Clubhouse admission and a free Clubhouse Box Seat. These coupons will be distributed to approximately 85,000 customers. Additionally, every Wednesday and Thursday throughout the Meet will be Senior Days; Seniors, aged 62 and older pay only \$4 for General Admission, including parking and program – this is a \$3 discount from regular daily admission.

Date: Thursday, November 2
 Promotion: Senior Day
 Description: \$4 General Admission for Seniors, including program and parking.

Date: Friday, November 3
 Promotion: Friday Day Racing – Day prior to Breeders' Cup
 Description: Hollywood Park will race during the day on the first Friday of the Meet, as it is the day prior to Breeders' Cup, which generally should be a popular day of racing throughout the country; it is likely that advanced day wagering on the Breeders' Cup card will be offered. The day will be promoted through the inclusion of coupons in the November direct mail piece for Gold Club members redeemable for free Clubhouse Admission, a free Daily Racing Form and free program and parking. The Gold Club membership is currently approximately 14,000 customers.

Date: Saturday, November 4
 Promotion: Breeders' Cup Day
 Description: Racing's Superbowl will take place during the Hollywood Park Meet for the first time since the event was actually held at Hollywood Park in 1997. A contest will be held where people will have an opportunity to choose who they think will win the Breeders' Cup Classic – a "representative" of each horse in the race will be chosen and if their horse wins, they will win a Grand Prize (TBD, a vehicle from Dodge has been discussed). The contest will be promoted with a radio partner.

ACORD CERTIFICATE OF LIABILITY INSURANCE

Page 1 of 2

DATE
01/26/2006

PRODUCER
877-945-7378
Willis North America, Inc. - Regional Cert Center
26 Century Blvd.
P. O. Box 305191
Nashville, TN 37205191

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.

INSURED
Stockbridge Real Estate Fund, LP et al
Stockbridge Real Estate Fund II
1200 Park Place, Ste #200
San Mateo, CA 94403

INSURERS AFFORDING COVERAGE	NAIC#
INSURER A: American Home Assurance Company	19380-100
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 ADD'L LTR INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
	GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: POLICY <input type="checkbox"/> PRO. <input type="checkbox"/> LOC				EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (E.O. Occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMF/OP AGG \$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS				COMBINED SINGLE LIMIT (E.O. 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 EA ACC \$ AUTO ONLY: ACC \$
	EXCESS 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? <small>If yes, describe under SPECIAL PROVISIONS below</small> OTHER	WC3420311	9/23/2005	9/23/2006	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

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

Named Insured includes the following:
 Stockbridge Real Estate Fund LP et al
 Stockbridge Real Estate Fund II (collectively as described in policy)
 Stockbridge Hollywood Park Co-Investment LP
 Hollywood Park Racing Association, LLC
 Hollywood Park Fall Racing Association, LLC
 Hollywood Park Land Company, LLC

CERTIFICATE HOLDER

California Horse Racing Board
 ATTN: John Reagan
 2210 Hurley Way, Suite #300
 Sacramento, CA 95825

CANCELLATION

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]

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Attachment E - Section 13Concessionaires and Service Contractors

Levy Premium FoodService Limited Partnership
980 North Michigan Avenue, Suite 400
Chicago, IL 60611

Food, Beverage, Liquor

Robert J. Baedeker
Baedeker's Guide
130 West El Portal
San Clemente, California 92672

Tip Sheet

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

Tip Sheet

Winners
Toby Turrell
14112 Enfield Circle
Westminster, California 92683

Tip Sheet

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

Tip Sheet

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.
1050 South Prairie
Inglewood, California 90301

Janitorial

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

Date: Sunday, November 5
 Promotion: Pigskin and Ponies
 Description: A weekly contest will be held in an attempt to drive football watching fans to the racetrack. Details are yet to be finalized but current discussions are surrounding a "Pick Six", where fans will try to select the winners of three races and three football games, with the person selecting the most winners each week receiving a minor prize and the person selecting the most winners over the course of the meet winning a grand prize, such as a plasma screen television. Additionally, bounce-back coupons from Breeders' Cup day will be redeemable on Sunday, November 5.

Date: Wednesday, November 8
 Promotion: Senior Day
 Description: \$4 General Admission for Seniors, including program and parking.

Date: Thursday, November 9
 Promotion: Senior Day
 Description: \$4 General Admission for Seniors, including program and parking.

Date: Friday, November 10
 Promotion: Friday Night Fever
 Description: The first of two Friday night race cards during the Fall will be heavily promoted with live music after the races in the Ascot Terrace. Bands are yet to be confirmed for the two Friday nights however, it is intended that two of the most popular acts from the recently completed Spring meet will be utilized. The traditional \$1 Beer, soda and hot dogs promotions will continue. Further, at least one of the Friday nights will be "College" night - passes good for free Clubhouse admission will be distributed on college campuses throughout Southern California. Finally, the events will be heavily cross-promoted with a radio partner.

Date: Saturday, November 11
 Promotion: Giveaway #1/Veterans' Day
 Description: For the Fall meet, there will be three promotional giveaways - one on Saturday, November 11; a second on Friday, November 24; and a third on Saturday, December 9. The specific items are not finalized but the probable items are a Fleece Sweatshirt, a Commuter Mug, a Stadium Blanket, or a Gym Bag and a Christmas Ornament. Further, as a celebration of Veterans' Day, all active or retired military will receive free admission to the races.

Date: Sunday, November 12
 Promotion: Pigskin and Ponies
 Description: Weekly contest continues.

Date: Wednesday, November 15
 Promotion: Senior Day
 Description: \$4 General Admission for Seniors, including program and parking.

Date: Thursday, November 16
 Promotion: Senior Day
 Description: \$4 General Admission for Seniors, including program and parking.

Date: Friday, November 17
 Promotion: Friday Night Fever
 Description: The first of two Friday night race cards during the Fall will be promoted with live music after the races in the Ascot Terrace. Bands are yet to be confirmed for the two Friday nights however, it is intended that two of the most popular acts from the recently completed Spring meet will be utilized. The traditional \$1 Beer, soda and hot dogs promotions will continue. Further, at least one of the Friday nights will be "College" night - passes good for free Clubhouse admission will be distributed on college campuses throughout Southern California. Finally, the events will be heavily cross-promoted with a radio partner.
 Date: Saturday, November 18

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Promotion: Hispanic Day at the Races
 Description: Conversations are being held with KLAC (La Raza), Los Angeles' top-rated Hispanic radio station, to host an event geared toward LA's Hispanic community. The event will consist of a day at the races, with games and entertainment for families, followed by a concert after the races with a popular Hispanic musical act.

Date: Sunday, November 19
 Promotion: Pigskin and Ponies
 Description: Weekly contest continues.

Date: Wednesday, November 22
 Promotion: Senior Day
 Description: \$4 General Admission for Seniors, including program and parking.

Date: Thursday, November 23
 Promotion: Thanksgiving Brunch/Senior Day
 Description: The Turf Club will offer a traditional Thanksgiving Day Brunch. Also, it is Senior Day – there will be \$4 General Admission for Seniors, including program and parking.

Date: Friday, November 24
 Promotion: Turf Festival/Giveaway #2
 Description: For the Fall meet, there will be three promotional giveaways – one on Saturday, November 11; a second on Friday November 24; and a third on Saturday, December 9. The specific items are not finalized but the probable items are a Fleece Sweatshirt, a Commuter Mug, a Stadium Blanket, or a Gym Bag and a Christmas Ornament.

Date: Saturday, November 25
 Promotion: Turf Festival/Fall Handicapping Championship/USC vs. Notre Dame Promo
 Description: In conjunction with the Turf Festival, a two-day Handicapping Championship where the top three finishers qualify for the DRF/NTRA Handicapping Championships will be held. This tournament will be similar to the contest held during the Spring/Summer meet, which was very popular with horseplayers. Finally, USC plays Notre Dame in the evening on November 25 – all fans who wear either USC or Notre Dame gear will receive free General Admission.

Date: Sunday, November 26
 Promotion: \$1 Million Pick Six/Turf Festival/Handicapping Championship Round 2/Statewide Mystery Mutuel Voucher/Pigskin and Ponies
 Description: In conjunction with the Turf Festival, a \$1 Million Guaranteed Pick Six pool will be offered. To promote it, a Mystery Mutuel Voucher will be sent to the mailing lists of Hollywood Park and Bay Meadows and any participating Satellite Wagering Facility. Also, the final round of the Fall Handicapping Championship will be held.

Date: Wednesday, November 29
 Promotion: Senior Day
 Description: \$4 General Admission for Seniors, including program and parking.

Date: Thursday, November 30
 Promotion: Senior Day
 Description: \$4 General Admission for Seniors, including program and parking.

Date: Friday, December 1
 Promotion: Business Person's Lunch
 Description: Members of local Chambers of Commerce will receive an offer for up to four people to attend the races in the Turf Club, paying no admission charges, just simply paying for their lunch.
 Date: Saturday, December 2
 Promotion: A Free Day on Us/Joes vs. Pros Handicapping Contest

Description: The day will be promoted through the inclusion of coupons in the November direct mail piece for Gold Club members redeemable for free Clubhouse Admission, a free Daily Racing Form and free program and parking. The Gold Club membership is currently approximately 14,000 customers. The Joes vs. Pros Handicapping Contest will pit every customer who enters against a "Professional" handicapper from Radio station 1540 – The Ticket – any fan who beats the pros selection will share in a grand prize; if the pro wins, the pot will go to his favorite charity.

Date: Sunday, December 3
 Promotion: Pigskin and Ponies
 Description: Weekly contest continues.

Date: Wednesday, December 6
 Promotion: Senior Day
 Description: \$4 General Admission for Seniors, including program and parking.

Date: Thursday, December 7
 Promotion: Senior Day
 Description: \$4 General Admission for Seniors, including program and parking.

Date: Friday, December 8
 Promotion: Business Person's Lunch
 Description: Members of local Chambers of Commerce will receive an offer for up to four people to attend the races in the Turf Club, paying no admission charges, just simply paying for their lunch.

Date: Saturday, December 9
 Promotion: Christmas Ornament Giveaway
 Description: All fans, with paid admission, will receive a free Commemorative Hollywood Park Christmas ornament.

Date: Sunday, December 10
 Promotion: Snow Day/Pigskin and Ponies
 Description: Snow Day turns the Hollywood Park parking lot into a mountain of snow for community families to enjoy – each family will be invited to a day at the races, featuring games and activities for children. Weekly football contest continues.

Date: Wednesday, December 13
 Promotion: Senior Day
 Description: \$4 General Admission for Seniors, including program and parking.

Date: Thursday, December 14
 Promotion: Senior Day
 Description: \$4 General Admission for Seniors, including program and parking.

Date: Friday, December 15
 Promotion: Business Person's Lunch
 Description: Members of local Chambers of Commerce will receive an offer for up to four people to attend the races in the Turf Club, paying no admission charges, just simply paying for their lunch.

Date: Saturday, December 16
 Promotion: Closing Weekend Mystery Mutuel Voucher
 Description: A Mystery Mutuel Voucher will be sent to approximately 85,000 people, redeemable on track or at participating satellite facilities on either Saturday, December 16 or Sunday, December 17.

Date: Sunday, December 17
 Promotion: Closing Weekend Mystery Mutuel Voucher
 Description: A Mystery Mutuel Voucher will be sent to approximately 85,000 people, redeemable on

track or at participating satellite facilities on either Saturday, December 16 or Sunday, December 17.

Ongoing Promotional Activities:

Gold Club: The Hollywood Park Gold Club is a fan loyalty program rewarding fans for both attendance and wagering activities. Daily admission is less expensive for Gold Club Members. Additionally, Gold Club members wagering activity is tracked and players can receive items such as free admission or wagering vouchers based on their level of play.

Meet the Jockeys: Every Sunday, children will have an opportunity to meet their favorite jockeys. Simply by meeting at the customer service booth in the Paddock Area, a group of children will be escorted to the paddock prior to the running of a race to have the chance to meet and greet with a jockey.

VIP Room: Top players are invited to watch the races from the Hollywood Park VIP room, where there are many amenities aimed toward making the day a better experience for large bettors – including free Daily Racing Forms, free refreshments, private carrels, a Concierge as well as an ample number of Mutuel Tellers to serve the needs of these players.

Guaranteed Pick 4's: Daily guaranteed Pick 4 pools will be offered throughout the meet.

Advertising Media Support:

Television: There will be flights of television promoting the following events:

- Breeders' Cup
- Veterans' Day/Promotional Giveaway on November 11
- Turf Festival/Promotional Giveaway on November 24
- Christmas Ornament Giveaway on December 9

Radio: Radio Advertising will be utilized to promote the following events:

- Breeders' Cup
- Friday Night Fever on November 10
- Friday Night Fever on November 17
- Joes vs. Pros Contest on December 2

Print: There will be weekly print advertising promoting all events at Hollywood Park in the following publications:

- The Argonaut
- The Beach Reporter
- Our Weekly
- Inglewood Today
- Palos Verdes News

Events such as Friday Night Fever and College Night will be promoted in the following publications:

- Long Beach 49er
- UCLA Daily Bruin
- USC Daily Trojan
- Santa Monica City College Corsair
- LMU Loyolan
- LA Weekly

- 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 Lounge, with free Fast Forms**
 - **Friday night handicapping sessions outside of Ascot Terrace**
 - **Handicapping 101 Booth inside South Admission Battery**
 - **Handicapping Seminars:**
 - **Fan Forum every day in Grandstand**
 - **Hollywood A-List every Saturday prior to the races**
 - **MAPs every Sunday prior to the races**
- D. Describe any improvements to the physical facility in advance of the meeting that directly benefit:
1. Horsemen **Installation of the Equestrian Surfaces Cushion Track and 6 furlong Turf chute**
 2. Fans **Installation of the Equestrian Surfaces Cushion Track and 6 furlong Turf chute**
 3. Facilities in the restricted areas **Improvements to be determined**

15. SCHEDULE OF CHARGES

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

1) General Admission	\$ 7.00
a. 17 yrs. old and under	Free
b. Wed & Thu Senior Citizens	\$ 4.00
(2) Clubhouse Admission	\$ 10.00
(3) Turf Club	\$ 20.00
(4) Reserved seating	\$ 2.00
(5) General Parking	Free
(6) Preferred (Premium) Parking	\$ 3.00
(7) Valet Parking	\$ 8.00
(8) Programs	\$2.25

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

	<u>Box Seats</u>		<u>*Turf Club Membership</u>
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	Guest	\$ 12

***Includes Spring/Summer, Fall Meets and Simulcast**

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

16. JOCKEYS/DRIVERS' QUARTERS

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

<input checked="" type="checkbox"/>	Corners (lockers and cubicles)	How many	<input type="text" value="80"/>
<input checked="" type="checkbox"/>	Showers	<input checked="" type="checkbox"/>	Steam room, sauna or steam cabinets
<input checked="" type="checkbox"/>	Masseur	<input checked="" type="checkbox"/>	Lounge area
<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.**

17. BACKSTRETCH EMPLOYEE HOUSING

- A. Inspection of backstretch housing was completed by (the most recent inspections at the submission of the application) **CHRB on 2/9/06.**
- 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.**

18. 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 - inner rail sheet metal panel covering over metal goosenecks supports - 40" in height, outer rail - metal uprights. 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**

19. 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.

20. 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.

EWAL WYATT
Print Name

[Signature]
Signature

GENERAL MANAGER
Print Title

8/1/04
Date

STAFF ANALYSIS
September 20, 2006

Issue: APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF THE BAY MEADOWS RACING ASSOCIATION AT BAY MEADOWS OCTOBER 18, 2006 THROUGH DECEMBER 18, 2006.

Bay Meadows Racing Association filed its application to conduct a thoroughbred horse racing meeting at Bay Meadows:

- October 18 through December 18, 2006, or 46 days. The association proposes to race a total of 396 races, or 8.61 per day. During the 33 days from August 26 through October 16, 2005 they raced 8.67 races per day with an average of 7.14 runners per race. The (estimated) average daily purse for this meet is \$167,061. They did not conduct racing during the prior year timeframe.
- The race dates proposed are the dates the Board allocated.

October - 2006						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7
8	9 H	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

November - 2006						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2	3	4
5	6	7	8	9	10	11 H
12	13	14	15	16	17	18
19	20	21	22	23 H	24	25
26	27	28	29	30		

December - 2006						
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
24/31	25	26	27	28	29	30

- Racing 5 days per week, Wednesday through Sunday, with 8 races weekdays and 9 or 10 weekends, holidays and days of special interest.
 - Option to request administrative approval to conduct more than an average of 8.6 races each day if the horse population permits additional racing.
- Racing concurrently with Oak Tree Racing Association and Hollywood Park Racing Association.
- First post 12:45 p.m. daily with a 7:20 p.m. post October 20, 27 and November 10, 17.
 - 11:15 a.m. November 23, Thanksgiving Day.
 - 11:20 a.m. Breeders' Cup and 12:15 p.m. Cal Cup Day.
- Specific changes from the 2005 license application:
 - Programs on-track and off-track increased from \$200 to \$2.25.
- Request Patrick Kealy be appointed horse identifier pursuant to CHRB Rule 1525.
- Track safety requirements have been fulfilled.
- Wagering program will use all CHRB rules.
 - Advance day wagering on Friday, November 3rd for Breeders' Cup.
- The Advance Deposit Wagering (ADW) providers are TVG, Xpressbet and Youbet.

- 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 completed.

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

1. Horsemen's agreement – in negotiation with Thoroughbred Owners of California.

RECOMMENDATION:

Staff recommends the Board approve the application conditioned upon receiving the additional information necessary to conduct the racing meeting.

STATE OF CALIFORNIA
 CALIFORNIA HORSE RACING BOARD
 APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING
 CHRB-17 (Rev. 07/05)

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. Name, mailing address, telephone and fax numbers of association:

Bay Meadows Racing Association Phone: (650) 573-4505
2600 South Delaware Street Fax: (650) 573-4671
San Mateo, CA 94402

B. Breed of horse: TB QH H

C. Racetrack name: **Bay Meadows**

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: **October 18, 2006 through December 18, 2006**

B. Actual dates racing will be held: **October 18-22, 25-29; November 1-5, 8-12, 15-19, 22-26, 29-30, December 1-3, 6-10, 13-18**

C. Total number of days or nights of racing: **46**

D. Days or nights of the week races will be held:

Wed - Sun Tues - Sat Other (specify)

Exceptions: Racing Monday, 12/18/06

E. Number of days or nights of racing per week: **Five days per week, with the exception of closing week**

3. RACING PROGRAM

A. Total number of races: **396**

B. Number of races for each day or night: **Propose to conduct 8 races on weekdays, 9 or 10 races on weekends, Holidays and days of special interest, averaging no more than 8.6 races per day. Will seek administrative approval to conduct more than an average of 8.6 races per day if the horse population permits additional races.**

CHRB CERTIFICATION

Application received: *7/18/06*
 Deposit received: *on file*
 Reviewed: *ADD*

Hearing date: *9/20/06*
 Approved date:
 License number:

- C. Total number of stakes races: **Four listed stakes and five overnight stakes**
- 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**
- 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:

Race	Daytime Cards	Friday Nights (10/20, 10/27, 11/10 & 11/17)
1	12:45	7:20
2	1:15	7:47
3	1:45	8:14
4	2:15	8:41
5	2:45	9:09
6	3:15	9:37
7	3:45	10:05
8	4:15	10:33
9	4:45	
10	5:15	

**Special 11:15 AM post on Thursday, November 23 (Thanksgiving Day); 11:20 AM Breeders' Cup & 12:15 PM Cal Cup Day
 Post times to be adjusted as necessary to coordinate with post times at other California tracks**

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
- Registered name of the corporation: **Bay Meadows Racing Association**
 - State where incorporated: **Delaware**
 - Registry or file number for the corporation: **37818008100040226127**
 - Names of all officers and directors, titles, and the number of shares of the corporation held by each:
 - Terrence Fancher, Chairman and Director**
 - Kristin Gardner, Director and Secretary**
 - Charlene Kiley, Director and Chief Financial Officer**

Bay Meadows Proposed 2006 Fall-Winter Stakes Schedule

Saturday, October 21, 2006

WILLIAM P. KYNE BREEDERS' CUP EXPRESS - \$100,000 Guaranteed*

(* Includes \$25,000 from Breeders' Cup Fund)

Fillies & Mares, Three Year Olds & Upward Six Furlongs

Saturday, October 28, 2006

BAY MEADOWS BREEDERS' CUP HANDICAP Grade III - \$150,000 Guaranteed*

(* Includes \$50,000 from Breeders' Cup Fund)

Three Year Olds & Upward One Mile & One Eighth (Turf)

Sunday, November 5, 2006

BAY MEADOWS DERBY Grade III - \$100,000 Guaranteed*

Three Year Olds One Mile and One Eighth (Turf)

Saturday, November 11, 2006-Overnight Stakes

PALO ALTO HANDICAP - \$55,000 Added

(Plus up to \$16,500 to CAL-BREDS)

Fillies Three Year Olds Seven and a Half Furlongs (Turf)

Saturday, November 18, 2006 – Overnight Handicap

AUTUMN LEAVES HANDICAP - \$55,000 Added

(Plus up to \$16,500 to CAL-BREDS)

Fillies & Mares Three Year Olds & Upward One Mile & One Sixteenth (Turf)

Friday, November 24, 2006-Overnight Stakes

JOHN HENRY HANDICAP- \$55,000 Added

(Plus up to \$16,500 to CAL-BREDS)

Three Year Olds & Upward One Mile (Turf)

Saturday, December 2, 2006 – Overnight Stakes

WINNERS FOUNDATION STAKES - \$55,000 Added

(Plus up to \$16,500 to CAL-BREDS)

Two Year Olds Six Furlongs

Saturday, December 9, 2006

CALIFORNIA DISTAFF TURF CHAMPIONSHIP - \$100,000 Guaranteed*

(Includes \$20,000 from Cal-Bred Race Fund)

Fillies & Mares Three Year Olds & Upward, Bred In California One Mile (Turf)

Saturday, December 16, 2006 – Overnight Stakes

BAY MEADOWS DEBUTANTE STAKES - \$55,000 Added

(Plus up to \$16,500 to CAL-BREDS)

Fillies Two Year Olds Six Furlongs

5. Names (true names) of all persons, other than the officers and directors listed above, that hold 5% or more of the outstanding shares in the corporation and the number of shares held by each:
Bay Meadows Main Track Investors, LLC
6. Number of outstanding shares in the corporation: **2,000,000**
7. Are the shares listed for public trading? Yes No
If yes, on what exchange and how is the stock listed:
8. Name of the custodian of the list of shareholders and/or the transfer agent for the share holdings of the corporation: **Kristin Gardner**
9. 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:
Bay Meadows Main Track Investors, LLC
10. 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 corporation and/or the Securities and Exchange Commission and/or the California Corporations Commission. The licensee may submit the audited consolidated annual financial statements of its parent owner if the parent owner is a publicly traded company and guarantees the obligations of the licensee. **On file**

D. LLC – **N/A**

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
Bernie Thurman, Vice President and General Manager-Administration
Michael Ziegler, Vice President and General Manager-Operations
Michael Scalzo, Vice President Operations and Security
Dyan Grealish, Vice President and Director of Group Sales
Daniel Newman, Controller
Charles Armenta, Director of Food & Beverage
Bryan Wayte, Mutuel Manager
Kay Webb, Simulcast Coordinator
Michael Wrona, Announcer
Jim Fetter, Director of Video Operations

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

5. PURSE PROGRAM

A. Purse distribution: **Note: BMRA did not conduct racing during the prior year time frame.**

1. All races other than stakes:
 - Current meet estimate: **\$6,146,800 (plus starter purses per Section 19605.75 of B & P Code)**
 - Prior meet actual: **n/a**
2. Overnight stakes:
 - Current meet estimate: **\$ 275,000**
 - Prior meet actual: **n/a**
3. Non-overnight stakes:
 - Current meet estimate: **\$ 450,000 (includes \$95,000 in supplemental monies)**
 - Prior meet actual: **n/a**

B. Stakes Races:

1. Purse distribution for all stakes races:
 - Current meet estimate: **\$ 725,000**
 - Prior meet actual: **n/a**
2. Percentage of the estimated purse distribution for all stakes races that will be distributed for California-bred stakes races:
 - Current meet estimate: **14%***
 - Prior meet actual: **n/a**

***Over the course of the calendar year, more than 10% of stake purse funds will be distributed to California-bred stake races.**

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

- Current meet estimate: **\$ 602,280**
- Prior meet actual: **n/a**

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

Recognized Horsemen's Organization	Estimated Payment Current Meet	Prior Meet Actual
CTT pension	\$ 65,534	n/a
CTT administration	32,767	n/a
TOC	65,534	n/a
NTRA contribution	<u>46,878</u>	n/a
Total	\$210,713	n/a

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

- Current meet estimate **\$ 7,684,793 (includes supplements), plus starter purses**
- Prior meet actual **n/a**

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

Note that the estimate for generated purse funds does not include supplemental monies, nomination, entry and starter fees, and previous meet carryovers

Current meet estimate	\$ 5,015,616
Prior meet actual	n/a

- G. Purse funds to be generated from interstate handle:

Current meet estimate	\$ 1,327,035
Prior meet actual	n/a

- H. Bank and account number for the Paymaster of Purses' purse account: **Wells Fargo--#4121055024**

- I. Name, address and telephone number of the pari-mutuel audit firm engaged for the meeting:
Bowen McBeth, 10722 Arrow Route, 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 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: **900**
- B. Minimum number of stalls believed necessary for the meeting: **1,900**
- C. Total number of usable stalls to be made available off-site at approved auxiliary stabling areas or approved training centers: **1,500**
- D. Name and location of each off-site auxiliary stabling area and the number of stalls to be maintained at each site: **Golden Gate Fields—1,300; Alameda County Fair—200**
- 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.
Northern California Van and Stabling Agreement 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.

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- F. Total number of usable stalls made available on-site for the 1986 meeting: **1,534**
- G. Estimated cost to provide off-site stalls for this meeting. **\$475,800** Show cost per day per stall: **\$5.43**
- H. Estimated cost to provide vanning from off-site stalls for this meeting. **\$111,320** Show fees to be paid for vanning per-horse: **\$115**

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, and TRI for trifecta, and US for unlimited sweepstakes (pick 9).

	TYPE OF WAGERS	APPLICABLE RULES
Example Race:	\$1 E; \$1 Double	CHRB #1959; RCI #VE
Race #1	\$1E, \$2Q, \$1TRI, \$1PK3, \$2DD, \$.10SF, \$1PPN, \$1PNP (P4) **	CHRB #1959, #1958, #1979, #1977, #1957, #1979.1, #1976.8, #1976.9
Race #2	\$1E, \$2Q, \$1TRI, \$1PK3, \$2DD, \$.10SF	CHRB #1959, #1958, #1979, #1977, #1957, #1979.1
Race #3	\$1E, \$2Q, \$1TRI, \$1PK3, \$2DD, \$.10SF, \$2PNP (P6)*	CHRB #1959, #1958, #1979, #1977, #1957, #1979.1, #1976.9
Race #4	\$1E, \$2Q, \$1TRI, \$1PK3, \$2DD, \$.10SF	CHRB #1959, #1958, #1979, #1977, #1957, #1979.1
Race #5	\$1E, \$2Q, \$1TRI, \$1PK3, \$2DD, \$.10SF, \$1PK4**	CHRB #1959, #1958, #1979, #1977, #1957, #1979.1, #1976.9
Race #6	\$1E, \$2Q, \$1TRI, \$1PK3, \$2DD, \$.10SF	CHRB #1959, #1958, #1979, #1977, #1957, #1979.1
Race #7	\$1E, \$2Q, \$1TRI, \$1PK3, \$2DD, \$.10SF	CHRB #1959, #1958, #1979, #1977, #1957, #1979.1
Race #8	\$1E, \$2Q, \$1TRI, \$1PK3, \$2DD, \$.10SF	CHRB #1959, #1958, #1979, #1977, #1957, #1979.1
Race #9	\$1E, \$2Q, \$1TRI, \$2DD, \$.10SF	CHRB #1959, #1958, #1979, #1957, #1979.1
Race #10	\$1E, \$2Q, \$1TRI, \$.10SF	CHRB #1959, #1958, #1979, #1979.1

- 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 18, 2006**

- C. List any options requested with regard to exotic wagering:
***\$2 Pick (n) Pool (Pick 6) will be offered on the final six races of each card, with 70% to the major pool or carryover, and 30% to the minor pool.**

****\$1 PK4 will be offered on the first four and final four races of each card.**

\$1 PPN (Place Pick (n) Pool will be offered on the first ten races of each card.

Additional deduction provided by subdivision (a) of Section 19611.5 will be made.

- D. Will "advance" or "early bird" wagering be offered? Yes No

If yes, when will such wagering begin:

Advanced day wagering on Friday, 11/03/06 for Breeders' Cup

- 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 system-Terry McWilliams. Service contract expires 9/07.

8. SIMULCAST WAGERING PROGRAM

- A. Simulcast organization engaged by the association to conduct simulcast wagering: **NCOTWINC**
- 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**
- C. California simulcast facilities the association proposes to offer its live audiovisual signal:

NORTHERN CALIFORNIA

Alameda County Fair, Pleasanton
Bay Meadows, San Mateo
Big Fresno Fair, Fresno
California State Fair & Exposition, Sacramento
Club One, Fresno
Golden Gate Fields, Albany
Kern County Fair, Bakersfield
Monterey County Fair, Monterey
Redwood Acres Fair, Eureka
San Mateo County Fair, San Mateo
San Joaquin County Fair, Stockton
Santa Clara County Fair, San Jose
Shasta District Fair, Anderson
Solano County Fair, Vallejo
Sonoma County Fair, Santa Rosa
Stanislaus County Fair, Turlock
Tulare County Fair, Tulare

SOUTHERN CALIFORNIA

Barona Casino, Lakeside
Fantasy Springs Casino (Cabazon), Indio
Del Mar Thoroughbred Club, Del Mar
Hollywood Park, Inglewood
Desert ExpoCentre, Indio
The Farmers Fair, Perris
Antelope Valley Fair, Lancaster
Santa Barbara County Fair, Santa Maria
Los Alamitos Racecourse, Los Alamitos
Mid-State Fair, Paso Robles
National Orange Show, San Bernardino
Fairplex Park, Pomona
Santa Anita, Arcadia
Viejas Casino & Turf Club, Alpine
Earl Warren Showgrounds, Santa Barbara
Sycuan Gaming Center, El Cajon
Ventura County Fair, Ventura
San Bernardino County Fair, Victorville

- D. Out-of-state wagering systems the association proposes to offer its live audiovisual signal: **Attached**
- E. Out-of-state wagering systems that will combine their pari-mutuel pools with those of the association:
Attached
- 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":

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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
Calder	10/18/06 through 12/18/06	Full or Partial Cards
Churchill Downs	10/29/06 through 11/25/06	Full or Partial Cards
Fairgrounds	11/23/06 through 12/17/06	Full or Partial Cards
Fort Erie	10/18/06 through 10/31/06	Full or Partial Cards
Hastings	10/20/06 through 11/26/06	Full or Partial Cards
Hawthorne	10/20/06 through 12/17/06	Full or Partial Cards
Keeneland	10/18/06 through 11/28/06	Full or Partial Cards
Laurel	10/18/06 through 12/17/06	Full or Partial Cards
Lone Star	10/18/06 through 12/02/06	Full or Partial Cards
NYRA	10/18/06 through 12/17/06	Full or Partial Cards
Turf Paradise	10/20/06 through 12/17/06	Full or Partial Cards
Turfway Park	11/26/06 through 12/17/06	Full or Partial Cards
Woodbine	10/18/06 through 12/03/06	Full or Partial Cards

Additional cards and/or races pending negotiations

- 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":

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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Wagering will be offered on all races conducted or imported by Los Alamitos

- 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":

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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Wagering will be offered on all races conducted or imported by Cal Expo Harness

- 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: **N/A**

OTHER BREED SIMULCAST RACES TO BE IMPORTED

Name of Host Track	Breed of Horse	Race Dates	Number of Races to be Imported
--------------------	----------------	------------	--------------------------------

- 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, 19596.3, 19601, 19602, and 19616.1, and will require specific written approval of the CHRB.

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 vanning 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.)

9. 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: **Bay Meadows Racing Association shall act as its own distributing agent in conformity with Section 19554(e)**
- B. Names and addresses of the trustees or directors of the distributing agent: **See 9A above**
- 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).

10. RACING OFFICIALS, OFFICIALS, AND OFFICIATING EQUIPMENT

- A. Racing officials nominated:
- | | |
|-----------------------------|---|
| Association Veterinarian(s) | Don Davis, Track Veterinarian
Diane Isbell, Examining Veterinarian |
| Clerk of Scales | Paul Nicolo |
| Clerk of the Course | Anne Daftary |
| Film Specialist | Paul Nicolo |
| Horse Identifier | Patrick Kealy |
| Horseshoe Inspector | Jack Hammonds |
| Paddock Judge | Gary Lawless |
| Patrol Judges | Gary Lawless, Ella Robinson |
| Placing Judges | Tina Walker, Greg Brent |
| Starter | Chuck Burkes |
| Timer | Richard Somers |

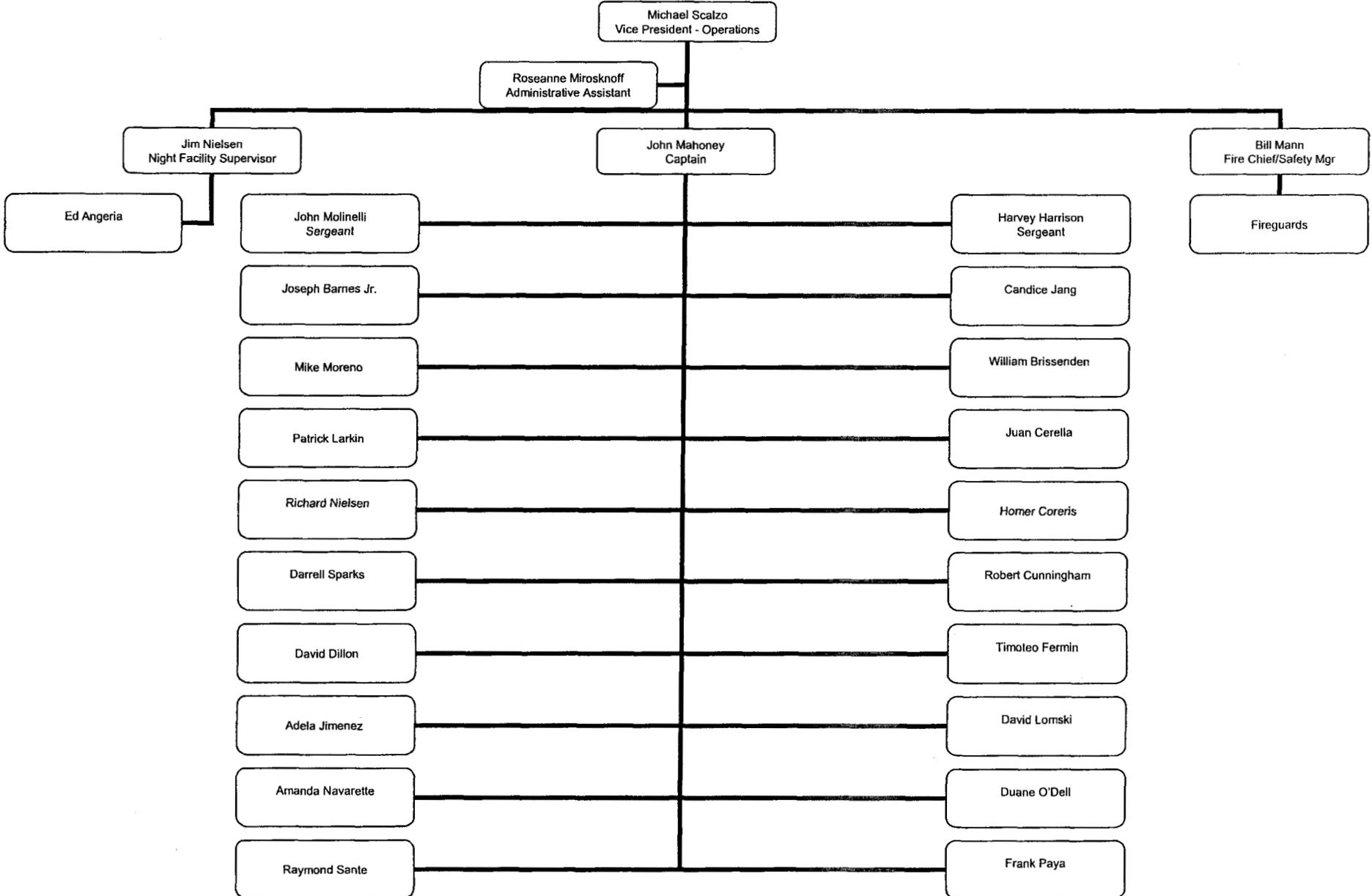
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- B. Management officials in the racing department:
- | | |
|-------------------------------------|----------------------------|
| Racing Secretary | Tom Doutrich |
| Assistant Racing Secretary | Greg Brent, Linda Anderson |
| Director of Racing | Richard Lewis |
| Paymaster of Purses | Peggy Morsi |
| Others (identify by name and title) | |
| Asst Clerk of Scales | Ken Sjoldal |
| Main Track Superintendent | Robert Turman |
| Turf Track Superintendent | Bernie Eastridge |
| Price Maker | Richard Somers |
| Stable Area Superintendent | Jerry Lynn Hunter |
- C. Name, address and telephone number of the reporter employed to record and prepare transcripts of hearings conducted by the stewards: **Christine Niccoli, Niccoli Reporting Associates, 619 Pilgrim Drive, Foster City, CA 94404 (650) 573-9339**
- 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 Corporation USA (Bill O'Brien), 12/31/06
- 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.
Bay Meadows Video Department, lead by Jim Fetter, supplies the video equipment to record all races. Seven color cameras, twenty-one videotape recorders, and nine video monitors are utilized. Cameras for dirt and turf tracks include:
Pan camera #1 (tight pan) aligned with finish lines, just above photo finish camera on grandstand roof
Pan camera #2 (wide pan) located next to tight pan camera
3/8 tower camera aligned with backstretch of dirt track
1/4 tower camera aligned with front stretch of turf course (rear view)
7/8 tower camera aligned with front stretch of dirt track
7/8 pan/tilt/zoom remote controlled camera aligned with turf course front stretch (head on)
5/16 pan/tilt/zoom remote controlled camera
Highlight camera follows lead horses down the stretch from near-ground level
- 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:
Electronic timer, installed and maintained by Bay Meadows personnel

11. 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. **Michael Scalzo, VP Operations & Security. Organizational chart & list of security personnel attached**
- B. Estimated number of security guards, gatemen, patrolmen or others to be engaged in security tasks on a regular full-time basis:
- | | |
|------------------------|----|
| Uniformed guards | 21 |
| Plain clothesmen | 2 |
| Stable gate attendants | 5 |

Bay Meadows – Security Department Organizational Structure



Bay Meadows – 2006 Security Personnel

Security Office Phone # (650) 573-4535
Stable Gate Phone # (650) 573-4577

Scalzo, Michael, VP Operations and Security
Office# (650) 573-4540
Cell # (650) 222-8153

Staff Members:

Nielsen, James
Angerina, Ed
Barnes Jr, Joseph
Bottari, Robert
Brissenden, William
Cerella, Juan
Cook, Robert
Coreris, Homer
Cunningham, Robert
Dillon, David
Eitel, Calvin
Ferman, Tomoteo
Harrison, Harvey
Hart, Gregory
Jang, Candice
Jimenez, Adela
Larkin, Patrick
Lomski, David
Mahoney, John
Mann, Bill
Mirosnkoff, Roseanne
Molinelli, John
Moreno, Michael
Navarrete, Amanda
Nielsen, Richard
Paya, Frank
Plunkett, Todd
Sante, Raymond
Sparks, Darrell
Wild, Neil

1. Attach a written plan for enhanced security for graded/stakes races and races of \$100,00 or more, to include the number of security guards in the restricted areas during a 24 hours period and a plan for detention barns. **Attached**
2. Detention Barns
 - A. Attach a plan for use of graded stakes or overnight races: **Attached**
 - B. Number of security guards in the detention barn during a 24 hour period-4
 - C. Describe number and location of surveillance cameras in detention barn area: **Attached**
3. TCO2 Testing
 - A. Number of races to be tested, and number of horses entered in each race to be tested.
Applicant will follow CHRB staff directives to insure compliance with CHRB Rule 1843.6
 - B. Plan for enhanced surveillance for trainers with high-test results.
Applicant will follow CHRB staff directives to insure compliance with CHRB Rule 1843.6
 - C. Plan for detention barns for repeat offenders.
Applicant will follow CHRB staff directives to insure compliance with CHRB Rule 1843.6
 - D. Number of security personnel assigned to the TCO2 program.
As needed per advice of CHRB staff
- C. Describe the electronic security system:
Security alarm systems, including cameras, motion and contact sensors, monitored by Hue & Cry, cover the administrative offices, mutuel, catering and operations money rooms. Surveillance systems with time-lapse recorders monitor key locations throughout the plant and parking lot.
 1. Location and number of video surveillance cameras for the detention barn and stable gate.
Attached
- D. For night racing associations: Describe emergency lighting system:
Bay Meadows has five diesel electric generators that power backup lighting systems. Normally, the generators are run only in the case of a PG & E failure. On nights during which evening cards are conducted, the generator connected to the twenty-four 1,500 watt metal halide lights on the roof is turned on in order to insure that there is no transfer lag time should there be a PG & E failure. Three portable 4-lamp, 1,000 watt metal halide generator sets, one in the corporation yard, one at the quarter chute entrance, and one in the south parking lot adjacent to the jockeys room, are also utilized. The emergency lighting system provides power not only to the track lights, but to key areas such as totalizator, computer, phone, and money rooms, public address systems, and public areas in the grandstand and parking lots. Additionally, each barn is equipped with battery powered emergency lighting. To insure reliability, the generators are serviced bi-annually and are run for at least one hour each month.

12. EMERGENCY SERVICES

- A. Name, address and emergency telephone number of the ambulance service to be used during workouts and the running of the races:
Bayshore Ambulance, Box 4622, Foster City, CA 94404 (650) 525-9700

Attachment to BMRA License Application

11. SECURITY CONTROLS

B-1, B-2 and C-1

Plan for Graded Stakes/Races of \$100,000 or more

When a Graded Stakes Race or race with a purse of \$100,000 or more is conducted at Bay Meadows, the following procedures are implemented to enhance security:

- Richard Lewis, Coordinator of Racing Operations, provides a list of starters to Michael Scalzo, VP Operations and Security. The list, which is compared to the day's official racing program, contains the following information:
 1. Name of Horse
 2. Name of Trainer or Substitute Trainer
 3. Name of Groom
 4. Name of Veterinarian
 5. Barn number where horse is stabled
 6. Stall number in barn where horse is stabled

- To supplement the normal security staff assigned to the barn area, "Special security" personnel are assigned to each horse's stall and surveillance begins six (6) hours before the official start of the race. The number of special security personnel is dependent upon the number of entrants in the race.

- The special security people attend an instructional meeting early in the morning of the race; instructions include:
 1. The specific assignment details for the individual horse assigned each guard.
 2. A briefing on race day medication rules, provided by a California Horse Racing Board representative.
 3. A briefing on the dynamics of horse racing and racing operations by Richard Lewis, Coordinator of Racing Operations.
 4. A briefing on general operations procedures as they relate specifically to the Bay Meadows Racecourse.
 5. Each guard is given a packet which includes an official racing program and a form provided by the CHRB which is to be signed by the attending veterinarian at the time of the administration of furosemide or estrogens for all horses registered as bleeders. The form notes the name of the Horse, Trainer, Veterinarian, Race Number, Barn Number, Stall Number, Official Post Time, Administered Time of Bleeder Medication and Number of injections/syringes.
 6. Each individual is given a video camera to record any and all activity involving individuals entering and exiting their assigned horse's stall. Guards are instructed to first direct their camera recording to the posted number of the stall to confirm that the video is directed at the assigned runner. Guards are instructed to videotape the attending veterinarian at the time of his or her administering the furosemide and/or estrogen shot for those horses registered as bleeders.
 7. Each guard is instructed to monitor any suspicious activity or activity they don't understand, and to contact the VP of Operations and Security if and when suspicious activities may take place.

8. Guards are instructed to station themselves as close to the assigned horses' stall as possible, without jeopardizing safety, and are to remain in view of the horses' stall.
 9. Each guard is instructed to follow, on foot, the horse and handlers to the receiving barn before the race is run.
 10. Each guard is instructed to meet the VP of Operations & Security at the receiving barn, where he or she will return the video camera and any notes he/she may have taken pertaining to the day's surveillance. At this time, there will be a discussion with all guards relating to the day's activities.
- Video surveillance tapes are saved until all test results have been determined to be negative.
 - CHRB investigators coordinate with the BMRA special surveillance team. Investigators are encouraged to visit the location of all participating horses in the graded/stakes race(s) of the day.

Detention Barn Plan & Number and Location of surveillance cameras in detention barn area:

In January, 2005, a new surveillance system was installed in Barn One, which is the barn mostly frequently utilized by horses shipping in to run at Bay Meadows. Barn One is 360' long by 180' wide, and has ten exits and entrances. It contains approximately 162 stalls, and houses the receiving barn area, transit and detention stalls. Surveillance equipment includes a 16 camera, 180 GB digital recording system. The installation of surveillance equipment in Barn One enables the company to better monitor the activity of horses and persons entering and exiting Barn One and the stable gate area, which is roughly fifty feet away.

One camera has been strategically placed to monitor the stable gate entrance, two cameras monitor designated detention stalls, and the balance have been placed to provide surveillance of the entrances and exits to the barn.

The recorder is kept in a secure housing in a locked communications room in the Barn building. A password is required before any action can be taken on the recording system.

The cameras are powered from a common power supply located, with the recorder, in the communications room. The entire system is powered with a UPS power back-up, and will continue to operate during a power failure.

All cameras generate their own infra-red light source, so they provide a viewable image even in "total" darkness. They operate in color during the day, and convert to black-and-white in dark lighting conditions.

The digital recorder records all cameras at full frame. Recording options include resolution quality and motion detection. In motion detection mode, video frame recording commences only when motion is detected within selected areas, which saves on hard-drive storage space. The amount of time that can be stored before re-recording over existing material occurs is dependant upon the amount of barn activity. If all cameras recorded 24 hours a day, 7 days a week, at the highest resolution setting, the 180 GB drive would begin re-writing over existing data within about 48 hours. With standard resolution and motion detection engaged, recording time falls between 5 and 10 days before re-writing begins.

- B. Name, address and emergency telephone number of the ambulance service to be used during workouts at auxiliary sites:
- | | |
|----------------------------|--------------------------------|
| Golden Gate Fields: | Alameda County Fair: |
| Turf Rescue, LLC | American Medical Response |
| 19615 Barclay Road | 640 – 143 rd Avenue |
| Castro Valley, CA 94546 | San Leandro, CA 94577 |
| (510) 581-8470 | (510) 895-7600 |
- C. Attach a fire clearance from the fire authority having jurisdiction over the premises. **Attached**
- D. Name of the workers' compensation insurance carrier for the association and the number of the insurance policy (if self-insured, provide details): **AIG WC 3420903**
- E. 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**

13. 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:

Tip Sheets:	Jacqueline Kleespiess/Jack's Blue Card, 127 Sun Avenue, Hayward, CA 94544
Armored Car:	Loomis Armored Car. P. O. Box 44196, San Francisco, CA 94104
Program Printing:	Del Mar Printing, c/o Golden Gate Fields., 1100 Eastshore H-way, Albany, CA 94706
Track Photographer:	Vassar Photography, 1167 Sapphire Drive, Livermore, CA 94550
Jockey's Laundry:	F. Lorene Dutton/Bailey's Mobile Laundry, 3263 Vineyard Ave., Pleasanton, CA 94566
Starting Gate:	Mike Costello/United/Puett Starting Gate Co., P. O. Box 18, S. Salem, NY 10590

14. ON-TRACK ATTENDANCE/FAN DEVELOPMENT

- A. Describe any promotional plans: **Attached**
- B. Number of hosts and hostesses employed for meeting: **Seven group sales hosts and hostesses, one "handicapping 101" staffer, two tour guides, two greeters, (one located next to the general admission program seller and one located in the clubhouse lobby area), ten mutual customer service aides, four mutual information windows and five marketing aides.**
- C. Describe facilities set aside for new fans.
- Newcomer tours**
- New fans can log on to the updated Bay Meadows web site, www.baymeadows.com, to learn about Bay Meadows in a unique manner. From the homepage, fans who have never attended the races can sign up for a personalized tour of the facility. The special tour includes free admission and programs, a look at the entire facility, and seating in the Clubhouse boxes which overlook the outside paddock and finish line. Fans arrange for their tours at their convenience. Newcomers are met in front of the facility, at the admission entrances, and receive an explanation as to how they would return to the races on their own. The tour includes trips to various areas of the plant, from the mainline to the Turf Club, and attendees are familiarized with where to buy a program or Form, where to purchase reserved seats, etc., during the tour. At the end of the tour, attendees are escorted to a seating area reserved for newcomers which overlooks the finish line. The tour guide walks them through a few simple handicapping techniques and visits them occasionally throughout the remainder of the day to make sure they are comfortable.**

RECEIVED
CHRB

FEB 17 PM 1:24

FIRE DEPARTMENT
Bureau of Fire Protection and Life Safety
www.cityofsanmateo.org

1900 O'Farrell, Suite 140
San Mateo, California 94403-1382
(650) 522-7940
FAX: (650) 522-7941
TDD: (650) 522-7047

February 14, 2006

Ms. Burnie Thurman
Bay Meadows Land Company
2600 S. Delaware St.
San Mateo, California 94403

Dear Ms. Thurman:

This letter is to serve as the San Mateo Fire Department Fire Clearance for Bay Meadows Land Company at 2600 S. Delaware Street, San Mateo, California. The Fire Clearance is in effect starting March 1, 2006, through December 31, 2006.

Your staff's continued attention to correcting the listed fire code violations is greatly appreciated. As long as these efforts show progress, this Fire Clearance will remain valid through December 31, 2006. All fire and life safety issues are to be brought to compliance and/or stay in compliance to assure public safety.

Should you have any questions, please feel free to contact me at the above telephone number.

Sincerely,

Michael Leong
Fire Marshal

Brian M. Kelly
Fire Chief

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

Page 1 of 2

DATE
01/01/2006

PRODUCER
877-945-7378

Willis North America, Inc. - Regional Cert Center
26 Century Blvd.
P. O. Box 305191
Nashville, TN 372305191

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.

INSURED
Bay Meadows Racing Association
ATTN: Daniel Newman
P.O. Box 5050
San Mateo, CA 94402

INSURERS AFFORDING COVERAGE	NAIC#
INSURER A: New Hampshire Insurance Co.	23841-100
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 ADD'L LTR INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	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) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED 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 EA ACC \$ AUTO ONLY: AGG \$
	EXCESS 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? If yes, describe under SPECIAL PROVISIONS below OTHER	WC3420903	1/1/2006	1/1/2007	<input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

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

CERTIFICATE HOLDER

California Horse Racing Board
ATTN: John Reagan
1010 Hurley Way, Suite #300
Sacramento, CA 95825

CANCELLATION

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 to BMRA License Application – Section 14

Wednesday, October 18, 2006 – Opening Day

- Coupons for free Grandstand admission on opening day will be sent in our first direct mail piece.

Thursday, October 19, 2006

- Free General Admission to Winner's Circle Members – Members of the Bay Meadows player rewards program, the Winner's Circle, will receive free General Admission every Thursday of the racing season. Clubhouse upgrades will cost \$3.
- Senior Thursdays – Seniors (those aged 62 and older) receive free Grandstand admission or \$3 Club House upgrade with a valid Winners Circle card. \$5 senior lunch special in the Grandstand. We will also offer a handicapping seminar covering the basics of wagering.

Friday, October 20, 2006

- Friday's Alive – We will book Boogie Nights to play live music in between races. We anticipate a large turnout resulting from our promotional efforts and the popularity of the band. The band will begin playing after the second scheduled race and we will offer the traditional Friday's Alive attractions, including \$1 general admission, \$1 beers, \$1 hotdogs and \$1 sodas. Beers will be \$1 from 7:00 PM – 8:00 PM and \$2 for the duration of the night. There will be a beginner's area in the grandstand to help newcomers find their way around the track and learn how to wager. Campus representatives will be utilized on a weekly basis to distribute free passes to college students from area schools (such as Santa Clara, Stanford, San Francisco State and San Jose State). A bonus will be paid to the campus representative who generates the most attendees.

Saturday, October 21, 2006

- Russell Baze Bobblehead & Autograph Signing – A commemorative Russell Baze Bobblehead will be given away to the first 7,500 fans, with paid admission. The Bobblehead will also be made available to the Northern California Satellite Wagering Facilities.
- Bay Meadows will host a jockey autograph signing with Russell Baze, other Bay Meadows jockeys and potentially other Hall of Fame jockeys prior to the first race.

Sunday, October 22, 2006

- Junior Jockey Club Barn Tours – Every Sunday (except November 12 and December 17), Junior Jockey Club members will have the opportunity to go behind the scenes to see where race horses live. Participants will be asked to RSVP by calling 650-573-4617 or by emailing juniorjockey@baymeadows.com. Each tour will be limited to 40 participants. Currently there are about 400 Junior Jockey Club members.

Thursday, October 26, 2006

- Free General Admission to Winner's Circle Members
- Senior Thursday

Friday, October 27, 2006

- Friday's Alive – We will book Super Diamond to play live music in between races. We anticipate a large turnout resulting from our promotional efforts and the popularity of the band. The band will begin playing after the second scheduled race and we will offer the traditional Friday's Alive attractions, including \$1 general admission, \$1 beers, \$1 hotdogs and \$1 sodas. Beers will be \$1 from 7:00 PM – 8:00 PM and \$2 for the duration of the night. There will be a beginner's area in the grandstand to help newcomers find their way around the track and learn how to wager.

Saturday, October 28, 2006

- Cal Cup Day at Santa Anita
- Mystery Mutuel Voucher - A Mystery Mutuel Voucher will be distributed to the entire mailing list and will be worth between \$2 and \$5,000. The voucher will be redeemable at Bay Meadows and at participating Satellite wagering facilities.
- Beer Festival - The North Park Lawn will feature an Oktoberfest Micro Beer Festival. The Beer Festival will increase the overall appeal of an already great day of racing.

Sunday, October 29, 2006

- Boo Meadows – The family day will be held in the infield and entertainment will include bounce houses, pony rides, a haunted house, a rock climbing wall as well as a kids band and children entertainers Lori & RJ. We are going to invite local mascots to come out and we will design competitions for their participation at the event. Additional activities include a costume contest and "trick or treating."
- Kids will receive a candy bag when they enter the infield and can walk around and get candy from booths. Kids 12 and under receive a free pumpkin when accompanied by an adult. Local businesses will pay a small sponsorship fee to have a booth at the event. All proceeds from the event will benefit the Police Activities League (PAL).
- All eligible San Mateo residents from a purchased list, plus San Mateo residents on the Bay Meadows mailing list, will receive a free grandstand admission pass in a direct mail piece. The Free grandstand admission pass will be valid on October 29 only. Additional advertising will be purchased in the Pennysaver and/or ValPak.
- Junior Jockey Club Barn Tours

Thursday, November 2, 2006

- Free General Admission to Winner's Circle Members
- Senior Thursday

Friday, November 3, 2006

- Bay Meadows "Day on Us" promotion – Free general admission, general parking, a program and a Daily Racing Form will be given to our "core" patrons through a coupon included in a direct mail piece. We will mail this exclusive offer to a list of 10,000 customers.

Saturday, November 4, 2006

- Breeders' Cup Contest - All patrons will receive a contest card to select the horse they think will win the Breeders' Cup Classic. The contest begins on Opening Day and ends on Breeders' Cup day. The contest will close one hour prior to the start of the Breeders' Cup Classic. One contestant will be drawn to represent each horse in the field. The person representing the winning horse will win the Grand Prize. Each of the contestants drawn on Breeders' Cup day will win a Turf Club Package redeemable for a later date. Must be present to win.

Sunday, November 5, 2006

- Junior Jockey Club Barn Tours

Thursday, November 9, 2006

- Free General Admission to Winner's Circle Members
- Senior Thursday

Friday, November 10, 2006

- Friday's Alive – We will book Mother Hips to play live music in between races. We anticipate a large turnout resulting from our promotional efforts and the popularity of the band. The band will begin playing after the second scheduled race and we will offer the traditional Friday's Alive

attractions, including \$1 admission, \$1 beers, \$1 hotdogs and \$1 sodas. Beers will be \$1 from 7:00 PM – 8:00 PM and \$2 for the rest of the night. There will be a beginner's area in the grandstand to help newcomers find their way around the track and learn how to wager.

Saturday, November 11, 2006

- Veteran's Day – Free Grandstand admission to current and retired military personnel. A designated race will be dedicated to veterans with a photo in the winners circle.
- Free \$5 wagering voucher – Customers who were formerly active participants of the Golden State Rewards Network will receive a free \$5 wagering voucher from the new California Racing Club. This voucher will be redeemable at Bay Meadows and all Northern California Satellite facilities.
- Car Show – We will host a car show and we anticipate over 200 cars will be on display in the infield.

Sunday, November 12, 2006

- Junior Jockey Club Event – An event will be planned around horse education for Junior Jockey Club members. The club has about 400 children signed up to this point.

Thursday, November 16, 2006

- Free General Admission to Winner's Circle Members
- Senior Thursday

Friday, November 17, 2006

- Friday's Alive – We will book Pride & Joy to play live music in between races. We anticipate a large turnout resulting from our promotional efforts and the popularity of the band. The band will begin playing after the second scheduled race and we will offer the traditional Friday's Alive attractions, including \$1 admission, \$1 beers, \$1 hotdogs and \$1 sodas. Beers will be \$1 from 7:00 PM – 8:00 PM and \$2 for the rest of the night. There will be a beginner's area in the grandstand to help newcomers find their way around the track and learn how to wager.

Sunday, November 19, 2006

- Junior Jockey Club Barn Tours

Thursday, November 23, 2006

- Free General Admission to Winner's Circle Members
- Senior Thursday
- Thanksgiving Day – Family Brunch in Turf Club

Friday, November 24, 2006

- Umbrella Giveaway – A Bay Meadows Umbrella will be given away to the first 7,500 fans, with paid admission. The umbrella will also be made available to the Northern California Satellite Wagering Facilities.

Saturday, November 25, 2006

- Special Turf Club Admission – Coupons redeemable for a \$5 discount on Turf Club admission will be distributed to the Bay Meadows mailing list.

Sunday, November 26, 2006

- Mystery Mutuel Voucher - Bay Meadows and Hollywood Park will combine both individual MMV efforts into a single mailing – a statewide MMV with a grand prize of \$25,000. The voucher will be redeemable at Bay Meadows and at participating Satellite wagering facilities.
- Junior Jockey Club Barn Tours

Thursday, November 30, 2006

- Free General Admission to Winner's Circle Members
- Senior Thursday

Saturday, December 2, 2006

- Bay Meadows "Day on Us" promotion – Free general admission, general parking, a program and a Daily Racing Form will be given to our "core" patrons through a coupon included in a direct mail piece. We will mail this exclusive offer to a list of 10,000 customers.

Sunday, December 3, 2006

- Snow Day at Bay Meadows – For "Snow Meadows," we will turn the infield into a snow-covered play area for a family day. A number of games and activities will also be offered to keep kids entertained. We will also have a Junior Jockey Club booth to sign up new members. KPIX/UPN will be our media partner and will run commercials promoting Snow Meadows.
- Junior Jockey Club Barn Tours

Thursday, December 7, 2006

- Free General Admission to Winner's Circle Members
- Senior Thursday

Saturday, December 9, 2006

- Sweatshirt Giveaway – A Bay Meadows Sweatshirt will be given away to the first 7,500 fans, with paid admission. The sweatshirt will also be made available to the Northern California Satellite Wagering Facilities.

Sunday, December 10, 2006

- Junior Jockey Club Barn Tours

Thursday, December 14, 2006

- Free General Admission to Winner's Circle Members
- Senior Thursday

Saturday, December 16, 2006

- Grab Bag Day – Fans can pick a giveaway item they missed or a duplicate of their favorite. Available items will include will be pieces from the previous year and from the current meet. We plan to make available approximately 6,000 items.
- Bay Meadows Handicapping Tournament – This tournament will be the last qualifier in the nation for the NTRA National Handicapping Championships. It will be a two-day tournament, ending on Sunday, December 17th.

Sunday, December 17, 2006

- Junior Jockey Club Barn Tours
- BM Handicapping Tournament

Ongoing Programs for the Fall-Winter Meet include:

Bay Meadows Winner's Circle: Bay Meadows player rewards program offers customers the chance to earn points based on wagering activity, which can be redeemed for wagering vouchers, free admissions, and free programs. Additionally, the Winner's Circle acts as an attendance based system – when customers scan their membership cards at the admission gate, they receive credit for their admission – six credits earns the customer a free visit. Further, many of the special offers made throughout the meet, including free admission every Thursday, are for Winner's Circle members only.

Offer you can't refuse: A mailing list purchased based on modeling of the Bay Meadows database will be used to send offers to people who "look" like our fans but may not currently be enjoying the races. Every Sunday, groups of these look-alikes will receive a terrific offer from the racetrack – free admission, seats, programs, and food items for up to four people. The hope is that people may be interested in the same things as people who are coming to the track but might need an incentive to visit for the first time.

KNBR Contest: Russell Baze, if all goes well, will potentially surpass Laffit Pincay, Jr. as the all-time "winningest jockey" during the Bay Meadows Fall-Winter Meet. We will promote a contest on Northern California's largest sports radio station asking fans to pick the day and race number that Russell surpasses Laffit's mark.

Russell Baze Commemorative Pins: If Russell is successful in surpassing Laffit Pincay's record, a commemorative pin, signifying "I was there" the day Russell Baze surpassed Laffit Pincay, Jr. will be distributed to all fans on the way out of the racetrack on the day that Russell surpasses Laffit's mark.

"Business Lunch": Local businesses will be sent letters and free Turf Club admission passes valid on Wednesday, Thursday and Friday afternoon racing.

"Junior Jockey Club": Kids that sign up for the club will receive a quarterly newsletter, special discounts and prizes including jockey goggles. The club will have special activities for Junior Jockey Club members.

"Buy a program and Bay Meadows covers your bet": This program will take place every Saturday or Sunday. One stamp for every horse in the sixth race will be randomly placed in a program. Patrons that find the stamp will go to the Winners Circle 15 minutes before post of the 6th race. Those with the stamp will watch the race from the Winners Circle. Each participant will draw a number that will represent a horse in that race. Each participant will be given a \$10 win ticket for their horse. If their horse wins, they keep the money.

The Beer Race will continue as it did during the Spring 2006 Meet.

IPOD Drawing: We will continue to collect names through our "enter to win an IPOD drawing." This program replaced our losing ticket drawing and is responsible for the collection of over 1,000 entries per racing meet.

DVD Distribution: We will continue to produce and distribute complimentary DVDs to the connections of horses winning races at Bay Meadows.

Web-Site: The Bay Meadows web-site, www.baymeadows.com, was completely re-created to make it more user-friendly and aesthetically pleasing. Enhancements were added to enable customers who have never attended the races learn about Bay Meadows and racing in general. Content used by frequent, existing customers, was organized in a manner which we believe is makes it more readily assessable.

Newcomer Mutuel Windows

In the mainline, mezzanine, clubhouse and Turf Terrace areas, betting windows designated as "Newcomers Welcome" are staffed with friendly and helpful mutuel clerks trained to accommodate the needs of novice fans.

Handicapping 101 Center

A large information area on the mainline has been designated as a "Handicapping 101" center. The area features a large banner, and is staffed by friendly marketing aides that are trained to answer questions for any and all fans, including how to read the program, explain odds and payoffs, provide directions, etc.

- D. Describe any improvements to the physical facility in advance of the meeting that directly benefit:
1. Horsemen - Remodel outrider shelters, slurry bridlpaths between barns 2 & 3, and 4 & 5.
 2. Fans - Improve video graphics, refurbish food and beverage stands, replace infield tent canopies, add outdoor patio heaters, replace patio umbrellas.
 3. Facilities in the restricted areas - Refurbish jockeys room sauna, add video surveillance equipment, add voice activated wireless communication system connecting stewards and patrol judges.

15. SCHEDULE OF CHARGES

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

Admission (general)	\$3.00	
Admission (clubhouse)	\$6.00	
Admission (turf club on weekdays)	\$10.00	
Admission (turf club on weekends)	\$15.00	
Reserved seating (general)	\$3.00	
Reserved seating (clubhouse)	\$3.00	
Parking (general)	\$4.00	
Parking (preferred)	\$7.00	
Parking (valet)	\$7.00	
Programs (on-track)	\$2.25	(a 25 cent increase)
Programs (off-track)	\$2.25	(a 25 cent increase)

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

Bay Meadows Jockey Club:

Single Membership	\$ 600
Double Membership	\$ 1,000
Full Season (6 seat table)	\$ 2,400
Full Season (4 seat table)	\$ 2,000
Weekday Membership (4 seats)	\$ 600
Weekend/Holiday Membership (4 seats)	\$ 1,500

Bay Meadows Reserved Box Seating:

Clubhouse Box (6 seats)	\$ 1,000
Special Horsemen's Rate	\$ 700
Grandstand Box (6 seats)	\$ 1,350
Special Horsemen's Rate	\$ 900
Grandstand Box (4 seats)	\$ 1,100
Special Horsemen's Rate	\$ 800

- C. Describe any "package" plans such as combined parking, admission and program: **None**

16. JOCKEYS/DRIVERS' QUARTERS

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

<input type="checkbox"/>	Corners (lockers and cubicles)	How many	<input type="text" value="25"/>
<input type="checkbox"/>	Showers	<input type="checkbox"/>	Steam room, sauna or steam cabinets
<input type="checkbox"/>	Masseur	<input type="checkbox"/>	Food/beverage service
<input type="checkbox"/>		<input type="checkbox"/>	Lounge area
<input type="checkbox"/>		<input type="checkbox"/>	Certified platform scale

- B. Describe the quarters to be used for female jockeys/drivers:

Fifteen by seventeen foot room with a private entrance hall; room has windows TV, heating unit, bunk beds, and a single stall shower. Attached to the room is a private sink and toilet.

17. BACKSTRETCH EMPLOYEE HOUSING

- A. Inspection of backstretch housing was completed by **CHRB Investigator Bob Gai on 8/31/06**
- B. Number of rooms used for housing on the backstretch of the racetrack:
69 rooms in the barn area, plus 53 in the dormitory for a total of 122 rooms
- C. Number of restrooms available on the backstretch of the racetrack:
Barn area has 10 restrooms with 35 toilets & 26 showers, dorm area has 6 restrooms, 3-men, 3-women
- D. Estimated ratio of restroom facilities to the number of backstretch personnel: **1 to 7**

18. TRACK SAFETY

- A. Total distance of the racecourse - measured from the finish line counterclockwise (3' from the inner railing) back to the finish line: 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.
Inner rail is a metal gooseneck Fontana safety rail, 42" in height from track to top of rail.
Outer rail is a metal rounded pipe rail.
- C. Name of the person responsible for supervision of the maintenance of the racetrack safety standards pursuant to CHRB Rule 1474: **Bob Turman**
- 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

19. 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):

Contract negotiations with HERE (Local 2) are underway

B. Attach each horsemen's agreement pursuant to CHRB Rule 2044. To be submitted

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

CHRB-17 (Rev. 07/05)

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.

20. 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.

BERNIE THURMAN

Print Name

VP

Print Title

BT

Signature

7/17/06

Date

CALIFORNIA HORSE RACING BOARD

SEPTEMBER 20, 2006
REGULAR BOARD MEETING

There is no board package material for Item 6.

STAFF ANALYSIS
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 6. ENTRIES AND DECLARATIONS
PROPOSED AMENDMENT OF
RULE 1582. FORM OF ENTRIES AND DECLARATIONS

Regular Board Meeting
September 20, 2006

BACKGROUND

Business and Professions (B&P) 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. Responsibilities of the Board include adopting rules and regulations for the protection of the public and the control of horse racing and pari-mutuel wagering. B&P Code Section 19562 states the Board may prescribe rules, regulations, and conditions under which all horse races with wagering on their results shall be conducted in California. Rule 1582, Form of Entries and Declarations, provides that entries and declarations shall be made in writing on forms provided by the association. In addition, the rule states entries may be made by telephone and are valid if they are promptly confirmed in writing. On March 1, 2006, a directive was issued that temporarily waived the requirement for written entry confirmation. The directive was issued pursuant to Rule 1406, Suspension of Rule. The directive was endorsed by the Board at the March 2006 Regular Meeting. At that time, the Board indicated it would like to hear from the industry regarding the issue of verification of written entries. Staff received comments from racing secretaries at Golden Gate Fields Race Track, Bay Meadows Race Track, Santa Anita Park Race Track and Del Mar Race Track. The consensus among the submitted comments was that accepting telephone entries without requiring written verification was a long-standing practice. The racing secretaries stated it was rare that the person accepting the telephone entry did not know the person making the entry. If there were questions, a more senior person took the phone call, or the name of the person making the entry was taken and the fact that it was a telephone entry was noted. Rick Hammerle of Santa Anita Park Race Track commented that entries were also confirmed at the public draw for post positions. The majority of racing secretaries stated the telephone was a preferred method of making entries, as many trainers did not have easy access to facsimile machines or e-mail.

ANALYSIS

The proposed amendment to Rule 1582 provides that under Rule 1437, Conditions of Race Meeting, the association may accept entries by telephone, facsimile, or any other electronic method it deems appropriate. In addition the association may require a written confirmation of such entries. This allows racing associations to continue current practice regarding telephone entries, and to introduce additional technologies that may become available. In addition, it gives the associations the ability to require a written confirmation if they feel it is necessary. Rule 1437 requires that racing associations publish its conditions in the condition book or

otherwise make them available to all licensees participating in the race meeting. This will ensure that licensees will understand how to make entries, what technology is appropriate for making entries and if a written confirmation is necessary.

RECOMMENDATION

No comments were received during the 45-day public comment period.

Staff recommends the Board adopt the amendment to Rule 1582 as presented.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 6. ENTRIES AND DECLARATIONS
PROPOSED AMENDMENT OF
RULE 1582. FORM OF ENTRIES AND DECLARATIONS

Regular Board Meeting
September 20, 2006

1582. Form of Entries and Declarations.

(a) Entries and declarations shall be in writing on the forms provided by the association and signed by the owner of the horse, his authorized agent, the trainer of the horse or a representative delegated by the trainer.

(b) As a condition of the race meeting under Rule 1437 of this division, Entries entries may be made by telephone, facsimile, or any other electronic method deemed appropriate by the association, and the association may require a written confirmation of such entries. are valid if promptly confirmed in writing and no person shall fail to confirm an entry made by telephone.

Authority: Section ~~19562~~ 19440,
Business and Professions Code.

Reference: Section 19562,
Business and Professions Code.

STAFF ANALYSIS
PROPOSED AMENDMENT OF
RULE 1544. CALLING OFF RACE
AND

RULE 1658 VESTING OF TITLE TO CLAIMED HORSE

Regular Board Meeting
September 20, 2006

BACKGROUND

Business and Professions (B&P) 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. B&P 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. B&P 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. During the running of a claiming race at the 2005 Del Mar race meeting, a horse went down and caused three other horses to not finish the race. The stewards called off the race and declared it no contest under Board Rule 1544, Calling off Race. Citing Rule 1658, Vesting of Title to Claimed Horse, the stewards ordered all claims in the race void. The stewards' decision to void the claim was appealed. An Administrative Law Judge ruled in favor of the owner, and stated nothing in Rule 1544 suggested that calling off a race invalidates claims. At the August 2006 hearing for adoption concerns were raised about the potential retroactive application of the proposed amendment. The Board directed staff to modify the text of the proposed regulation to preclude retroactive application, and to initiate an additional 45-day public comment period.

ANALYSIS

It is not necessary to modify the text of the proposed amendment to Board Rule 1544. Government Code Section 11343.4 states: "A regulation required to be filed with the Secretary of State shall become effective on the 30th day after the date of filing unless (a) Otherwise specifically provided by the statute pursuant to which the regulation was adopted, in which event it becomes effective on the day prescribed by the statute (b) A later date is prescribed by the state agency in a written instrument filed with, or as part of, the regulation. (c) The agency makes a written request to the office demonstrating good cause for an earlier effective date." This means that unless the law specifically states an effective date, or the agency requests an *effective upon filing* date, no regulation is effective until 30 days after the Office of Administrative Law (OAL) has filed it with the Secretary of State. The effective date of *any* amendment is the date upon which the provisions of the amendment may be applied. It is not possible to apply amended regulations retroactively, as the only application of a regulation is that which is in effect at the time of the offense. Staff spoke with the OAL Reference Attorney who stated if the text of 1544 were modified per the Board's instructions, it would violate the standard of "necessity" which is one of the standards used in reviewing

regulatory amendments. The Reference Attorney stated staff would probably be instructed to remove such language due to the “necessity” standard.

Rule 1544 currently provides that if the stewards believe a race cannot be run before midnight, or cannot be conducted in accordance with the Board’s rules and regulations, they shall cancel and call off the race. If mechanical failure, or interference during the running of the race affects the majority of horses, the stewards may declare the race no contest. If a race is called off, canceled or declared no contest, any wagers made on the race shall be refunded and no purse is awarded – as if the race never occurred. However, Rule 1544 does not address claims. This provided the loophole that allowed a successful appeal of the stewards’ decision to void claims in a race that was called off and declared no contest at the 2005 Del Mar meeting. The proposed amendment to Rule 1544 addresses the issue by providing that any claims submitted in a race that is called off, canceled, or declared no contest shall be void. In addition, the proposal to amend Rule 1658 states a claim is void if a race is called off in accordance with Rule 1544. Together, the proposed amendments leave no doubt regarding the status of a claim when a race is called off, canceled or declared no contest.

RECOMMENDATION

Staff recommends the Board adopt the amendment to Rules 1544 and 1658 as presented.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 5. RACING OFFICIALS
PROPOSED AMENDMENT OF
RULE 1544. CALLING OFF RACE

Regular Board Meeting
September 20, 2006

1544. Calling off Race.

(a) If the stewards determine ~~When in the opinion of the stewards~~ a race cannot be ~~commenced~~ start before midnight or cannot be conducted in accordance with the Board's rules and regulations ~~of the Board~~, they shall cancel and call off such race.

(b) The stewards may declare a race no contest if ~~In the event of~~ mechanical failure or interference during the running of the a race ~~which~~ affects the majority of horses in such race, ~~the stewards may declare the race as no contest.~~

(c) Any wagers on such races called off, canceled, or declared as no contest shall be refunded, and no purse, prize or stakes shall be awarded.

(d) If a race is called off, canceled, or declared no contest, any submitted claims shall be void.

(e) A race shall be canceled if no horse covers the course.

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.
PROPOSED AMENDMENT OF
RULE 1658. VESTING OF TITLE TO CLAIMED HORSE.

Regular Board Meeting
September 20, 2006

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.

STAFF ANALYSIS
PROPOSED ADDITION OF
RULE 1874.1. BREATH ALCOHOL TESTING

Regular Board Meeting
September 20, 2006

BACKGROUND

Business and Professions (B&P) Code Section 19420 provides that 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, is vested in the California Horse Racing Board (Board). B&P 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 Horse Racing Law. 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. B&P Code Section 19460 provides that all licenses granted under this chapter are subject to all rules, regulations, and conditions from time to time prescribed by the Board. B&P Code Section 19520 states every person who participates in, or has anything to do with the racing of horses shall be licensed by the Board pursuant to rules and regulations that the Board may adopt. At the October 2005 Steward's Committee meeting breath alcohol testing was discussed. In December 2005 the California Thoroughbred Trainers requested that the Board consider implementing a rule requiring breath alcohol testing for jockeys prior to their first mount of the day. The Sacramento Harness Association under the authority of its horsemen's agreement with the California Harness Horsemen's Association currently conducts breath alcohol testing.

ANALYSIS

The safety of human and equine participants at a race meeting is an ongoing concern of the Board. One aspect of such safety concerns is a drug and alcohol free environment. A survey of literature regarding alcohol and the human body revealed that although one might not appear "under the influence," as few as two 12 ounce servings of alcohol within one hour can result in a blood alcohol level over 0.05 percent in a male weighing 120 pounds. In general, the less one weighs the more one would be affected by a given amount of alcohol. Fatigue and fasting can also play a role in the effect of alcohol on an individual. The combination of alcohol, low weight and fatigue can be a recipe for injury to jockey, horse and others participating in a race.

The proposed addition of Rule 1874.1, Breath Alcohol Testing, states jockeys are subject to breath alcohol testing prior to each race program in which they participate. If the test shows a concentration of 0.05 percent, or more, of alcohol the jockey shall not be allowed to ride and shall be referred to the stewards. Alcohol is not digested upon absorption, nor chemically changed in the bloodstream. As the blood goes through the lungs, some of the alcohol moves across the membranes of the lung's air sacs (alveoli) into the air. The concentration of alcohol

in the alveolar air is exhaled, and can be detected by the breath alcohol-testing device. Because the alcohol concentration in the breath is related to that in the blood, one can figure the blood alcohol concentration by measuring the alcohol on the breath. If a person's blood alcohol concentration is 0.08, it means there are 0.08 grams of alcohol per 100 milliliter of blood. The American Medical Association states that a person can become impaired when the blood alcohol level hits 0.05. If a jockey's blood alcohol level tests 0.05 percent, or more, the jockey must submit to an additional blood alcohol test before he can ride again.

Under Rule 1874.1 Board investigators, the stewards or any security officer of the association may require a licensee to submit to a breath alcohol test if there is reasonable cause to believe the licensee is under the influence of alcohol. Subsection 1874.1(c) sets a blood alcohol level of 0.05 percent as the level at which a licensee would be considered "under the influence." This is the level used by Indiana, Iowa and the United States Trotting Association in their blood alcohol testing programs. In addition, the American Medical Association has encouraged state medical societies to urge their state legislators to adopt a blood alcohol level of 0.05 percent for illegal driving.

RECOMMENDATION

Staff recommends the Board direct staff to initiate a 45-day public comment period.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 16. GENERAL CONDUCT.
PROPOSED ADDITION OF
RULE 1874.1. BREATH ALCOHOL TESTING

Regular Board Meeting
September 20, 2006

1874.1. Breath Alcohol Testing.

(a) Every jockey is subject to a breath alcohol test prior to each race program in which they participate, and no jockey shall refuse to submit to such testing. If the results of a breath alcohol test shows a concentration of 0.05 percent or more, by weight, of alcohol in the blood:

(1) The jockey shall not be permitted to ride,

(2) Shall be referred to the stewards, and

(3) The jockey shall submit to a breath alcohol test before the commencement of the next race program in which he participates.

(b) The Board, its investigators, the stewards or any security officer of the association may require a licensee to submit to a breath alcohol test if there is reasonable cause to believe the licensee is under the influence of alcohol.

(c) For the purposes of this rule, "under the influence" means a blood alcohol concentration of 0.05 percent or more, by weight, of alcohol in the licensee's blood.

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

Reference: Sections 19460 and 19520,
Business and Professions Code.

STAFF ANALYSIS
ARTICLE 3. RACING ASSOCIATION
PROPOSED AMENDMENT OF
RULE 1433
APPLICATION FOR LICENSE TO CONDUCT
A HORSE RACING MEETING

Regular Board Meeting
September 20, 2006

BACKGROUND

Business and Professions (B&P) Code Section 19440 provides that the California Horse Racing Board (Board/CHRB) shall have all powers necessary and proper to enable it to carry out fully and effectually the purposes of the Horse Racing Law. Responsibilities of the Board include adopting rules and regulations for the protection of the public and the control of horse racing and pari-mutuel wagering. B&P Code Section 19480 states that the Board may issue licenses to conduct horse racing meetings. CHRB Rule 1433, Application for License to Conduct A Horse Racing Meeting, provides that every association or fair that intends to conduct a horse racing meeting must file a completed application with the Board at least 90 days prior to its proposed meeting. Forms CHRB-17, Application for License to Conduct a Horse Racing Meeting, and CHRB-18, Application for License to Conduct a Horse Racing Meeting of a California Fair, are incorporated by reference in Rule 1433; therefore, any revisions to the applications would necessitate an amendment to the rule. Assembly Bill (AB) 1180, Statutes of 2005, contains provisions that require every racing association and racing fair to maintain and staff an on-track first aid facility. In addition, certain qualified and licensed medical personnel must be on duty at all times during live racing. Further, every racing association and racing fair would be required to adopt and maintain emergency medical plans to be used in the event of an on-track injury to a jockey and to coordinate procedures with area hospitals for emergency hospital treatment.

ANALYSIS

The proposed amendment to Rule 1433 incorporates the requirements of AB 1180 by modifying the forms CHRB-17 and CHRB-18. The "Emergency Services" section of both forms (Section 13 of CHRB-17 and Section 12 of CHRB-18) were expanded to require the racetracks and racing fairs to describe their on-track first aid facilities, including equipment and medical staffing. In addition, racetracks and racing fairs must provide information regarding the licensed physician on duty during the race meeting and the hospital to be used in the event of an on track injury to a jockey.

AB 1180 requires the racing associations and racing fairs to provide and post an emergency medical plan in English and Spanish. The emergency medical plan is to be posted in the

jockey room. The amendment to Rule 1433 requires racing associations and racing fairs to attach a copy of their emergency medical plans to their application for license. The proposed amendment also requires racetracks and racing fairs to identify the health and safety manager and assistant manager responsible for compliance with AB 1180 health and safety provisions.

Additional changes to CHRB-17 and CHRB-18 include modifications to the "Purse Program" section (Section. 5 of both forms). The modifications require racing associations and racing fairs to provide the average daily purse for the current meeting and the prior meeting. This will allow for a more accurate and fair comparison between meetings. This is especially true where one meeting is of a different duration than another.

A new section 8 has been added to both the CHRB-17 and CHRB 18. This new "Advance Deposit Wagering" section has been added to identify the ADW providers to be used during the race meeting. All other changes to the CHRB-17 and CHRB-18 are for purposes of grammar and numbering.

RECOMMENDATION

Staff recommends the Board direct staff to initiate a 45-day public comment period.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 3. RACING ASSOCIATION
PROPOSED AMENDMENT OF
RULE 1433. APPLICATION FOR LICENSE TO CONDUCT A
HORSE RACING MEETING

Regular Board Meeting
September 20, 2006

1433. Application for License to Conduct a Horse Racing Meeting.

Unless the Board requires an earlier filing, at least 90 days before the time allocated by the Board for a race meeting to start, the association shall file with the Board an Application for License to Conduct a Horse Racing Meeting, CHRB-17 (Rev. ~~07/05~~ 09/06), which is hereby incorporated by reference. Note: CHRB-17 incorporates by reference, the Personal History Record, CHRB-25A (Rev. 7/93). A California fair shall file with the Board an Application for License to Conduct a Horse Racing Meeting of a California Fair, CHRB-18 (Rev. ~~07/05~~ 09/06), which is hereby incorporated by reference. Copies of CHRB-17 and CHRB-18 may be obtained at the California Horse Racing Board headquarters office.

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

Reference: Sections 19480 and 19562,
Business and Professions Code.

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. Name, mailing address, telephone and fax numbers of association:

B. Breed of horse: TB QH H

C. Racetrack name:

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.

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:

B. Actual dates racing will be held:

C. Total number of days or nights of racing:

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

E. Number of days or nights of racing per week:

3. RACING PROGRAM

A. Total number of races:

B. Number of races for each day or night:

C. Total number of stakes races:

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.

CHRB CERTIFICATION

Application received:
Deposit received:
Reviewed:

Hearing date:
Approved date:
License number:

- 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:

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.

C. CORPORATION

1. Registered name of the corporation:
2. State where incorporated:
3. Registry or file number for the corporation:
4. Names of all officers and directors, titles, and the number of shares of the corporation held by each:
5. Names (true names) of all persons, other than the officers and directors listed above, that hold 5% or more of the outstanding shares in the corporation and the number of shares held by each:
6. Number of outstanding shares in the corporation:
7. Are the shares listed for public trading? Yes No
 If yes, on what exchange and how is the stock listed:
8. Name of the custodian of the list of shareholders and/or the transfer agent for the share holdings of the corporation:
9. 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:
10. 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 corporation and/or the Securities and Exchange Commission and/or the California Corporations Commission. The licensee may submit the audited consolidated annual financial statements of its parent owner if the parent owner is a publicly traded company and guarantees the obligations of the licensee.

D. LLC

1. Registered name of the LLC:
2. State where articles of organization are filed:
3. Registry or file number for the LLC:
4. Names of all officers and directors, titles, and the number of shares of the LLC held by each:

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:
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:
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.

E. OTHER

1. Name(s) of partners/sole proprietor:
2. If a partnership, attach partnership agreement.

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:
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:

5. PURSE PROGRAM

A. Purse distribution:

1. All races other than stakes:
Current meet estimate:
Prior meet actual:

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

Current meet estimate:

Prior meet actual:

2. Overnight stakes:
Current meet estimate:
Prior meet actual:

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

Current meet estimate:

Prior meet actual:

3. Non-overnight stakes:
Current meet estimate:
Prior meet actual:

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

Current meet estimate:

Prior meet actual:

B. Stakes races:

1. Purse distribution for all stakes races:

Current meet estimate:

Prior meet actual:

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

Current meet estimate:

Prior meet actual:

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

Current meet estimate:

Prior meet actual:

Average Daily Purse (5B2 ÷ number of days):

Current meet estimate:

Prior meet actual:

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

Current meet estimate:

Prior meet actual:

- 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:

Total

Total

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

Current meet estimate:

Prior meet actual:

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

Current meet estimate:

Prior meet actual:

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

Current meet estimate:

Prior meet actual:

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

Current meet estimate:

Prior meet actual:

G. Purse funds to be generated from interstate handle:

Current meet estimate:

Prior meet actual:

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

Current meet estimate:

Prior meet estimate:

H. Bank and account number for the Paymaster of Purses' purse account:

I. Name, address and telephone number of the pari-mutuel audit firm engaged for the meeting:

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 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:
- B. Minimum number of stalls believed necessary for the meeting:
- C. Total number of usable stalls to be made available off-site at approved auxiliary stabling areas or approved training centers:
- D. Name and location of each off-site auxiliary stabling area and the number of stalls to be maintained at each site:
- 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.

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:
- G. Estimated cost to provide off-site stalls for this meeting. Show cost per day per stall:
- H. Estimated cost to provide vanning from off-site stalls for this meeting. Show fees to be paid for vanning per-horse:

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 trifecta, and US for unlimited sweepstakes (pick 9).

	TYPE OF WAGERS	APPLICABLE RULES
Example Race:	\$1 E; \$1 Double	CHRB #1959; RCI #VE

- Race #1
- Race #2
- Race #3
- Race #4
- Race #5
- Race #6
- Race #7
- Race #8
- Race #9
- Race #10
- Race #11
- Race #12
- Race #13

- B. Maximum carryover pool to be allowed to accumulate before its distribution **OR** the date(s) designated for distribution of the carryover pool:
- C. List any options requested with regard to exotic wagering:
- D. Will "advance" or "early bird" wagering be offered? Yes No
If yes, when will such wagering begin:
- 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:

8. ADVANCE DEPOSIT WAGERING (ADW)

A. Identify the ADW provider(s) to be used by the association for this race meeting:

8.9. SIMULCAST WAGERING PROGRAM

- A. Simulcast organization engaged by the association to conduct simulcast wagering:
- 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.
- C. California simulcast facilities the association proposes to offer its live audiovisual signal:
- D. Out-of-state wagering systems the association proposes to offer its live audiovisual signal:
- E. Out-of-state wagering systems that will combine their pari-mutuel pools with those of the association:
- 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":

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":

QUARTER HORSE SIMULCAST RACES TO BE IMPORTED

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

- 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":

HARNESS SIMULCAST RACES TO BE IMPORTED

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

- 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:

OTHER BREED SIMULCAST RACES TO BE IMPORTED

Name of Host Track Breed of Horse Race Dates Number of Races to be Imported

- 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 Sections 19596.2 and 19596.3, attach a copy showing the agreement by the appropriate racing association(s).

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, 19596.3, 19601, 19602, and 19616.1, and will require specific written approval of the CHRB.

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 vanning 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.)

9 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:
- B. Names and addresses of the trustees or directors of the distributing agent:
- 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).

10 11. RACING OFFICIALS, OFFICIALS, AND OFFICIATING EQUIPMENT

- A. Racing officials nominated:
 Association Veterinarian(s)
 Clerk of Scales
 Clerk of the Course
 Film Specialist
 Horse Identifier
 Horseshoe Inspector
 Paddock Judge
 Patrol Judges
 Placing Judges
 Starter
 Timer
- B. Management officials in the racing department:
 Director of Racing
 Racing Secretary
 Assistant Racing Secretary
 Paymaster of Purses
 Others (identify by name and title)
- C. Name, address and telephone number of the reporter employed to record and prepare transcripts of hearings conducted by the stewards:
- 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:
- 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.
- 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:

11 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.
- B. Estimated number of security guards, gatemen, patrolmen or others to be engaged in security tasks on a regular full-time basis:
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.

2. Detention Barns:

- A. Attach a plan for use of graded stakes or overnight races.
- B. Number of security guards in the detention barn area during a 24-hour period.
- C. Describe number and location of surveillance cameras in detention barn area.

3. TCO2 Testing:

- A. Number of races to be tested, and number of horses entered in each race to be tested.
- B. Plan for enhanced surveillance for trainers with high-test results.
- C. Plan for detention barns for repeat offenders.
- D. Number of security personnel assigned to the TCO2 program.

C. Describe the electronic security system:

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

D. For night racing associations. Describe emergency lighting system:

12 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:
- B. Name, address and emergency telephone number of the ambulance service to be used during workouts at auxiliary sites:
- C. Describe the on-track first aid facility, including equipment and medical staffing:
- D. Name and emergency telephone number of the licensed physician on duty during the race meeting:
(If quarter horse racing association see D(1):
 - 1. Name address and emergency telephone number of hospital located within 1.5 miles of the racetrack, with whom an agreement is in place to provide emergency medical services:
- 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:
- 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:
- 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):

- C H. Attach a fire clearance from the fire authority having jurisdiction over the premises.
- D I. Name of the workers' compensation insurance carrier for the association and the number of the insurance policy (if self-insured, provide details):
- E 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.

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.

13-14. 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:

14 15. ON-TRACK ATTENDANCE/FAN DEVELOPMENT

- A. Describe any promotional plans:
- B. Number of hosts and hostesses employed for meeting:
- C. Describe facilities set aside for new fans:
- D. Describe any improvements to the physical facility in advance of the meeting that directly benefit:
1. Horsemen
 2. Fans
 2. Facilities in the restricted areas

15-16. SCHEDULE OF CHARGES

- A. Proposed charges, note any changes from the previous year:
- Admission (general)
 - Admission (clubhouse)
 - Reserved seating (general)
 - Reserved seating (clubhouse)

- Parking (general)
- Parking (preferred)
- Parking (valet)
- Programs (on-track)
- (off-track)

- B. Describe any "Season Boxes" and "Turf Club Membership" fees:
- C. Describe any "package" plans such as combined parking, admission and program:

16 17. JOCKEYS/DRIVERS' QUARTERS

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

<input type="checkbox"/> Corners (lockers and cubicles)	How many	<input style="width: 50px;" type="text"/>
<input type="checkbox"/> Showers	<input type="checkbox"/> Steam room, sauna or steam cabinets	<input type="checkbox"/> Lounge area
<input type="checkbox"/> Masseur	<input type="checkbox"/> Food/beverage service	<input type="checkbox"/> Certified platform scale
- B. Describe the quarters to be used for female jockeys/drivers:

17 18. BACKSTRETCH EMPLOYEE HOUSING

- A. Inspection of backstretch housing was completed by (name) _____ on (date) _____.
- B. Number of rooms used for housing on the backstretch of the racetrack:
- C. Number of restrooms available on the backstretch of the racetrack:
- D. Estimated ratio of restroom facilities to the number of backstretch personnel:

18 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: 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.
- C. Name of the person responsible for supervision of the maintenance of the racetrack safety standards pursuant to CHRB Rule 1474:
- D. Attach a Track Safety Maintenance Program pursuant to CHRB Rule 1474.
- 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.

19 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):
- B. Attach each horsemen's agreement pursuant to CHRB Rule 2044.
- 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).
- 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):
- 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):

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.

20 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.

Print Name

Signature

Print Title

Date

APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF A CALIFORNIA FAIR
CHRB-18 (Rev. 7/05 Rev. 9/06)

Application is hereby made to the California Horse Racing Board (CHRB) for a license to conduct a horse racing meeting of a California fair as authorized by Article 6.5 of the California Business and Professions (B&P) Code, Chapter 4, Division 8, Horse Racing Law, and in accordance with applicable provisions and the California Code of Regulations, Title 4, Division 4, CHRB Rules and Regulations.

1. APPLICANT FAIR ASSOCIATION

A. Name, mailing address, telephone and fax numbers of fair:

B. Fair association is a: District Fair County Fair Citrus Fruit Fair

California Exposition and State Fair Other qualified fair

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 RACE MEETING

A. Inclusive dates of race meeting:

B. Dates racing will NOT be held:

C. Total number of racing days:

3. RACING PROGRAM

A. Total number of races:

B. Number of races by breed:

Thoroughbreds Quarter Horses Appaloosas
 Arabians Paints Mules

C. Number of races daily:

	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Thoroughbred							
Other Breeds							
Total							

CHRB CERTIFICATION

Application received:
Reviewed:

Hearing date:
Approved date:
License number:

D. Total number of stakes races by breed:

<input type="text"/>	Thoroughbreds	<input type="text"/>	Quarter Horses	<input type="text"/>	Appaloosas
<input type="text"/>	Arabians	<input type="text"/>	Paints	<input type="text"/>	Mules

E. Attach a listing of all stakes races and indicate the date to be run and the added money or guaranteed purse for each.

F. 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:

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

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.

4. FAIR ASSOCIATION

A. Names of the fair directors:

B. Names of the directors serving on the Racing Committee or otherwise responsible for the conduct of the racing program:

C. Name and title of the fair manager or executive officer and the names and titles of all department managers and fair staff, other than those listed in 9B, who will be listed in the official program:

5. PURSE PROGRAM

A. Purse distribution:

1. All races other than stakes:
 Current meet estimate:
 Prior meet actual:

Average Daily Purse (5A1 ÷ number of days):
Current meet estimate:
Prior meet actual:

2. Overnight stakes:
 Current meet estimate:
 Prior meet actual:

Average Daily Purse (5A2 ÷ number of days):
Current meet estimate:
Prior meet actual:

3. Non-overnight stakes:
 Current meet estimate:
 Prior meet actual:

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

Current meet estimate:

Prior meet actual:

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

Current meet estimate:

Prior meet actual:

- C. Payment to each recognized horsemen's organization contracting with the fair:

Current meet estimate:

Prior meet actual:

CTT

TOC

NTRA

PCQHRA

CWAR

ARAC

AMRA

CHBPAPEN

CTHF

Total

Total

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

Current meet estimate:

Prior meet actual:

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

Current meet estimate:

Prior meet actual:

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

Current meet estimate:

Prior meet actual:

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

Current meet estimate:

Prior meet actual:

- F. Purse funds to be generated from interstate handle:

Current meet estimate:

Prior meet actual:

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

Current meet estimate:

Prior meet actual:

- G. Bank and account number for the Paymaster of Purses' purse account:

H. Name, address and telephone number of the pari-mutuel audit firm engaged for the meeting:

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 fair 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 fair 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 fair 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 fair is entitled thereafter 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 fair is entitled to carry forward the deficit to its next succeeding meeting as provided by B&P 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 fair 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:
- B. Minimum number of stalls believed necessary for the meeting:
- C. Total number of usable stalls to be made available off-site at approved auxiliary stabling areas or approved training centers:
- D. Name and location of each off-site auxiliary stabling area and the number of stalls to be maintained at each site:
- E. Attach each contract or agreement between the fair and the person(s) furnishing off-site stabling accommodations for eligible racehorses that cannot be provided stabling on-site.

Complete subsections F through H if the fair 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:
- G. Estimated cost to provide off-site stalls for this meeting. Show cost per-day per stall:
- H. Estimated cost to provide vanning from off-site stalls for this meeting. Show fees to be paid for vanning per-horse:

7. PARI-MUTUEL WAGERING PROGRAM

- A. Pursuant to B&P Code Section 19599, and with the approval of the CHRB, fairs 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 trifecta, and US for unlimited sweepstakes (pick 9).

	TYPE OF WAGERS	APPLICABLE RULES
Example Race	\$1 E; \$1 Double	CHRB #1959; RCI #VE
Race #1		
Race #2		
Race #3		
Race #4		
Race #5		
Race #6		
Race #7		
Race #8		
Race #9		
Race #10		
Race #11		
Race #12		
Race #13		

- B. Maximum carryover pool to be allowed to accumulate before its distribution **OR** the date(s) designated for distribution of the carryover pool:
- C. List any options requested with regard to exotic wagering:
- D. Will "advance" or "early bird" wagering be offered? Yes No
If yes, when will such wagering begin:
- E. Type(s) of pari-mutuel or totalizator equipment to be used by the fair and the simulcast organization, the name of the person(s) supplying equipment, and expiration date of the service contract:

8. ADVANCE DEPOIST WAGERING (ADW)

- A. Identify the ADW provider(s) to be used by the fair for this race meeting:

8 9. SIMULCAST WAGERING PROGRAM

- A. Simulcast organization engaged by the fair to conduct simulcast wagering:
- B. Attach the agreement between the fair and simulcast organization permitting the organization to use the fair'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.
- C. California simulcast facilities the fair proposes to offer its live audiovisual signal:
- D. Out-of-state wagering systems the fair proposes to offer its live audiovisual signal:

- E. Out-of-state wagering systems that will combine their pari-mutuel pools with those of the fair:
- F. List the host tracks from which the fair 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":

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. List imported simulcast races the fair plans to receive during the racing meeting 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:

OTHER BREED SIMULCAST RACES TO BE IMPORTED

Name of Host Track	Breed of Horse	Race Dates	Number of Races to be Imported
--------------------	----------------	------------	--------------------------------

- H. If any out-of-state or out-of-country races will commence outside of the time constraints set forth in B&P Code Sections 19596.2 and 19596.3, attach a copy showing agreement by the appropriate racing association(s).

NOTICE TO APPLICANT: All interstate wagering to be conducted by a fair 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 a fair is subject to the provisions of B&P Code Sections 19596, 19596.1, 19596.2, 19596.3, 19601, 19602, and 19616.1, and will require specific written approval of the CHRB.

Every fair shall pay to the simulcast organization within 3 calendar days following the closing of wagering for each 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 vanning deductions. Every fair shall pay to its Paymaster of Purses' account within 3 calendar days following the closing of wagering for each 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.)

9 10. RACING OFFICIALS, OFFICIALS, AND OFFICIATING EQUIPMENT

- A. Racing officials nominated:
- Association Veterinarian(s)
 - Clerk of Scales
 - Clerk of the Course
 - Film Specialist
 - Horse Identifier
 - Horseshoe Inspector
 - Paddock Judge
 - Patrol Judges
 - Placing Judges
 - Starter

Timer

- B. Management officials in the racing department:
 - Director of Racing
 - Racing Secretary
 - Assistant Racing Secretary
 - Paymaster of Purses
 - Others (identify by name and title)
- C. Name, address and telephone number of the reporter employed to record and prepare transcripts of hearings conducted by the stewards:
- 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:
- E. Photopatrol 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.
- 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:

10 11. 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.
- B. Estimated number of security guards, gatemen, patrolmen or others to be engaged in security tasks on a regular full-time basis:
 - 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.
 - 2. Detention Barns:
 - A. Attach a plan for use of graded stakes or overnight races.
 - B. Number of security guards in the detention barn area during a 24-hour period.
 - C. Describe number and location of surveillance cameras in detention barn area.
 - 3. TCO2 Testing:
 - A. Number of races to be tested, and number of horses entered in each race to be tested.
 - B. Plan for enhanced surveillance for trainers with high-test results.

- C. Plan for detention barns for repeat offenders.
- D. Number of security personnel assigned to the TCO2 program.
- C. Describe the electronic security system.
 - 1. Location and number of video surveillance cameras for the detention barn and stable gate.

11 12. EMERGENCY SERVICES

- A. Name, address and emergency telephone number of the ambulance service to be used during workouts and the running of the races:
- B. Name, address and emergency telephone number of the ambulance service to be used during workouts at auxiliary sites:
- C. Describe the on-track first aid facility, including equipment and medical staffing:
- D. Name and emergency telephone number of the licensed physician on duty during the race meeting:
- 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:
- 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:
- 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):
- ~~C. H.~~ Attach a fire clearance from the fire authority having jurisdiction over the premises.
- ~~D. I.~~ 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 fair for payment of workers' compensation.

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.

12 13. 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:

13- 14. ON- TRACK ATTENDANCE/FAN DEVELOPMENT

- A. Describe any promotional plans:
- B. Number of hosts and hostesses employed for meeting:
- C. Describe facilities set aside for new fans:
- D. Describe any improvements to the physical facility in advance of the meeting that directly benefits:
 - 1. Horsemen
 - 2. Fans
 - 3. Facilities in the restricted areas

14 15. SCHEDULE OF CHARGES

- A. Proposed charges, note any changes from previous year:
 - Admission (general)
 - Admission (clubhouse)
 - Reserved seating (general)
 - Reserved seating (clubhouse)
 - Parking (general)
 - Parking (preferred)
 - Parking (valet)
 - Programs (on-track)
 - (off-track)
- B. Describe any "Season Boxes" or other special accommodation fees:
- C. Describe any "package" plans such as combined parking, admission and program:

15-16. JOCKEYS' QUARTERS

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

<input type="checkbox"/>	Corners (lockers and cubicles)	How many	<input style="width: 50px;" type="text"/>
<input type="checkbox"/>	Showers	<input type="checkbox"/>	Steam room, sauna or steam cabinets
<input type="checkbox"/>	Masseur	<input type="checkbox"/>	Food/beverage service
<input type="checkbox"/>		<input type="checkbox"/>	Lounge area
<input type="checkbox"/>		<input type="checkbox"/>	Certified platform scale
- B. Describe the quarters to be used for female jockeys:

16 17. BACKSTRETCH EMPLOYEE HOUSING

- A. Inspection of backstretch housing was completed by (name) _____ on (date) _____.
- C. Number of rooms used for housing on the backstretch of the racetrack:
- D. Number of restrooms available on the backstretch of the racetrack:
- E. Estimated ratio of restrooms to the number of backstretch personnel:

17 18. TRACK SAFETY

- A. Total distance of the racecourse - measured from the finish line counterclockwise (3' from the inner railing) back to the finish line: 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.
- C. Name of the person responsible for supervision of the maintenance of the racetrack safety standards pursuant to CHRB Rule 1474:
- D. Attach a Track Safety Maintenance Program pursuant to CHRB Rule 1474.
- E. If the fair 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.

18 19. DECLARATIONS

- A. All labor agreements, concession and service contracts, and other agreements necessary to conduct the entire meeting have been finalized except as follows (if no exceptions, so state):
- B. Attach each horsemen's agreement pursuant to CHRB Rule 2044.
- C. 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):

- D. Absent natural disasters or causes beyond the control of the fair, 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 fair except as follows (if no exceptions, so state):

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.

19-20. 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 fair to attest to this application on its behalf.

Print Name

Signature

Print Title

Date

CALIFORNIA HORSE RACING BOARD

SEPTEMBER 20, 2006
REGULAR BOARD MEETING

There is no board package material for Item 11.

STAFF ANALYSIS
REQUEST FOR APPROVAL OF
CHARITY DISTRIBUTION

REGULAR BOARD MEETING
SEPTEMBER 20, 2006

Background:

The Bay Meadows Foundation is requesting that the Board approve its proposed distribution of charity racing day proceeds in the amount of \$76,500. The list of 25 beneficiaries is attached for your review. The distribution will give 50% to industry-related organizations. Staff finds this request to be in order.

Recommendation:

Staff recommends that the Board approve this request.

Bay Meadows Foundation
1330 University Dr. #23
Menlo Park, Ca. 94025

RECEIVED
CHRB
2006 SEP -5 AM 9:27

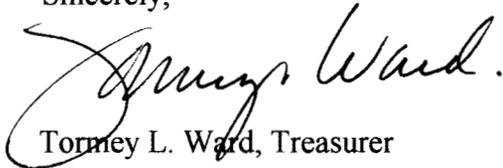
August 31, 2006

Mr. John Reagan
California Horse Racing Board
1010 Hurley Way, Ste. 300
Sacramento, Ca. 95825

Dear Mr. Reagan,

Enclosed, please find the Grants authorized by the Bay Meadows Foundation, at our July 28, 2006 Board meeting for your review and approval. Please sent your response to the above address and call me at 650-327-2509 as we would like to disburse the funds as soon as possible. Thank you in advance.

Sincerely,


Torrey L. Ward, Treasurer

**BAY MEADOWS FOUNDATION
GRANT AMOUNTS - JULY 2006 MEETING**

NO.	CHARITY	AMOUNT GRANTED
TRADITIONAL CHARITIES:		
1	COMMUNITY GATEPATH	\$3,000
2	COASTSIDE ADULT DAY HEALTH CARE	\$2,000
3	CORA	\$2,000
4	DALY CITY POLICE ATHLETIC LEAGUE	\$1,000
5	FRIENDS FOR YOUTH	\$1,000
6	JEWISH HOME	\$2,000
7	JUNIPERO SERRA HIGH SCHOOL	\$2,000
8	KAINOS	\$1,250
9	LIGHTHOUSE FOR THE BLIND AND VISUALLY IMPAIRED	\$1,000
10	MID-PENINSULA BOYS AND GIRLS CLUB	\$3,000
11	MISSION HOSPICE INC OF SAN MATEO COUNTY	\$2,000
12	PENINSULA HUMANE SOCIETY	\$2,000
13	REDWOOD CITY POLICE ATHLETIC LEAGUE	\$1,000
14	ST. FRANCIS CENTER (REDWOOD CITY)	\$3,000
15	SAINT VINCENT DE PAUL SOCIETY (SM)	\$2,000
16	SAN MATEO COUNTY HISTORICAL ASSOCIATION	\$2,000
17	SAN MATEO POLICE ATHLETIC LEAGUE	\$1,000
18	SHELTER NETWORK	\$3,000
19	SETON HEALTH SERVICES FOUNDATION	\$2,000
20	SITIKE COUNSELING CENTER	\$2,000
SUB-TOTAL		\$38,250
HORSERACING RELATED CHARITIES:		
21	DISABLED RIDERS ENDOWMENT	\$15,300
22	WINNER'S FOUNDATION	\$3,825
23	CALIFORNIA THOROUGHBRED HORSEMAN'S FOUNDATION	\$3,825
24	CALIFORNIA COUNCIL ON PROBLEM GAMBLING	\$12,050
25	RACE TRACK CHAPLAINCY OF AMERICA (NORTHERN CALIFORNIA COUNCIL)	\$3,250
SUB-TOTAL		\$38,250

NO.	CHARITY	AMOUNT GRANTED
TOTAL		\$76,500

CALIFORNIA HORSE RACING BOARD

SEPTEMBER 20, 2006
REGULAR BOARD MEETING

There is no board package material for Item 13.

STAFF ANALYSIS
THE SETTING OF ADW HUB RATES

REGULAR BOARD MEETING
SEPTEMBER 20, 2006

Background:

Section 19604 of the Horse Racing Law authorizes Advance Deposit Wagering (ADW). Paragraph (f) of the law indicates that in order to be licensed, the applicant must meet the following requirements: make a contractual agreement with the California licensee (horse racing association or fair) so that all of the ADW wagers they process are included in the appropriate wagering pools; obtain approval from the CHRB and distribute the ADW takeout in accordance with the Horse Racing Law, i.e., Section 19604, etc.

In addition, two-thirds of the way through paragraph (b) the Section 19604 indicates that the ADW hub may be deduct up to 6.5% for providing the service, and that they may also deduct up to 3.5% as a *host* fee if they contract with an out of state track to use that track's signal in their ADW program for their California patrons.

A dispute as to which organizations have a say in setting the hub fees has finally come to a head. The issue has raised questions that the CHRB may need to address: Is it only the CA racing association that has a contractual agreement with the ADW hub that negotiates with the hub to set the hub fee? Or, do the horsemen's organizations have a say in setting the hub fees, i.e., they work with the CA racing association when setting the hub fee? If so, what role do they play and how much weight do they have in setting the hub fees?

On a practical note: early in the start-up of ADW in California, certain Commissioners of the CHRB indicated their strong desire to see the horsemen participate in the development of ADW. This included agreements between the horsemen's organizations and the ADW hubs. Although some CA associations and the ADW hubs protested this extra-legal requirement, they relented to the CHRB's wishes and made agreements with the horsemen's organizations. After the initial start-up period was over, the horsemen have continued to insist on participating in the ADW approval process including the setting of hub fees – a position that has brought us to this agenda item.

The Thoroughbred Owners of California (TOC) have raised the issue of setting hub fees and the CA racing associations and the ADW hubs has joined the debate. Staff expects all sides to have representatives at the meeting to present their side of the issue.

Recommendation:

This item for discussion and action.

STAFF ANALYSIS
NOTWINC REQUEST FOR ADJUSTMENT
TO STABLING AND VANNING RATE

REGULAR BOARD MEETING
SEPTEMBER 20, 2006

Background:

Pursuant to Section 19607.2 of the Business and Professions Code, a percentage of the satellite wagering handle in the Northern Zone can be used for a Stabling and Vanning program. The law allows up to 1.25% of the off-track handle for this purpose. The organization that administers the Stabling and Vanning program in the Northern Zone is the simulcast organization, NOTWINC.

NOTWINC is currently taking .94% of the northern off-track handle to fund the Stabling and Vanning program. For various reasons, usually increasing costs, they periodically make adjustments to the percentage withheld for this purpose. They are asking to increase the amount to 1.15% and have provided an analysis of the increase in the attached worksheets.

The NOTWINC Board is made up of representatives from the two northern thoroughbred tracks, California Authority of Racing Fairs and the Thoroughbred Owners of California. This is important since the increase in the Stabling and Vanning takeout percentage reduces the track commissions and the horsemen's purses. In essence, the members of the NOTWINC board are asking to redirect some of their own pari-mutuel distributions into the Stabling and Vanning Fund.

Recommendation:

Staff recommends that the Board approve this request.

-----Original Message-----

From: Mike Kempel [mailto:mkempel@chrims.com]
 Sent: Friday, September 08, 2006 3:56 PM
 To: Reagan, John
 Cc: bthurman; Peter Tunney (E-mail)
 Subject: RE: ANALYSIS

Hi John,

Per your request that we provide some analysis as to why Northern California Vanning & Stabling costs have increased, I submit the following:

The last time a rate increase was requested was back in 2003. That request was based on information from 2002 and prior years. Since that time, stabling costs have risen dramatically due to circumstances largely beyond our control, to the point where both Golden Gate Fields and Bay Meadows are losing thousands of dollars per day for each and every day that they are open for stabling. The accounting staffs at both tracks put together very detailed analyses in 2005, showing that costs had risen to approximately \$11,170 per day at GGF and \$10,132 per day at BMRA. Yet the reimbursement rate from the Vanning & Stabling fund to GGF was only \$7,800 per day and to BMRA only \$7,280 per day.

The increases in stabling costs were caused by:

- Labor costs - Payroll and overhead, particularly Health & Welfare benefits, for the Equipment Operators, Janitors and Security personnel have risen dramatically since 2002.
- Utilities - PG&E costs and gasoline costs have skyrocketed in the past 4 years. PG&E costs related to stabling at GGF, for example, have increased from approx. \$300 per day in 2002 to \$580 per day in 2005.
- Dump charges & Straw removal costs have increased as well.
- Ambulance costs have also increased over this time period.

The analyses of the stabling costs from GGF and BMRA were scrutinized by the TOC prior to the approval by the NCOTWINC Board of Directors to request the increase in the takeout rate.

Please note that even with CHRB approval of the increase to the V&S takeout rate, GGF and BMRA will not recover all of their stabling costs, and will absorb the difference. Costs continue to rise, and the requested rate is based on 2005 data.

Please let me know if you have questions or need additional information.

Sincerely,

Michael Kempel
 Controller
 NCOTWINC

-----Original Message-----

From: Reagan, John [mailto:JohnR@chrb.ca.gov]
 Sent: Friday, September 08, 2006 2:51 PM
 To: Mike Kempel

Location	Northern California Vanning & Stabling Fund 2004 Actual			Northern California Vanning & Stabling Fund 2005 Actual			Northern California Vanning & Stabling Fund Est.8/25/06-8/25/07			2005 vs. 2006-07
	Stabling Reimbursements									
	Total Days	Rate	Total	Total Days	Rate	Total	Total Days	Rate	Total	Total Increase
Bay Meadows	175	\$7,280 /\$7,072	1,266,304	159	\$7,280 / \$7,072	1,148,992.00	160	10,132.00	1,621,120.00	472,128.00
Golden Gate Fields	193	\$7,800 /\$7,072	1,459,328	204	\$7,800 /\$7,072	1,544,608.00	197	11,170.00	2,200,490.00	655,882.00
Pleasanton	340	475.00	161,500	340	475	161,500.00	340	475.00	161,500.00	0
Stockton	30	2,000.00	60,000	30	2,000	60,000.00	30	2,000.00	60,000.00	0
Fresno / Sacramento	14	2,808.00	38,362	23	2,808	64,584.00	23	2,808.00	64,584.00	0
Total Stabling			2,985,494			2,979,684.00			4,107,694.00	1,128,010.00
Vanning Reimbursements										
Total Vanners	Rate	Total	Total Vanners	Rate	Total	Total Vanners	Rate	Total	Total Increase	
Vanning	3,542	115.00	407,330.00	4,325	115.00	497,375.00	4,348	115.00	500,020.00	2,645.00
Total Vanning			407,330.00			497,375.00			500,020.00	2,645.00
Starter Fees										
Total Starters	Rate	Total	Total Starters	Rate	Total	Total Starters	Rate	Total	Total Increase	
Pleasanton Based Starters	966	290.00	280,180.00	922	290.00	267,440.00	931	290.00	270,000.00	2,560.00
Total Starter Fees			280,180.00			267,440.00			270,000.00	2,560.00
GRAND TOTAL			3,673,004.00			3,744,499.00			4,877,714.00	1,133,215.00

**STAFF ANALYSIS
STAFF REPORT ON END-OF-MEET RESULTS**

**REGULAR BOARD MEETING
SEPTEMBER 20, 2006**

Background:

This item contains end-of-meet reports for the recently concluded race meets. Staff is prepared to answer questions regarding the information presented.

Recommendation:

These items are for information and discussion.

END-OF-MEET OUTLINE SUMMARY

For the California Horse Racing Board meeting, September 20, 2006. This report includes a summary for the following racing meetings: SONOMA COUNTY FAIR, SAN MATEO COUNTY FAIR, and HUMBOLDT COUNTY FAIR.

Sonoma County Fair at Santa Rosa

July 26 – August 7, 2006

Race days: 12

AVERAGE DAILY STATISTICS

	PERCENTAGE CHANGE
Ave. Daily Handle	-3.56%
Ave. On-Track	-9.01%
Ave. Off-Track	-9.81%
Ave. Interstate-Exported	-9.31%
Ave. ADW	-2.44%
Ave. Daily Attendance-Calif.	-3.46%
Ave. On-Track	-1.36%
Ave. Off-Track	-6.27%

San Mateo County Fair at San Mateo

August 9 – August 23, 2006

Race days: 12

AVERAGE DAILY STATISTICS

	PERCENTAGE CHANGE
Ave. Daily Handle	-5.97%
Ave. On-Track	-7.70%
Ave. Off-Track	-14.07%
Ave. Interstate-Exported	5.79%
Ave. ADW	-1.49%
Ave. Daily Attendance-Calif.	-3.34%
Ave. On-Track	7.40%
Ave. Off-Track	-10.28%

CALIFORNIA HORSE RACING BOARD
End-Of –Meet Summary**Page 2****Humboldt County Fair at Ferndale**
August 10 – August 20, 2006
Race days: 10**AVERAGE DAILY STATISTICS**

	PERCENTAGE CHANGE
Ave. daily handle	-3.94%
Ave. On-track	-6.17%
Ave. Off-track	-15.39%
Ave. Interstate-exported	-56.62%
Ave. ADW	0.84%
Ave. daily attendance-Calif.	-4.30%
Ave. On-track	-3.66%
Ave. Off-track	-4.78%

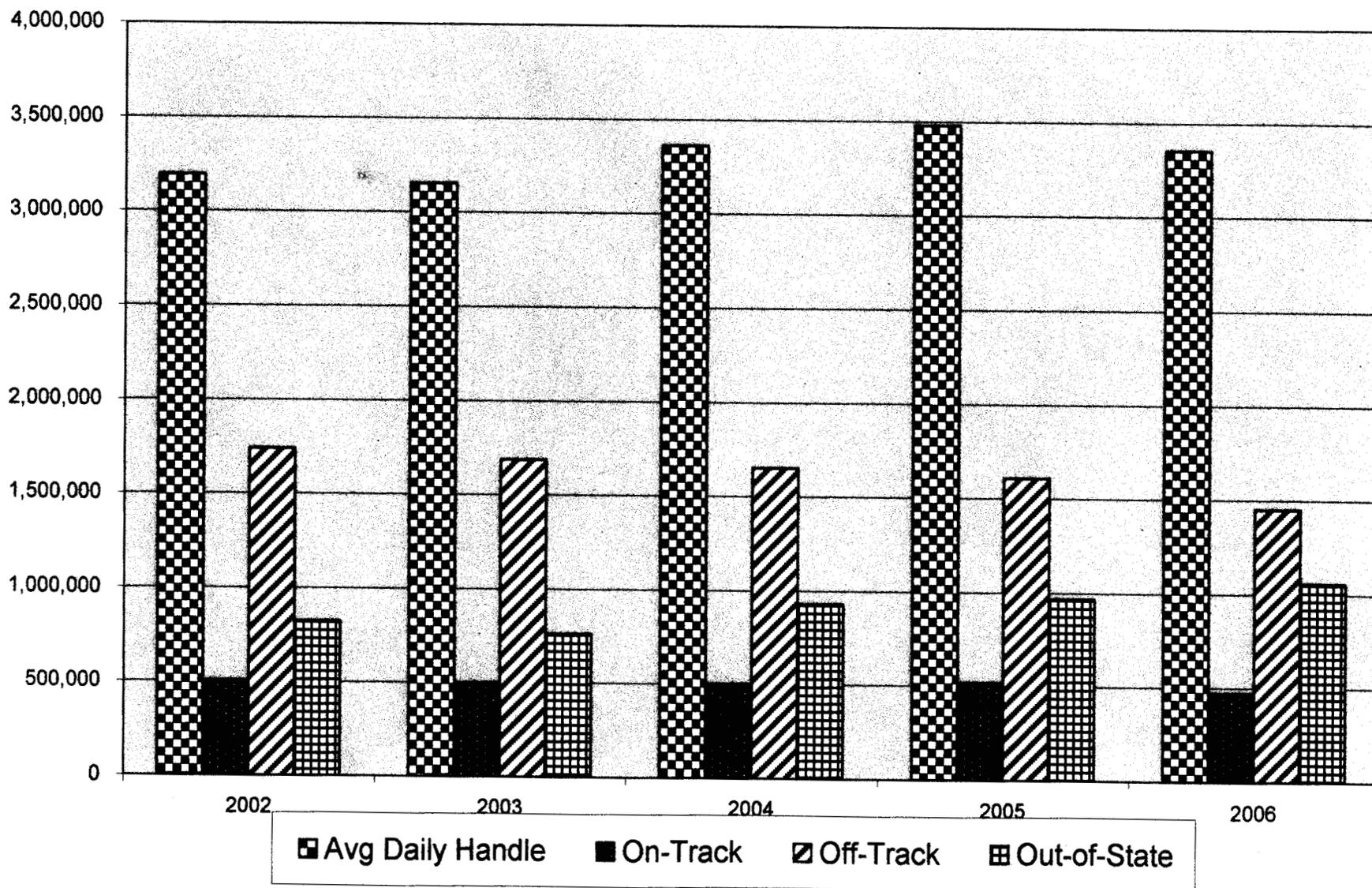
SONOMA COUNTY FAIR

YEAR	2002	2003	2004	2005	2006
TOTAL RACE DAYS	12	12	12	12	12
TOTAL HANDLE	38,294,049	37,806,166	40,331,217	41,717,374	40,232,745
ON-TRACK	6,059,343	5,970,978	5,998,847	6,203,650	5,644,607
OFF-TRACK	20,833,153	20,213,526	19,812,632	19,275,994	17,384,702
OUT-OF-STATE	9,858,839	9,119,985	11,141,527	11,587,839	12,667,115
ADW	1,542,714	2,501,677	3,378,211	4,649,891	4,536,321
LIVE	22,203,325	22,131,376	25,068,211	26,398,349	26,424,537
INTRASTATE IMPORTED	9,265,874	8,817,248	8,111,305	7,776,470	6,732,494
INTERSTATE IMPORTED	6,788,169	6,699,668	7,151,701	5,835,800	5,578,526
INTERNATIONAL IMPORTED	36,681	157,874	0	1,706,755	1,497,187
AVERAGE DAILY HANDLE	3,191,171	3,150,514	3,360,935	3,476,448	3,352,729
ON-TRACK	504,945	497,581	499,904	516,971	470,384
OFF-TRACK	1,736,096	1,684,461	1,651,053	1,606,333	1,448,725
INTERSTATE	821,570	759,999	928,461	965,653	1,055,593
AVERAGE ADW	128,560	208,473	281,518	387,491	378,027
AVERAGE LIVE	1,850,277	1,844,281	2,089,018	2,199,862	2,202,045
INTRASTATE IMPORTED	772,156	734,771	675,942	648,039	561,041
INTERSTATE IMPORTED	565,681	558,306	595,975	486,317	464,877
INTERNATIONAL IMPORTED	3,057	13,156	0	142,230	124,766
TOTAL TAKEOUT	7,531,718	7,536,530	8,210,741	8,481,298	8,211,343
EFFECTIVE TAKEOUT	19.67%	19.93%	20.36%	20.33%	20.41%
STATE LICENSE FEES	402,535	390,410	394,331	390,007	357,734
STATE %	1.05%	1.03%	0.98%	0.93%	0.89%
TRACK COMMISSIONS	1,409,442	1,339,087	1,359,991	1,361,244	1,256,335
ADW COMMISSIONS	72,712	106,871	153,714	206,909	226,833
TOTAL COMMISSIONS	1,482,154	1,445,958	1,513,705	1,568,152	1,483,168
TRACK %	3.87%	3.82%	3.75%	3.76%	3.69%
HORSEMEN'S PURSES	1,425,172	1,355,566	1,376,209	1,378,609	1,272,383
ADW PURSES	69,620	108,145	155,546	209,489	229,921
TOTAL PURSES	1,494,792	1,463,711	1,531,755	1,588,098	1,502,303
HORSEMEN'S %	3.90%	3.87%	3.80%	3.81%	3.73%

SONOMA COUNTY FAIR

YEAR	2002	2003	2004	2005	2006
CALIFORNIA ATTENDANCE	118,201	122,676	115,269	112,548	108,653
ON-TRACK	63,961	67,846	63,556	64,400	63,525
OFF-TRACK	54,240	54,830	51,713	48,148	45,128
DAILY ATTENDANCE	9,850	10,223	9,606	9,379	9,054
AVERAGE DAILY ON - TRACK	5,330	5,654	5,296	5,367	5,294
AVERAGE DAILY OFF - TRACK	4,520	4,569	4,309	4,012	3,761
TOTAL RACE EVENTS	133	134	134	133	132
STARTS	986	1,049	1,011	1,003	979
AVERAGE STARTS PER EVENT	7.4	7.8	7.5	7.5	7.4
AVERAGE HANDLE PER START	22,519	21,098	24,795	26,319	26,991

SONOMA COUNTY FAIR



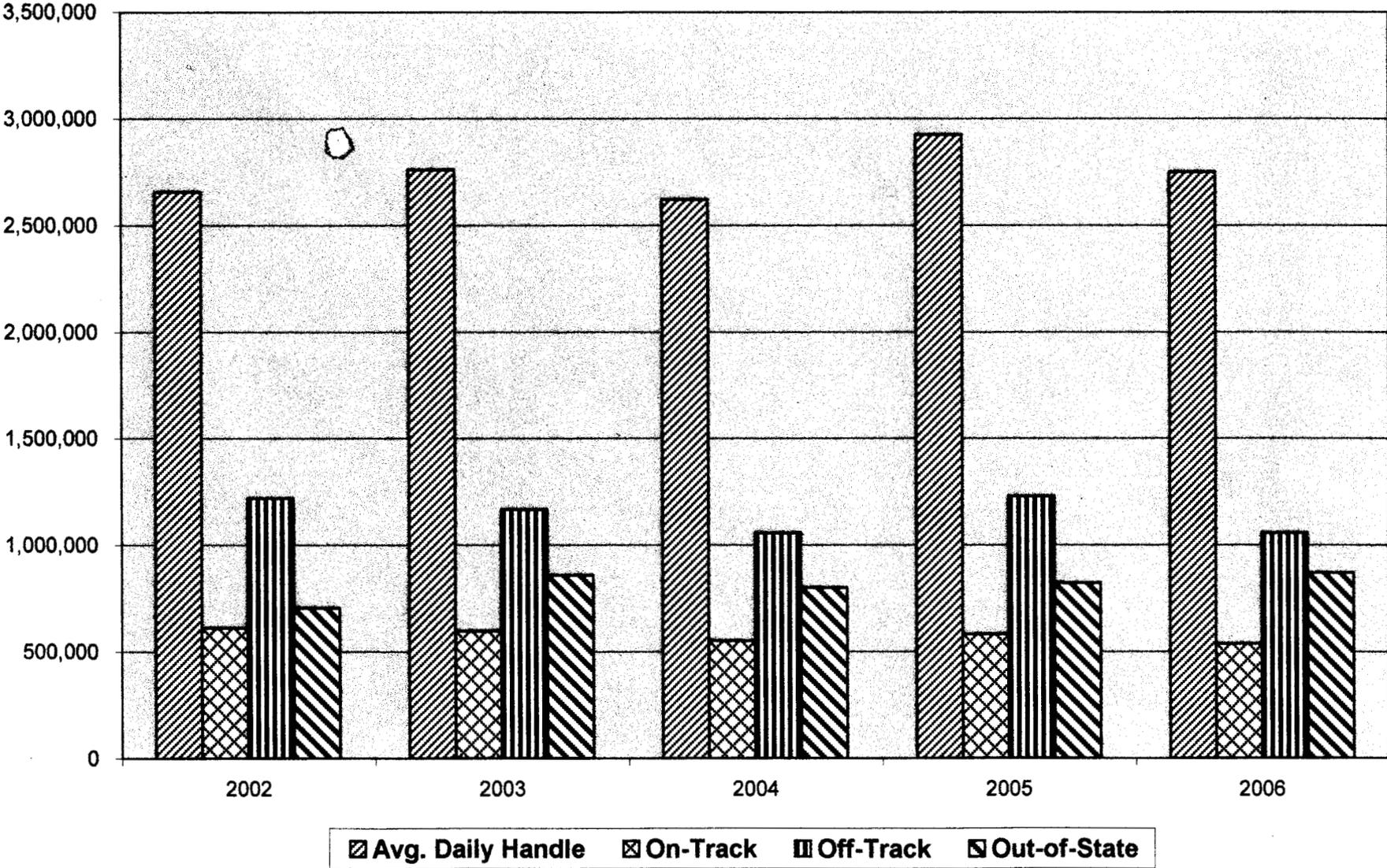
SAN MATEO COUNTY FAIR

YEAR	2002	2003	2004	2005	2006
TOTAL RACE DAYS	12	12	12	12	12
TOTAL HANDLE	31,862,794	33,095,531	31,429,897	35,073,812	32,980,437
ON-TRACK	7,330,295	7,160,665	6,616,631	6,973,546	6,436,307
OFF-TRACK	14,634,282	13,989,697	12,662,765	14,743,259	12,668,775
OUT-OF-STATE	8,456,901	10,296,174	9,602,634	9,851,395	10,421,845
ADW	1,441,316	1,648,996	2,547,867	3,505,612	3,453,511
LIVE	16,657,659	18,984,046	17,822,238	19,233,174	19,057,608
INTRASTATE IMPORTED	8,295,408	7,555,523	6,909,926	7,952,233	6,922,768
INTERSTATE IMPORTED	6,909,727	6,555,963	6,697,733	6,485,633	5,614,615
INTERNATIONAL IMPORTED	0	0	0	1,402,772	1,385,446
AVERAGE DAILY HANDLE	2,655,233	2,757,961	2,619,158	2,922,818	2,748,370
ON-TRACK	610,858	596,722	551,386	581,129	536,359
OFF-TRACK	1,219,524	1,165,808	1,055,230	1,228,605	1,055,731
INTERSTATE	704,742	858,015	800,220	820,950	868,487
AVERAGE ADW	120,110	137,416	212,322	292,134	287,793
AVERAGE LIVE	1,388,138	1,582,004	1,485,186	1,602,764	1,588,134
INTRASTATE IMPORTED	691,284	629,627	575,827	662,686	576,897
INTERSTATE IMPORTED	575,811	546,330	558,144	540,469	467,885
INTERNATIONAL IMPORTED	0	0	0	116,898	115,454
TOTAL TAKEOUT	6,140,693	6,355,874	6,409,255	7,168,798	6,758,863
EFFECTIVE TAKEOUT	19.27%	19.20%	20.39%	20.44%	20.49%
STATE LICENSE FEES	229,371	233,949	204,161	230,433	203,190
STATE %	0.72%	0.71%	0.65%	0.66%	0.62%
TRACK COMMISSIONS	1,182,474	1,155,665	1,054,551	1,158,909	1,054,130
ADW COMMISSIONS	71,778	82,106	113,891	164,036	174,010
TOTAL COMMISSIONS	1,254,252	1,237,771	1,168,442	1,322,944	1,228,140
TRACK %	3.71%	3.49%	3.36%	3.30%	3.20%
HORSEMEN'S PURSES	1,189,927	1,165,836	1,061,645	1,164,261	1,059,757
ADW PURSES	72,210	82,684	114,906	165,216	174,825
TOTAL PURSES	1,262,137	1,248,519	1,176,551	1,329,477	1,234,582
HORSEMEN'S %	3.73%	3.52%	3.38%	3.32%	3.21%

SAN MATEO COUNTY FAIR

YEAR	2002	2003	2004	2005	2006
CAIIFORNIA ATTENDANCE	71,538	71,453	61,286	64,845	62,676
ON-TRACK	29,480	30,836	25,818	25,428	27,310
OFF-TRACK	42,058	40,617	35,468	39,417	35,366
DAILY ATTENDANCE	5,962	5,954	5,107	5,404	5,223
AVERAGE DAILY ON - TRACK	2,457	2,570	2,152	2,119	2,276
AVERAGE DAILY OFF - TRACK	3,505	3,385	2,956	3,285	2,947
TOTAL RACE EVENTS	113	112	101	113	111
STARTS	714	760	670	800	761
AVERAGE STARTS PER EVENT	6.3	6.8	6.6	7.1	6.9
AVERAGE HANDLE PER START	23,330	24,979	26,600	24,041	25,043

SAN MATEO COUNTY FAIR



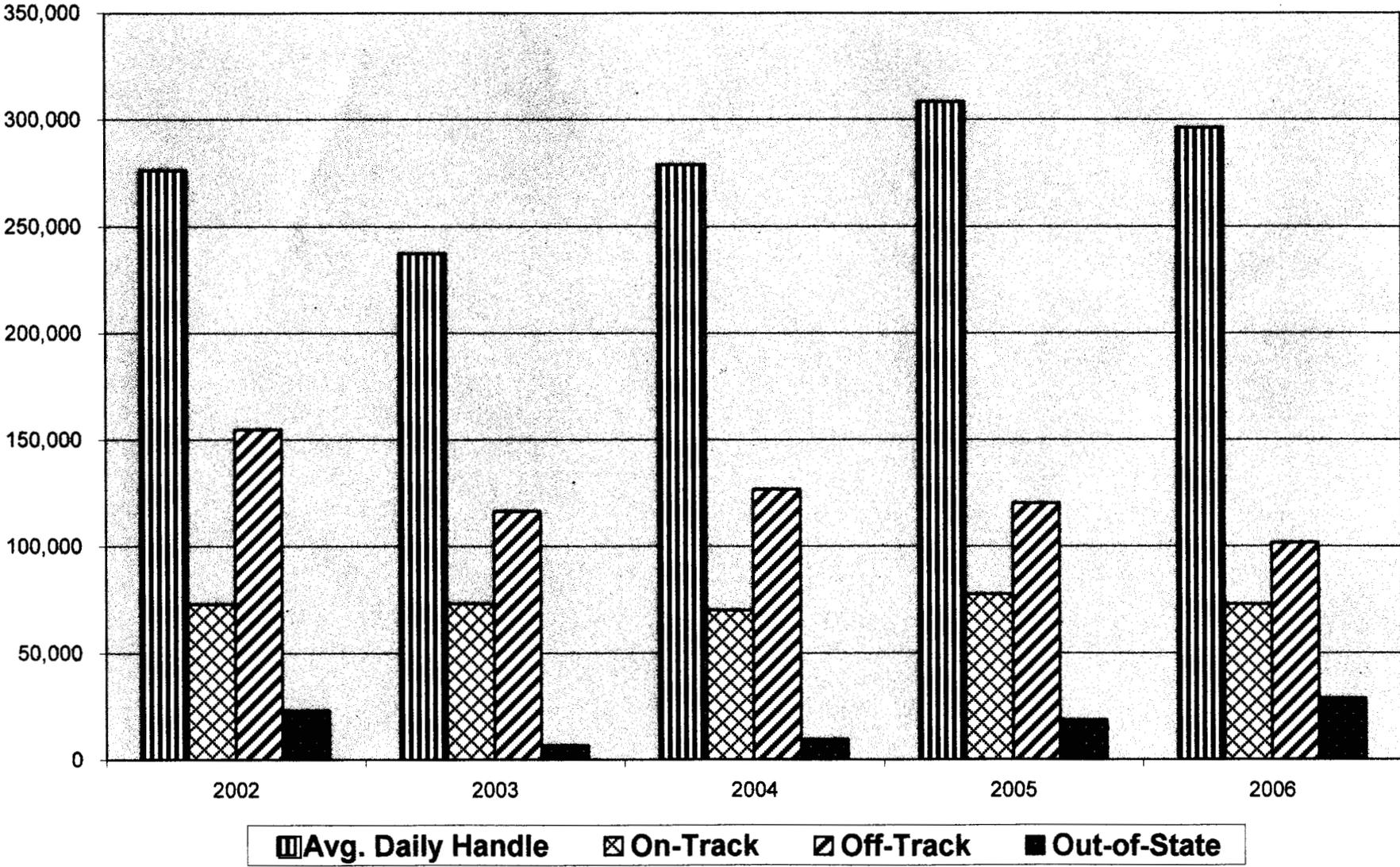
HUMBOLDT COUNTY FAIR

YEAR	2002	2003	2004	2005	2006
TOTAL RACE DAYS	10	10	10	10	10
TOTAL HANDLE	2,760,071	2,369,492	2,787,149	3,080,934	2,959,549
ON-TRACK	728,705	731,046	699,081	775,170	727,308
OFF-TRACK	1,545,617	1,163,479	1,264,637	1,200,644	1,015,848
OUT-OF-STATE	228,581	65,262	91,763	182,915	286,480
ADW	257,168	409,705	731,669	922,205	929,913
LIVE	2,760,071	2,369,492	2,787,149	3,080,934	2,959,549
INTRASTATE IMPORTED	0	0	0	0	0
INTERSTATE IMPORTED	0	0	0	0	0
INTERNATIONAL IMPORTED	0	0	0	0	0
AVERAGE DAILY HANDLE	276,007	236,949	278,715	308,093	295,955
ON-TRACK	72,871	73,105	69,908	77,517	72,731
OFF-TRACK	154,562	116,348	126,464	120,064	101,585
INTERSTATE	22,858	6,526	9,176	18,292	28,648
AVERAGE ADW	25,717	40,971	73,167	92,220	92,991
AVERAGE LIVE	276,007	236,949	278,715	308,093	295,955
INTRASTATE IMPORTED	0	0	0	0	0
INTERSTATE IMPORTED	0	0	0	0	0
INTERNATIONAL IMPORTED	0	0	0	0	0
TOTAL TAKEOUT	528,364	479,314	566,834	626,069	599,750
EFFECTIVE TAKEOUT	19.14%	20.23%	20.34%	20.32%	20.26%
STATE LICENSE FEES	32,663	26,769	28,050	28,682	25,764
STATE %	1.18%	1.13%	1.01%	0.93%	0.87%
TRACK COMMISSIONS	138,186	115,380	118,212	122,852	112,792
ADW COMMISSIONS	12,859	20,179	34,561	43,675	48,837
TOTAL COMMISSIONS	151,045	135,559	152,773	166,527	161,629
TRACK %	5.47%	5.72%	5.48%	5.41%	5.46%
HORSEMEN'S PURSES	142,076	119,605	122,188	127,540	117,310
ADW PURSES	13,234	21,083	35,780	45,104	50,668
TOTAL PURSES	155,309	140,688	157,968	172,644	167,977
HORSEMEN'S %	5.15%	5.94%	5.67%	5.60%	5.68%

HUMBOLDT COUNTY FAIR

YEAR	2002	2003	2004	2005	2006
CAIIFORNIA ATTENDANCE	59,320	58,433	52,587	53,112	50,829
ON-TRACK	22,919	22,442	21,759	22,811	21,975
OFF-TRACK	36,401	35,991	30,828	30,301	28,854
DAILY ATTENDANCE	5,932	5,843	5,259	5,311	5,083
AVERAGE DAILY ON - TRACK	2,292	2,244	2,176	2,281	2,198
AVERAGE DAILY OFF - TRACK	3,640	3,599	3,083	3,030	2,885
TOTAL RACE EVENTS	74	71	73	75	77
STARTS	482	416	421	483	484
AVERAGE STARTS PER EVENT	6.5	5.9	5.8	6.4	6.3
AVERAGE HANDLE PER START	5,726	5,696	6,620	6,379	6,115

HUMBOLT COUNTY FAIR



**Supplemental End of Meet Report
2006 Sonoma County Fair
Wine Country Racing Meet**
Prepared and Submitted by the Sonoma County Fair

INTRODUCTION:

The Wine Country Racing Meet at the Sonoma County Fair (SCF) was held during the annual Sonoma County Fair, July 25 – August 7, 2006. The Fair ran fourteen days while the meet ran 12. 2006 was the second year of Turf racing at the SCF. Over the past several months the CHRB has been interested in details regarding attendance trends, promotions and marketing and other factors that contribute to a successful meet. The Sonoma County Fair is happy to provide the enclosed details as a supplement to the raw financial data provided by CHRB staff.

First, as you know Wine Country Racing has enjoyed tremendous success in terms of handle and attendance over the past several years. Our investment of more than \$3,000,000 to build a turf course and make improvements to the infield, backstretch and RV facilities, has greatly improved our position and facility. The community support of Wine Country Racing is unmatched. Even still it is necessary to be creative in terms of promotions, marketing and planning.

MARKETING, PROMOTIONS AND “NEW FOR ‘06”:

The Sonoma County Fair has one of the oldest and longest running “Daily Racing Seminars” anywhere. The seminar is hosted by Vic Stauffer and Handicapper Danny Holmes. The seminar features prominent daily guests, lively and colorful commentary and daily picks. It is religiously attended by hundreds and is held in the center of the fairgrounds on an entertainment stage to insure greater exposure. This year saw the greatest number of attendees ever, with an average of more than 400 daily.

The Friday post time in 2006 was moved to 2:15 pm to position the Wine Country Racing more in line with Del Mar, whose first post on Fridays is 4:00 pm. The later post was very popular and certainly increased the Out of State handle and the handle for the early emerging breeds races. Overall we deemed the later post a success.

Another change in 2006 that resulted in increased exposure and participation in racing, was moving Free Seniors Day to Wednesday and off of the dark days on Tuesday. This resulted in attendance increases of 14% on the first Wednesday of the meet and 9% on the second. While the handle on those days did not increase, more people were exposed to the product.

During the Wine Country Racing Meet three souvenir giveaways were held to improve attendance and handle on slower days, a Wine Country Racing cap day, a Wine Country 6 pack cooler giveaway and a Classic Tom Chapman Commorative Poster giveaway were all very popular.

The Sonoma County Fair partners with many local businesses to expand outreach and add additional revenue. In 2006, Wine Country Racing was co-sponsored by River Rock Casino. The Casino provided financial support and marketing trade. Wine Country Racing was included in their club member newsletter where a special package was offered. In addition, they sponsored giveaways after each race on both Fridays. A database was generated from the giveaway sign-up that will be used in the future by both companies.

In 2005 the Sonoma County Fair invited TVG to do a live remote on the second Saturday of the meet. The TVG crew alternated with the Del Mar TVG broadcast that day and televised several races,

including the \$100,000 Joseph T. Grace Handicap. That day saw an increase in adw, out of state handle and the overall was up considerably. In 2006 through an arrangement with CARF, HRTV agreed to broadcast one day at each fair meet. This exposure for Wine Country Racing and fairs in general has been very valuable to increase the awareness of our product. In addition on-track fans enjoy it as a happening.

MEET STATISTICS:

CHRB staff has provided financial data to the Board, I want to draw your attention to three factors. First, while the 2006 meet was down it did rank as the seventh largest of all-time. It is important to note that last year was the third largest handle of all-time. The total handle for Wine Country Racing has remained steady with slight variations over the past seven or so years.

Second, day # 10, Saturday, August 5, 2006 was the fifth largest day of all-time in total handle, but was still less than the same day last year. 2005 was a tough year to beat.

Third is the issue of attendance. Reported on-track attendance at Fair race meets is not a true indicator of success, because it is not a real number. The racing grandstand, apron and surrounding areas all provide line of sight to the track, all areas are used by casual fairgoers and hardcore fans. Bets can be placed at areas where attendance is not measured. Fans with box seats or who have purchased grandstand or reserved seats are easy to count. Others who spend their day at the fair and are in and out of the track area or who watch from the lower grandstand, apron or free bleacher seating are not accurately accounted for. The accepted method of reporting on track attendance has been a formula that factors the number of programs sold, but this does not give an accurate representation of true attendance. Racing program information is available in other forms, and comps are not accounted for. The bottom line is that Horse Racing at Fairs is FREE, a seat in the Grandstand is sold for a fee, but the races are part of the overall fair experience. That having been said on track reported attendance at the 2006 Wine Country Racing meet was 63,525 versus 64,400 last year. The average daily attendance was 5,293 in 2006 with two days over 7,000. Total fair attendance was up 14.3% to 370,000 in fourteen days.

As far as numbers related to races and number of runners, we submit the following breakdown for your review.

	2006	2005	'06 AVG.	CHG.
RACES				
<u>Total Number of Races</u>	<u>132</u>	<u>133</u>	<u>11/day</u>	
Total Number of MXD Races	28	32	2.3/day	12.5%↓
Total Number of Turf Races	29	25	2.4/day	13.8%↑
Total Number of Dirt Races	75	76	8.6/ day	
RUNNERS				
<u>Total Number of Runners(all)</u>	<u>990</u>	<u>1014</u>	<u>7.5/race</u>	<u>2.4%↓</u>
Total Number of MXD	190	222	6.8/race (6.9)	14.4%↓
Total Number of Turf	236	202	8.14/race (8.08)	14.4%↑
Total Number of Dirt (TB)	564	590	7.52/race (7.7)	6.1%↓
Total Number All TB	800	792	7.7/race (7.5)	1.0%↑

STAFF ANALYSIS
DISCUSSION AND ACTION REGARDING THE ADOPTION OF A
CODE OF ETHICAL CONDUCT

Regular Board Meeting
September 20, 2006

BACKGROUND

Business and Professions (B&P) 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). B&P Code Section 19426 states the Governor may remove any Board member for incompetence, neglect of duty or corruption upon first giving him a copy of the charges against him and an opportunity to be heard. B&P Code Section 19423 prohibits a person from membership on the Board if the person, the person's spouse or any dependent child thereof holds a financial interest in any horse racing track; a financial interest or any position of management with any entity that conducts pari-mutuel horse racing; or holds a financial interest in a management or concession contract with any entity which conducts pari-mutuel horse racing. B&P Code Section 19424 provides that no Board member is disqualified from receiving a share of any purse awarded him as the result of any horse race as an owner of a horse or as a breeder of a California-bred horse. To maintain public confidence in the Board and the horse racing industry, it is essential that Commissioners conduct themselves and the business of the Board with honesty, integrity and impartiality. Commissioners must avoid conflicts of interest or even the appearance of conflicts of interest by adhering to a standard of ethical conduct. At its July 2006 Regular Meeting the Board discussed implementing an ethics policy for Board members.

ANALYSIS

Board Rule 2000, General Provisions, constitutes the Conflict of Interest Code of the California Horse Racing Board. Rule 2000 incorporates by reference the California Fair Political Practices Commission's (FPPC) Rule 18730, which contains the terms of a standard conflict of interest code. Under Board Rule 2000, Commissioners must file a statement of economic interests with the Board; a copy of which is forwarded to the FPPC. However, the Board currently does not have a complementary policy regarding ethical conduct. The proposed Code of Ethical Conduct (CEC) would fulfill that need. The proposed CEC provides that a Commissioner shall recuse himself in any matter before the Board that relates to persons who have or have had business dealings with the Commissioner, or to relatives or the spouse of the Commissioner. The CEC would also require recusal in matters before the Board involving organizations where a Commissioner served as a board member, committee member or advisor within the past five years. Under the proposed CEC a Commissioner may voluntarily recuse himself in any matter where he believes his participation could reasonably be interpreted as a conflict of interest, and the opinion of the Board's legal counsel shall

prevail in questions regarding recusal. In matters that may result in disciplinary action against the license of a relative, spouse or person employed by a Commissioner, the Commissioner shall recuse himself. This is also the case in matters regarding any horse owned in whole or in part by a Commissioner. The proposed CEC states a Commissioner may wager on the results of a race, provided such wagering is conducted in accordance with the Board's rules and regulations.

RECOMMENDATION

This item is presented for discussion.

CALIFORNIA HORSE RACING BOARD
DISCUSSION AND ACTION REGARDING THE ADOPTION OF A
CODE OF ETHICAL CONDUCT

Regular Board Meeting
September 20, 2006

In any matter before the Board a Commissioner shall recuse himself if:

(1) The matter before the Board relates to any person or entity the Commissioner currently has any business dealings with, or has had any business dealings with in the prior 3 years.

(2) The matter before the Board pertains to any relative or spouse of the Commissioner, or to any person who was previously employed by the Commissioner.

(3) The matter before the Board relates to any organization to which the Commissioner was a board member, committee member or advisor in the prior 3 years.

If a Commissioner believes his presence in a decision could reasonably be interpreted as a conflict of interest, he may voluntarily recuse himself.

The opinion of the Board's legal counsel shall prevail in questions regarding the recusal of a Commissioner.

A Commissioner who is recused shall not be copied on any materials, reports, investigations, or any information related to the matter before the Board.

A Commissioner shall refrain from any communications with racing officials or Board staff regarding any matters that may result in disciplinary action against the license of a relative, spouse or person employed by said Commissioner, or any horse owned in whole or in part by said Commissioner.

No Commissioner is disqualified from wagering on the result of a race, provided such wagering is conducted in accordance with the provisions of the Board's Rules and Regulations.